



PHOENIX**IDA**

Item 3

RESOLUTION NO. 2022-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, GRANTING APPROVAL OF A LOAN IN THE AMOUNT OF UP TO \$6,000,000 WITH RESPECT TO THE PROJECT DEFINED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION WITH THE LOAN; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE LOAN; AND AUTHORIZING OTHER ACTIONS NECESSARY IN CONNECTION WITH COMPLETING THE LOAN.

WHEREAS, The Industrial Development Authority of the City of Phoenix, Arizona (the “Authority”), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”) empowered under A.R.S. § 35-706(A)(9) of the Industrial Development Financing Act, as amended (the “Act”), to make secured and unsecured loans for the purpose of financing the acquisition, construction, improvement or equipping of a “project” (as defined in the Act) on terms and conditions as its board of directors (“Board of Directors”) may deem advisable for the purposes set forth in the Act; and

WHEREAS, the Authority has entered into negotiations with representatives of HPPC II, LLC, an Arizona limited liability company (“HPPC”), with respect to a loan in the amount of up to \$6,000,000 (the “Loan”) from the Authority to an HPPC-formed Arizona special purpose entity (the “Borrower”), to finance the land acquisition, project reimbursements, and initial soft costs for the construction of the proposed Park Central Hotel to be located at or near 3150 North Central Avenue, Phoenix, (the “Project”); and

WHEREAS, the Loan will be disbursed in two draw amounts: 1) an initial \$3,500,000 draw to fund land acquisition, project reimbursements and initial soft costs; and 2) a final \$2,500,000 draw when the Borrower’s primary construction lender (the “Construction Lender”) funds the first draw amount of its loan (the “Construction Loan”) in respect of the Project; and

WHEREAS, the Loan will be evidenced by a promissory note (the “Note”) made by the Borrower and made payable to the Authority; and

WHEREAS, the Loan will be secured by a perfected first lien on the land acquired by the Loan proceeds, as evidenced by a deed of trust (the “Deed of Trust”) made by the Borrower for the benefit of the Authority, and a collateral assignment (the “Assignment”) executed by the Borrower in favor of the Authority; and

WHEREAS, the Authority will subordinate the Deed of Trust to the Construction Lender’s lien upon the closing of the Construction Loan; and

WHEREAS, the Borrower will execute and deliver the Note, the Deed of Trust, the Assignment, and all other documents to the Authority as required in connection with the Loan (collectively, the “Loan Documents”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona as follows:

Section 1. Conditional Consent to Loan. Upon satisfaction of all conditions referenced in Section 2 below, the Authority hereby consents to the Loan.

Section 2. Conditions. The Authority's consent to the Loan is subject to the approval of the final version of the Loan Documents by the Authority's chief executive officer (the "CEO") and legal counsel to the Authority, the satisfactory completion of all conditions to the Loan Documents, and the Authority's receipt of the Loan Documents and any other instruments which the CEO and legal counsel to the Authority reasonably deem to be necessary or appropriate under the circumstances.

Section 3. Approval of Contract. The Authority hereby approves and consents to the Loan Documents containing the substantive terms and conditions described above and as presented during the Board of Directors meeting of even date herewith, with such changes, additions or deletions as may be approved by the CEO and legal counsel to the Authority.

Section 4. Execution of Documents and Further Actions. The CEO is authorized to enter into, execute, and deliver the Loan Documents and any other agreement, amendment or other document or consent, upon advice of legal counsel to the Authority, deemed necessary or appropriate (a) to evidence the foregoing actions, or (b) to carry out the intent of this Resolution.

Section 5. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, agents or its CEO, including but not limited to the engagement of legal counsel, directed toward the completion of the Loan, are hereby approved and ratified.

Section 6. Further Actions. The CEO, upon satisfaction of the conditions set forth in Section 2 hereof, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including without limitation, the execution and delivery of the Loan Documents required to be delivered in connection with the Loan.

Section 7. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. Waiver. Any provision of any bylaws, orders, procedural pamphlets and resolutions of the Authority inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any bylaw, order, procedural pamphlet or resolution or any part thereof.

Section 9. Open Meeting Laws. It is found and determined that all formal actions of the Authority and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the Authority and the State.

Section 10. Liability. The CEO, the members of the governing body of the Authority and any director, officer, official, employee or agent of the Authority shall not be subject to any personal liability or accountability by reason of the completion of the Loan. The liability of the Authority with respect to any document executed in connection with the transactions contemplated hereby, including the Loan Documents, shall be limited as provided in the Act and such documents.

Section 11. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 12. Effectiveness. This Resolution shall take effect immediately.

Section 13. Notice. Notice of Arizona Revised Statutes Section 38-511 is hereby given. The provisions of that statute by this reference are incorporated herein to the extent of applicability to matters contained herein under the laws of the State.

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PASSED, ADOPTED, AND APPROVED on this 21st day of July, 2022.

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA

By: _____
Juan Salgado, Chief Executive Officer