

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

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ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

March 25, 2019

8:30 a.m. • EDA Special Meeting
City Hall, Large Conference Room
715 Princess Anne St.
Fredericksburg, VA

The Economic Development Authority of the City of Fredericksburg, Virginia met in special session on Monday, March 25, 2019 beginning at 8:30 a.m. in the Suite at City Hall.

EDA MEMBERS PRESENT. Bob Carter, Chair, presiding. Beth Black, Hap Connors, Mitzi Brown, Bill Beck and Will Mackintosh.

ABSENT. Tom Crimmins.

ALSO PRESENT. Kaufman & Canoles: Eric Ballou; Kutak Rock LLP: George Scruggs, Jr.; Potomac Nationals: Seth Silber, Peter Kirk; City of Fredericksburg: Tim Baroody; EDA Counsel: Blanton Massey; Department of Economic Development and Tourism: Bill Freehling, Director; Angela Freeman, Business Development Manager; Amy Peregoy, Economic Development Specialist.

DETERMINATION OF QUORUM. Mitzi Brown.

AGENDA.

MOTION by Bill Beck, seconded by Beth Black, the agenda was approved: Ayes (6); Nays (0); Absent from Meeting: (1-Crimmins).

PUBLIC COMMENTS. None.

OLD BUSINESS.


Resolution approving the SAJ Baseball, LLC Stadium Facilities Revenue Bonds (Fredericksburg Stadium Project), Series 2019 (Taxable), in one or more series, in an aggregate principal amount not to exceed \$39,850,000 (the "Bonds"), and loan the proceeds of such Bonds to the Company to (a) finance a portion of the costs associated with the design, engineering, acquisition, development, construction and equipping of a multi-purpose minor league baseball stadium with a seating capacity of approximately 5,000 and associated surface parking, together with related land and support facilities for the benefit of the Company, all to be located on a site which adjoins Interstate-95 in the Celebrate South Virginia Development located in the City of Fredericksburg, Virginia (the "City"); (b) fund a deposit to the debt service reserve fund with respect to the Bonds; (c) provide for funded interest on the Bonds during construction and a period not exceeding one year after completion of construction, and (d) pay certain costs of issuance of the Bonds (collectively, the "Stadium Project")

Mr. Freehling stated the board would be discussing the financing package presented during the last meeting. Mr. Ballou presented background on the conduit bond transaction noting the EDA is not liable for the bonds. He defined

each of the bond documents. Mr. Scruggs established the responsibilities within the bond documents with the EDA acting as only a conduit. He stated he has reviewed the bond documents with the exception of the feasibility study. There was a brief question and answer segment.

MOTION by Bill Beck, seconded by Will Macintosh Black to adopt Resolution 19-09 the board authorizes the Chairman or the Vice Chairman, either of whom may act, is authorized and directed to execute the Bonds by manual or facsimile signature, and the Secretary of the Authority or any Assistant Secretary, either of whom may act, is authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by manual or facsimile signature. Such officers of the Authority are further authorized and directed to deliver the Bonds to the Underwriter upon the terms provided in the Bond Documents: Ayes (6); Nays (0); Absent from Meeting: (1-Crimmins).

ADJOURNMENT. There being no further business to come before the Economic Development Authority at this time, Chair Carter declared the meeting officially adjourned at 8:49 a.m.



Mitzi Brown, Secretary

RESOLUTION 19-09 AUTHORIZING THE ISSUANCE OF REVENUE BONDS BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FREDERICKSBURG, VIRGINIA, AS A CONDUIT ISSUER ON BEHALF OF SAJ BASEBALL LLC AND ITS AFFILIATES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$39,850,000

WHEREAS, there has been described to the Economic Development Authority of the City of Fredericksburg, Virginia (the "Authority"), the application of SAJ Baseball LLC, a Virginia limited liability company (the "Company"), and its affiliates, for the Authority to issue its Stadium Facilities Revenue Bonds (Fredericksburg Stadium Project), Series 2019 (Taxable), in one or more series, in an aggregate principal amount not to exceed \$39,850,000 (the "Bonds"), and loan the proceeds of such Bonds to the Company to (a) finance a portion of the costs associated with the design, engineering, acquisition, development, construction and equipping of a multi-purpose minor league baseball stadium with a seating capacity of approximately 5,000 and associated surface parking, together with related land and support facilities for the benefit of the Company, all to be located on a site which adjoins Interstate-95 in the Celebrate South Virginia Development located in the City of Fredericksburg, Virginia (the "City"); (b) fund a deposit to the debt service reserve fund with respect to the Bonds; (c) provide for funded interest on the Bonds during construction and a period not exceeding one year after completion of construction, and (d) pay certain costs of issuance of the Bonds (collectively, the "Stadium Project");

WHEREAS, under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), the Authority has been given the power to issue its revenue bonds from time to time and to use the proceeds thereof for the purpose of financing or refinancing (a) certain authority facilities (as described in the Act), including, without limitation, commercial enterprises, and (b) certain taxable authority facilities, including, without limitation, facilities the primary purpose of which is recreation, entertainment or retail food and beverage services; and

WHEREAS, the Company desires to proceed immediately with implementing the Stadium Project and has requested that the Authority approve the issuance of the Bonds and the execution and delivery of the following documents (collectively, the "Bond Documents"), drafts of which have been presented at this meeting:

(a) A Trust Indenture (the "Indenture") between the Authority and a trustee to be determined (the "Bond Trustee"), authorizing the issuance by the Authority of its Bonds and including the form of the Bonds as an exhibit thereto;

(b) A Loan Agreement (the "Loan Agreement"), between the Authority and the Company, evidencing the loan to be made from proceeds of the Bonds for the purpose of undertaking the Stadium Project;

(c) A Preliminary Limited Offering Memorandum (the "Preliminary Offering Memorandum") pursuant to which the Underwriter (defined below) will furnish to prospective purchasers of the Bonds certain information regarding the Bonds, the security therefor, the Company and the Authority; and

(d) A Bond Purchase Agreement (the "Bond Purchase Agreement") among the Authority, the Company, and UBS Financial Services Inc. (the "Underwriter"), for the sale of the Bonds for distribution;

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FREDERICKSBURG, VIRGINIA:

1. It is hereby found and determined that the issuance of the Bonds and the loan of the proceeds thereof to the Company for the purposes described above will promote the health and welfare of the inhabitants of the City and the Commonwealth of Virginia (the "Commonwealth"), and otherwise serve the purposes of the Act.

2. The issuance of the Bonds is hereby approved. The Chairman or Vice Chairman of the Authority, either of whom may act, is hereby authorized to approve the original aggregate principal amount of the Bonds, their maturity dates, their interest rate terms and other provisions relating thereto; provided, however, that the original aggregate principal amount of the Bonds shall not exceed \$39,850,000, the final maturity date of the Bonds shall be no later than thirty-two (32) years after their date of issuance, and the true interest cost *per annum* on the Bonds shall not exceed 6.875%. The execution and delivery of the Bond Purchase Agreement by the Chairman or Vice Chairman shall constitute conclusive evidence of the Authority's approval of the original aggregate principal amount of the Bonds, their maturity dates, the interest rates thereon, their initial purchase price, the optional and mandatory redemption provisions of the Bonds and the Underwriter's compensation with respect to the Bonds, subject to the foregoing limitations.

3. The Bond Documents are hereby approved in substantially the forms submitted to this meeting, with such changes, insertions or omissions, subject to the provisions of Section 2 above, as may be acceptable to the Company and approved by the Chairman or Vice Chairman, either of whom may act, upon advice of counsel to the Authority, which approval shall be evidenced conclusively by the execution and delivery of such Bond Documents.

4. The execution and delivery of the Bond Documents in substantially the forms presented at this meeting, with such changes, insertions or omissions as may be approved in accordance with this Resolution, the execution and delivery of the Bonds upon payment therefor, the use of the proceeds of the Bonds as set forth in the Trust Indenture, and the assignment to the Bond Trustee of certain rights of the Authority against the Company as described in the Bond Documents, are all hereby approved.

5. The Chairman or the Vice Chairman, either of whom may act, is authorized and directed to execute the Bonds by manual or facsimile signature, and the Secretary of the Authority or any Assistant Secretary, either of whom may act, is authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by manual or facsimile signature. Such officers of the Authority are further authorized and directed to deliver the Bonds to the Underwriter upon the terms provided in the Bond Documents.

6. The distribution and use of the Preliminary Offering Memorandum is hereby approved. The Chairman or Vice Chairman, either of whom may act, is authorized to approve such completions, omissions, insertions and other changes to the Preliminary Offering Memorandum, specifying the maturity dates, principal amounts and interest rates on, and other terms of the Bonds, together with any other information required by law to reflect the terms of the sale of such Bonds and the details thereof, as may be appropriate to complete the Preliminary Offering Memorandum as a final Limited Offering Memorandum with respect to the Bonds. The Chairman or Vice Chairman, either of whom may act, is authorized to review, and certify as to the accuracy of, the information set forth in the sections of the Preliminary Offering Memorandum and the Limited Offering Memorandum entitled "THE AUTHORITY" and "NO LITIGATION – The Authority." The Chairman or Vice Chairman, either of whom may act, is further authorized, upon advice of counsel to the Authority, to execute the final Limited Offering Memorandum and deliver the same to the Underwriter.

7. Each officer of the Authority, any of whom may act, is authorized to execute and deliver on behalf of the Authority such additional instruments, documents or certificates and to do and perform such further things and acts as they shall deem necessary or appropriate in carrying out the transactions authorized by this Resolution or contemplated by the Bond Documents, and all of such actions previously done or performed by the officers or directors of the Authority are in all respects approved, ratified and confirmed.

8. At the request of the Company, the Authority hereby approves: the appointment of UBS Financial Services Inc. as Underwriter; and the appointment of Kaufman & Canoles, a Professional Corporation, as Bond Counsel with respect to the Bonds.

9. All costs and expenses in connection with the Stadium Project, including but not limited to the fees and expenses of the Authority and the fees and expenses of Bond Counsel, counsel to the Authority, counsel to the Company, counsel to the Underwriter, rating agency fees, and the fees and expenses of other experts, advisors or consultants retained by the Company or in respect of the Stadium Project shall be paid promptly from the proceeds of the Bonds (to the extent permitted by law) or from funds provided by the Company or its affiliates. If for any reason the Bonds are not issued, it is understood that all such fees and expenses shall be paid promptly by the Company upon presentation of an invoice and that the Authority shall have no responsibility therefor. If the Bonds are issued, the Company shall also pay the Authority's annual administrative fee as required by the Bond Documents, such fee equaling 1/10 of 1% of the outstanding principal balance of the Bonds payable on each anniversary of the date of issuance of the Bonds.

10. The Bonds shall be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority from the Company and its obligated affiliates, including the Potomac Nationals LLC. The principal and purchase price of, premium, if any, and interest on the Bonds shall not be deemed to constitute a debt or a pledge of the faith or credit of the Commonwealth or any political subdivision thereof, including the Authority and the City. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the City, shall be obligated to pay the principal or purchase price of, premium, if any, or interest on the Bonds or other costs incident thereto except from revenues and receipts derived by the Authority from the Company and its affiliates identified above, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the City, will be pledged to the payment of principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Authority has no taxing power. No covenant, condition or agreement contained in the Bonds or in any financing instrument executed and delivered in connection therewith shall be deemed to be a covenant, agreement or obligation of any past, present or future director, officer, employee or agent of the Authority in his or her individual capacity, and no officer of the Authority executing the Bonds or any other financing document or instrument shall be personally liable thereon or subject to any personal liability or accountability by reason of the issuance or execution thereof.

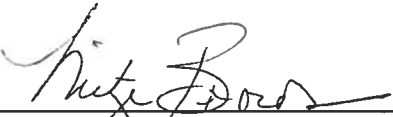
11. Neither the Authority nor the City has endorsed the creditworthiness of the Company, or its affiliates, or the ability of the Company, or its affiliates, to repay the Bonds.

12. All other acts of the officers and agents of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the Stadium Project and the issuance of the Bonds are hereby authorized, approved and ratified.

13. This Resolution shall take effect immediately upon its adoption.

The undersigned hereby certifies that the above Resolution was duly adopted by vote of a majority of the Directors of the Economic Development Authority of the City of Fredericksburg, Virginia at a meeting duly called and held on March 25, 2019, and that such Resolution is in full force and effect on the date hereof.

Dated: March 25, 2019



Secretary, Economic Development Authority of the
City of Fredericksburg, Virginia