

SCHOOL DISTRICT OF LANCASTER
Lancaster County, Pennsylvania

RESOLUTION

A RESOLUTION AGREEING TO PARTICIPATE IN PART IN A PROPOSED TAX INCREMENT DISTRICT TO BE CREATED BY THE CITY OF LANCASTER AND TO BE KNOWN AS THE PENN SQUARE TAX INCREMENT DISTRICT, AND TAKING AND AUTHORIZING OTHER ACTION IN CONNECTION THEREWITH.

WHEREAS, under the Tax Increment Financing Act, as amended, 53 P.S. Sec. 6930.1, *et seq.* (the "Act"), the Redevelopment Authority of the City of Lancaster (the "Authority") has prepared a project plan (the "Project Plan") which proposes to create a tax increment district in the City of Lancaster, Lancaster County, Pennsylvania (the "City") to be known as the Penn Square Tax Increment District (the "TIF District"); and

WHEREAS, the Board of School Directors appointed Curtis D. Baker as its representative to meet with the Authority to discuss matters relevant to the proposed TIF District; and

WHEREAS, Mr. Baker met with the Authority to discuss matters relevant to the proposed TIF District; and

WHEREAS, the City has scheduled a public hearing concerning the creation of the proposed TIF District for April 8, 2005; and

WHEREAS, the School District agrees to participate in accordance with the provisions of this Resolution in the proposed TIF District; and

WHEREAS, the School District desires to enter into an agreement (the "Tax Increment Financing Agreement") with the Authority and other parties in order to set forth more fully the terms and conditions for the School District's participation in the proposed TIF District;

NOW, THEREFORE BE IT RESOLVED by the Board of School Directors of this School District as follows:

1. This School District hereby agrees, in accordance with the provisions of this Resolution, to participate in the proposed TIF District.
2. For all purposes of this Resolution, the phrase "Tax Increment" or "Tax Increment Revenues" shall be deemed to include all real property tax revenues resulting from the assessed value of taxable real property situated in the TIF District, excluding, however, any interest or penalty thereon if such taxes are not paid within the "discount" or "net" periods.
3. Subject to the provisions of this Resolution, this School District hereby allocates to the Authority one hundred percent (100%) of all Tax Increment Revenues of this School District for each fiscal year of this School District, beginning with the fiscal year beginning July 1, 2006, until the first to occur of (a) June 30, 2026, or (b) that time, after the completion of all improvements specified in the Project Plan, when the Authority has received aggregate Tax Increment Revenues allocated to it by the participating local government units in an amount equal to the aggregate of all expenditures made or monetary obligations incurred for expenditures and costs incurred or to be incurred for expenditures with respect to the Project that constitute "project costs" within the meaning of the Act (herein referred to as "Project Costs") for the TIF District, including the payment of all claims of holders of bonds issued by the Authority in accordance with the Project Plan ("TIF Bonds").
4. The Treasurer of this School District shall pay over to the Authority, for deposit in the fund to be established and identified by the Authority as the "tax increment fund" within the meaning of the Act (the "Tax Increment Fund"), the Tax Increment Revenues which are collected by this School District with respect to taxable real property in the TIF District.
5. The Tax Increment Revenues of this School District allocated to the Authority in accordance with this Resolution and collected by the Treasurer of this School District shall be considered, from and after the date of settlement of such taxes, whether or not paid into the Tax Increment Fund, as money impressed with a trust in favor of the Authority and its assignee for purposes of payment of Project Costs and principal and interest on the TIF Bonds issued by the Authority.
6. The Authority is hereby authorized to apply the allocated Tax Increment Revenues of this School District paid over to or for the benefit of the Authority to the payment of Project Costs and to the payment of TIF Bonds, in

accordance with the Act and the Project Plan. Without limiting the generality of the foregoing, the Authority may establish such reserves out of the allocated Tax Increment Revenues as may be deemed necessary or desirable for the security of holders of TIF Bonds.

7. Money remaining in the Tax Increment Fund, including any reserve account established by the Authority with Tax Increment Revenues, after payment or provision for payment of all Project Costs and the principal and interest on all TIF Bonds to maturity or any earlier date fixed for redemption has been made by the Authority shall be distributed by or on behalf of the Authority to the local government units participating in the TIF District in proportion to the real property tax millage rates of the participating local government units in effect as of the date when it shall be determined that such money is no longer needed by the Authority for payment of Project Costs or principal and interest on TIF Bonds, but in no event later than the date of termination of the TIF District.
8. This Resolution, and the School District's participation in the TIF District, is subject to the School District's entering into a Tax Increment Financing Agreement with the Authority and other parties, which Tax Increment Financing Agreement shall provide, *inter alia*, that:

- (a) With respect to the 2005-06 fiscal year through the 2008-09 fiscal year, there shall be paid to this School District on or before September 1 of each year the following amounts:

2005-06	\$ 29,099
2006-07	\$ 29,827
2007-08	\$ 30,572
2008-09	\$ 31,337

- (b) With respect to the 2009-10 fiscal year through the 2014-15 fiscal year, there shall be paid to this School District on or before September 1 of each year an amount equal to the lesser of 2.5% of the gross revenue of the Hotel or the amount of the Tax Increment, but not less than the following amounts:

2009-10	\$ 451,073
2010-11	\$ 464,857
2011-12	\$ 479,066
2012-13	\$ 493,713
2013-14	\$ 508,810
2014-15	\$ 524,372

- (c) With respect to the 2015-16 fiscal year through the 2024-25 fiscal year, there shall be paid to the School District on or before September 1 of each year an amount equal to the Tax Increment, but not less than the following amounts:

2015-16	\$ 722,972
2016-17	\$ 741,046
2017-18	\$ 759,572
2018-19	\$ 778,562
2019-20	\$ 798,026
2020-21	\$ 817,976
2021-22	\$ 838,426
2022-23	\$ 859,386
2023-24	\$ 880,871
2024-25	\$ 902,893

- (d) The payments described in the preceding subparagraph (a) through subparagraph (c) shall be secured by a letter of credit in the initial amount of \$4,000,000. The amount which may be drawn on the letter of credit shall be reduced October 1 of each year beginning October 1, 2006 by the amount paid to this School District in accordance with subparagraph (a) through subparagraph (c).
- (e) A portion of the payment due for the 2016-2017 fiscal year, and the payments due for the 2017-2018 fiscal year and succeeding fiscal years, shall be paid to the extent such amount is available from Hotel gross revenues after the payment of Hotel operating expenses, debt service (if any), lease payments to the Authority and to the Lancaster County Convention Center Authority, taxes, furniture and fixtures and equipment reserves reasonably established or required to be reserved in connection with operation of the Hotel, and structural reserves reasonably established or required to be reserved in connection with operation of the Hotel, and any other reserves reasonably required to be reserved pursuant to any financing agreement or lease pertaining to operation of the Hotel, as more fully set forth in the Tax Increment Financing Agreement.
- (f) If in any fiscal year funds are not available for the payments described in subparagraph (e) through any such deficiency shall be accumulated and paid in succeeding fiscal years to the extent such amount is available from Hotel gross revenue as described in subparagraph (e).

- (g) This School District shall pledge, and, to the extent permitted by applicable law, shall create a security interest in, the Tax Increment Revenues to or for the benefit and security of the Authority and the holders, from time to time, of TIF Bonds.
9. The proper officers of this School District are hereby authorized and directed to execute, to attest and to deliver the Tax Increment Financing Agreement. The Tax Increment Financing Agreement shall contain terms and conditions as are consistent with the provisions of this Resolution and/or which are appropriate or necessary to carry forth the provisions of this Resolution, together with such changes therein as the officer or officers of this School District executing the Tax Increment Financing Agreement, following consultation with the Solicitor of this School District, may approve, such officer's or officers' execution and delivery of the Tax Increment Financing Agreement to constitute conclusive evidence of such approval.
 10. Notwithstanding the foregoing or anything contained elsewhere in this Resolution, the TIF Bonds shall not constitute a debt or obligation of this School District and this School District shall not be required to, and shall not, pledge its full faith, credit or taxing power for payment of Project Costs or principal or interest on TIF Bonds.
 11. The President or Vice President and the Secretary or Assistant Secretary of the Board of School Directors of this School District are hereby each authorized and directed to execute and to deliver on behalf of this School District such other instruments, documents and certificates as the Authority may reasonably request as confirmation of the pledge, assignment and allocation to the Authority of the Tax Increment Revenues of this School District with respect to the TIF District. Each such instrument, document and certificate shall be in such form as the officer of this School District executing the same, following consultation with the Solicitor of this School District, may approve, such officer's execution and delivery of the same to constitute conclusive evidence of such approval.
 12. The Secretary of the Board of School Directors of this School District is hereby authorized and directed to deliver a certified copy of this Resolution to the Council of the City on or before April 8, 2005, which is the date on which such Council will hold a public hearing on the creation of the TIF District in accordance with the provisions of 53 Pa.C.S. §6930.5.
 13. The appointment of Curtis D. Baker to serve as the designated representative of this School District to meet with the Authority to discuss the Project Plan

and the tax increment financing contemplated by the Authority with respect to the TIF District is hereby approved, ratified and confirmed.

14. To the extent consistent with this Resolution, this School District approves, ratifies and confirms all action heretofore taken by its officers, its designated representative and other persons on its behalf in connection with the undertakings herein contemplated.
15. This Resolution shall become effective immediately.
16. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Board of School Directors of this School District that such remainder shall be and shall remain in full force and effect.
17. All prior resolutions or parts of prior resolutions inconsistent with this Resolution expressly are repealed.

DULY ADOPTED this 15th day of March, 2005, by the Board of School Directors of this School District in lawful session duly assembled.

ATTEST:

SCHOOL DISTRICT OF LANCASTER
Lancaster County, Pennsylvania

Secretary of the Board of School Directors

By: _____
(Vice) President of the Board of School
Directors

(SEAL)

CERTIFICATE

I, the undersigned, Secretary of the Board of School Directors of the SCHOOL DISTRICT OF LANCASTER, Lancaster County, Pennsylvania (the "School District"), certify that the foregoing Resolution was adopted by majority vote of the entire Board of School Directors of the School District at a meeting convened and held according to law on March 15, 2005; said Resolution was adopted by an aye and nay vote; said Resolution and the vote thereon has been recorded in the minutes of said meeting; and said Resolution has not been altered, modified, amended or repealed as of the date of this Certificate.

I further certify that the Board of School Directors of this School District met the advance notice requirements of the Sunshine Act, 65 Pa.C.S. §701, *et seq.*, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the administrative office of the School District or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting prior to the adoption of said Resolution, all as required by such Act.

IN WITNESS WHEREOF, I affix my hand and the official seal of the School District, this 15th day of March, 2005.

Secretary of the Board of School Directors

(SEAL)

**LANCASTER SCHOOL DISTRICT
Lancaster County, Pennsylvania**

RESOLUTION NO. _____

A RESOLUTION AGREEING TO PARTICIPATE IN A PROPOSED TAX INCREMENT DISTRICT TO BE CREATED BY THE CITY OF LANCASTER AND TO BE KNOWN AS THE PENN SQUARE TAX INCREMENT FINANCING DISTRICT, AND TAKING AND AUTHORIZING OTHER ACTION IN CONNECTION THEREWITH.

WHEREAS, pursuant to the Tax Increment Financing Act, as amended, 53 P.S. Sec. 6930.1, et seq. (the "Act"), the City of Lancaster, Lancaster County, Pennsylvania (the "City"), proposes to create a tax increment district in the City to be known as the Penn Square Tax Increment District (the "TIF District"); and

WHEREAS, The Redevelopment Authority of the City of Lancaster (the "Authority") has prepared a project plan for the TIF District (the "Project Plan") which includes the following:

1. A statement listing the kind, number, and location of all proposed public works or improvements and/or all residential, commercial or industrial development and revitalization improvements within the TIF District and all construction, rehabilitation or repair of public infrastructure improvements located outside the TIF District which are of direct benefit to the undertakings of the Authority in the TIF District;
2. An economic feasibility study of the proposed undertakings and activities of the Authority in the TIF District (the "Project") and the fiscal effects on the municipal tax base;
3. A detailed list of all expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred as costs of public works or improvements or residential, commercial or industrial development or revitalization within the proposed TIF District, and all construction, rehabilitation or repair of public infrastructure improvements located outside the TIF District which are of direct benefit to the undertakings of the Authority in the TIF District, plus costs incidental thereto (the "Project Costs");

4. A description of the methods of financing, all estimated Project Costs and the time when related costs or monetary obligations are to be incurred;
5. A map showing existing uses and conditions of real property in the TIF District;
6. A map showing proposed improvements and uses in the TIF District;
7. Proposed changes of any zoning ordinance, master plan, map, building code or ordinance;
8. A list of estimated non-project costs;
9. A statement of the proposed method for the relocation of families, persons and businesses to be displaced temporarily or permanently from housing or commercial facilities in the project area by implementation of the Project Plan; and

WHEREAS, on March __, 2005, after hearing a presentation on the nature and benefits of creating such Tax Increment Financing District (including a description of the proposed boundaries of the TIF District, the tentative plans for development in the TIF District and an estimate on investment values, tax revenues, etc.), the Board of School Directors of this School District, at the public meeting held on that date, adopted a resolution of intent to participate in such TIF District; and

WHEREAS, the Board of School Directors appointed _____ as its representative(s) to meet with the Authority to discuss the Project Plan, this School District's contribution of real estate tax increments toward Project Costs, the tax increment financing of the Project Costs, and other matters relevant to the proposed TIF District, and the Authority was notified of the designation of such individual(s) as this School District's representative(s) in this matter; and

WHEREAS, such designated representative(s) of this School District has (have) met with the Authority to discuss the creation of the TIF District, the boundaries of the TIF District, development within the TIF District, the tax increment that this School District would contribute to the tax increment fund to be established in connection with the Project, the exclusion of particular parcels of property from the TIF District, tax collection for the TIF District, and other matters relevant to the proposed TIF District; and

WHEREAS, the City intends to schedule at least one public hearing concerning the creation of the proposed TIF District; and

WHEREAS, the School District desires to participate in the proposed TIF District to be created by the City, in accordance with the formal presentation and Project Plan previously presented by the Authority to the Board of School Directors of this School District; and

WHEREAS, the School District desires to enter into an agreement with the Authority and, if necessary or desirable, other parties; to approve the substantial form of such agreement;

and to authorize its officers to execute such agreement and other, related instruments, certificates, agreements and documents and to take or to authorize other related necessary or appropriate action.

NOW, THEREFORE BE IT RESOLVED by the Board of School Directors of this School District as follows:

1. This School District hereby agrees to participate in the proposed TIF District to be created by the City, in accordance with the Project Plan as prepared by the Authority and presented to the Board of School Directors of this School District at or before this meeting, a copy of which shall be filed with the Secretary of the Board of School Directors this School District.
2. For all purposes of this Resolution, the phrase "Tax Increment" or "Tax Increment Revenues" shall be deemed to include (1) all incremental ad valorem real property tax revenues resulting from an increase in the total market value of taxable real property situated in the TIF District, determined with reference to the aggregate market value of all taxable real property located within the TIF District as of the date of its creation, whether such incremental revenues are generated by real property tax levies at the millage rate in effect on the date of creation of the TIF District or real property tax levies at any future, increased millage rate during the term of existence of the TIF District; and (2) all payments in lieu of real property taxes assigned to or agreed to be paid by governmental entities or nonprofit organizations with respect to real property situated in the TIF District, *excluding*, however, the portion of such payments in lieu of real property taxes that equals the real property taxes that would be payable, if the subject property were not exempt from taxation, at the millage rate in effect on the date of creation of the TIF District or at any future, increased millage rate during the term of existence of the TIF District, on the market value of the subject property as of the date of creation of the TIF District.
3. This School District hereby allocates to the Authority one hundred percent (100%) of all Tax Increment Revenues of this School District for each fiscal year of this School District, beginning with the fiscal year ending June 30, 2005, until that time, after the completion of all improvements specified in the Project Plan, when the Authority has received aggregate Tax Increment Revenues allocated to it by the participating local government units in an amount equal to the aggregate of all expenditures made or monetary obligations incurred for expenditures and costs incurred or to be incurred for expenditures with respect to the Project that constitute "project costs" within the meaning of the Act (herein referred to as "Project Costs") for the TIF District, including the payment of all claims of holders of bonds issued by the Authority in accordance with the Project Plan ("TIF Bonds").

4. The Treasurer of this School District shall pay over to the Authority, for deposit in the fund to be established and identified by the Authority as the "tax increment fund" within the meaning of the Act (the "Tax Increment Fund"), out of all real property taxes collected by this School District with respect to property in the TIF District, that portion which represents the Tax Increment Revenues of this School District so allocated to the Authority. The Treasurer is also authorized to pay over to the Authority for deposit into the Tax Increment Fund any other gifts, grants, appropriations or other revenues to be applied to payment of Project Costs or payment of TIF Bonds.
5. The portion of the Tax Increment Revenues of this School District allocated to the Authority in accordance with this Resolution and collected by the Treasurer of this School District shall be considered, from and after the date of settlement of such taxes, whether or not paid into the Tax Increment Fund, as money impressed with a trust in favor of the Authority and its assignee for purposes of payment of Project Costs and principal and interest on the TIF Bonds issued by the Authority.
6. The Authority is hereby authorized to apply the allocated Tax Increment Revenues of this School District paid over to or for the benefit of the Authority to the payment of Project Costs and to the payment of TIF Bonds, in accordance with the Act and the Project Plan. Without limiting the generality of the foregoing, the Authority may establish such reserves out of the allocated Tax Increment Revenues as may be deemed necessary or desirable for the security of holders of TIF Bonds.
7. Money remaining in the Tax Increment Fund, including any reserve account established by the Authority with Tax Increment Revenues, after payment or provision for payment of all Project Costs and the principal and interest on all TIF Bonds to maturity or any earlier date fixed for redemption has been made by the Authority shall be distributed by or on behalf of the Authority to the local government units participating in the TIF District in proportion to the real property tax millage rates of the participating local government units in effect as of the date when it shall be determined that such money is no longer needed by the Authority for payment of Project Costs or principal and interest on TIF Bonds, but in no event later than the date of termination of the TIF District.
8. This School District shall enter into a written agreement with the Authority and, if necessary or desirable, other parties implementing the intent and purpose of the Project Plan and this Resolution. Under the Agreement, this School District shall pledge, and, to the extent permitted by applicable law, shall create a security interest in, the Tax Increment Revenues to or for the benefit and security of the Authority and the holders, from time to time, of TIF Bonds

9. The proper officers of this School District are hereby authorized and directed to execute, to attest and to deliver the Agreement. The Agreement shall be substantially in the form submitted to the Board of School Directors at or before adoption of this Resolution, together with such changes therein in such form as the officer or officers of this School District executing the same may approve, following consultation with the Solicitor of this School District, such officer's or officers' execution and delivery of the Agreement to constitute conclusive evidence of such approval.
10. Notwithstanding the foregoing or anything contained elsewhere in this Resolution, the TIF Bonds shall not constitute a debt or obligation of this School District and this School District shall not be required to, and shall not, pledge its full faith, credit or taxing power for payment of Project Costs or principal or interest on TIF Bonds.
11. The President or Vice President and the Secretary or Assistant Secretary of the Board of School Directors of this School District are hereby authorized each authorized and directed to execute and to deliver on behalf of this School District such other instruments, documents and certificates as the Authority may reasonably request as confirmation of the pledge, assignment and allocation to the Authority of the Tax Increment Revenues of this School District with respect to the TIF District. Each such instrument, document and certificate shall be in such form as the officer of this School District executing the same may approve, following consultation with the Solicitor of this School District, such officer's execution and delivery of the same to constitute conclusive evidence of such approval.
12. The Secretary of the Board of School Directors of this School District is hereby authorized and directed to deliver a certified copy of this Resolution to the Council of the City on or before _____, 2005, which is the date on which such Council will hold a public hearing on the creation of the TIF District in accordance with the provisions of 53 Pa.C.S. §6930.5.
13. The appointment of _____ to serve as the designated representative(s) of this School District to meet with the Authority to discuss the Project Plan and the tax increment financing contemplated by the Authority with respect to the TIF District is hereby approved, ratified and confirmed.
14. This School District approves, ratifies and confirms all action heretofore taken by its officers, its designated representative(s) and other persons on its behalf in connection with the undertakings herein contemplated, to the extent not inconsistent with this Resolution.
15. This Resolution shall become effective immediately.

16. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Board of School Directors of this School District that such remainder shall be and shall remain in full force and effect.

17. All prior resolutions or parts of prior resolutions inconsistent with this Resolution expressly are repealed.

DULY ADOPTED this ___ day of _____, 2005, by the Board of School Directors of this School District in lawful session duly assembled.

LANCASTER SCHOOL DISTRICT,
Lancaster County, Pennsylvania

ATTEST:

Secretary of the Board of School Directors

By: _____
(Vice) President of the Board of School
Directors

(SEAL)

CERTIFICATE

I, the undersigned, Secretary of the Board of School Directors of the LANCASTER SCHOOL DISTRICT, Lancaster County, Pennsylvania (the "School District"), certify that the foregoing Resolution was adopted by majority vote of the entire Board of School Directors of the School District at a meeting convened and held according to law on _____, 2005; said Resolution was adopted by an aye and nay vote; said Resolution and the vote thereon has been recorded in the minutes of said meeting; and said Resolution has not been altered, modified, amended or repealed as of the date of this Certificate.

I further certify that the Board of School Directors of this School District met the advance notice requirements of the Sunshine Act, 65 Pa. C. S. §701, *et seq.*, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the administrative office of the School District or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting prior to the adoption of said Resolution, all as required by such Act.

IN WITNESS WHEREOF, I affix my hand and the official seal of the School District, this _____ day of _____, 2005.

Secretary of the Board of School Directors

(SEAL)

LANCASTER SCHOOL DISTRICT
Lancaster County, Pennsylvania

RESOLUTION

WHEREAS, The Redevelopment Authority of the City of Lancaster (the "Authority"), has made a presentation to the Board of School Directors regarding the creation of a tax increment district in the City of Lancaster to be known as the "Penn Square Tax Increment Financing District" pursuant to the Tax Increment Financing Act, as amended, 53 P.S. §6930.1, et seq. (the "Act"), which presentation has included a project plan containing, among other things, a description of the proposed boundaries of such tax increment district, the plans for development or redevelopment of such district, and an estimate of the general impact of the proposed district on property values and tax revenues.

NOW, THEREFORE BE IT RESOLVED by the Board of School Directors of this School District that _____ is hereby appointed and designated as this School District's representative to meet with the Authority for purposes of discussing the Project Plan and the contemplated tax increment financing, and the Secretary of the Board of School Directors of this School District is hereby directed to notify the Authority of the foregoing appointment and designation.

DULY ADOPTED this ___ day of _____, 2005, by the Board of School Directors of this School District in lawful session duly assembled.

LANCASTER SCHOOL DISTRICT,
Lancaster County, Pennsylvania

ATTEST:

Secretary of the Board of School Directors

By: _____
(Vice) President of the Board of School
Directors

(SEAL)

CERTIFICATE

I, the undersigned, Secretary of the Board of School Directors of the LANCASTER SCHOOL DISTRICT, Lancaster County, Pennsylvania (the "School District"), certify that the foregoing Resolution was adopted by majority vote of the entire Board of School Directors of the School District at a meeting convened and held according to law on _____, 2005; said Resolution was adopted by an aye and nay vote; said Resolution and the vote thereon has been recorded in the minutes of said meeting; and said Resolution has not been altered, modified, amended or repealed as of the date of this Certificate.

I further certify that the Board of School Directors of this School District met the advance notice requirements of the Sunshine Act, 65 Pa. C. S. §701, *et seq.*, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the administrative office of the School District or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting prior to the adoption of said Resolution, all as required by such Act.

IN WITNESS WHEREOF, I affix my hand and the official seal of the School District, this _____ day of _____, 2005.

Secretary of the Board of School Directors

(SEAL)