

LCEFA Meeting Minutes

July 25, 2022

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

Members Present – Chairman Ramsay Sims; Richard Givens; Dixie Daimwood; Rica Calhoun; Curt Bender
Member attending via phone – Vice Chairman Todd Sperry; and Tom Proctor

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 2:01 pm.

EMET Transaction Documents

Chairman Sims offered an overview of the transaction documents provided to the Board for review prior to the meeting. He noted that the agreement extends the “put” date for Heritage Grove and establishes an early outdate for Southgate. The date for both Heritage Grove and Southgate would be October 2024. The documents included the Zeta Rho lease termination and loan agreement. He also noted that Zeta Rho and the Heritage Grove improvements controlled by the settlement agreement are subject to the same take out and “put” date.

Attorney Joseph Brown reviewed the summary of the Amended Settlement Agreement noting primary draft revisions and substantive elements of each transaction document for Heritage Grove, Zeta Rho, and Southgate.

In the Heritage Grove documents, Mr. Brown noted that a minimum investment of \$14.5 million for improvements was included in the revised documents. He reported that the documents grant Emet the authority to manage the Series 2003 Project (i.e., in lieu of receiver) and includes additional liability protection for LCEFA.

Mr. Brown reviewed the Loan Agreement for Zeta Rho Equity House Project which establishes terms of loan to LCEFA for acquisition of the Zeta Rho equity house project and clarifies that the Settlement Agreement controls the extent of any conflict.

In the Southgate documents, Mr. Brown noted the documents provide for Emet to invest \$2.5 million – \$4 million for improvements to Southgate. The documents also recognize EMET as the sole bondholder; and clarifies debt forgiveness at the time of the transfer of property to Emet.

Following the review by Chairman Sims and Mr. Brown, and discussion by the Board, Dixie Daimwood moved to approve the seven (7) documents – five (5) in reference to Heritage Grove and Zeta Rho (Amended Settlement Agreement, Delegation of Authority, Bond Indenture Amendment, Zeta Rho Loan agreement, Zeta Rho Leasehold Mortgage) and two (2) in reference to Southgate (Settlement agreement and Bond Indenture Amendment) – in substantial form. Richard Givens seconded the motion. Motion passed unanimously.

Rica Calhoun moved to authorize the Chair and staff to approve any final revisions or supplemental documents necessary to complete and close the transactions and actions contemplated by the approved documents. Richard Givens seconded the motion. Motion passed unanimously

New Business

No new business was brought forward for discussion.

Adjournment

Meeting adjourned at 2:34 pm.