

Jefferson County Civic Facility Development Corporation

800 Starbuck Avenue, Suite 800

Watertown, New York 13601

Telephone: (315) 782-5865 or (800) 553-4111 Facsimile (315) 782-7915

Notice of Board Meeting

Date: August 22, 2019

To: Chairman David Converse
John Jennings
Robert Aliasso
W. Edward Walldroff
Paul Warneck
William Johnson
Lisa L'Huillier

From: Donald C. Alexander

Re: Notice of Board of Directors Meeting

The Jefferson County Civic Facility Development Corporation will hold their board meeting on **Thursday, September 5, 2019 at 9:00 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

Please confirm your attendance with Peggy Sampson pssampson@jcida.com at your earliest convenience.

pss

c: David Zembiec
Lyle V. Eaton
Joseph Russell, Esq.
Media

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BOARD MEETING AGENDA

Thursday, September 5, 2019

9 a.m.

- I. Call to Order**
- II. Minutes of the Meeting of June 6, 2019**
- III. Treasurer's Report for June 30, 2019, July 31, 2019, and August 31, 2019**
- IV. Committee Reports**
- V. Unfinished Business**
- VI. New Business**
 - 1. Consider Resolution Number 09.05.2019.01 for Jefferson FSA Auxiliary, LLC**
- VII. Adjournment**

**Jefferson County Civic Facility Development Corporation
Board Meeting Minutes
June 6, 2019**

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The Jefferson County Civic Facility Development Corporation held their board meeting on Thursday, June 6, 2019 in the board room at 800 Starbuck Avenue, Watertown, NY.

Present: David Converse, Chair, John Jennings, Robert E. Aliasso, Jr., W. Edward Walldroff, Paul Warneck, Lisa L’Huillier, William Johnson

Also Present: Don Alexander, David Zembiec, Lyle Eaton, Joy Nuffer, Marshall Weir, and Joseph Russell, Esq.

Excused: None

Absent: None

- I. Call to Order:** Mr. Converse called the meeting to order at 10:25 a.m.
- II. Minutes:** Minutes of the regular meeting held February 14, 2019 were presented. A motion to approve the minutes as presented was made by Mr. Johnson, seconded by Mr. Aliasso. All in favor. Carried.
- III. Treasurer’s Report:** Mr. Aliasso reviewed the financials for the income statement and balance sheet for the periods ending February 28, March 31, April 30, and May 31, 2019. A motion was made by Mr. Aliasso to accept the financial reports as presented, seconded by Mr. Johnson. All in favor. Carried.
- IV. Committee Reports:**
 - a. Finance Committee**
 - i. 2019-2020 Budget** – After review and discussion, a motion was made by Mr. Warneck to approve the proposed budget as presented, seconded by Mr. Jennings. All in favor. Carried.
- V. Unfinished Business:** None.
- VI. New Business:** None.
- VII. Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Aliasso, seconded by Mr. Jennings. All in favor. The meeting adjourned at 10:28 a.m.

**RESOLUTION 09.05.2019.01
(Jefferson FSA Auxiliary, LLC Project)**

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A regular meeting of the Jefferson County Civic Facility Development Corporation was convened in public session on Thursday, September 5, 2019, at ____ a.m., local time, at 800 Starbuck Avenue, Watertown, New York.

On motion duly made by _____ and seconded by _____, the following resolution was placed before the members of the Jefferson County Civic Facility Development Corporation (the “Issuer”):

RESOLUTION OF THE JEFFERSON COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS NECESSARY AND INCIDENTAL TO THE MODIFICATION OF BANK RATE MODE WITH RESPECT TO THE ISSUER’S \$22,525,000 AGGREGATE PRINCIPAL AMOUNT JEFFERSON COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION MULTI-MODAL REVENUE BONDS (JEFFERSON FSA AUXILIARY, LLC PROJECT), SERIES 2013

WHEREAS, pursuant to the powers and purposes contained in Section 1411 of the Not-For-Profit Corporation Law (the “N-PCL”) of the State of New York (the “State”), as amended (hereinafter collectively called the “Act”), and pursuant to its certificate of incorporation filed on April 25, 2011 (the “Certificate”), the **JEFFERSON COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION** (the “Issuer”) was established as a not-for-profit local development corporation of the State with the authority and power to (a) construct, acquire, rehabilitate and improve for use by others industrial or manufacturing plants in the territory in which its operations are principally to be conducted, (b) to assist financially in such construction, acquisition, rehabilitation and improvement, to maintain such plants for others in such territory, (c) to acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein, (d) to borrow money and to issue negotiable bonds, notes and other obligations therefor, (e) to sell, lease, mortgage or otherwise dispose of or encumber any of its real or personal property or any interest therein upon such terms as it may determine to be suitable, and (f) to undertake certain projects and initiatives for the benefit of and to lessen the burdens of Jefferson County, New York (the “County”); and

WHEREAS, pursuant to the Certificate and the N-PCL, the Issuer’s corporate powers include, but are not limited to, the power to finance facilities for not-for-profit and other corporations, acquire, improve, maintain, equip and furnish projects, to lease such projects and collect rent; to sell and convey any and all of its property, to loan the proceeds of its bonds to not-for-profit corporations and other entities whenever the Board of Directors shall find such action to be in furtherance of the purposes for which it was organized; and to issue bonds for the purpose of carrying out any of its powers; all bonds to be payable solely out of revenues and receipts derived from the leasing or sale by the Issuer of its projects; and

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WHEREAS, on June 27, 2013, the Issuer issued its Multi-Mode Revenue Bonds (Jefferson FSA Auxiliary, LLC Project), Series 2013, in the original principal amount of \$22,525,000 (the “Bonds”) for the benefit of **JEFFERSON FSA AUXILIARY, LLC** (the “Company”), a limited liability company disregarded for federal income tax purposes and wholly controlled by the **FACULTY-STUDENT ASSOCIATION OF JEFFERSON COMMUNITY COLLEGE, INC.** (the “Institution”), for the purpose of financing of all or a portion of the costs of a certain project (the “Project”), consisting of the following: (A) (1) the acquisition of a fee title, leasehold or other interest in a parcel or parcels of land located at 1220 Coffeen Street, Watertown, New York, comprising in the aggregate approximately six (6) acres (the “Land”); (2) the acquisition, construction, and equipping on the Land of a four-story, approximately 290-bed, 96,000-square foot student housing facility and related improvements (including, but not limited to, parking and common areas) operated by the Institution to provide housing and related services to students attending Jefferson Community College (collectively the “Improvements”); and (3) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment”, and together with the Improvements, the “Facility”); and (B) the paying of all or a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds, capitalized interest and any reserve funds as may be necessary to secure the Bonds; and

WHEREAS, the Bonds were issued pursuant to a certain Indenture of Trust, dated as of June 1, 2013 (the “2013 Indenture”), by and between the Issuer **MANUFACTURERS AND TRADERS TRUST COMPANY**, as Trustee (the “Trustee”) for the holders of the Bonds, and various other documents, including: (i) a Loan Agreement, dated as of June 1, 2013 (the “2013 Loan Agreement”), by and between the Issuer, as lender, and the Company, as borrower; (ii) a Pledge and Assignment, dated as of June 1, 2013 (the “2013 Pledge and Assignment”) from the Issuer to the Trustee and **RBS CITIZENS, N.A.**, as bond purchaser now known as **CITIZENS BANK, N.A.** (the “Purchaser”), and acknowledged by the Company; (iii) a Tax Compliance Agreement, dated June 27, 2013 (the “2013 Tax Compliance Agreement”) by and among the Issuer, the Company, and the Institution; and (iv) related documents; and

WHEREAS, the Bonds were purchased by the Purchaser pursuant to a according to the terms of a certain Bond Purchase Agreement and Reimbursement Agreement, dated as of June 1, 2013 (the “2013 Bond Purchase Agreement”; and, together with the 2013 Indenture, the 2013 Loan Agreement the 2013 Pledge and Assignment, the 2013 Tax Compliance Agreement and related documents, the “2013 Bond Documents”), by and among the Issuer, the Company and the Purchaser; and

WHEREAS, at the request of the Company and Purchaser, and pursuant to a resolution adopted by the Issuer on December 7, 2017, the Issuer authorized the reissuance of the Bonds as of December 20, 2017 (collectively, the “2017 Amendment and Reissuance”) in connection with conversion of same from fixed rate mode to bank rate mode, such reissuance having been undertaken by and through the amendment and modification of certain of the 2013 Bond Documents (the “2017 Bond Documents”); and

WHEREAS, the Company has requested that the Issuer and the Purchaser modify the terms of the Bond Documents to modify the existing Bank Rate Mode (the “Modification”), and

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the Purchaser has agreed to such conversion pursuant to the terms and conditions outlined in that certain letter and term sheet, dated August 20, 2019 (the "Modification Request"), attached hereto as Schedule A, from the Purchaser to the Company; and

WHEREAS, the Issuer is willing to consent to the Modification Request and to execute and deliver any documents necessary or desirable in connection with the Modification Request, subject to the terms of this Resolution; and

WHEREAS, in order effect the Modification, the Issuer hereby authorizes the amendment and/or supplement of the 2013 Bond Documents and 2017 Bond Documents as necessary, including the Indenture, Bond Purchase Agreement, Loan Agreement, Pledge and Assignment, Tax Compliance Agreement and certain other documents and instruments acceptable to the parties thereto will be executed and delivered (collectively, the "Modification Documents"); and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 NYCRR Part 617, as amended (collectively referred to as "SEQRA"), the Modification constitutes a Type II action under SEQRA; and

WHEREAS, the Issuer desires to adopt a resolution authorizing (i) the execution and delivery of the Modification Documents to which the Issuer is a party and (ii) the modification of the Bank Rate Mode of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE JEFFERSON COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION AS FOLLOWS:

Section 1. Based upon representations made by the Institution to the Issuer, the Issuer makes the following findings and determinations:

- (a) The Modification Request constitutes a Type II action pursuant to SEQRA, and the Issuer has no further responsibilities under SEQRA with respect to the Modification Request; and
- (b) It is desirable and in the public interest for the Issuer to comply with the Modification Request and the execution and delivery of the Modification Documents.

Section 2. The Issuer hereby approves the modification of the Bank Rate Mode of the Bonds as set forth within the Modification Request. The form and substance of the replacement Bond bearing interest at the modified Bank Rate (in substantially the form presented within the Modification Request) are hereby approved; and the Secretary of the Issuer is hereby directed to include a copy of the form of replacement Bond bearing interest at the modified Bank Rate with the records of the Issuer.

Section 3. In consequence of the foregoing, and as determined necessary to

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effectuate the foregoing, the Issuer hereby determines to cause a mandatory tender of the Bonds and to execute and deliver the Modification Documents and all other documents necessary and incidental to the modification of the Bank Rate of the Bonds, including but not limited to the Modification Documents and a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the replacement Bond (the “Information Return”) and replacement Bond bearing interest at the modified Bank Rate, along with related documents (the “Financing Documents”).

Section 4. The Chairman (or Vice Chairman) and/or Executive Director (each, an “Authorized Representative”) of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Financing Documents and any documents necessary and incidental to the modification of the Bank Rate of the Bonds; and the Secretary of the Issuer is hereby authorized to affix the seal of the Issuer thereto where appropriate and to attest the same, all in substantially the forms thereof presented to this meeting or as otherwise authorized hereby with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) and/or Executive Director and Harris Beach PLLC, as Bond Counsel, shall approve, including but not limited to the date of the Financing Documents. The execution of the Financing Documents by the Chairman (or Vice Chairman) and/or Executive Director of Issuer shall constitute conclusive evidence of such approval. The Chairman (or Vice Chairman) and/or Executive Director of Issuer are further authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer.

Section 5. The officers, employees, and agents of the Issuer are hereby authorized and directed for and in the name and or behalf of the Issuer to do all acts and things required or provided by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, including the Financing Documents, and to do all such further acts and things as may be necessary or in the opinion of the officer, employee, or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Issuer with all of the terms, covenants, and provisions of the Financing Documents binding upon the Issuer.

Section 6. It is hereby found and determined that all formal actions of the Issuer concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Issuer; and that all deliberations of the Issuer and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 7. Due to the complex nature of this transaction, the Issuer hereby authorizes its Chairman (or Vice Chairman) and/or Executive Director to approve, execute and deliver such further agreements, documents and certificates as the Issuer may be advised by Harris Beach PLLC, Bond Counsel to the Issuer, to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by the execution of any such agreements, documents or certificates by the Chairman (or Vice Chairman) and/or Executive Director.

Section 8. All other documents entered into in connection with the Bonds shall remain in full force and effect.

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Section 9. This Resolution shall take effect immediately.

The question of adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	YEA	NAY	ABSTAIN	ABSENT
William Johnson	[]	[]	[]	[]
David J. Converse	[]	[]	[]	[]
Paul Warneck	[]	[]	[]	[]
Robert E. Aliasso, Jr.	[]	[]	[]	[]
Lisa L'Huillier	[]	[]	[]	[]
John Jennings	[]	[]	[]	[]
W. Edward Walldroff	[]	[]	[]	[]

The Resolution was thereupon declared duly adopted.

Adopted: September 5, 2019

STATE OF NEW YORK)
COUNTY OF JEFFERSON) SS:

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I, the undersigned (Acting) Secretary of Jefferson County Civic Facility Development Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of Jefferson County Civic Facility Development Corporation (the "Corporation"), including the resolution contained therein, held on September 5, 2019, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Corporation and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Corporation had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the Directors of the Corporation present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this __ day of September, 2019.

(Acting) Secretary

[SEAL]

Schedule A

Modification Request

Exhibit A

Citizens
Commercial Banking

Not For Profit and Healthcare Banking
250 S Clinton St.
Syracuse, NY 13202
Telephone: 315 -471 -7454
Facsimile: 315 471 7411
Patrick.Szalach@citizensbank.com

August 20, 2019

Mr. Robert Santamoor, Executive Director
Jefferson FSA Auxiliary, LLC
Watertown, New York

Re: Bond Modification (Replacing Commitment Letters Dated June 20, 2019 and July 30, 2019)

Dear Mr. Santamoor,

On behalf of Citizens Bank, N.A., (Citizens'), I am pleased to inform you that, subject to the terms and conditions outlined in the attached Term Sheet (which forms a part hereof and is hereby incorporated herein), Citizens is willing to modify Jefferson FSA Auxiliary, LLC ("Borrower") 2013 Tax Exempt Bond described in the Term Sheet (the "Facility").

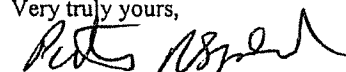
Citizens' commitment is expressly made subject to the preparation and negotiation of documentation in form and substance satisfactory to Citizens and its counsel, which documentation shall reflect the terms and conditions set forth in the Term Sheet and such other terms and conditions as Citizens and its counsel determine are appropriate.

Citizens' commitment to lend is further made subject to Citizens' continued satisfaction with the condition (financial and otherwise) of Borrower and that prior to the closing of the Facilities no material adverse change in the condition (financial or otherwise) of Borrower shall have occurred.

Citizens' commitment as set forth herein will expire unless we receive your written acceptance by 5:00 p.m. on August 30, 2019 and such commitment will nonetheless terminate unless definitive documentation shall have been entered into and the transaction closed at or prior to 5:00 p.m. on November 15, 2019.

Should you elect to accept our offer, you agree to pay the reasonable fees and expenses incurred by Citizens in connection with the preparation of definitive documentation of the Facility, whether or not the Facility closes. We look forward to working with you and to completing this transaction in a timely manner.

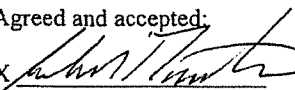
Very truly yours,



Patrick R Szalach
Senior Vice President

Enclosure

Agreed and accepted:

X  Date: 8/28/2019
Jefferson FSA Auxiliary, LLC

Jefferson FSA Auxiliary, LLC

Term Sheet Dated: August 20, 2019

CONFIDENTIAL

A COMMITMENT TO LEND

Note: THIS TERM SHEET IS INTENDED AS AN OUTLINE AND DOES NOT PURPORT TO LIST OR FULLY SET FORTH ALL OF THE CONDITIONS, COVENANTS, WARRANTIES AND OTHER TERMS AND PROVISIONS WHICH WILL BE CONTAINED IN DEFINITIVE DOCUMENTATION FOR THE FINANCING CONTEMPLATED HEREBY. THE FINANCING SUMMARIZED IN THIS TERM SHEET IS EXPRESSLY MADE SUBJECT TO THE PREPARATION AND EXECUTION OF DEFINITIVE DOCUMENTATION SATISFACTORY IN FORM AND SUBSTANCE TO THE BANK AND ITS COUNSEL, WHICH DOCUMENTATION IS LIKELY TO INCLUDE PROVISIONS IN ADDITION TO THOSE SET FORTH BELOW.

Borrower Jefferson FSA Auxiliary, LLC, not for profit 501 c 3., providing student housing services for Jefferson Community College (the "College").

Interest Rate Modify Bank Purchase Rate to 79% of (30 Day Libor + 1.40%) with an effective date of January 1, 2019. The indicative rate as of August 20, 2019 would be 2.84%.

Provide for LIBOR Definition Replacement Language.

Borrower may modify the existing swap from 65% of 30 Day LIBOR to 79% of 30 Day Libor. The Modified Swap Agreement will continue to be secured in the same manner as the 2017 swap.

"All in" Bond swap rate with 1 bps spread (inclusive of the variable rate Bond interest rate) if the transaction were executed on August 20, 2019 is 3.69%. The swap rate will be determined upon execution.

Tax Rate Changes If the Maximum Marginal Statutory Tax Rate imposed upon income of corporations generally (whether or not any Bondowner is actually taxed at said Maximum Marginal Statutory Tax Rate) changes (increases or decreases) for any period during which this Bond is outstanding, the factor of 79% ("Tax- Exempt Rate Factor") used in calculating the interest rate on this Bond shall be changed and be equal to the product of (x) one minus the Maximum Marginal Statutory Tax Rate times (y) 1.26582 times (z) 79%. The Tax-Exempt Rate Factor will change on the first day of the month next succeeding the effective date of the enactment of legislation changing the Maximum Marginal Statutory Tax Rate, provided however, that if the Maximum Marginal Statutory Tax Rate is 0, the Tax-Exempt Rate Factor will be 100%.

Expenses

The Borrower shall pay all reasonable out-of-pocket costs and expenses incurred by the Bank in connection with the negotiation, preparation, execution and administration of any commitment letter and the documentation including:

- 1) Reasonable fees and expenses of counsel for the Bank capped at \$3,000 provided transaction closes by October 31, 2019 and Bond Counsel.

All other terms and conditions of the 2013 Tax Exempt Bond remains the same.