

**CLAY COUNTY DEVELOPMENT AUTHORITY  
REGULAR SCHEDULED PUBLIC MEETING  
ORANGE PARK, FLORIDA  
October 18, 2017**

**AGENDA**

**CHAIR  
VICE-CHAIR  
TREASURER  
SECRETARY**

**RUSSELL BUCK  
MARGE HUTTON  
MIKE DAVIDSON  
GREG CLARY**

- |  |                      |
|--|----------------------|
| <b>1) Welcome/Call to Order 4:00 pm</b>  | <b>Russell Buck</b>  |
| <b>2) Roll Call</b>  | <b>Josh Cockrell</b> |
| <b>3) Invocation</b>   | <b>Greg Clary</b>    |
| <b>4) Installation of New Officers</b>   |                      |
| <b>5) Comments from the Public</b>   | <b>Russell Buck</b>  |
| <b>6) Economic Development Report</b>  | <b>Laura Pavlus</b>  |
| <b>7) Small Business Development Report</b>                                    | <b>Annie Grogan</b>  |
| <b>8) Secretary's Report</b><br>Approval of September 20, 2017 Minutes         | <b>Greg Clary</b>    |
| <b>9) Treasurer's Report</b><br>September 2017 Financials                      | <b>Mike Davidson</b> |
| <b>10) Committee Reports</b>   | <b>Russell Buck</b>  |
| <b>11) Chair's Report</b>  | <b>Russell Buck</b>  |
| <b>12) Executive Director's Report</b><br>Report on Grants<br>Building Updates | <b>Josh Cockrell</b> |
| <b>13) Attorney's Report</b>   | <b>April Scott</b>   |

**14) Old Business/New Business/Board Comments**

**Russell Buck**

Penney Retirement Community IRB Application & Presentation  
Penney Retirement Community TEFRA Hearing  
Penney Retirement Community Authority Inducement Resolution  
Formal Adoption of FY 2017/18 Budget & Resolution  
Formal Adoption of FY 2016/17 Amended Budget & Resolution  
Community Auto Finance Partnership Program

**15) Adjournment**

**Russell Buck**

**Dates of Upcoming CCDA Meetings:**

Wednesday, November 15, 2017

Wednesday, January 17, 2018

Wednesday, February 21, 2018

Wednesday, March 21, 2018

Wednesday, April 18, 2018

Wednesday, May 16, 2018

Wednesday, June 20, 2018

Wednesday, July 18, 2018

Wednesday, August 15, 2018

Wednesday, September 19, 2018

**TIME: 4:00 PM**

**LOCATION: Haven Hospice  
Board Room  
745 Blanding Boulevard  
Orange Park, FL 32065**

**NOTE: Items 6 through 14, above, are subject to discussion, consideration, and action by the Board of the Clay County Development Authority.**

**PUBLIC COMMENTS: Pursuant to F.S. s. 286.0114 (2013) /, and Clay County Development Authority policy/, speakers intending to offer public comment must complete a provided speaker's card, turn in the same to the recording secretary for the public meeting, and may address the Board when recognized by the Chair of the meeting with their public comments for a period of not more than three (3) minutes. The Chair of the meeting has the authority and discretion to make special provisions for a group or faction spokesperson. The Chair of the meeting has all requisite authority and discretion to maintain orderly conduct or proper decorum of the public meeting.**

**CLAY COUNTY DEVELOPMENT AUTHORITY  
REGULAR SCHEDULED PUBLIC MEETING  
MINUTES**

**September 20, 2017**

**Present:** Marge Hutton, Cathy Chambers, Chereese Stewart, Greg Clary, Bruce Butler, Tom Morris, Amy Pope Wells

**Excused:** Russell Buck, Mike Davidson, Keith Ward

**Staff:** Josh Cockrell, Taylor Mejia, April Scott; Counsel

**Guests:** Matt Carlton, Paz Patel, Chip Dobson, Laura Pavlus, Annie Grogan

**Call to Order:** **Marge Hutton** called the Clay County Development Authority ("CCDA") Public Meeting to order at 4:00 PM.

**Invocation:** **Greg Clary** provided the invocation.

**Comments from the Public:** None.

**Recognitions**

**Marge Hutton** recognized past Board Members Chip Dobson, Matt Carlton, and Paz Patel for their service on the CCDA Board.

**Economic Development Report**

Laura Pavlus informed the Board of the status of EDC projects.

**Small Business Development Report**

Annie Grogan passed out the SBDC report and informed the Board of the programs available to small businesses for hurricane relief.

**Secretary's Report**

**Approval of August 9, 2017 Minutes** – **Chereese Stewart** made a motion to approve the minutes as presented. Motion was seconded and passed unanimously.

**Treasurer's Report**

**Josh Cockrell** presented the August 2017 financials to the Board. **Bruce Butler** made a motion to accept the Treasurer's Report. The motion was seconded and passed unanimously.

**Adoption of FY 2017-18 Budget**

**Josh Cockrell** presented the FY 2017-18 Budget to the Board. The Board continued discussion regarding projected revenues from sources like rental and grants as well as

expenses like sponsorships and professional fees. **Greg Clary** made a motion to accept the FY 2017-18 proposed budget. Motion seconded and passed unanimously.

#### **Committee Reports**

None.

#### **Chair's Report**

None.

#### **Executive Director's Report**

**Auditor Negotiations and Contract** – **Josh Cockrell** informed the Board of the progress that was made in negotiations with James Moore & Associates. **Tom Morris** made a motion to accept the contract with James Moore & Associates. Motion seconded and passed unanimously.

**Building Update and Next Steps** – **Josh Cockrell** stated that the new building tenant will be moving in on November 1. He informed the Board that he is in the process of finding a new location for the phone line and that the new meeting space will be at Haven Hospice. The Board briefly discussed the agreement executed with the tenant to possibly purchase the building. **Josh Cockrell** also explained that the CCDA is not exempt from paying property taxes on the building for the square footage not used by the CCDA or used by non-exempt organizations/businesses.

**Report on Grants** – **Josh Cockrell** gave a brief update on the status of grants including the buffer grants and DIG grant.

**Industrial Revenue Bonds** – **Josh Cockrell** informed the Board that there should be an IRB application to present at the next meeting. He also informed the Board that he and April Scott worked with Peter Dame begin the review and update of the guidelines for IRB's. The Board discussed potential outreach efforts for members to inform the community of IRB opportunities.

#### **Attorney's Report**

**April Scott** stated that she is still in the process of working with Peter Dame to determine which entity can grant the CCDA approval for IRB applications.

#### **Old Business/New Business/ Board Comments**

**Community Auto Finance Partnership Program** – Tabled until next meeting.

**Election of New Officers** – **Cathy Chambers** nominated Russell Buck for Board Chairman. Motion seconded and passed unanimously. **Chereese Stewart** nominated Marge Hutton for Board Vice Chairman. Motion seconded and passed unanimously. **Marge Hutton** nominated Mike Davidson for Treasurer. Motion seconded and passed unanimously. **Marge Hutton** made a motion to nominate Greg Clary for Secretary. Motion seconded and passed unanimously.

**Adjourned: 5:15 PM**



COLEMAN & ASSOCIATES  
Certified Public Accounting Firm

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## ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of  
Clay County Development Authority  
Orange Park, FL

Management is responsible for the accompanying government-wide balance sheets of Clay County Development Authority (a governmental organization) as of September 30, 2017 and 2016, and the related statements of revenues and expenses for the one month and fiscal year then ended which collectively comprise the Authority's financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the management discussion and analysis, the governmental fund financial statements and substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the management discussion and analysis and governmental fund financial statements and omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that budget to actual statements for the one month and fiscal year ending September 30, 2017 be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

We are not independent with respect to the Clay County Development Authority.

*Coleman & Associates Cpa Firm*

October 9, 2017

# Clay County Development Authority

## GOVERNMENTWIDE BALANCE SHEET

As of September 30, 2017

	TOTAL	
	AS OF SEP 30, 2017	AS OF SEP 30, 2016 (PY)
<b>ASSETS</b>		
Current Assets		
Bank Accounts		
100002 First Atlantic Checking - 1484	68,265	56,244
100007 Investment - Florida Prime - A	153,848	152,366
100016 Compass Bank Money Market - Pub	177,612	176,451
100018 First Atlantic Bank MMKT -1493	1,275,207	734,231
100020 Regions - Devcom Funds	0	50,749
100025 Fifth-Third CD	0	76,428
100026 Fifth-Third 2 (CD)	0	76,428
<b>Total Bank Accounts</b>	<b>\$1,674,952</b>	<b>\$1,324,897</b>
Accounts Receivable		
115002 Revenue Receivable	46,363	485,762
<b>Total Accounts Receivable</b>	<b>\$46,363</b>	<b>\$485,762</b>
<b>Total Current Assets</b>	<b>\$1,721,315</b>	<b>\$1,810,659</b>
Fixed Assets		
162901 Buildings and real estate	442,328	442,328
162950 Leasehold Improvements - Devcom	28,842	28,842
166900 Office Equipment	58,348	58,348
167900 Accum Depreciation	(87,190)	(87,190)
<b>Total Fixed Assets</b>	<b>\$442,328</b>	<b>\$442,328</b>
Other Assets		
175000 Escrow deposit with Tolson	6,000	
<b>Total Other Assets</b>	<b>\$6,000</b>	<b>\$0</b>
<b>TOTAL ASSETS</b>	<b>\$2,169,642</b>	<b>\$2,252,986</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
200000 Accounts Payable	325	2,500
<b>Total Accounts Payable</b>	<b>\$325</b>	<b>\$2,500</b>
Other Current Liabilities		
220000 Security Deposits	7,473	1,788
Dept of Revenue Payable	348	94
<b>Total Other Current Liabilities</b>	<b>\$7,821</b>	<b>\$1,882</b>
<b>Total Current Liabilities</b>	<b>\$8,146</b>	<b>\$4,382</b>
<b>Total Liabilities</b>	<b>\$8,146</b>	<b>\$4,382</b>
Equity		
272000 Net Asset Balance	1,807,068	1,850,055
280000 Invest in Fixed Assets	441,536	441,536
320000 Retained Earnings	0	0

	TOTAL	
	AS OF SEP 30, 2017	AS OF SEP 30, 2016 (PY)
Net Income	(87,108)	(42,986)
Total Equity	\$2,161,496	\$2,248,604
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,169,642</b>	<b>\$2,252,986</b>

# Clay County Development Authority

## STATEMENT OF REVENUES AND EXPENSES

September 2017

	TOTAL	
	SEP 2017	OCT 2016 - SEP 2017 (YTD)
<b>INCOME</b>		
331000 Grant Revenues		444,663.11
362000 Rents & Royalties	4,970.00	44,555.92
369000 Miscellaneous Revenues	838.04	13,019.47
<b>Total Income</b>	<b>\$5,808.04</b>	<b>\$502,238.50</b>
<b>GROSS PROFIT</b>	<b>\$5,808.04</b>	<b>\$502,238.50</b>
<b>EXPENSES</b>		
512200 Sponsorships		22,000.00
513300 Professional Fees	10,082.50	91,375.00
513440 Insurance		2,961.04
513468 Building Expenses - 1734 Kingsley Ave	2,410.61	32,225.33
513510 Office and Operating Expenses	162.90	5,297.65
559000 Grant Expense		435,487.36
<b>Total Expenses</b>	<b>\$12,656.01</b>	<b>\$589,346.38</b>
<b>NET OPERATING INCOME</b>	<b>\$ -6,847.97</b>	<b>\$ -87,107.88</b>
<b>NET INCOME</b>	<b>\$ -6,847.97</b>	<b>\$ -87,107.88</b>



# Clay County Development Authority

## STATEMENT OF REVENUES AND EXPENSES

October 2016 - September 2017

	TOTAL		
	OCT 2016 - SEP 2017	OCT 2015 - SEP 2016 (PY)	CHANGE
<b>INCOME</b>			
331000 Grant Revenues			
330100 DIG 16-01 Utility Infrastructure Upgrade		81,052	(81,052)
330101 DIG 16-01 Utility Infrastructure Upgrade Admin Fees		8,550	(8,550)
330102 DTF 15-01 Buffer Land Purchase		380,000	(380,000)
330103 DTF 15-01 Buffer Land Purchase Admin Fees		14,726	(14,726)
330105 DTF 16-01 Buffer Land Purchase Admin Fees		10,200	(10,200)
330106 DTF 16-144 Buffer Land Purchase	390,000		390,000
330107 DTF 16-144 Buffer Land Purchase - Admin Fees	9,176		9,176
330108 DIG# S0059 Roadway Resurfacing	45,487		45,487
<b>Total 331000 Grant Revenues</b>	<b>444,663</b>	<b>494,528</b>	<b>(49,865)</b>
362000 Rents & Royalties			
362003 Tocol Engineering llc	8,040	8,039	0
362005 Florida Fire Protection		6,440	(6,440)
362007 Rent - Tomlinson & Co	3,291	8,040	(4,749)
362008 Rent-Leland Management	10,800		10,800
362009 Rent-Clay County Chamber	19,800		19,800
362010 Rent- GoTobrazils Waxing	2,625		2,625
<b>Total 362000 Rents &amp; Royalties</b>	<b>44,556</b>	<b>22,519</b>	<b>22,037</b>
369000 Miscellaneous Revenues			
361000 Investment Earnings	9,990	10,087	(97)
369001 Industrial Development Bond Issue Fees		38,400	(38,400)
369002 Interest Income from CCC	172	972	(800)
369003 Collections allowance	72	39	32
369004 Revenue from IRB	1,000		1,000
369005 Miscellaneous Revenue	1,786	1	1,785
369008 Interest income - SJCD		769	(769)
<b>Total 369000 Miscellaneous Revenues</b>	<b>13,019</b>	<b>50,269</b>	<b>(37,249)</b>
<b>Total Income</b>	<b>\$502,239</b>	<b>\$567,316</b>	<b>\$ (65,077)</b>
<b>GROSS PROFIT</b>	<b>\$502,239</b>	<b>\$567,316</b>	<b>\$ (65,077)</b>
<b>EXPENSES</b>			
512200 Sponsorships			
512250 Funding to SBDC	10,000	10,000	0
512500 Funding to CEDC	10,000	10,000	0
512600 Clay Day Event Sponsor	2,000		2,000
513535 Economic Development Study		10,000	(10,000)
<b>Total 512200 Sponsorships</b>	<b>22,000</b>	<b>30,000</b>	<b>(8,000)</b>
513300 Professional Fees			
513305 Administration Contract IGS	66,000	66,000	0
513310 Attorney	9,000	9,000	0

	TOTAL		
	OCT 2016 - SEP 2017	OCT 2015 - SEP 2016 (PY)	CHANGE
513320 Auditor	4,725	7,023	(2,298)
513321 Accounting	3,015	2,700	315
513322 Real estate commission	4,583		4,583
513335 Accounting Ancillary Charges	2,240	2,715	(475)
513340 Attorney Ancillary Charges	1,813		1,813
513400 Consulting Fees - Public Records Compliance		5,094	(5,094)
<b>Total 513300 Professional Fees</b>	<b>91,375</b>	<b>92,532</b>	<b>(1,157)</b>
513440 Insurance			
513443 General Liability Coverage	822	441	381
513444 Public Officials Liability	2,139	2,140	(2)
<b>Total 513440 Insurance</b>	<b>2,961</b>	<b>2,581</b>	<b>380</b>
513460 Devcom LLP Expense		18,150	(18,150)
513468 Building Expenses - 1734 Kingslay Ave	32,225		32,225
513510 Office and Operating Expenses			
513480 Special Promotions/Events Sponsorship		200	(200)
513490 Business Meeting	123	55	68
513494 Dues & Subscriptions	525	1,275	(750)
513511 Office Expense to Clay County Chamber		375	(375)
513512 Office Supplies	518	320	198
513514 Misc Office Expense		424	(424)
513516 Telephone	675	728	(53)
513517 Licenses & Fees	200	175	25
513518 Website expenses	1,284	1,273	11
513519 Travel	750	452	299
513520 Conferences	325		325
513521 Advertising & Marketing	888	710	178
513522 Bank Service Charges	10		10
<b>Total 513510 Office and Operating Expenses</b>	<b>5,298</b>	<b>5,987</b>	<b>(689)</b>
559000 Grant Expense			
559000 DIG 16-01 Utility Infrastructure Upgrade		81,052	(81,052)
559006 DTF 15-01 Buffer Land Purchase		380,000	(380,000)
559008 DTF 16-144 Buffer Land Purchase	390,000		390,000
559009 DIG# S0059 Roadway Resurfacing	45,487		45,487
<b>Total 559000 Grant Expense</b>	<b>435,487</b>	<b>461,052</b>	<b>(25,565)</b>
<b>Total Expenses</b>	<b>\$589,346</b>	<b>\$610,302</b>	<b>\$ (20,956)</b>
<b>NET OPERATING INCOME</b>	<b>\$ (87,108)</b>	<b>\$ (42,986)</b>	<b>\$ (44,121)</b>
<b>NET INCOME</b>	<b>\$ (87,108)</b>	<b>\$ (42,986)</b>	<b>\$ (44,121)</b>

# Clay County Development Authority

## BUDGET VS. ACTUALS: CCDA - FY16/17 - LAST MONTH

September 2017

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>INCOME</b>				
242000 Fund Balance - PY Carryforward		(8,155)	8,155	
331000 Grant Revenues				
330108 DIG# S0059 Roadway Resurfacing		285,000	(285,000)	
330109 DIG# S0059 Roadway Resurfacing Admin Fees		15,000	(15,000)	
<b>Total 331000 Grant Revenues</b>		<b>300,000</b>	<b>(300,000)</b>	
362000 Rents & Royalties				
362003 Toccoi Engineering llc	670	750	(80)	89.00 %
362007 Rent - Tomlinson & Co		700	(700)	
362008 Rent-Leland Management	900	900	0	100.00 %
362009 Rent-Clay County Chamber	1,650	0	1,650	
362010 Rent- GoTobrazils Waxing	1,750	1,200	550	146.00 %
<b>Total 362000 Rents &amp; Royalties</b>	<b>4,970</b>	<b>3,550</b>	<b>1,420</b>	<b>140.00 %</b>
369000 Miscellaneous Revenues				
361000 Investment Earnings	795	1,000	(205)	80.00 %
369003 Collections allowance	7		7	
369005 Miscellaneous Revenue	36		36	
<b>Total 369000 Miscellaneous Revenues</b>	<b>838</b>	<b>1,000</b>	<b>(162)</b>	<b>84.00 %</b>
<b>Total Income</b>	<b>\$5,808</b>	<b>\$296,395</b>	<b>\$ (290,587)</b>	<b>2.00 %</b>
<b>GROSS PROFIT</b>	<b>\$5,808</b>	<b>\$296,395</b>	<b>\$ (290,587)</b>	<b>2.00 %</b>
<b>EXPENSES</b>				
513300 Professional Fees				
513305 Administration Contract IGS	5,500	5,500	0	100.00 %
513310 Attorney		750	(750)	
513322 Real estate commission	4,583		4,583	
513340 Attorney Ancillary Charges		300	(300)	
<b>Total 513300 Professional Fees</b>	<b>10,083</b>	<b>6,550</b>	<b>3,533</b>	<b>154.00 %</b>
513440 Insurance				
513443 General Liability Coverage		850	(850)	
<b>Total 513440 Insurance</b>		<b>850</b>	<b>(850)</b>	
513468 Building Expenses - 1734 Kingsley Ave	2,411	3,700	(1,289)	65.00 %
513510 Office and Operating Expenses				
513480 Special Promotions/Events Sponsorship		100	(100)	
513490 Business Meeting		25	(25)	
513514 Misc Office Expense		50	(50)	
513516 Telephone	55	60	(5)	91.00 %
513519 Travel	108	0	108	
513521 Advertising & Marketing		60	(60)	
<b>Total 513510 Office and Operating Expenses</b>	<b>163</b>	<b>295</b>	<b>(132)</b>	<b>55.00 %</b>
559000 Grant Expense				
559009 DIG# S0059 Roadway Resurfacing		285,000	(285,000)	

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Total 559000 Grant Expense		285,000	(285,000)	
Total Expenses	\$12,656	\$296,395	\$ (283,739)	4.00 %
NET OPERATING INCOME	\$ (6,848)	\$0	\$ (6,848)	0%
NET INCOME	\$ (6,848)	\$0	\$ (6,848)	0%

# Clay County Development Authority

## BUDGET VS. ACTUALS: CCDA - FY16/17 - LAST MONTH

October 2016 - September 2017

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>INCOME</b>				
242000 Fund Balance - PY Carryforward		84,425	(84,425)	
331000 Grant Revenues				
330106 DTF 16-144 Buffer Land Purchase	390,000	390,000	0	100.00 %
330107 DTF 16-144 Buffer Land Purchase - Admin Fees	9,176	10,000	(824)	92.00 %
330108 DIG# S0059 Roadway Resurfacing	45,487	285,000	(239,513)	16.00 %
330109 DIG# S0059 Roadway Resurfacing Admin Fees		15,000	(15,000)	
<b>Total 331000 Grant Revenues</b>	<b>444,663</b>	<b>700,000</b>	<b>(255,337)</b>	<b>64.00 %</b>
362000 Rents & Royalties				
362003 Tocol Engineering llc	8,040	8,760	(720)	92.00 %
362007 Rent - Tomlinson & Co	3,291	8,310	(5,019)	40.00 %
362008 Rent-Leland Management	10,800	10,800	0	100.00 %
362009 Rent-Clay County Chamber	19,800	9,900	9,900	200.00 %
362010 Rent- GoTobrazils Waxing	2,625	10,800	(8,175)	24.00 %
<b>Total 362000 Rents &amp; Royalties</b>	<b>44,556</b>	<b>48,570</b>	<b>(4,014)</b>	<b>92.00 %</b>
369000 Miscellaneous Revenues				
361000 Investment Earnings	9,990	12,000	(2,010)	83.00 %
369002 Interest Income from CCC	172		172	
369003 Collections allowance	72		72	
369004 Revenue from IRB	1,000		1,000	
369005 Miscellaneous Revenue	1,786		1,786	
<b>Total 369000 Miscellaneous Revenues</b>	<b>13,019</b>	<b>12,000</b>	<b>1,019</b>	<b>108.00 %</b>
<b>Total Income</b>	<b>\$502,239</b>	<b>\$844,995</b>	<b>\$ (342,757)</b>	<b>59.00 %</b>
<b>GROSS PROFIT</b>	<b>\$502,239</b>	<b>\$844,995</b>	<b>\$ (342,757)</b>	<b>59.00 %</b>
<b>EXPENSES</b>				
512200 Sponsorships				
512250 Funding to SBDC	10,000	10,000	0	100.00 %
512500 Funding to CEDC	10,000	10,000	0	100.00 %
512600 Clay Day Event Sponsor	2,000		2,000	
<b>Total 512200 Sponsorships</b>	<b>22,000</b>	<b>20,000</b>	<b>2,000</b>	<b>110.00 %</b>
513300 Professional Fees				
513305 Administration Contract IGS	66,000	66,000	0	100.00 %
513310 Attorney	9,000	9,000	0	100.00 %
513320 Auditor	4,725	7,225	(2,500)	65.00 %
513321 Accounting	3,015	2,820	195	107.00 %
513322 Real estate commission	4,583		4,583	
513335 Accounting Ancillary Charges	2,240	2,750	(510)	81.00 %
513340 Attorney Ancillary Charges	1,813	3,600	(1,788)	50.00 %
<b>Total 513300 Professional Fees</b>	<b>91,375</b>	<b>91,395</b>	<b>(20)</b>	<b>100.00 %</b>
513440 Insurance				

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
513443 General Liability Coverage	822	850	(28)	97.00 %
513444 Public Officials Liability	2,139	2,200	(61)	97.00 %
<b>Total 513440 Insurance</b>	<b>2,961</b>	<b>3,050</b>	<b>(89)</b>	<b>97.00 %</b>
513468 Building Expenses - 1734 Kingsley Ave	32,225	44,400	(12,175)	73.00 %
513510 Office and Operating Expenses				
513480 Special Promotions/Events Sponsorship		400	(400)	
513490 Business Meeting	123	300	(177)	41.00 %
513494 Dues & Subscriptions	525	1,275	(750)	41.00 %
513512 Office Supplies	518		518	
513514 Misc Office Expense		600	(600)	
513516 Telephone	675	720	(45)	94.00 %
513517 Licenses & Fees	200	175	25	114.00 %
513518 Website expenses	1,284	6,360	(5,076)	20.00 %
513519 Travel	750	400	350	188.00 %
513520 Conferences	325	200	125	162.00 %
513521 Advertising & Marketing	888	720	168	123.00 %
513522 Bank Service Charges	10		10	
<b>Total 513510 Office and Operating Expenses</b>	<b>5,298</b>	<b>11,150</b>	<b>(5,852)</b>	<b>48.00 %</b>
559000 Grant Expense				
559008 DTF 16-144 Buffer Land Purchase	390,000	390,000	0	100.00 %
559009 DIG# S0059 Roadway Resurfacing	45,487	285,000	(239,513)	16.00 %
<b>Total 559000 Grant Expense</b>	<b>435,487</b>	<b>675,000</b>	<b>(239,513)</b>	<b>65.00 %</b>
<b>Total Expenses</b>	<b>\$589,346</b>	<b>\$844,995</b>	<b>\$ (255,649)</b>	<b>70.00 %</b>
<b>NET OPERATING INCOME</b>	<b>\$ (87,108)</b>	<b>\$0</b>	<b>\$ (87,108)</b>	<b>0%</b>
<b>NET INCOME</b>	<b>\$ (87,108)</b>	<b>\$0</b>	<b>\$ (87,108)</b>	<b>0%</b>

**RESOLUTION NO. 2017/2018-01**

**RESOLUTION OF CLAY COUNTY DEVELOPMENT AUTHORITY (THE "AUTHORITY") FORMALLY ADOPTING BUDGET FOR FISCAL YEAR 2017/2018; AUTHORIZING THE AUTHORITY'S CONTRACTED ADMINISTRATIVE STAFF TO TAKE OTHER AND FURTHER ACTIONS REASONABLY NECESSARY OR HELPFUL IN FURTHERANCE OF THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED, BY THE FORMAL ACTION OF THE AUTHORITY, THAT THE FOLLOWING ACTION IS HEREBY ADOPTED AS THE LEGAL AND BINDING ACTION AND RESOLUTION OF THE AUTHORITY, PERTAINING TO THE ABOVE SUBJECT MATTER SPECIFIED.**

**BACKGROUND RECITALS**

WHEREAS, it is necessary and appropriate for the Authority to formally adopt and publish its budget for Fiscal Year 2017/2018;

WHEREAS, the contracted administrative staff, accountant, and Treasurer for the Authority have prepared and provided such budget for formal adoption and approval;

WHEREAS, the Authority previously adopted such budget for the current fiscal year by its informal action at its regular scheduled meeting on September 20, 2017; and

WHEREAS, the Authority desires to fully comply with the provisions of all applicable laws and auditor recommendations to implement and observe best practices in the adoption and amendment of its budgets.

**FORMAL ADOPTION OF RESOLUTION NO. 2017/2018-01**

**NOW, THEREFORE, THE FOLLOWING ACTION IS HEREBY FORMALLY ADOPTED BY THIS RESOLUTION NO. 2017/2018-01, DATED EFFECTIVE THIS 18<sup>th</sup> DAY OF OCTOBER, 2017, AS FOLLOWS:**

**Section 1.** The Authority's official Budget for Fiscal Year 2017/2018, representing the budget for the current fiscal year of the Authority as currently projected, is hereby accepted, approved and adopted in the form attached hereto and herein incorporated by reference.

**Section 2.** The contracted administrative staff of the Authority shall take such other and further actions as may be reasonably necessary or helpful to the formal action authorized, approved, and adopted by this Resolution No. 2017/2018-01, and as may include, for purposes of illustration and not limitation, (a) informing the auditor of the Authority of the formal approval of the budget for Fiscal Year 2017/2018, (b) publishing the formally adopted budget for Fiscal Year 2017/2018 on the Authority's website, and (c) filing the same with the Clerk for the Board of County Commissioners for Clay County, Florida.

Section 3. This Resolution 2017/2018-01 and the formal action as set forth herein shall be effective immediately upon adoption.

DULY ADOPTED THIS 18<sup>th</sup> DAY OF OCTOBER, 2017, BY THE CLAY COUNTY DEVELOPMENT AUTHORITY.

CLAY COUNTY DEVELOPMENT AUTHORITY

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: RUSSELL BUCK, CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY  
CLAY COUNTY DEVELOPMENT AUTHORITY

(SEAL)



**Ordinary Income/Expense** TOTAL

	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 17 - Sep 18
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-----------------

<b>352000 - Rents &amp; Royalties</b>													
352003 - Lease Engineering In	670.00												670.00
352009 - Leased Management	580.00												580.00
352009 - Clay Chamber	2,850.00												2,850.00
352019 - Oct 18 Month	1,750.00	8,300.00	8,300.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,300.00	8,300.00	6,000.00	6,000.00	67,100.00
Total 352000 - Rents & Royalties	5,970.00	8,300.00	8,300.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,300.00	8,300.00	6,000.00	6,000.00	71,670.00
<b>331000 - Grant Revenues</b>													
332000 - 360 400000 Roadway Resurfacing	274,000.00												274,000.00
332009 - 010 400000 Recovery Regulatory Admin Cost	2,083.00												2,083.00
330010 - 000 11-111 0-10 Land Practice			386,800.00										386,800.00
330011 - 000 11-111 0-10 Land Practice Admin Fee			18,000.00										18,000.00
330012 - 010 400000 Farm Security Stations				15.00	10.00	10.00	10.00	10.00	10.00	10.00	15.00	10.00	120.00
330013 - 010 400000 Farm Security Stations Admin Cost				863.00	863.00	863.00	863.00	863.00	863.00	863.00	863.00	863.00	8,120.00
Total 331000 - Grant Revenues	274,000.00		405,600.00										941,983.00
<b>359000 - Miscellaneous Revenues</b>													
351000 - Investment Earnings	614.80	950.00	650.00	654.00	653.00	650.00	642.00	643.00	650.00	640.00	642.00	640.00	6,000.00
358000 - Revenue from 200	1,300.00		70,000.00										71,300.00
359000 - Vehicle Maintenance	14.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00
Total 359000 - Miscellaneous Revenues	1,928.80	960.00	70,660.00										81,200.00
<b>Total Income</b>	316,310.00	8,300.00	476,960.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	1,964,700.00
<b>Fund Balance - Carry Forward</b>	19,000.00	8,000.00	42,000.00	7,810.00	2,100.00	30,400.00	6,100.00	3,300.00	5,200.00	7,500.00	2,700.00	-12,900.00	-30,400.00
<b>Total Income and Fund Balance - Carry Forward</b>	295,310.00	12,400.00	518,960.00	14,770.00	8,000.00	36,500.00	14,100.00	11,300.00	13,200.00	15,500.00	10,700.00	24,900.00	1,934,300.00

**Expenses**

<b>612000 - Sponsorships</b>													
612000 - Funding in CSDC	2,000.00			2,000.00									16,000.00
612000 - Funding in 20070	5,000.00			2,000.00									16,000.00
612000 - Clay City Sponsorship		1,000.00	1,000.00	5,000.00									1,000.00
Total 612000 - Sponsorships	7,000.00	1,000.00	2,000.00	7,000.00									21,000.00
<b>613000 - Professional Fees</b>													
613010 - Attorney General Fees & Associates	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
613040 - Attorney Advisory Charges	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	2,000.00



**RESOLUTION NO. 2017/2018-02**

**RESOLUTION OF CLAY COUNTY DEVELOPMENT AUTHORITY (THE "AUTHORITY") ADOPTING THE FINAL AMENDED "ADJUSTED TO ACTUAL" BUDGET FOR FISCAL YEAR 2016/2017; AUTHORIZING CONTRACTED ADMINISTRATIVE STAFF TO TAKE OTHER AND FURTHER ACTIONS REASONABLY NECESSARY OR HELPFUL IN FURTHERANCE OF THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED, BY THE FORMAL ACTION OF THE AUTHORITY, THAT THE FOLLOWING ACTION IS HEREBY ADOPTED AS THE LEGAL AND BINDING ACTION AND RESOLUTION OF THE AUTHORITY, PERTAINING TO THE ABOVE SUBJECT MATTER SPECIFIED.**

**BACKGROUND RECITALS**

WHEREAS, it is necessary and appropriate for the Authority to formally adopt and publish its final amended budget for Fiscal Year 2016/2017, to correspond to actual revenues and expenditures for that fiscal year;

WHEREAS, the contracted administrative staff, accountant, and Treasurer for the Authority have prepared and provide such budget for formal adoption and approval; and

WHEREAS, the Authority desires to fully comply with the provisions of all applicable laws and auditor recommendations to implement and observe best practices in the adoption and amendment of its budgets.

**FORMAL ADOPTION OF RESOLUTION NO. 2017/2018-02**

**NOW, THEREFORE, THE FOLLOWING ACTION IS HEREBY FORMALLY ADOPTED BY THIS RESOLUTION NO. 2017/2018-02, DATED EFFECTIVE THIS 18<sup>th</sup> DAY OF OCTOBER, 2017, AS FOLLOWS:**

**Section 1.** The Authority's official Budget for Fiscal Year 2016/2017, representing the final amended budget for the immediate past fiscal year of the Authority with revenues and expenditures adjusted to actual results for that reporting period, is hereby accepted, amended, approved and adopted in the form attached hereto and herein incorporated by reference.

**Section 2.** The contracted administrative staff of the Authority shall take such other and further actions as may be reasonably necessary or helpful to the formal action so authorized, approved, and adopted by this Resolution No. 2017/2018-02, and as may include, for purposes of illustration and not limitation, (a) informing the auditor of the Authority of the approval of the amended final budget for Fiscal Year 2016/2017, (b) publishing the final amended budget for Fiscal Year 2016/2017 on the Authority's website, and (c) filing the same with the Clerk for the Board of County Commissioners for Clay County, Florida.

**Section 3.** This Resolution 2017/2018-02 and the formal action set forth shall be effective immediately upon adoption.

**DULY ADOPTED THIS 18<sup>th</sup> DAY OF OCTOBER, 2017, BY THE CLAY COUNTY DEVELOPMENT AUTHORITY.**

**CLAY COUNTY DEVELOPMENT AUTHORITY**

**BY: \_\_\_\_\_**

**NAME: \_\_\_\_\_**

**TITLE: RUSSELL BUCK, CHAIR**

**ATTEST:**

\_\_\_\_\_  
SECRETARY  
CLAY COUNTY DEVELOPMENT AUTHORITY

**(SEAL)**

Clay County Development Authority  
(AMENDED) Profit Loss Budget vs. Actual  
October 2016 through September 2017

	Oct '16 - Sep '17	Budget	(Over) Under Budget	% Deviation from Budget	Assessments	Amended Fiscal Budget
<b>Income</b>						
<b>361100 - Investment Earnings</b>						
	10,162.00	12,000.00	1,838.00	15.32%	1,838.00	10,102.00
<b>362100 - Rents &amp; Royalties</b>						
362003 - Tool Engineering Inc	6,443.00	6,700.00	257.00	3.84%	720.00	6,040.00
362007 - Tardison & Co	3,291.00	8,370.00	5,079.00	60.45%	5,079.00	3,291.00
362010 - DeTellechea (non "Zoo Floor Tenants")	2,823.00	10,800.00	8,175.00	75.69%	8,175.00	2,823.00
362000 - Laird Management	10,800.00	10,800.00	0.00	0.00%	0.00	10,800.00
362009 - Clay Curators	13,800.00	9,900.00	3,900.00	39.39%	9,900.00	13,800.00
<b>Total 360000 - Rents &amp; Royalties</b>	<b>48,559.00</b>	<b>48,570.00</b>	<b>-11.00</b>	<b>-0.02%</b>	<b>-11.00</b>	<b>48,568.00</b>
<b>369100 - Miscellaneous Revenues</b>						
369004 - Revenue from IRS	1,000.00	0.00	1,000.00	100.00%	1,000.00	1,000.00
369005 - Miscellaneous Revenue	1,788.00	0.00	1,788.00	100.00%	1,788.00	1,788.00
369003 - Collections Allowance	72.00	0.00	72.00	100.00%	72.00	72.00
<b>Total 360000 - Miscellaneous Revenues</b>	<b>2,859.00</b>	<b>0.00</b>	<b>2,859.00</b>	<b>100.00%</b>	<b>2,859.00</b>	<b>2,859.00</b>
<b>351100 - Grant Revenues</b>						
351100 - DTP 16-144 Buffer Land Purchase (non "DTP 17 Buffer Land Purchase")	393,000.00	393,000.00	0.00	0.00%	0.00	393,000.00
351101 - DTP 16-144 Buffer Land Purchase Admin Fee (non "DTP 17 Buffer Land Purchase Admin Fee")	3,178.00	10,000.00	6,822.00	68.22%	6,822.00	3,178.00
351102 - DTP 16-144 Buffer Land Purchase (non "DTP 17 Buffer Land Purchase")	45,487.00	281,800.00	236,313.00	84.21%	236,313.00	45,487.00
351103 - DTP 16-144 Buffer Land Purchase (non "DTP 17 Buffer Land Purchase")	0.00	15,000.00	15,000.00	100.00%	15,000.00	0.00
<b>Total 350000 - Grant Revenues</b>	<b>441,665.00</b>	<b>700,800.00</b>	<b>-259,135.00</b>	<b>-36.98%</b>	<b>-259,135.00</b>	<b>441,665.00</b>
<b>Total Income</b>	<b>502,239.00</b>	<b>703,370.00</b>	<b>-201,131.00</b>	<b>-28.59%</b>	<b>-201,131.00</b>	<b>502,239.00</b>
<b>Fund Balance - Carry Forward</b>						
	49,668.00	34,425.00	15,243.00	43.73%	15,243.00	64,911.00
<b>Total Income and Fund Balance Carry Forward</b>	<b>551,907.00</b>	<b>737,795.00</b>	<b>-185,888.00</b>	<b>-25.20%</b>	<b>-185,888.00</b>	<b>551,907.00</b>

Clay County Development Authority  
(AMENDED) Profit Loss Budget vs. Actual  
October 2016 through September 2017

		TOTAL				
	Oct '16 - Sep '17	Budget	(Over) Under Budget	% Variation from Budget	Assessments	Amended Total Budget
<b>Ordinary Income/Expense</b>						
<b>Expenses</b>						
<b>512200 - Sponsorships</b>						
added	10,000.00	10,000.00	\$ 0.00	0.00%	0.00	10,000.00
	10,000.00	10,000.00	\$ 0.00	0.00%	0.00	10,000.00
	2,000.00	0.00	12,000.00	-100%	2,000.00	2,000.00
	22,000.00	20,000.00	12,000.00	-10.00%	2,000.00	22,000.00
<b>513200 - Professional Fees</b>						
	9,750.00	9,000.00	0.00	-8.33%	750.00	9,750.00
	1,812.50	3,000.00	1,187.50	39.58%	-2,187.50	1,812.50
	4,725.00	7,200.00	2,475.00	34.38%	-2,475.00	4,725.00
	66,000.00	66,000.00	0.00	0.00%	0.00	66,000.00
	3,015.00	2,820.00	0.00	-6.91%	185.00	3,015.00
	2,700.00	2,750.00	50.00	1.82%	-50.00	2,700.00
	4,582.50	0.00	64,417.50	-100%	4,582.50	4,582.50
	92,585.00	91,395.00	1,190.00	-1.30%	1,190.00	92,585.00
<b>513440 - Insurance</b>						
	5,129.00	2,200.00	0.00	2.77%	-41.00	2,188.00
	822.00	850.00	28.00	3.29%	-28.00	822.00
	2,961.00	3,050.00	80.00	2.62%	-80.00	2,961.00
	33,320.00	44,400.00	11,080.00	24.95%	-11,080.00	33,320.00
<b>513468 - Building Expenses - 1734 Kingsley Ave</b>						
<b>513550 - Office and Operating Expenses</b>						
added	0.00	600.00	600.00	100.00%	400.00	0.00
	519.00	0.00	(519.00)	-100%	0.00	519.00
	133.00	300.00	167.00	55.67%	-167.00	133.00
	0.00	499.00	499.00	100.00%	-499.00	0.00
	879.00	723.00	42.00	6.22%	-42.00	879.00
	888.00	723.00	0.00	-23.33%	165.00	888.00
	1,254.00	6,300.00	3,046.00	79.81%	-5,046.00	1,254.00
	209.00	175.00	0.00	-14.29%	26.00	209.00
	525.00	1,275.00	750.00	58.82%	-750.00	525.00

Clay County Development Authority  
(AMENDED) Profit Loss Budget vs. Actual  
October 2016 through September 2017

	Oct '16 - Sep 17	Budget	(Over) Under Budget	% deviation from budget	Amendments	Approved Final Budget
<b>Ordinary Income/Expense</b>						
512015 - Travel	740.00	400.00	(340.00)	-85.00%	340.00	740.00
512020 - Conference	325.00	200.00	(125.00)	-42.50%	125.00	325.00
513024 - Recognition	286.00	0.00	(286.00)	-100%	286.00	286.00
512022 - Bank Service Charges	10.00	0.00	(10.00)	-100%	10.00	10.00
<b>Total 512010 - Office and Operating Expenses</b>	<b>1,361.00</b>	<b>600.00</b>	<b>(761.00)</b>	<b>-55.91%</b>	<b>(761.00)</b>	<b>600.00</b>
<b>569000 - Grant Expense</b>						
599020 - DTF 50-144 Buffer Land Purchase (w/ DTF 17 Buffer Land Purchase)	300,000.00	300,000.00	0.00	0.00%	0.00	300,000.00
599009 - DCF 85009 Nonrenew Financing (w/ DCF 17 Roadway Repaving)	45,487.00	205,513.00	235,513.00	84.44%	235,513.00	45,487.00
<b>Total 569000 - Grant Expense</b>	<b>435,487.00</b>	<b>675,513.00</b>	<b>235,513.00</b>	<b>34.87%</b>	<b>235,513.00</b>	<b>435,487.00</b>
<b>Total Expense</b>	<b>591,337.20</b>	<b>944,985.00</b>	<b>353,647.80</b>	<b>37.53%</b>	<b>353,647.80</b>	<b>591,337.20</b>
<b>Net Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-100%</b>	<b>0.00</b>	<b>0.00</b>



October 6, 2017

Clay County Development Authority  
1734 Kingsley Ave.  
Orange Park, FL 32073

RE: Project Eligibility Application

Dear CCDA,

Enclosed please find Penney Retirement Community's Project Eligibility Application and supporting documents. Please be advised of the following:

- The Town of Penney Farms was notified of our project in 2015, prior to the Certificate of Need approval, and they are provided with project updates on a regular basis.
- The new facility will connect to the Town of Penney Farm's water and sewage system.
- A project update will be given to the Town's Planning and Zoning Committee on Tuesday, October 10, 2017.

Please let me know if additional items are needed to process the application.  
Thank you for your consideration.

Sincerely,

Teresa Scott  
President/CEO

Enclosures



## Project Eligibility Application

**Applicant**

**Name:** Penney Retirement Community, Inc.

**E.I.N.:** 59-0624420

**Entity:** Corporation  Limited partnership \_\_\_\_\_ General partnership \_\_\_\_\_  
Other (describe) Non-stock, non-profit 501(c)3

**State:** Florida

**Address:** 3495 Hoffman Street, Penney Farms, FL 32079

**Telephone:** 904-284-5994

**Fax:** 904-284-5509

**Parent Company:** Penney Retirement Community Inc.

**Principal Officers:** Teresa Scott - President/CEO, Dale Fish - CFO, Renee DiPatri - Secretary

**Company Counsel:** Sidney S. Simmons, II, 1050 Riverside Avenue, Jacksonville, FL, 32204, Sidney Simmons: sss@simmonsllaw.com (904) 945-4522

**Bond Counsel:** Nabors, Giblin & Nickerson, P.A., 2502 N Rocky Point Dr Ste 1060, John Stokes: jstokes@ngn-tampa.com (813) 281-2222

**Underwriter:** Placement Agent: Ziegler, 4801 Cox Road, Suite 102, Glen Allen, Virginia 32060, Brandon Powell: bpowell@ziegler.com (804) 793-8499

**Amount of Bonds:** not to exceed \$15,000,000

**Project Description:**

(i) refund the existing Series 1996A and Series 1996B Bonds; (ii) finance the replacement of an existing skilled nursing facility; (iii) fund interest for 12 months for the skilled nursing project; and (iv) pay costs of issuance

<b>Cost (estimates):</b>	Land	<u>0</u>	Buildings	<u>\$8,000,000</u>
	Equipment	<u>\$1,500,000</u>	Issuance costs	<u>\$500,000</u>

**Economic Effects:** creation of jobs, updated healthcare facility, consolidation of debt

Public

Services: not for profit housing for seniors, offering all levels of care (independent, assisted living, memory care and skilled nursing)

Public hearing & approval by elected officials required? Yes  No

Private activity bond limitation applies? Yes  No

History of Company

Located on a 200 acre campus in the town of Penney Farms, Florida (approximately 40 miles south of Jacksonville), PRC is a Florida not-for-profit corporation that was established and opened in 1926 by businessman J.C. Penney for retired ministers, missionaries and YMCA workers who had limited resources. It is a continuing care retirement community ("CCRC"). PRC's stated mission is to foster an inclusive Christian Community seeking the abundant life through social interaction and service in retirement. With close to 500 residents representing nearly 30 different denominations, PRC provides a caring environment and small town atmosphere. Residents are encouraged to stay active and involved in the community through volunteering opportunities in PRC, the town of Penney Farms and in the surrounding counties.

Enclosures

Letter of Bond Counsel

Application fee (\$1,000.00)

IDRB Bond issuance fee 1/2 of 1% of bond amount

Financial statements (state years) FY 6/30/2014, FY 6/30/2015, FY 6/30/2016

Form 10-K Reports Enclosed  Not applicable

Zoning and utility letters

Other (list) \_\_\_\_\_  
\_\_\_\_\_

Applicant certifies that it is financially responsible and fully capable and willing to fulfill its obligations under the financing agreement, including the obligation to make payments in the amounts and at the times required; to operate, maintain and repair at its own expense the Project; and to serve the purposes of the Florida Industrial Development Financing Act and such other responsibilities as may be imposed under the financing agreement.

Date of Application: October 5 2017

(NAME OF APPLICANT) Penney Retirement Community, Inc

By: Teresa Scott  
Name: Teresa Scott Title: President/CEO

Application No: \_\_\_\_\_  
Date received: \_\_\_\_\_  
24 mo. Period ends: \_\_\_\_\_  
Date disclosed: \_\_\_\_\_

**CLAY COUNTY  
DEVELOPMENT AUTHORITY**  
**Application for Declaration of Official Intent**

Applicant requests that the Authority declare its official intent to reimburse Original Expenditures for the Project described herein with proceeds of an issue of the Authority's industrial development revenue bonds, pursuant to the Treasury Department Regulations § 1.150-2 ("Reimbursement Regulations") under the Internal Revenue Code of 1986, as amended ("Code"). "Original Expenditure" means an expenditure for a governmental purpose that is originally paid from a source other than a reimbursement bond, as defined in paragraph (c) of the Reimbursement Regulations, which is paid by or on behalf of the Applicant.

Applicant has consulted Bond Counsel and believes that it is capable of satisfying, and it is willing to satisfy, applicable requirements of law, including federal income tax laws. If the Authority makes the declaration of official intent, Applicant intends to proceed with the Project and with the Bond financing. However, it is understood that Applicant may not proceed or continue if the Bonds are not issued and the proceeds made available to finance the Project. If the declaration of Official intent is made, the Authority's intentions will be subject to satisfaction of all applicable criteria and requirements of law, including federal income tax laws, and the Authority's guidelines, procedures and policies. Neither Applicant nor the Authority shall have any legal obligation by reason of this Application or the declaration of official intent, except the Applicant's obligations for indemnification set forth below.

The Authority shall have no obligation to advance costs or expenses in connection with the Project or any proceedings for the authorization and issuance of the Bonds. Applicant shall be responsible for payment of all required governmental fees; obligations to contractors, subcontractors, materialmen and suppliers; reasonable fees, expenses and disbursements of the Authority's legal counsel; and all fees, expenses and disbursements due or becoming due to other professional consultants and advisers, including, without limitation, company counsel, bond counsel, accountants, architects, engineers, financial consultants and investment bankers, and commissions, fees and other compensation (including reimbursement of expenses) to underwriters, placement agents, trustees, brokers and other parties engaged by or on behalf of applicant or with its consent.

Neither this application nor any declaration of official intent shall preclude Applicant from requesting other incentives to economic development or benefits, nor shall this application or any declaration of official intent preclude any governmental unit or agency from making any such other incentives or benefits available to Applicant.

Applicant hereby indemnifies and holds the Authority and its members, officers and agents harmless from and against any and all liabilities, obligations, losses, costs and expenses, including claims and amounts paid in settlement of thereof, and including attorneys fees and costs incurred in connection with legal proceedings and settlements (whether or not any action, suit or other proceeding is filed), arising out of or predicated upon this application, and if the declaration of official intent is made, the declaration of official intent, the Project or the Bonds. This paragraph shall survive the execution and any expiration or termination of the declaration of official intent.

Pursuant to Section 288.075, Florida Statutes, Applicant hereby requests that this application, the declaration of intent, and all information, records, data, and documents of the Authority which contain or would provide information concerning plans, intentions, or interests of Applicant or any related person to locate, relocate, or expand any of its manufacturing or other business activities in the State of Florida shall be confidential and exempt from the provisions of Section 119.07(1), Florida Statutes, for 24 months from the date of filing of this application or until disclosed by Applicant or the Authority. The Authority will use reasonable efforts to cooperate and coordinate with Applicant with respect to any disclosure, whether voluntary or required, subject to applicable requirements of law. Notwithstanding the foregoing, neither the Authority nor any of its members, officers, employees or agents shall have any liability to Applicant or any other person for any such disclosure, whether or not resulting from any negligent or intentional act or omission of the Authority, and Applicant hereby waives any claims against the Authority, its members, officers, employees and agents, with respect to such disclosure.

**CLAY COUNTY  
DEVELOPMENT AUTHORITY**

Application No: _____
Date received: _____

**Declaration of Official Intent**

Pursuant to Regulation § 1.150-2 of the Treasury Department Regulations under the Internal Revenue Code of 1986, as amended (the "Code"), and a Resolution of the Clay County Development Authority (the "Authority"), the undersigned authorized representatives of the Authority hereby declare official intent on behalf of the Authority to reimburse expenditures made by or on behalf of the Applicant with respect to the Project, and any reasonable deviations therein ("Original Expenditures"), with proceeds of the Authority's industrial development revenue bonds, as follows:

*Applicant:* Pennyc Retirement Community, Inc.  
\_\_\_\_\_  
\_\_\_\_\_

*Project:* (i) refund the existing Series 1996A and Series 1995B Bonds; (ii) finance the replacement of an existing skilled nursing facility;  
(iii) fund interest for 12 months for the skilled nursing project; and (iv) pay costs of issuance  
\_\_\_\_\_

*Amount of Bonds:* not to exceed \$15,000,000  
\_\_\_\_\_

This Declaration of Official Intent is based upon the Applicant's statements that it intends to proceed with the Project and financing costs of the Project with the proceeds of the Authority's industrial development revenue bonds, and is made with the Authority's reasonable expectation that the bonds will be issued and a portion of the proceeds used to reimburse and Original Expenditures. The Applicant shall notify the Authority promptly if it determines not to proceed with the Project or the Bonds. This Declaration does not constitute an approval of the Project or approval or authorization of the Bonds, or a commitment of an allocation of the state volume limitation for the Bonds, and is subject to satisfaction of and compliance with all applicable requirements of the Florida Industrial Development Financing Act and other provisions of law, applicable requirements of the Code and the Regulations thereunder and the Authority's guidelines, procedures and policies.

Dated this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**CLAY COUNTY DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Division Serial No. \_\_\_\_\_  
Prior Division Serial No. \_\_\_\_\_

**STATE OF FLORIDA DIVISION OF BOND FINANCE**  
**NOTICE OF INTENT TO ISSUE BONDS AND REQUEST FOR WRITTEN CONFIRMATION**

N/A

**PART I.** (to be completed by applicant) Date: \_\_\_\_\_

Name, address and phone number of person who prepared this Notice (confirmation or rejection will be sent to this person unless otherwise directed):

Phone: ( ) \_\_\_\_\_

Address: \_\_\_\_\_

Issuing Agency: \_\_\_\_\_

Company (if applicable): \_\_\_\_\_

Amount: \_\_\_\_\_

Is this a Supplementary Notice? Yes \_\_\_\_\_ No \_\_\_\_\_

Check one of the following:

Multifamily \_\_\_\_\_ Single Family \_\_\_\_\_ Other \_\_\_\_\_

(if other, specify) \_\_\_\_\_

Is this a Priority Project under State law? Yes \_\_\_\_\_ No \_\_\_\_\_

Purpose: \_\_\_\_\_

s. 147 (f) or similar IRC Approval Date: \_\_\_\_\_

Contemplated Date (s) of issue: \_\_\_\_\_

Approving Authority (Unit of Government): \_\_\_\_\_

Agency Official and Title: \_\_\_\_\_

I hereby certify that the elected official or voter approval required pursuant to 147 (f) of the Internal Revenue Code has been obtained on the date indicated above, and that the amount reasonably expected to be required for the financing equals at least 90% of the amount requested above.

Signature of Agency Official: \_\_\_\_\_

**PART II.** (to be completed by Division of Bond Finance)

Date and Time Received: \_\_\_\_\_ Received by: \_\_\_\_\_

Status: (confirmed or rejected) \_\_\_\_\_

Comments: \_\_\_\_\_

Amount Confirmed: \_\_\_\_\_ Confirmation Valid Through: \_\_\_\_\_

Category of Confirmation: \_\_\_\_\_

\_\_\_\_\_ Title: Director, Div. Of Bond Finance

ISSUER IS HEREBY ADVISED THAT THIS CONFIRMATION IS CONDITIONAL AND SHALL NOT BE CONSIDERED FINAL UNTIL AND UNLESS (1) THE DIVISION RECEIVED TIMELY NOTIFICATION OF ISSUANCE OF THE BONDS PURSUANT TO 159.805 (5) (a), FLORIDA

STATUTES, AND (2) THE DIVISION HAS ISSUED ITS FINAL CONFIRMATION OF ALLOCATION (FORM BF 2007-b) WITH RESPECT TO THE BONDS.

(Form BF 2006-D/5-1-88)

STATE OF FLORIDA DIVISION OF BOND FINANCE  
ISSUANCE REPORT PURSUANT TO SECTION 159.805(5) (a), FLORIDA STATUTES

N/A

Division Serial # (if any): \_\_\_\_\_

Name of Issuer: \_\_\_\_\_

Name of Bonds: \_\_\_\_\_

Amount of Bonds: \_\_\_\_\_ Date of Issuance: \_\_\_\_\_  
(Delivery Date)

Excess Amount (if any): \_\_\_\_\_

Type of Sale: Public Offering \_\_\_\_\_ Private Placement \_\_\_\_\_

Check one of the following:

Multifamily \_\_\_\_\_ Single Family \_\_\_\_\_ Small Issue IDB \_\_\_\_\_

Other \_\_\_\_\_ (if other Specify) \_\_\_\_\_

Purpose: \_\_\_\_\_

A) If manufacturing IDB, product manufactured: \_\_\_\_\_

B) If Multifamily Housing Bonds, number of units: \_\_\_\_\_

C) If Single Family Bonds, amount for origination of loans: \$ \_\_\_\_\_  
amount immediately available: \$ \_\_\_\_\_

List Ratings (if any) Received:

Moody's \_\_\_\_\_ Standard & Poor's \_\_\_\_\_ N/A \_\_\_\_\_

Credit Enhancement (if any):

(name) \_\_\_\_\_

(nature) \_\_\_\_\_

Project Sponsor or Private Borrower (if applicable):

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ Contact Person \_\_\_\_\_

Address of Project \_\_\_\_\_

Name & Address of Bond Counsel: \_\_\_\_\_

Name & Address of Underwriter: \_\_\_\_\_

Name & Address of Private Placement Agency: \_\_\_\_\_

Amount of Bond Proceeds Disbursed at Closing: \$ \_\_\_\_\_

TAMPA  
2502 Rocky Point Drive  
Suite 1090  
Tampa, Florida 33607  
(813) 281-2222 Tel  
(813) 281-0129 Fax

# Nabors Giblin & Nickerson P.A.

TALLAHASSEE  
1500 Mahan Drive  
Suite 200  
Tallahassee, Florida 32308  
(850) 224-4070 Tel  
(850) 224-4073 Fax

FORT LAUDERDALE  
110 East Broward Boulevard  
Suite 1700  
Fort Lauderdale, Florida 33301  
(954) 315-3852 Tel

October 3, 2017

VIA EMAIL

Josh Cockrell, Executive Director  
Clay County Development Authority  
JoshCockrell@claydevelopmentauthority.com

Re: Approximately \$14,500,000 Clay County Development Authority Healthcare Facilities Refunding and Improvement Revenue Bonds (Penney Retirement Community, Inc. Project), in one or more series, either taxable or tax-exempt or both (collectively, the "Bonds")

Dear Mr. Cockrell:

We have been engaged as bond counsel to Penney Retirement Community, Inc. (the "Company"), a Florida not for profit corporation and a 501(c)(3) entity for purposes of the Internal Revenue Code of 1986, as amended (the "Code"), in connection with the authorization, issuance, sale and delivery of the above-referenced Bonds. We understand that the Company intends to request that the Clay County Development Authority (the "Authority") give its preliminary approval to issue the Bonds, privately place the Bonds with Branch Banking & Trust Company, and loan the proceeds from the sale of the Bonds to the Company. We further understand that the Bonds and the loan evidenced thereby will be payable solely from the security and collateral provided by the Company.

The Bonds will be issued for the principal purposes of (i) financing and reimbursing the Company for the cost of acquiring, constructing and equipping certain healthcare facilities in Clay County, Florida, including a replacement skilled nursing facility, to be owned and operated by the Company, (ii) refunding all of the Authority's outstanding Health Care Facilities Revenue Bonds (Penney Retirement Community Project) Series 1996A and Series 1996B, (iii) capitalizing interest on a portion of the Bonds during the construction period and (iv) funding any necessary reserves and paying costs and expenses associated with the issuance of the Bonds (collectively, the "Project").

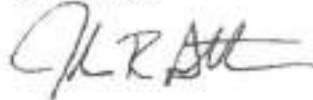
Josh Cockrell, Executive Director  
Clay County Development Authority  
Page 2

October 3, 2017

The Bonds are a type that are commonly referred to by bond lawyers and other market participants as 501(c)(3) bonds. Based upon our current understanding of the transaction, the Bonds can satisfy the legal requirements to be issued by the Authority and loaned to the Company to finance and refinance the Project.

If you have any questions, comments or concerns regarding the foregoing, please feel free to contact me at the telephone number above or email me at [jstokes@ngn-tampa.com](mailto:jstokes@ngn-tampa.com). I look forward to working with you on this transaction.

Sincerely,

A handwritten signature in black ink, appearing to read "J.R. Stokes", with a stylized flourish at the end.

John R. Stokes, Esq.

JRS/mmg



Ryan G. Tiedeberg  
 Senior Vice President  
 200 West Forsyth Street, Suite 200  
 Jacksonville, FL 32202  
 (904) 361-5264  
 Mobile (904) 226-2548

October 2, 2017

Penney Retirement Community, Inc.  
 3495 Hoffman Street  
 Penney Farms, FL 32079  
 Attention: Dale Fish, Chief Financial Officer

Dear Mr. Fish:

On behalf of Branch Banking and Trust Company (the "Bank"), we are very pleased to offer Penney Retirement Community, Inc. (the "Borrower") a tax-exempt loan in the amount of up to \$14,500,000 (the "Credit Facility"), which is subject, but not limited to, the general terms and conditions outlined below.

#### A. CREDIT FACILITY

- Borrower: Penney Retirement Community, Inc.
- Lender: The Bank or an affiliate designated by the Bank.
- Amount: Up to \$14,500,000.
- Structure: A tax-exempt bond issued through a qualified conduit issuer and purchased by the Lender.
- Purpose: To (i) redeem the Borrower's outstanding principal amount of the Series 1996A and 1996B Bonds, (ii) finance the construction of a new skilled nursing facility, (iii) fund a 12 month interest reserve and (iv) finance the cost of issuing the Credit Facility.
- Commitment Fee: The Borrower shall pay to the Lender on the closing date a non-refundable commitment fee equal to 0.10% of the Credit Facility.
- Advances: Prior to closing, the Borrower shall elect whether the Credit Facility will be Fully Funded or Draw Down, as more specifically described below. If the Draw Down is elected only the variable interest rate option may be selected.
- Fully Funded: If the Credit Facility is fully funded at closing (which is a requirement of the fixed rate option), the Credit Facility will be fully-funded on the closing date into a project fund (the "Project Fund") held with the Bank. The Bank is willing to offer the Project Fund as an interest bearing account. Based on the limited information received to date regarding the 12 month construction period, we have provided a deposit rate indication of 1.15%.
- Draw Down: If the "Draw Down" option is selected, post-closing draws will be limited to every other month for the 12 month construction period. All principal

undrawn at the end of the 12 month construction period will be deposited into a non-interest bearing account held at the Bank.

Mandatory Tender Date:

The Credit Facility will be subject to mandatory tender for purchase by the Borrower on the date twelve (12) years from the closing date (the "Mandatory Tender Date"), and all principal and accrued interest will be due to the Lender on the Mandatory Tender Date.

Interest Rate:

Prior to closing the Borrower may select between the following two options:

Option 1: The Borrower shall establish and maintain all of its banking relationship with the Bank, including its treasury services relationship.

Option 2: The Borrower retains its treasury service relationship with Ameris Bank.

For each Option, the Borrower may select, prior to closing, either a variable or a fixed interest rate for the Credit Facility, as set forth below:

	<u>Variable Rate</u>
Option 1	(68% of One-Month LIBOR) + 0.75%
Option 2	(68% of One-Month LIBOR) + 0.85%

All interest will be computed and charged for the actual number of days elapsed on the basis of a year consisting of three hundred sixty (360) days. The interest rate will adjust monthly with changes in One-Month LIBOR and will be subject to increase in the event of a Determination of Taxability or decreases in the maximum statutory corporate marginal tax rate. In no event will One-Month LIBOR ever be less than zero percent.

Fixed Rate

The fixed interest rate of each Tranche will be established based on the BB&T Cost of Funds plus a credit spread. The fixed interest rate will be computed and charged for the actual number of days elapsed on the basis of a year consisting of three hundred sixty (360) days and will be subject to increase in the event of a Determination of Taxability or decreases in the maximum statutory corporate marginal tax rate. For illustration purposes, the indicative fixed interest rates for the various terms are set forth below.

	<u>Interest Rate</u>
Option 1	2.76%
Option 2	2.86%

These rates are indicative of current market conditions as of October 2, 2017 and are subject to change at any time.

If a fixed interest rate option is selected by the Borrower, the following additional conditions apply:

1. The fixed rate can be locked up to 2 days prior to the closing and funding of the Credit Facility.
2. The Credit Facility must be fully advanced at closing.
3. The Credit Facility may be prepaid upon no less than seven days' notice to the Lender.
4. Any prepayment of the Credit Facility must be in a minimum amount of the greater of (i) 10% of the balance of the Credit Facility or (ii) \$250,000.
5. The Borrower will pay to the Lender a prepayment fee in connection with any prepayment of the Credit Facility based on the Lender's standard break-funding terms for prepayments of fixed rate loans.

Swap Agreement:

If the Borrower selects the variable interest rate option and qualifies as an "Eligible Contract Participant" and is not a "Special Entity" (each as defined in the Commodity Exchange Act, as amended), the Bank will make available to the Borrower at its request an interest rate swap (the "Swap") for the purpose of hedging the variable interest rate risk on the Credit Facility for a term not to exceed the Mandatory Tender Date. The notional amount of the Swap will not exceed the principal amount of the Credit Facility. Trade execution of the Swap will be subject to execution of ISDA (International Swap and Derivatives Association, Inc.) standard documentation acceptable to the Bank (the "Swap Agreement"). Obligations arising under the Swap Agreement will be secured by the same collateral securing the Credit Facility, and the covenants, terms and provisions of the continuing covenants agreement will be incorporated into the Swap Agreement. The Borrower will be subject to the make-whole provisions, as described in the Swap Agreement, arising from any early termination of the Swap, which could result in a substantial additional payment from the Borrower. Prior to the Bank discussing or executing an interest rate swap, the Borrower must engage an IRMA.

The Borrower may select between a Swap starting at closing or a forward starting interest rate swap beginning 12 months from closing.

For illustration purposes, indicative swap rates for the Credit Facility are set forth below:

	<u>Swap Rates</u>	
	<u>Start at Closing</u>	<u>Forward Start</u>
Option 1	2.46%	2.54%
Option 2	2.56%	2.64%

The rates above are indicative of current market conditions as of October 2, 2017. All rates are subject to change at any time.

- Repayment:** Accrued interest will be payable monthly. Principal will be payable monthly based on a 25 year amortization schedule, subject to adjustments mutually agreed upon by the Borrower and the Lender. All principal and accrued but unpaid interest shall be due on the Mandatory Tender Date.
- Collateral:** The obligations of the Borrower to the Lender relating to the Credit Facility will be secured by a first lien mortgage on the Borrower's real property and improvements of the Borrower, equipment and 'gross revenues'.
- Default Rate:** The Bank's Prime Rate plus 2.00% per annum, with an interest rate floor of 6.00%.

## B. CONDITIONS PRECEDENT TO THE CREDIT FACILITY

The obligation of the Lender to close the Credit Facility shall be subject to fulfillment of the following additional conditions precedent:

- (a) **Bond Counsel Opinion:** The Lender shall have received an approving opinion of bond counsel satisfactory to the Lender and customary for similar transactions, including an opinion that interest on the Credit Facility is exempt from federal income tax and the interest thereon will not be a specific preference item for purposes of the alternative minimum tax.
- (b) **Borrower's Counsel Opinion:** The Lender shall receive legal opinions from an attorney of the Borrower acceptable to the Lender and its counsel, covering matters customary to the transactions described herein and in all respects acceptable to the Lender.
- (c) **Corporate Authorization:** The Borrower must furnish the Lender with properly executed resolutions authorizing the borrowing under the Credit Facility and all other dealings with the Lender, together with certified copies of the Borrower's organizational documents.
- (d) **Governmental Approvals:** Approval by all applicable local, state and federal authorities and our review and approval of the terms and conditions of the amendments to the tax-exempt bond documents.
- (e) **UCC Search:** The Lender shall have received a UCC search only showing liens on the personal property of the Borrower acceptable to the Lender.
- (f) **Insurance:** The Borrower shall deliver evidence of hazard and liability insurance evidencing coverage acceptable to the Lender. The Lender shall be named as a mortgagee and lender loss payee on such policies.
- (g) **Project Information:** Receipt and satisfactory review by the Lender of the construction budget, construction contracts, construction timeline and such other information related to the Project as the Lender may reasonably request.
- (h) **Flood Certification:** The Lender will obtain from a vendor selected by the Lender a determination of whether the real property collateral is located in a "special

flood, mud slide, or erosion hazard area". If any of the real property collateral is located within such an area, this commitment shall be unenforceable as to Lender unless Borrower provides Lender, prior to closing, with flood insurance acceptable to Lender in its sole discretion, naming the Lender as mortgagee or loss payee.

- (i) Title Insurance: A lender's title insurance policy acceptable to the Lender, showing no liens or encumbrances other than permitted encumbrances.
- (j) Real Estate Due Diligence: None required (no appraisal or environmental report required).
- (k) Other Items: The Lender shall have received such other documents, instruments, approvals or opinions as the Lender may reasonably request.

### C. OTHER TERMS

- (a) This Commitment is subject to the review and approval by the Lender and its counsel of the terms and conditions of all bond documents.
- (b) The Borrower will pay all costs of the Lender associated with this transaction, including the Lender's legal costs, whether or not the Credit Facility is made. The Lender will be represented by Moore & Van Allen, PLLC and the estimate of legal costs, based upon the current proposed structure, is \$35,000.
- (c) The documentation related to the Credit Facility shall be in form and substance satisfactory to the Lender and will contain terms, conditions and affirmative and negative covenants consistent with financings of this type, including, but not limited to, the following reporting requirements and covenants:
  - (1) Minimum Debt Service Coverage Ratio of 1.20 to 1:00, measured annually.
  - (2) Minimum Days Cash on Hand of 150 days, measured semi-annually.
  - (3) Additional Debt requires pro-forma evidence of a minimum Debt Service Coverage Ratio of 1.35 to 1.00 after incurrence of the proposed debt.
  - (4) Annual audited financial statements within 120 days of each fiscal year end; quarterly management prepared financial statements within 45 days of the end of each fiscal quarter; covenant compliance certificates due simultaneously with delivery of financial statements.
  - (5) If Option 2 is selected, the Borrower shall transition its treasury services relationship to the Bank if Ameris Bank no longer maintains a branch on the Borrower's campus.
- (d) This Commitment must be accepted by the Borrower on or before October 16, 2017 or it will terminate. If accepted, the Commitment will expire December 31, 2017 if the Credit Facility is not closed by then.

- (c) The Borrower will be required to indemnify the Lender for any increased costs for issuing, maintaining and participating in the Credit Facility which result from changes in any law, rule or regulation, state or federal, applicable to the Lender, including capital reserve requirements or changes in tax law.

**D. MISCELLANEOUS**

1. Commitment Modifications: This Commitment may not be modified except by written agreement signed by the Borrower and Lender.
2. Assignment of Commitment: This Commitment may not be assigned without the prior written consent of Lender.
3. Third Party Beneficiary Rights: No person who is not a party to this Commitment shall have or enjoy any rights hereunder and all third party beneficiary rights are expressly negated. Without limiting the generality of the foregoing, no one other than the Borrower shall have any rights to obtain or compel the closing of the Credit Facility.
4. Representation of Facts: This Commitment is issued in reliance upon the accuracy and completeness of all information furnished by or for the Borrower and is subject to the continued accuracy and completeness of all such information. The Lender shall have the option to terminate this Commitment upon written notice to the Borrower if there shall have been any material misrepresentation or misstatement or any material error of fact contained in any of the above or if at any time there shall have been a material adverse change in the state of facts indicated therein or in the financial condition of the Borrower.
5. Indemnification by Borrower: The Borrower agrees to indemnify and hold harmless the Lender from and against any and all claims, damages, liabilities and expenses which may be incurred by or asserted against the Lender in connection with any proceeding arising out of this commitment or Borrower's use of the proceeds of the Credit Facility.
6. Confidentiality: This Commitment is confidential and, except for disclosure on a confidential basis to the Borrower's board members, financial advisors, accountants, attorneys and other professional advisors retained by the Borrower for use in connection with the proposed financing or as may be required by law, or any other governmental authority that regulates or audits the Borrower, may not be disclosed in whole or in part by the Borrower or any such financial advisors, accountants, attorneys or other professional advisor to any other person or entity without the Lender's prior written consent. If this Commitment is delivered to a financial advisor or person other than the Borrower, by receipt and use by such advisor or other person in connection with the proposed transaction, such advisor or other person agrees to be bound by the confidentiality terms set forth above.
7. Municipal Advisor Disclosure: The interest rate swap quotes contained herein have been prepared by the Bank solely for information purposes. The Bank is not recommending an action or providing any advice to the Borrower and is not acting as a municipal advisor or financial advisor. The Bank is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Bank is acting in its own interest. Borrower must engage an IRMA and discuss any information and material contained in this

communication related to an interest rate swap. Borrower is expected to seek the advice of the IRMA and any other professional advisors which they deem appropriate, especially with respect to any legal, regulatory, tax or accounting treatment. Execution of any Interest Rate derivative is subject to certification by Counterparty that they do not qualify as a Special Entity under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

[Signature Page Follows]

We at BB&T sincerely appreciate this opportunity to help meet your financial requirements. Please do not hesitate to contact me if you have any questions regarding this commitment. If you agree with the terms and conditions generally outlined in this letter, please sign the acceptance line below and return this letter to my attention. As stated above, this commitment must be accepted by the Borrower on or before October 16, 2017. A copy is enclosed for your file.

Very truly yours,

BRANCH BANKING AND TRUST COMPANY



Ryan Liedberg  
Regional Corporate Banker

We accept the terms and conditions of the commitment outlined in this letter.

PENNEY RETIREMENT COMMUNITY, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: October \_\_, 2017



RESOLUTION 2017/2018-\_\_\_

A RESOLUTION PRELIMINARILY APPROVING THE ISSUANCE OF A NOT TO EXCEED \$14,500,000 CLAY COUNTY DEVELOPMENT AUTHORITY HEALTHCARE FACILITIES REFUNDING AND IMPROVEMENT REVENUE BOND (PENNEY RETIREMENT COMMUNITY, INC. PROJECT), SERIES 2017 TO (A) REFUND (1) ON A CURRENT OR ADVANCE BASIS, THE AUTHORITY'S OUTSTANDING HEALTH CARE FACILITIES REVENUE BONDS (PENNEY RETIREMENT COMMUNITY PROJECT), SERIES 1996A AND (2) ON AN ADVANCE BASIS, THE AUTHORITY'S OUTSTANDING HEALTH CARE FACILITIES REVENUE BONDS (PENNEY RETIREMENT COMMUNITY PROJECT), SERIES 1996B AND (B) FINANCE (INCLUDING REIMBURSEMENT) THE COST OF ACQUISITION, CONSTRUCTION AND EQUIPPING OF A REPLACEMENT 50 BED SKILLED NURSING FACILITY TO BE OWNED AND OPERATED BY PENNEY RETIREMENT COMMUNITY, INC., AND MAKING DETERMINATIONS AS TO OTHER MATTERS RELATED THERETO.

**WHEREAS**, the Clay County Development Authority (the "Authority") has been requested by Penney Retirement Community, Inc. (the "Borrower"), a Florida not-for-profit corporation, to issue its Healthcare Facilities Refunding and Improvement Revenue Bond (Penney Retirement Community, Inc. Project), Series 2017 (the "2017 Bond") and lend the proceeds thereof to the Borrower to (i) refund (A) on a current or advance basis, the Authority's outstanding Health Care Facilities Revenue Bonds (Penney Retirement Community Project), Series 1996A and (B) on an advance basis, the Authority's outstanding Health Care Facilities Revenue Bonds (Penney Retirement Community Project), Series 1996B (the Bonds referred to in clauses (A) and (B) are herein collectively referred to as the "Prior Bonds"), (ii) finance (including reimbursement) the cost of acquisition, construction and equipping of a replacement 50 bed skilled nursing facility (the "Project") to be owned and operated by Penney Retirement Community, Inc., (iii) capitalized interest on a portion of the 2017 Bond during the construction of the Project and for a reasonable period after and (iv) pay costs associated with the issuance of the 2017 Bond, and making determinations as to other matters related thereto; and

**WHEREAS**, the Prior Bonds were previously issued by the Authority to finance and refinance the cost of acquisition, construction, installation, renovation and equipping of certain capital improvements to the Borrower's senior housing and healthcare facilities

located at the Borrower's campus within Clay County, Florida (the "County") and owned and operated by the Borrower; and

**WHEREAS**, The Borrower has heretofore requested the Authority to conduct a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), on the proposed issuance of the 2017 Bond and on the nature and location of the facilities to be financed and refinanced with the 2017 Bond and to approve the issuance of the 2017 Bond solely for purposes of Section 147(f) of the Code. On the date hereof the Authority held a public hearing in accordance with the provisions of Section 147(f) of the Code, at which meeting members of the public were given the opportunity to express their views on the issuance of the 2017 Bond (and the purposes for which it is being issued) and the location and nature of the Project, such public hearing taking place 14 days after notice of the hearing appeared in Clay Today, a legal notice paper of general circulation in the County. An Affidavit of Publication of such notice is attached hereto as Exhibit B; and

**WHEREAS**, after consideration of the issuance of the 2017 Bond, the refunding of the Prior Bonds and the location and nature of the Project at a meeting open to the public, held in accordance with all open meetings laws, and after the holding of the public hearing referred to above, the Authority has determined that in assisting with the refunding of the Prior Bonds and the financing (including reimbursement) of the costs of the Project it will be acting in furtherance of the public purposes of the Authority; and

**WHEREAS**, the most feasible method of refunding the Prior Bonds and the financing (including reimbursement) of the costs of the Project is for the Authority to issue the 2017 Bond for that purpose and for it to lend the proceeds from the sale of said 2017 Bond to the Borrower to enable the Borrower to pay the costs of the refunding and financing, with loan repayments to be sufficient and timely to pay the principal of, premium (if any) and interest on said 2017 Bond; and

**WHEREAS**, the Borrower has obtained a commitment from Branch Banking and Trust Company (the "Bank") for the Bank to make a loan evidenced by the 2017 Bond; and

**WHEREAS**, the Borrower has requested that the Authority indicate its willingness to issue its 2017 Bond for the principal purposes of refunding the Prior Bonds and financing (including reimbursement) the costs of the Project so that the refunding and financing may proceed; and

**WHEREAS**, the Authority has determined that it is in the best interest of the inhabitants of the Authority and of the County that the proposed refunding and financing proceed without delay;

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The Authority hereby finds that the refunding of the Prior Bonds and the financing (including reimbursement) of the costs of Project will develop and promote the public good and the general welfare of the Authority, the County and of the State of Florida.

2. In order to indicate the Authority's willingness to issue its 2017 Bond in an amount up to \$14,500,000 to refund the Prior Bonds and finance (including reimbursement) the costs of the Project (including capitalized interest), the execution and delivery to the Borrower of an inducement agreement is hereby authorized, said inducement agreement to be in substantially the form attached hereto as Exhibit A, subject to such minor changes, insertions and omissions as may be approved by the Chairman or Vice Chairman of the Authority, and the execution of said inducement agreement by the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority, as hereby authorized, shall be conclusive evidence of such approval.

3. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are further hereby authorized to take any and all further action and execute and deliver any and all other documents as may be necessary to issue and deliver the 2017 Bond and to effect the undertaking for which the 2017 Bond is proposed to be issued; provided, however, the Authority shall adopt a Bond or Authorizing Resolution approving all such documents prior to the issuance of the 2017 Bond.

4. The Authority hereby recommends the issuance of the 2017 Bond for the purposes describe in this Resolution for approval by the Board of County Commissioners of Clay County, Florida in accordance with the provisions of Sections 125.01(1)(Z) and 159.287, Florida Statutes.

Adopted this 18th day of October, 2017.

**CLAY COUNTY DEVELOPMENT  
AUTHORITY**

[SEAL]

By: \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

## EXHIBIT A

### INDUCEMENT AGREEMENT

October 18, 2017

Penney Retirement Community, Inc.  
3495 Hoffman Street/P.O. Box 555  
Penney Farms, FL 32079-0555

Re: Proposed Revenue Bond Financing

Ladies and Gentlemen:

The Clay County Development Authority (the "Authority") has been requested by Penney Retirement Community, Inc. (the "Borrower"), to approve, for purposes set forth herein, the issuance of a revenue bond in an aggregate principal amount not to exceed \$14,500,000 to be issued by the Authority and to be known as the Healthcare Facilities Refunding and Improvement Revenue Bond (Penney Retirement Community, Inc., Project), Series 2017 (the "2017 Bond"), the proceeds of which will be lent to the Borrower to (i) refund (A) on a current or advance basis, the Authority's outstanding Health Care Facilities Revenue Bonds (Penney Retirement Community Project), Series 1996A and (B) on an advance basis, the Authority's outstanding Health Care Facilities Revenue Bonds (Penney Retirement Community Project), Series 1996B (the Bonds referred to in clauses (A) and (B) are herein collectively referred to as the "Prior Bonds"), (ii) finance (including reimbursement) the cost of acquisition, construction and equipping of a replacement 50 bed skilled nursing facility to be owned and operated by Penney Retirement Community, Inc. (the "Project"), (iii) capitalized interest on a portion of the 2017 Bond during the construction of the Project and for a reasonable period after and (iv) pay costs associated with the issuance of the 2017 Bond, and making determinations as to other matters related thereto.

As a result of our discussions with your officers and agents, we have determined that the Authority's willingness to issue its revenue bonds or other appropriate obligations (the "2017 Bond") to assist the Borrower in refunding the Prior Bonds and the financing (including reimbursement) of the costs of the Project (including capitalized interest) will develop and promote the public good and general welfare of the citizens and inhabitants in the jurisdiction of the Authority, Clay County, Florida (the "County") and the State of Florida, and it is therefore the conclusion of the Authority that in assisting with the refunding of the Prior Bonds and the financing of the costs of the Project the Authority will be acting in furtherance of the public purposes of Chapter 159, Part II, Florida

Statutes, as amended and Chapter and Chapter 2001-317, Laws of Florida, Special Acts (2001) (the "Act").

In order to induce the Borrower to proceed with the refunding and refinancing and in order to carry out the public purposes of the Act, we hereby make the following proposals:

1. The Authority will issue its 2017 Bond in one or more series in a total principal amount not to exceed \$14,500,000 for the purposes of refunding the Prior Bonds, financing (including reimbursement) the costs of the Project (including capitalized interest) and paying costs of issuance of the 2017 Bond.

2. The terms of the 2017 Bond (maturity schedule, interest rates, denominations, redemption provisions, security etc.) must be satisfactory to the Borrower and the Authority and will be as set forth in a financing agreement, a bond purchase contract or similar agreement to be entered into between the Authority and lender satisfactory to the Borrower.

3. (a) Simultaneously with the delivery of the 2017 Bond, the Authority will loan the proceeds from the sale of the 2017 Bond to the Borrower to refund the Prior Bonds, finance (including reimbursement) the costs of the Project (including capitalized interest) and pay the costs of issuing the 2017 Bond, and the terms and provisions of the financing loan agreement to be entered by the Authority, the Borrower and the lender in connection therewith (the "Financing Agreement") shall be substantially in the form generally utilized in connection with such financial undertakings, as agreed upon by the Authority and the Borrower.

(b) The amounts payable under the Financing Agreement will be assigned to the bank making the loan (the "Bank"), to be named by the Authority subject to the approval of the Borrower, at such times and in such amounts as shall be timely and sufficient to pay the principal of, redemption premium (if any) and interest on the 2017 Bond as the same become due and payable. The duty of the Borrower to make all payments required under the Financing Agreement shall be absolute and unconditional after the delivery of the 2017 Bond.

(c) The proceeds from the sale of the 2017 Bond to be applied to the refunding the Prior Bonds, financing (including reimbursement) of costs of the Project (including capitalized interest) and to payment of the costs of issuance of the 2017 Bond.

(d) The Borrower will pay any taxes, assessments or utility charges which may be lawfully levied, assessed or charged upon the Borrower, the Authority, the Project or the payments under the Financing Agreement if such

would result in a lien or charge upon the Project or the revenues of the Authority therefrom.

(e) The Financing Agreement shall provide that in the performance of the covenants contained therein on the part of the Authority, any obligations it may incur for the payment of money shall not be a general debt on its part or on the part of the Authority, the State of Florida, the County or any other political subdivision or municipality, but shall be payable solely from the specific payments received under such Financing Agreement or from 2017 Bond proceeds, insurance proceeds and/or condemnation awards.

(f) The Financing Agreement shall contain covenants providing for the indemnification of the Authority and the individual members and officers thereof for all expenses incurred by them and for any loss suffered or damage to property or any injury or death of any person occurring in connection with the refunding of the Prior Bonds and the financing of the costs of the Project.

4. The Financing Agreement will pledge all payments and amounts due thereunder (other than fees and indemnifications due to the Authority) for the benefit of the Bank as holder of the 2017 Bond.

5. Upon delivery of the 2017 Bond, the provisions of this Agreement shall have no further effect and, in the event of any inconsistency between the terms of this Agreement, the Financing Agreement, mortgage, promissory note or any other security documents, such Financing Agreement, mortgage, promissory note or other security documents shall control.

6. If for any reason the 2017 Bond is not delivered within two years of the date hereof, the provisions of this Agreement shall, at the option of the Authority, to be evidenced in writing, be canceled, and neither party shall have any rights against the other, and no third parties shall have any rights against either party, except the Borrower will pay the Authority for all reasonable expenses, including legal fees, which have been incurred by the Authority in connection with the proposed issuance of the 2017 Bond, the refunding of the Prior Bonds and the financing of the costs of the Project.

7. Whether or not the 2017 Bond is issued, the Borrower will pay any out-of-pocket expenses of officers or employees of the Authority incurred in connection with proposed issuance of the 2017 Bond, the refunding of the Prior Bonds and the financing of the costs of the Project and will pay the legal fees and expenses of counsel for the Authority and Nabors, Giblin & Nickerson, P.A., Bond Counsel, related to the proposed issuance of the 2017 Bond, the refunding of the Prior Bonds and the financing of the costs of the Project. If the 2017 Bond is issued, the Borrower will pay the customary issuance fee of the Authority.

8. The Borrower, in accepting this proposal, agrees (a) to indemnify, defend and hold the Authority and its respective individual Authority members, officers, agents and attorneys harmless against any loss or damage to property or any injury or death of any person or persons occurring in connection with the refunding of the Prior Bonds and the financing of the costs of the Project or the issuance of the 2017 Bond and (b) to reimburse or otherwise pay, on behalf of the Authority, any and all reasonable and necessary expenses not hereinbefore mentioned that are incurred by the Authority and approved by the Borrower in connection with the refunding of the Prior Bonds, the Project or the issuance of the 2017 Bond. This indemnity shall be superseded by a similar indemnity in the Financing Agreement, and if the 2017 Bond are not issued and delivered, this indemnity shall survive the termination of this Agreement.

9. This Agreement shall inure to the benefit of and be binding upon the Borrower and the Authority and their respective legal representatives, successors and assigns.

If the foregoing proposal is satisfactory to you, the Borrower may so indicate by having the following acceptance executed by a duly authorized officer of the Borrower and returning a copy to the Authority. This proposal and acceptance will then constitute an agreement with respect to the matters herein contained.

Yours very truly,

**CLAY COUNTY DEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_  
Chairman

[SEAL]  
Attest:

\_\_\_\_\_  
Secretary

**ACCEPTANCE OF PROPOSAL**

The terms and conditions contained in the within Inducement Agreement are hereby accepted as of October 18, 2017.

**PENNEY RETIREMENT COMMUNITY, INC.**

By: \_\_\_\_\_  
Title:



**EXHIBIT B**

Affidavit of Publication of Public Hearing Notice

PUBLISHER AFFIDAVIT  
CLAY TODAY  
Published Weekly  
Orange Park, Florida

STATE OF FLORIDA  
COUNTY OF CLAY:

Before the undersigned authority personally appeared Jon Cantrell, who on oath says that he is the publisher of the "Clay Today" a newspaper published weekly at Orange Park in Clay County, Florida; that the attached copy of advertisement being a

MEETING NOTICE

in the matter of

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was published in said newspaper in the issues:

10/05/2017

Affiant further says that said "Clay Today" is a newspaper published at Orange Park, in said Clay County, Florida, and that the said newspaper has heretofore been continuously published in said Clay County, Florida, weekly, and has been entered as Periodical material matter at the post office in Orange Park, in said Clay County, Florida, for period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn to me and subscribed before me 10/05/2017  
*Christie Lou Wayne*  
NOTARY PUBLIC, STATE OF FLORIDA



3515 US HWY 17 Suite A, Fleming Island FL 32003  
Telephone (904) 264-3200 - FAX (904) 264-3285  
E-Mail: Christie@ogcfla.com

LEGAL NOTICE

CLAY COUNTY DEVELOPMENT AUTHORITY WILL HOLD A MEETING AND A PUBLIC HEARING ON THE FOLLOWING DATE AND TIME:

DATE: WEDNESDAY, OCTOBER 18, 2017  
Time: 4:00 p.m.

LOCATION: CLAY COUNTY DEVELOPMENT AUTHORITY BOARDROOM, 1750 Kingsley Ave., Orange Park, FL

TO CONSIDER (A) adoption of an indurement resolution authorizing a plan of finance pursuant to which the Authority will issue not exceeding \$14,200,000 of its HealthCare Facilities Revenue Bonds in one or more series (the "Bonds") and (B) such other matters as may come before the Authority at such time. The bonds will be issued for the principal purposes of (i) financing and reimbursing Penny Retirement Community, Inc. (the "Borrower") for the cost of acquiring, constructing and equipping certain healthcare facilities in Clay County, Florida, as generally described and herein (the "Project"), to be owned and operated by the Borrower, (ii) refunding all of the Authority's outstanding Health Care Facilities Revenue Bonds (Penny Retirement Community Project) Series 1996A and Series 1996B, (iii) capitalizing interest of a portion of the Bonds during construction of the Project and (iv) a reasonable period after and (v) funding any necessary reserves and paying costs and expenses associated with the issuance of the Bonds. The project consists of the following:

The acquisition, construction and equipping of a new 50 bed skilled nursing facility to replace the Borrower's existing skilled nursing facility.

The mailing address for the Borrower and the location of the Project is 3630 Hoffman Street, Penny Farms, Florida 32078. The Bonds shall be payable solely from the revenues derived by the Authority from lease and other financing instruments to be entered into by and between the Authority and the Borrower and/or the lender prior to or contemporaneously with the issuance of the Bonds. Such Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of Clay County, the State of Florida or any political subdivision of agency thereof. The aforementioned meeting shall be a public meeting and all persons who may be interested will be given an opportunity to be heard concerning the same. The public hearing is being held as required by Section 147.0 of the Internal Revenue Code, 1970 as Amended. Written comments may also be submitted to the Authority prior to the hearing at the Authority's address listed above, Attention: Executive Director.

ALL PERSONS FOR OR AGAINST SAID APPROVAL CAN BE HEARD AT SAID TIME AND PLACE. IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO SUCH HEARING OF MEETING, (S) HE WILL NEED TO ENSURE THAT A VERBATIM RECORD OF SUCH HEARING OF MEETING IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS BASED.

In accordance with the Americans with Disabilities Act persons needing a special accommodation to participate in this proceeding should contact the Authority's office no later than seven days prior to the proceeding at the address given in this notice. Telephone: (904) 264-3232-460

By order of the Clay County Development Authority,  
Legal 40473 published October 5, 2017 in Clay County's Clay Today newspaper