

DAUPHIN COUNTY GENERAL AUTHORITY

Minutes of Regular Meeting- June 19, 2013

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PERSONS PRESENT

Members:

Barbara Zemlock, Chairman
David W. Shannon, Vice Chairman (Via
Teleconference)
David M. Transue, Secretary
William D. Kohl, Treasurer
Douglas S. Gelder, Asst. Sec. /Asst. Treasurer

Advisors:

Jay Wenger, Susquehanna Group Advisors
Guy Beneventano, Esquire
Alphonse Miller, M&T Trust Company

Office Staff:

Cynthia L. Boratko, Executive Director
Abby L. Gabner, Asst. Executive Director
Darlene Graby, Accountant

MINUTES

CALL TO ORDER:

Ms. Zemlock, Chairman of the Board, called the Meeting to Order at 8:00 a.m. It was noted that a quorum was present and that the meeting had been properly advertised and that consistent with past practices, the meeting was being tape-recorded.

The Chairman of the Board also stated that Executive Sessions were held on May 28 and June 06, 2013 to obtain the advice of counsel on pending real estate issues.

APPROVAL OF MINUTES:

Motion: It was moved by Mr. Kohl and seconded by Mr. Transue to approve the Regular Board Meeting Minutes of May 15, 2013.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

PUBLIC COMMENT:

Nothing to report.

REPORT FROM FINANCIAL ADVISOR: Mr. Wenger

Mr. Wenger reported to the board that another client he works with, Tel Hai Retirement Community, is offering a conduit financing opportunity to DCGA. The facility is in Honey Brook, PA located in Chester County. Mr. Wenger is predicting a financing fee in the \$15,000-\$19,000 range. The size of the issue will be approximately \$50M however some of that will be paid back following the construction phase which would leave a long-term net obligation of approximately \$30M. The consensus of the board is to explore this opportunity.

REPORT FROM THE TRUSTEE: Mr. Miller

The Trustee submitted a written report to the Board. He noted that revenue was slightly higher this month for the Hyatt. Mrs. Boratko inquired as to whether or not the Trustee will be able to make any replenishment to the Hyatt's Bond Reserve fund. Mr. Miller believes there will be enough to cover the interest but he is skeptical that a principal payment will be made. He is working with Trustee's counsel to determine if this constitutes a payment default.

REPORTS FROM COMMITTEES:**Golf Committee**

Mr. Transue reported to the board that the golf committee met with Billy Casper Golf (BCG) on Friday, June 14, 2013. The course is doing well despite a challenging weather cycle. It is running about \$32,000 and 857 rounds ahead of budget. DHGC is #2 in the region as compared to other BCG-run courses. Recent capital purchases include two mowers and a lift. In terms of marketing, BCG is doing a tremendous job. They have sold eight 7-day memberships, two 5-day memberships, 305 advantage cards (goal was 250), 32 player development programs, and are the national top-sellers of BCG's "Putterpalooza" event by selling 51 putters. On August 12, 2013 BCG will be participating in a national outing to help raise money for the "Wounded Warriors Project". They are working with the Dauphin County Veterans' Affairs office to promote the event and have invited a local veteran, Dominick DiFrancesco, to be the honorary chairman. Quotes are being obtained for the "Poolhouse" project which is anticipated to begin construction in October/November. The clubhouse roof project is expected to begin in the off-season.

REPORT FROM SOLICITOR: Mr. Beneventano

The solicitor deferred his presentation of two contracts until after Executive Session.

FINANCIAL REPORT: Mrs. Graby

Updated financial reports and an executive summary were provided to members of the Board.

EXECUTIVE DIRECTOR'S REPORT: Mrs. Boratko

Mrs. Boratko provided a written report and requested the board act on the following items:

I. 100 CHESTNUT STREET

Monthly Operational Request #06-2013

Motion: It was moved by Mr. Kohl and seconded by Mr. Gelder to approve payment of the monthly Operational Request.

Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye. Motion Carried.

II. DAUPHIN COUNTY GENERAL AUTHORITY***A. Audit Certification Letter for year ending December 31, 2012***

Motion: It was moved by Mr. Shannon and seconded by Mr. Kohl to approve execution of the Audit Representation Letter.

Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye. Motion Carried.

B. Tel Hai Retirement Community – Conduit Financing Request

No formal action was taken but rather a consensus by the board for the Financial Advisor to explore this opportunity.

C. HDID 2013 Contribution Request

This item has been tabled to allow for review by the Budget Committee and to consider a contribution for 2014.

D. MaherDuessel Invoice for Audit Services Rendered

Motion: It was moved by Mr. Kohl and seconded by Mr. Transue to approve payment of the MaherDuessel invoice for audit services rendered.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

III. HYATT HOTEL PROJECT

A. Arbitrage Rebate Letter

Motion: It was moved by Mr. Gelder and seconded by Mr. Kohl to approve execution of the Arbitrage Rebate Letter.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

B. Requisition #44-2013 McNees, Wallace & Nurick Invoice for Legal Services Rendered

Motion: It was moved by Mr. Gelder and seconded by Mr. Kohl to approve payment of Hyatt Requisition #44-2013.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

C. Requisition #42-2013 MaherDuessel Invoice for PILOT Schedule Report

Motion: It was moved by Mr. Kohl and seconded by Mr. Gelder to approve payment of Hyatt Requisition #42-2013.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

IV. RIVERFRONT OFFICE CENTER

A. Arbitrage Rebate Letter

Motion: It was moved by Mr. Gelder and seconded by Mr. Kohl to approve execution of the Arbitrage Rebate Letter.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

B. R&R Requisition #02-2013 Fike Bros. Carpet

Motion: It was moved by Mr. Gelder and seconded by Mr. Kohl to approve Riverfront Office Center R&R Requisition #02-2013.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

OLD BUSINESS:

Nothing to report.

MATTERS REQUIRING ACTION

I. HYATT HOTEL PROJECT

Revenue Fund Requisitions - #43, 45, 46, 47, 48 - 2013

Motion: It was moved by Mr. Transue and seconded by Mr. Kohl to approve payment of Requisitions #43, 45, 46, 47, 48 - 2013.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

BOARD RATIFICATIONS

I. HYATT HOTEL PROJECT

Operational Funding Requisition

Motion: It was moved by Mr. Kohl and seconded by Mr. Gelder to ratify Requisition #41-2013.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

II. RIVERFRONT OFFICE CENTER

Parking Lot Leases

Motion: It was moved by Mr. Transue and seconded by Mr. Kohl to ratify the parking lot leases for Riverfront Office Center.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

OTHER BUSINESS:

Nothing to report.

EXECUTIVE SESSION:

The Board went into Executive Session at 8:25 a.m.

RECONVENE REGULAR SESSION:

The Executive Session adjourned at 9:29 a.m. The Chair reported that during Executive Session the board obtained the advice of counsel on pending real estate issues.

I. HYATT HOTEL PROJECT

A. Majority Bondholder Consent Agreement - Fortress

Motion: It was moved by Mr. Kohl and seconded by Mr. Gelder to approve the majority bondholder consent agreement.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

B. Purchase and Sale Agreement – Potential Sale of the Hyatt Hotel to MHF Properties, LLC

Motion: It was moved by Mr. Kohl and seconded by Mr. Gelder to approve the purchase and sale agreement contingent upon the receipt of the fully executed majority bondholder consent agreement approved by Fortress.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

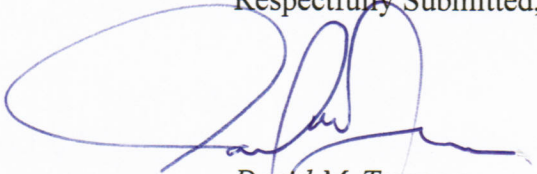
ADJOURNMENT:

Motion: It was moved by Mr. Transue and seconded by Mr. Gelder to adjourn the meeting.

*Question: Ms. Zemlock – Aye, Mr. Gelder – Aye, Mr. Shannon – Aye, Mr. Transue – Aye, Mr. Kohl - Aye.
Motion Carried.*

The meeting was adjourned at 9:32 a.m.

Respectfully Submitted,



David M. Transue
Secretary