

**MINUTES OF THE REGULAR MEETING OF
THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF
HENDERSONVILLE, TENNESSEE**

November 12, 2015

5:30 p.m.

A regular meeting of the Board of Directors of The Industrial Development Board of the City of Hendersonville, Tennessee was held on Thursday, November 12, 2015, at the offices of the Hendersonville Utility District, 125 Indian Lake Road, Hendersonville, Tennessee 37075. The Members present included: Bruce Carter, Ed Spurlock, Mike Fussell, John Sheley and Tom Atchley. Other persons in attendance included: JoAnna Blauw, Keith Dennen, Legal Counsel; Tena Lee, Ryan Lunderby and Sujoyot Patel.

OPENING. Vice-Chairman Atchley called the meeting to order at 5:30 p.m. Ms. Blauw reported that she had taken the Roll, five (5) members were present, and a quorum existed for purposes of the transaction of business.

PUBLIC HEARING. Vice-Chairman Atchley noted that there were no public hearings on the Meeting Agenda.

APPROVAL OF MINUTES. Vice-Chairman Atchley noted that a draft copy of the minutes of the August 13, 2015, Board meeting had been provided to each member. Mr. Fussell made a motion to approve the minutes, and Mr. Spurlock seconded the motion. The Board unanimously voted to approve the Minutes of the August 13, 2015 Board meeting without modification.

FINANCIAL REPORT. Secretary/Treasurer Carter noted that a report showing the receipts and payments by the Board for the period of August through October 2015 had been provided to each member. Mr. Carter reported that it was a standard report. Upon motion by Mr. Sheley, seconded by Mr. Fussell, the Board unanimously voted to approve the financial report.

FORWARD SUMNER. None

NEW BUSINESS. Legal Counsel Dennen noted that the Board had received the request of Hendersonville Leased Housing Associates I, Limited Partnership (the "Borrower") for approval authorizing the issuance of a Multifamily Note in an amount not to exceed \$18,000,000 to finance the acquisition, rehabilitation and equipping of a multifamily residential housing facility known generally as the Waterview Apartments (the "Project"). Mr. Dennen noted that in lieu of issuing bonds, the Borrower intended to issue a note. Mr. Dennen further noted that the principal amount of the note would be \$13,300,000. Mr. Dennen explained that, like a traditional bond issue, the Board would then issue its promissory note to a third party (TCF National Bank). The Board will assign all of its rights under the Bond Documents to the Fiscal Agent (U.S. Bank National Association) as security for the loan by TCF National Bank. US Bank will distribute funds during the construction phase pursuant to draw requests. As a part of this

process, US Bank, and not the Board, will be responsible for monitoring the progress of construction and approving draw requests.

Mr. Dennen noted that a draft Resolution No. 2015-11-1 was before the Board for its consideration. He also noted that copies of all documents under consideration were present at the meeting, and copies of those documents had previously been circulated to the Board Members by Ms. Blauw. Finally, he noted that redlined documents showing changes made to the documents circulated to the Board Members were also provided to the Board Members at the meeting.

Mr. Lunderby, as the representative of the Borrower, made a presentation with respect to the use of the proceeds and the mechanism for disbursement of the proceeds by the fiscal agent, US Bank. Mr. Lunderby answered questions from the Board Members about the process for approval by the Tennessee Housing Development Agency, and Mr. Lunderby confirmed that the Project had received approval from that agency. Mr. Lunderby described the process for approval by the Federal Home Loan Mortgage Corporation (Freddie Mac). Mr. Lunderby stated that the TCF note was for 24 months (the construction period) and, at the end of that period, Freddie Mac would purchase the loan if the loan met Freddie Mac's requirements. As a result, Freddie Mac will be involved in the construction approval process.

Mr. Patel, as Bond Counsel, provided information to the Board on the process and the reason for the use of bonds for projects such as the Project.

Mr. Dennen concluded by stating that the project is within the parameters of the Board's charge under the law. As Hendersonville does not have a separate housing authority, the Board is the governmental entity with jurisdiction to consider this request. Finally, Mr. Dennen stated that like a traditional bond issue, the loan is non-recourse to the Board, the City of Hendersonville and the State of Tennessee. No governmental entity is liable for the loan, and no governmental entity is in any way lending its credit to the Borrower.

Upon motion by Mr. Fussell, seconded by Mr. Carter, the Board unanimously approved Resolution 2015-11-1 attached to these Minutes and incorporated by reference herein.

OLD BUSINESS. None

ADJOURNMENT.

The meeting was adjourned without objection at approximately 6:20 p.m.

Respectfully submitted,

JoAnna Blauw, Secretary of the Meeting

CERTIFICATION:

The undersigned being the Chairman and the Secretary/Treasurer, respectively, hereby certify that the foregoing Minutes were approved by the Board of Directors of the Industrial Development Board of the City of Hendersonville, Tennessee, at its regular meeting held on January 14, 2016, a quorum being present and acting throughout.

John Zobl, Chairman

Bruce Carter, Secretary/Treasurer