



MEMORANDUM OF UNDERSTANDING

THIS Memorandum of Understanding (the "MOU") is made as of July 28, 2022, by and between **DISCOVER LANCASTER ("DISCOVER LANCASTER")** and the **LANCASTER COUNTY CONVENTION CENTER AUTHORITY ("THE AUTHORITY")**.

Background

1. Discover Lancaster is the appointed tourist promotion agency for the County of Lancaster, Pennsylvania, with its principal place of business as 501 Greenfield Road, Lancaster, Pennsylvania 17601. Discover Lancaster was previously known as the Pennsylvania Dutch Convention & Visitors Bureau ("PDCVB").

2. The Authority, pursuant to powers granted in the "Third Class County Convention Center Authority Act", undertook development and construction of the Lancaster County Convention Center, including funding the design, acquisition, construction, furnishing and equipping a multi-purpose convention center facility and related and ancillary facilities (the "Convention Center Unit"); establishing and funding of necessary reserves and other funds; and funding the costs and expenses of issuance of the bonds issued to finance the development and construction ("the Project").

3. The Authority operates subject to a Trust Indenture entered into on or about August 1, 2014, relating to the Hotel Room Rental Tax Revenue Bonds ("2014 Bond Series"), which is guaranteed by the County of Lancaster (the County").

4. Discover Lancaster and the Authority are parties to a Memorandum of Understanding dated October 10, 2018 which directing payment of County hotel room rental tax ("HRRT") to the Authority (2018 MOU) the Authority until December 31, 2023.

5. Pursuant to the 2018 MOU, Discover Lancaster, executed an irrevocable letter to the Lancaster County Treasurer directing that one hundred percent (100%) of the County HRRT revenue be provided to the Authority. A copy of the letter is attached hereto as Exhibit "A".

6. The Authority through its underwriters Raymond James Securities and RBC Securities will market and sell all of the Authority's 35-year Fixed Interest Rate bonds issued in 2022. The bonds, indentures, agreements and all other documents executed as a part of the 2022 35-Year Fixed Rate Bond issuance will be referred to as "the 2022 Authority Bond Issue."

7. The Authority's Notice to Proceed with the bond issuance is contingent on a Lancaster County guarantee of the bonds Debt Service Reserve Fund and continued direction of Discover Lancaster's HRRT revenues to the Authority.

8. The Authority and Discover Lancaster acknowledge and agree that the continued financial stability of the Convention Center to be provided by extending financial commitments through December 31, 2057, is important to the marketability of the Convention Center and, in turn, the promotion and attraction of business, industry, commerce and tourism within Lancaster County.

9. The promotion and attraction of business, industry, commerce and tourism within the County is essential to the missions of the Authority and Discover Lancaster, and therefore the Notice to Proceed by the Authority is desirable for both entities.

10. The purpose of this MOU is to memorialize the understanding of the Authority and Discover Lancaster regarding adjustment of the Authority's Furniture, Fixtures and Equipment and Capital Reserve funding schedule, and to extend Discover Lancaster's commitment to directing HRRT revenues to the Authority through December 31, 2057

AGREEMENT

NOW THEREFORE, in consideration of the benefits to be received by each party from the arrangements set forth herein, other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. **Incorporation of Background.** The foregoing Background is incorporated into this Agreement as if stated in full herein.

2. **Future Marketing Commitment.**

A. **Marketing Consortium Budget.** The Authority shall transfer the available funds for marketing and sales expenses for Priority 1 and Priority 2 events, in the amounts set forth herein.

2023	\$ 448,974.40	2032	\$ 536,565.97	2041	\$ 641,246.00	2050	\$ 766,348.33
2024	\$ 457,953.89	2033	\$ 547,297.29	2042	\$ 654,070.92	2051	\$ 781,675.30
2025	\$ 467,112.97	2034	\$ 558,243.23	2043	\$ 667,152.34	2052	\$ 797,308.80
2026	\$ 476,455.23	2035	\$ 569,408.10	2044	\$ 680,495.39	2053	\$ 813,254.98
2027	\$ 485,984.33	2036	\$ 580,796.26	2045	\$ 694,105.30	2054	\$ 829,520.08
2028	\$ 495,704.02	2037	\$ 592,412.19	2046	\$ 707,987.40	2055	\$ 846,110.48
2029	\$ 505,618.10	2038	\$ 604,260.43	2047	\$ 722,147.15	2056	\$ 863,032.69
2030	\$ 515,730.46	2039	\$ 616,345.64	2048	\$ 736,590.09	2057	\$ 880,293.35
2031	\$ 526,045.07	2040	\$ 628,672.55	2049	\$ 751,321.89		

The amounts set forth herein shall be in addition to any other marketing operations established and maintained by the Authority in its annual budget.

B. The Authority's Furniture, Fixtures and Equipment and Capital Reserve Account. The Authority's reserve funding schedule shall be as follows for the years provided, the monies for which shall be deposited into an FF&E and Capital Reserve Account owned and maintained by the Authority:

2023	\$ 1,050,000.00	2032	\$ 1,000,000.00	2041	\$ 2,100,000.00	2050	\$ 3,750,000.00
2024	\$ 1,050,000.00	2033	\$ 1,250,000.00	2042	\$ 2,200,000.00	2051	\$ 4,000,000.00
2025	\$ 1,050,000.00	2034	\$ 1,250,000.00	2043	\$ 2,300,000.00	2052	\$ 4,250,000.00
2026	\$ 1,050,000.00	2035	\$ 1,250,000.00	2044	\$ 2,400,000.00	2053	\$ 4,500,000.00
2027	\$ 1,050,000.00	2036	\$ 1,250,000.00	2045	\$ 2,500,000.00	2054	\$ 4,500,000.00
2028	\$ 1,050,000.00	2037	\$ 1,250,000.00	2046	\$ 2,750,000.00	2055	\$ 4,500,000.00
2029	\$ 1,000,000.00	2038	\$ 1,500,000.00	2047	\$ 3,000,000.00	2056	\$ 4,500,000.00
2030	\$ 1,000,000.00	2039	\$ 1,750,000.00	2048	\$ 3,250,000.00	2057	\$ 4,500,000.00
2031	\$ 1,000,000.00	2040	\$ 2,000,000.00	2049	\$ 3,500,000.00		

This schedule may be modified to maintain the required quality standards in the existing Convention Center Unit and common elements of the condominium, as set forth in the Declaration of Condominium, last amended by the Amended and Restated Declaration of Condominium, recorded at Document No. 6330807 in the Office of the Recorder of Deeds for Lancaster County.

3. **HRRT Contribution of Discover Lancaster.** On or before November 18, 2022, Discover Lancaster shall execute and deliver an irrevocable letter to the County Treasurer, directing one hundred percent (100%) of HRRT revenues to the Authority for the period beginning January 1, 2024 through December 31, 2057. This is an extension of for four hundred and twenty (420) months from the provisions described the October 2018 MOU.

A. If for any reason during this period, Discover Lancaster receives funds for payment of HRRT revenues from any entity, Discover Lancaster agrees to endorse said check over and deliver same to the Authority within two (2) business days.

B. Each December 31, through December 31, 2057 (i) the funds and/or cash equivalents on deposit by the Authority under the Authority Bond Documents exceed Five Million Seven Hundred and Fifty Thousand Dollars (\$5,750,000.00), after payment of all obligations of the Authority then due and owing (including, but not limited to, those as set forth more fully in this MOU and all the Authority Bond Documents) and (ii) the Authority certifies in writing that it is not in breach of this MOU or the Authority Bond Document, then the Authority shall notify the Trustee to remit payment of the lesser of (i) any funds in excess of \$5,750,000.00 to Discover Lancaster and (ii) an amount not to exceed the equivalent of twenty (20%) percent of the HRRT revenues for that year.

C. Any payment made pursuant to paragraph 4.B by the Authority/Trustee shall be made by electronic transfer no later than January 15 each year.

4. **Marketing Consortium.** A marketing consortium consistent with that established in Resolution #39 of 2014 of the County of Lancaster shall be maintained to review and advise, in accordance with the provisions of Resolution #39 until such time as this MOU expires. Funds for the marketing consortium that are withdrawn from bond reserves shall not exceed the schedule set forth in paragraph 2.A.

5. **Entire Agreement; Amendment.** This MOU and the documents referred to herein and to be delivered pursuant hereto constitute the entire agreement between the parties pertaining to the subject matter hereof, and – except as expressly otherwise provided herein – supersede all prior agreements, understandings, negotiations and discussions of the parties, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein or in the documents referred to herein and to be delivered pursuant hereto. No amendment, supplement, modification or waiver of this MOU or any terms shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this MOU shall be deemed or shall constitute a waiver of any other provision of this MOU, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

6. **Modification.** In the event the 2022 Authority Bond Issue is refinanced and the bond principal and interest payments increase, or the duration of the 2022 Authority Bond Issue increases, this MOU may be renegotiated. Any modifications shall be effective only if made in writing and executed by the parties hereto.

7. **Governing Law.** This MOU is subject to and shall be construed and interpreted according to the laws of the Commonwealth of Pennsylvania.

8. **Assignment.** This MOU shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.

9. **Notices.** All notices to be given by either party to the other shall be in writing and shall be effective upon receipt, and may be delivered or mailed by certified mail, return receipt requested, postage prepaid, or sent by a nationally recognized overnight carrier addressed as set forth below.

To the Authority:
Lancaster County Convention Center Authority
Attn: Executive Director
25 South Queen Street
Lancaster, Pennsylvania 17603

To Discover Lancaster:
Discover Lancaster

Attn: President
501 Greenfield Road
Lancaster, Pennsylvania 17601

10. **Counterparts; Headings.** This MOU may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute one and the same agreement. The section and paragraph headings in this MOU are inserted for convenience of reference only and shall not constitute a part of this MOU.

11. **Severability.** If any provision, clause or part of this MOU, or the application thereof under certain circumstances, is held invalid, the remainder of this MOU, or the application of such provision, clause or part under other circumstances, shall not be affected thereby.

12. **No Reliance.** The parties hereto assume no liability to any person not a party to this MOU because of any reliance on the representations, warranties and agreements of the parties contained herein; no person shall be a third-party beneficiary of this MOU.

13. **Due Execution.** This MOU has been executed and delivered pursuant to a resolution of the Board of Directors of each of the Authority and Discover Lancaster duly adopted and the person executing this MOU has been duly authorized to do so.

ATTEST:

By: 

Title: Administrative Coordinator

DISCOVER LANCASTER

By: 

Title: President

ATTEST:

By: 

Title: Executive Director

LANCASTER COUNTY CONVENTION
CENTER AUTHORITY

By: 

Title: Board Chair, the Authority