

**CITY OF LANCASTER REVITALIZATION AND IMPROVEMENT ZONE
AUTHORITY**

RESOLUTION No. 11-2018

ADOPTED – November 27, 2018

**AUTHORIZING THE USE OF \$1,500,000 OF 2017 CRIZ INCREMENT RECEIVED
FROM THE COMMONWEALTH OF PENNSYLVANIA IN OCTOBER 2018 TO
PURCHASE A PARTICIPATION INTEREST IN THE \$4,800,000 SQUARE
DEVELOPMENT, LP ACQUISITION LOAN WITH COMMUNITY FIRST FUND AND
THREE OTHER PARTICIPATING COMMUNITY DEVELOPMENT FINANCIAL
INSTITUTION LENDERS**

WHEREAS, the City of Lancaster City Revitalization and Improvement Zone (CRIZ) Authority approved the inclusion of the Lancaster Square redevelopment project including the Hotel Lancaster property (to become the Holiday Inn Lancaster in 2019) in the CRIZ Authority's application to the Commonwealth of Pennsylvania filed in December of 2013; and

WHEREAS, Square Development, LP received a \$4,800,000 loan from Community First Fund (CFF) of Lancaster, PA and three participating CDFI's in Pennsylvania to refinance the acquisition loan received in 2015 to acquire the hotel property to be redeveloped as a full-service hotel; and

WHEREAS, on February 27, 2018 the CRIZ Authority agreed to acquire a \$1,500,000 participation interest in this loan to reduce the risk of the CFF and the three participating CDFI's to encourage them to provide the refinancing loan with a ten-year loan with a twenty-year amortization schedule; and

WHEREAS, the CRIZ Authority had originally anticipated purchasing the participation interest over a four-year period due to the unpredictability of the CRIZ revenue to be received each year from the Commonwealth of Pennsylvania; and

WHEREAS, due to the total CRIZ revenues received in 2018 the CRIZ Authority is in a position to acquire 100% of the participation interest this year, or make a principal reduction payment to CFF and the three participating CDFI's of \$1,500,000 that would also reduce their exposure on the \$4,800,000 acquisition loan more quickly; and

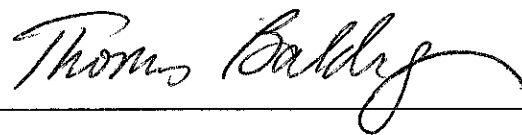
WHEREAS, after consideration of the options available to it, the CRIZ Authority has decided to purchase the participation interest in the acquisition loan and receive annual principal and interest payments from CFF equal to its share of the loan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Lancaster Revitalization and Improvement Zone (CRIZ) Authority to approve the use of \$1,500,000 from 2017 CRIZ revenues received from the Commonwealth of Pennsylvania in October 2018 to Community First Fund of Lancaster, PA and the three participating Community Development Financial Institutions to purchase a participation interest in the \$4,800,000 acquisition loan provided to Square Development, LP loan as authorized in Resolution No. 4-2018 adopted on February 27, 2108.

BE IT FURTHER RESOLVED that the purchase of the \$1.5 million participation interest in the loan completes the obligation of the CRIZ Authority as authorized in Resolution No. 4-2018 with regard to the \$4,800,000 loan, apart from the annual transfer of CRIZ increment created by the Hotel Lancaster (to become the Holiday Inn Lancaster in 2019) against annual principal and interest payments on the loan.

CERTIFICATE OF SECRETARY

I hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Board of Directors of the City of Lancaster Revitalization and Improvement Zone Authority at a regular meeting of said Board duly called and held on November 27, 2018; that public notice of said meeting was given as required by law; that said Resolution has been duly recorded upon the minutes of said Board; and that said Resolution has not been amended, repealed or superseded and is in full force and effect this 27th day of November, 2018.

A handwritten signature in cursive script, reading "Thomas Baldrige", written over a horizontal line.

Secretary, Thomas Baldrige