

**RESOLUTION**

**WHEREAS**, the Health and Educational Facilities Board of Rutherford County approved a resolution authorizing the issuance of not to exceed Twenty Million Dollars (\$20,000,000.00) Multifamily Housing Revenue Bonds at its January 2015 meeting; and

**WHEREAS**, the proceeds of the bond issue will be loaned to Imperial Gardens II, L.P. and will be used for the acquisition, rehabilitation and equipping of a 300 unit multifamily housing facility in Smyrna, Tennessee.

**THEREFORE BE IT RESOLVED** by the Rutherford County Board of Commissioners that the resolution of the Health and Educational Facilities Board of Rutherford County for a bond issue of not to exceed Twenty Million Dollars (\$20,000,000.00) be, and is hereby authorized, a copy of the same being attached hereto as "Exhibit 1" and incorporated herein by reference as if set forth herein at length verbatim.

**RESOLVED** this 12th day of February, 2015.

RUTHERFORD COUNTY, TN

BY: \_\_\_\_\_  
ERNEST G. BURGESS, Chairman

**ATTEST:**

\_\_\_\_\_  
LISA CROWELL, County Clerk

## PRELIMINARY BOND RESOLUTION

WHEREAS, Imperial Gardens II, L.P., a Tennessee limited partnership (the "Applicant"), is considering the acquisition, rehabilitation and equipping of Imperial Gardens Apartments, an approximately 300-unit multi-family housing facility for low and moderate-income citizens (the "Project") in Rutherford County, Tennessee and wishes to have The Health and Educational Facilities Board of Rutherford County, Tennessee (the "Board") indicate its willingness to issue revenue bonds to provide financing for such facility; and

WHEREAS, such facility would constitute a "project" within the meaning of T.C.A. § 48-101-301; and

WHEREAS, a letter of intent has been presented to the Board under the terms of which the Board agrees, subject to the provisions of such agreement, to issue its revenue bonds in an amount not exceeding \$20,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY THE HEALTH AND EDUCATIONAL FACILITIES BOARD OF RUTHERFORD COUNTY, TENNESSEE as follows:

1. The Board hereby finds that the financing of such project will improve the quality and availability of housing in Rutherford County, Tennessee, and will contribute to the general welfare of the citizens of that County.

2. The Chairman or the Vice Chairman of the Board is hereby authorized to execute a letter of intent with the Applicant in substantially the form thereof as presented to this meeting or with such changes therein as shall be approved by the Chairman or the Vice Chairman. The officers of the Board are hereby authorized to take such further action as is necessary to carry out the intent and purposes of the letter of intent as executed.

3. The Chairman or the Vice Chairman of the Board is hereby authorized to conduct such public hearings on behalf of the Board as the Applicant may request with respect to the project.

January 28, 2015

Imperial Gardens II, L.P.  
Knoxville, Tennessee

Gentlemen:

The Health and Educational Facilities Board of Rutherford County, Tennessee (the "Board") has been informed that Imperial Gardens II, L.P., a Tennessee limited partnership (the "Applicant"), is considering the acquisition, rehabilitation and equipping of Imperial Gardens Apartments, an approximately 300-unit multi-family housing facility for low and moderate-income citizens (the "Project") located at 1 Imperial Drive, Smyrna, Tennessee 37167. The above-described acquisition, rehabilitation and equipping with regard to such facility will constitute a "project" within the meaning of T.C.A. § 48-101-301.

After investigation of the nature of the proposed project, the Board has determined that the financing of the project will improve the quality and availability of housing in Rutherford County, Tennessee and will contribute to the general welfare of the citizens of the County. Therefore, it is the belief of the Board that in assisting the financing of the project, the Board will be acting in furtherance of the public purposes for which it was created.

Accordingly, in order to assist the Applicant to acquire, rehabilitate and equip the project and in order to carry out the purposes for which the Board was created, the Board hereby makes the following proposals:

1. The Board will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$20,000,000 to provide financing for the project. The Bonds shall be a limited obligation of the Board payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be a general obligation of the Board, its directors, or Rutherford County, Tennessee.

2. The terms of the Bonds (maturity schedule, interest rate, denominations, redemption provisions, etc.) will be determined by agreement among the Board and the Applicant, subject to compliance with all applicable state and federal requirements, and all bylaws and policies of the Board.

3. Prior to delivery of the Bonds, the Board and the Applicant will enter into a loan agreement pursuant to which the proceeds from the sale of the Bonds will be used for the purposes hereinabove indicated and the Applicant will be obligated to make payments sufficient to cover all debt service requirements on the Bonds.

4. The Board will enter into a trust indenture with a trustee to be nominated by the Applicant and subject to the approval of the Board and/or a purchase contract with the purchaser of the Bonds. Such indenture and/or purchase contract will assign the loan agreement and all collateral therefor and all revenues received thereunder for the benefit of the bondholders. The terms and provisions of such indenture and/or purchase contract shall be agreed upon by the Board, the Applicant and the purchaser of the Bonds.

5. The Board hereby authorizes the Applicant to commence the acquisition, rehabilitation and equipping of the project as soon as practicable so that the inhabitants of the State of Tennessee might

benefit from the project without delay. The Applicant may advance any interim funds required and be reimbursed from the proceeds of the Bonds, to the extent allowed by applicable law.

6. Upon the issuance, sale and delivery of the Bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Applicant shall have no further effect and, in the event of any inconsistencies between the terms of this proposal and the terms of any loan agreement and/or indenture or purchase contract the provisions of such latter documents shall control.

7. If for any reason the Bonds have not been sold within one (1) year from the date hereof, the provisions of this proposal and the agreement resulting from the acceptance by the Applicant shall, at the option of either party to be evidenced in writing, be canceled and neither party shall have any rights against the other and no third party shall have any rights against either party except:

- (a) The Applicant will pay the Board any fees or expenses incurred by the Board in connection with the proposed issuance of the Bonds;
- (b) The Applicant will pay the out-of-pocket expenses for attorneys for the Board incurred in connection with the proposed issuance of the Bonds and will pay attorneys for the Board reasonable fees for legal services related to the proposed issuance of the Bonds; and
- (c) The Applicant will indemnify and hold the Board harmless against any liability which may be incurred by the Board with respect to the project.

[Remainder of Page Intentionally Left Blank]

If the foregoing proposal is satisfactory to you, you may indicate by signing the following acceptance and returning a copy to the Board. This proposal and your acceptance will then constitute an agreement in principal with respect to the matters herein contained.

Yours very truly,

THE HEALTH AND EDUCATIONAL FACILITIES  
BOARD OF RUTHERFORD COUNTY, TENNESSEE

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ACCEPTANCE OF PROPOSAL  
OF  
THE HEALTH AND EDUCATIONAL FACILITIES BOARD  
OF RUTHERFORD COUNTY, TENNESSEE

BY

IMPERIAL GARDENS II, L.P.

The terms and conditions contained in the foregoing proposal by The Health and Educational Facilities Board of Rutherford County, Tennessee are hereby accepted by Imperial Gardens II, L.P., this 28<sup>th</sup> day of January, 2015.

IMPERIAL GARDENS II, L.P.

By: Imperial Gardens GP, LLC, a Tennessee  
limited liability company, its General Partner

By: \_\_\_\_\_  
Phillip O. Lawson, President