

Leon County Educational Facilities Authority

April 16, 2015 Meeting

Heritage Grove Clubhouse

Authority members in attendance: Chairman, Billy Hilaman, Joe Weil, Lori Billberry, Dennis Bailey, Mary Ann Lindley and Tom Proctor. Also in attendance were Randy Guemple, Executive Director; Terry Madigan, Counsel to the Authority, Ken Mills of Asset Campus Housing, Ray Allen of Coastal Properties and Kevin Martin of Coastal Properties.

The meeting commenced at 12:00 PM

The minutes of February 19, 2015 were unanimously approved by motion of Mary Ann Lindley and second by Lori Billberry.

- Randy Guemple discussed the need for a rebate calculation to be performed on the SouthGate bonds. He indicated that Peck Shaffer will be engaged at a cost of \$3,000. Also D&O coverage was renewed for an annual cost of \$6,912.

-Ken Mills of Asset Campus Housing provided an update on SouthGate. Ken indicated that the rentals for the 2015/2016 rental year are ahead of the previous year at this time and stand at 70%. Improvements are complete with the installation of WIFI throughout the building to start soon.

-Randy Guemple gave an update on the progress towards a possible sale of SouthGate. Before anything can proceed approval is needed from 100% of the "B" bondholders. Mr. Guemple reported that verbal approval has been received from all bondholders. These approvals were contingent on net proceeds to the "B" bondholders of at least 60% of the par value of the bonds or \$12,300,000. LCEFA will receive a fee of \$1,250,000 and if the net proceeds exceed 60% LCEFA will receive 10% of the excess. Written term sheets have been sent to the "B" bondholders for signature with written approval received from \$19,900,000 of the \$20,500,000 outstanding. After all signed term sheets are received the property will be listed for sale by CBRE/ NAI Talcor.

--Ray Allen and Kevin Martin gave an update on rentals at Heritage Grove. At our last meeting rentals were running behind last year but now have caught up. Ray complimented Kevin on his efforts to meet with all fraternities and turn the rental situation around. Occupancy of 100% will still be hard to achieve but the overall prospects are much brighter now due the extraordinary work of Kevin. The Authority expressed their appreciation for his efforts.

--Mr. Guemple reported that he and Terry Madigan will be meeting with Kyle Clark, Vice President for Finance and Administration at FSU. The purpose of the meeting is to ask for help from FSU to begin the needed repairs at Heritage Grove. A significant part of the meeting will be informing Mr. Clark of the history of Heritage Grove and how the interests of FSU and the Heritage Grove are aligned.

- The next meeting is scheduled for July 16, 2015.

-The meeting was adjourned at 12:55 PM.