

LCEFA Meeting Minutes - October 3, 2019
Capital City Trust Company Conference Room

Authority members present – Tom Proctor, Dixie Daimwood, Dennis Bailey, Ramsay Sims, Rick Givens, Todd Sperry

Also present – Bob Kellam, Executive Director; Michael Kramer, Assistant Executive Director; Terry Madigan, General Counsel; Brian Crumbaker, Special Counsel

Others present – Kevin Graham, FSU; Doug Mannheimer, Lambda Chi Alpha

Meeting called to order by Chairman Proctor at 10:00 am.

Approval of minutes of September 10, 2019 meeting. Motion by Todd Sperry, seconded by Ramsay Sims. Passed unanimously.

Michael Kramer distributed an “Index” of all the documents and agreements relating to the “Heritage Grove receivership/foreclosure” and notified the Board that all the documents would be available on FTP site next week. The credentials for the FTP site would be shared when all documents are available.

Brian Crumbaker discussed the receivership/foreclosure process. Michael Kramer said that all invoices including annual audit and LCEFA attorney fees and charges related to work at Heritage Grove up to the time of any final agreement with ACA, will be taken care of and paid as part of agreement. There was discussion regarding FSU parking and Equity House sub-sub leases. It was clarified that this document does not alter third party rights and obligations. In several cases, this has been reaffirmed in the settlement agreement and supporting documents. Mr. Kramer informed the group that the Management Company (Coastal) had been terminated earlier in the week, further evidence that ACA has authority over the project rather than LCEFA. The purpose of the up to three (3) year term of the settlement agreement was to allow time for repairs to the buildings while benefitting from LCEFA status as regards to the Lease. In exchange, the LCEFA receives waivers and releases from the trustee and ACA from the outset and indemnifications from ACA during the receivership period. It was also noted that a formal cost sharing (CAM) agreement had been drafted in which the CAM fees for the Equity Houses would be paid directly to LCEFA rather than the Management Company and that LCEFA would be responsible for payment to the appropriate agent or contractor that performed CAM services for HG.

Motion made by Todd Sperry, seconded by Ramsay Sims; that: EFA Chairman Proctor, EFA Assistant Executive Director Michael Kramer and EFA Special Counsel Brian Crumbaker are directed to continue negotiating the Heritage Grove receivership/foreclosure agreements and related documents which have previously been provided in part and in draft form to all Authority members for review.

They are authorized to finalize such agreements and documents and prepare for execution of same on behalf of the Authority; provided, however, that final, execution ready copies of all such documents and agreements (including exhibits) shall first be provided to the full Board for Review via email.

If no Board member contacts the Executive Director advising of any objection to them within 3 business days after distribution, then the Executive Director shall so report to the Chairman and the agreements and documents shall be deemed as approved by the Authority. The documents will then be executed by Chairman Proctor or the Executive Director on behalf of the Authority. If any Authority member communicates an objection to the

Executive Director within three (3) business days, the Executive Director shall so notify the Chairman and no further action on the agreements and documents will be taken until a duly called and noticed meeting of the Authority is convened to discuss those objections and determine next steps. The motion passed with five (5) voting for it and one (1) voting against.

The next order of business was the current status of the recently approved TEP use agreement for a chapter house at Heritage Grove. Michael Kramer had previously shared a letter from FSU general counsel office stating their concerns and objections to the current lease as TEP had not been formally recognized. FSU suggested that the use agreement prohibited such a use agreement under section 35. Several directors didn't believe that section to be relevant in this circumstance, however the Board did agree that if the TEP's cannot get recognized by the November 1, 2019 deadline as specified in the lease, the Authority would terminate the lease. Dixie Daimwood made a motion which was seconded by Todd Sperry to terminate the TEP lease if they were not recognized by FSU as of November 1, 2019. The motion passed unanimously. In addition, the Board asked Michael Kramer to inform the TEP principals of this decision immediately so they were fully aware of the Board's intent.

Bob Kellam stated that he had received information from FSU formally recognizing the Pi Lambda Phi Fraternity. He agreed to share those records before any action regarding their access to Heritage Grove facilities would be authorized.

Michael Kramer also shared recent correspondence from Phi Delta Theta (Equity House) requesting relief from their CAM obligations as they had few tenants for the current academic year. The Board briefly discussed the request and no motion was provided to modify their sub-sublease obligations in any way. Michael Kramer was to respond to Phi Delta Theta and let them know that the Authority discussed the matter but expects the CAM payments to continue as required by their sub-sublease.

It was noted that the Annual audit was very close to completion as a completely new team at Southgate had gotten involved.

The recent complaint from an independent contractor at SG was noted to being resolved but for the payment of outstanding fees which are expected to occur in the next ten (10) days.

With no further business to discuss, and upon a motion by Ramsay Sims and seconded by Todd Sperry, which passed unanimously, the meeting was adjourned at 11:07 am