

## LCEFA Meeting Minutes

June 24, 2022

1st Floor Board Room--Capital City Trust Company Building  
304 E. Tennessee Street (Corner of Tennessee and Calhoun)

Members Present – Chairman Ramsay Sims; Tom Proctor, Richard Givens; and Dixie Daimwood

Members attending via phone – Vice Chairman Todd Sperry; Curt Bender; and Rica Calhoun

Also in attendance were Assistant Executive Director Michael Kramer; Executive Director Fran Gilbert; Joseph Brown, Attorney at Kutak Rock.

The meeting was called to order by Chairman Ramsay Sims at 10:02 am.

### **EMET Proposal**

Chairman Sims presented an overview of a discussion and proposal with EMET requesting LCEFA to extend the current October 2022 put date for Heritage Grove in order to allow EMET time to complete the Heritage Grove renovations and lease up.

Chairman Sims told EMET, LCEFA would consider a proposal if it included revising the Southgate transaction to include a put date that occurred at the same time as Heritage Grove. The first proposal from EMET included an extended put date for both Heritage Grove and Southgate as October 2025--three (3) years after the current Heritage Grove put date. Chairman Sims rejected extending the put date by three (3) years explaining to EMET that the board would not be interested in remaining owner of the assets for an additional 3 years. EMET submitted a revised proposal setting the put date for Heritage Grove and Southgate as October 2024—two (2) years after the original Heritage Grove put date. The October 2024 put date proposal is the proposal Chairman Sims is bringing to the LCEFA Board for discussion.

Assistant Executive Director Michael Kramer noted that there were extensive discussions between EMET and he, Chairman Sims and Joe Brown. EMET would like to include everything in this updated agreement including the Zeta Rho House acquisition and the vacant “equity” lots. Chairman Sims and Mr. Kramer requested that EMET create and submit an agreement for consideration by the LCEFA Board but recommended leaving the vacant lots alone for now.

Mr. Kramer shared the fact that LCEFA’s current counsel, Joe Brown, formerly of Hopping, Green and Sams is now with Kutak Rock, the same firm being used by EMET. The parties mutually agreed to execute conflict waivers since that allowed everyone to retain current advisors and would expedite the process and minimize unnecessary expenses.

Chairman Sims noted that the objective for the Board at today’s meeting was not to approve anything, but to review the draft documents submitted by EMET. Attorney Joseph Brown provided a high-level review of the current draft documents which included:

#### Heritage Grove

Amended Settlement Agreement for Heritage Grove and Zeta Rho  
Delegation of Authority  
Bond Indenture Amendment  
Zeta Rho Loan Agreement  
Zeta Rho Leasehold Mortgage

#### Southgate

Settlement Agreement  
Bond Indenture Amendment

Mr. Brown noted that these documents added some language in the event that EMET defaults and/or if LCEFA determines EMET is not performing as promised. It also includes wording that both parties will cooperate with the termination of the Receivership. Mr. Brown assured the Board that if LCEFA agrees to remove the receivership, LCEFA will, by contract, retain most of the same protections provided under the receivership. Board members asked that Mr. Brown review the insurance coverages to ensure LCEFA is adequately insured and is not taking on additional liability.

Chairman Sims reiterated that this meeting was an overview of where the agreement was in the process and that no action was required by the Board at this time. He, Mr. Kramer, and Mr. Brown would go back to EMET for additional clarification and information. In late July/early August a final draft of the agreement documents would be provided to the LCEFA Board for review and potential approval.

**New Business**

Executive Director, Fran Gilbert reminded members to submit their Financial Disclosure Forms.

**Adjournment**

Meeting adjourned at 11:07 am.