

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

July 9, 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, July 9, 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, John Zobl, Tom Atchley, and Larry Irwin. Other persons in attendance included: JoAnna Blauw; Keith Dennen, Legal Counsel; Jimmy Johnston, President of Forward Sumner; Scott Sprouse, Alderman Liaison to the Board; and Michael Dean of Dinsmore & Shohl LLP.

OPENING. Chairman Zobl called the meeting to order at 5:30 p.m. Ms. Blauw reported that she had taken the Roll, seven (7) members were present, and a quorum existed for purposes of the transaction of business.

APPROVAL OF MINUTES. Chairman Zobl noted that a draft copy of the minutes of the May 14, 2015, Board meeting had been provided to each Board member. Mike Fussell made a motion to approve the minutes, and Larry Irwin seconded the motion. The Board unanimously voted to approve the Minutes of the May 14, 2015, Board meeting without modification.

PUBLIC HEARING. Chairman Zobl noted that the first agenda item was the public hearings on the matter of a \$37,500,000.00 Industrial Development Board of Hendersonville, Tennessee MULTIFAMILY HOUSING REVENUE BONDS CONSISTING OF \$18,000,000.00 (Waterview Apartments Project) Series 2015 and \$19,500,00.00 (King's Crossing & Tara Place) Series 2015. Chairman Zobl asked if anyone wished to address the Board. No one requested that opportunity, and Chairman Zobl declared the public hearing closed.

NEW BUSINESS. Chairman Zobl noted that the next item of business was consideration of Resolutions 2015-7-1 and 2015-7-2, copies of which were distributed to the Board members prior to, and at, the meeting.

Michael Dean, an attorney with the law firm of Dinmore & Shohl LLP, made a presentation to the Board on the application by affiliates of Dominion Apartments for an inducement resolution with respect to the MULTIFAMILY HOUSING REVENUE BONDS CONSISTING OF \$18,000,000.00 (Waterview Apartments Project) Series 2015 and \$19,500,00.00 (King's Crossing & Tara Place) Series 2015. Mr. Dean noted that the bonds, if issued, will qualify for tax-exempt status and application will be made low income housing credits. Mr. Dean further noted that a significant portion of the bond proceeds would be used to renovate the two projects.

John Sheley asked if Board possessed authority to issue bonds on property located in another county. Keith Dennen stated that the Board has the authority to issue bonds secured by real estate in another county. Mr. Dennen noted that the borrower wants to maintain flexibility at this time; the borrower ultimately may determine to issue bonds through the Board or through

another appropriate entity in Rutherford County. Alternatively, the borrower may choose to issue bonds for the Waterview Apartments through this Board and issue bonds for the King's Crossing & Tara Place Projects through an appropriate entity in Rutherford County, Tennessee. Mr. Dennen further explained that at this time, the Board is being asked to approve only an inducement resolution. If the borrower determines to go forward with the Project, the Board will have the opportunity to review all of the documents relative to the issuance of the bonds. Mr. Dean noted that approval of the inducement resolution would allow the borrower to reimburse the borrower's costs incurred in acquiring the projects for one (1) year prior to the date of the bond issue. Finally, Mr. Dean noted that the request included affirmance of the law firm of Dinsmore & Shohl as bond counsel.

Chairman Zobl confirmed that the Board, the City of Hendersonville, Sumner County and the State of Tennessee would possess no liability with respect to the bonds, if issued. Further, Mr. Dennen confirmed, that the Board's expenses associated with the Bond issue, including its attorney's fees, would be paid by the applicant.

Upon motion by Mr. Carter, seconded by Mr. Spurlock, the Board unanimously approved Resolutions 2015-7-1 and 2015-7-2 attached to these Minutes and incorporated by reference herein.

FINANCIAL REPORT. Secretary/Treasurer Carter noted that a report showing the receipts and payments by the Board for the period of May through June 2015. On that report, Mr. Carter noted the reimbursement of expenses incurred by Mr. Don Long associated with attendance at the International Council of Shopping conference in May, 2015, which the Board had previously approved. Mr. Carter also noted that the financial statements had been modified to reflect the change in designation of the Economic Development Account. Upon motion by Mr. Fussell, seconded by Mr. Sheley, the Board unanimously approved the financial report for the period of May through June 2015.

FORWARD SUMNER. Jimmy Johnston advised that Board that he did not have a report.

OLD BUSINESS. Mr. Dennen noted that he and Mr. Carter attended a meeting with representatives of Fifth Third Bank and of the City to discuss the options available with respect to minimizing interest rate risk and maximizing the payoff of the Village of Indian Lake tax incentive financing bonds. Mr. Dennen reported that the meeting was very cordial, and the bank's representatives intend to present options to the Board for its consideration at a meeting to be held in the future. Chairman Zobl noted that any options would also be submitted to representatives of the City of Hendersonville and Sumner County for input and appropriate authorization.

Mr. Dennen further noted that Fifth Third Bank requested that appropriate representatives of the Board be authorized to engage in transactions with respect to the depository account at the Bank

in which tax incentive financing funds are deposited. Mr. Dennen noted that copies of Resolution 2015-7-3 were distributed to the Board members prior to, and at, the meeting. Upon motion by Mr. Sheley, seconded by Mr. Fussell, the Board unanimously approved Resolution 2015-7-3, attached to these Minutes and incorporated by reference herein.

Mr. Dennen reported that he had received an inquiry from a third party who indicated that they might wish to purchase the Board's interest in the lease agreement with AT&T as successor to BellSouth Mobility. The Board elected to take no action on that matter.

Finally, Mr. Dennen noted that he had distributed a draft Public Records Policy for consideration by the Board. Mr. Zobl suggested that consideration of that policy occur at the next Board meeting.

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 August 13, 2015, a quorum being present and acting throughout.

John Zobl, Chairman

Bruce Carter, Secretary/Treasurer