January 24 2020

Board of Commissioners

Benjamin M. Bentley, Secretary

AGENDA
Board Meeting of the Board of Commissioners
Thursday, January 30, 2020, 5p.m.
KCDC Main Office, 901 N. Broadway
Knoxville, Tennessee 37917

1. Call to Order.

2. Approval is requested of minutes for the meeting held on December 12, 2019. (Item 2 Attachment)

3. Motion to add, delete or postpone agenda items.

4. Reports of officers and special presentations.

NEW BUSINESS

REDEVELOPMENT/Legal SERVICES (Brad Peters)
5. Resolution authorizing the sale and development of certain real property in the South Waterfront Redevelopment Area. (Item 5 Attachment)

6. Resolution regarding the authorization to negotiate easement. (Item 6 Attachment)

7. Resolution regarding the authorization to negotiate a change order for TOA demolition contract. (Item 7 Attachment)

8. Resolution regarding the formation and organization matters of Bell Street 2 Corporation. (Item 8 Attachment)

9. Resolution regarding the formation and organization matters of Bell Street 3 Corporation. (Item 9 Attachment)
HOUSING (Sean Gilbert)
10. Approval is requested to allow the Housing Choice Voucher Small Area Fair Market Rent (SAFMR) Exception Payment Standard Increase. (Item 10 Attachment)

Unfinished Business
Public Forum
Adjournment

The next meeting of the KCDC Board of Commissioners will be Thursday, February 27, 2020 @ 5:00 p.m.
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD MEETING MINUTES

The Board of Commissioners of Knoxville's Community Development Corporation met on December 12, 2019 at 901 N. Broadway, Knoxville, Tennessee.

Present: Chair John Winemiller
Vice Chair Bob Whetsel
Treasurer Robyn McAdoo
Commissioner Kim Henry

Absent: Commissioner Sylvia Cook
Commissioner Bruce Anderson

The meeting was called to order and a quorum declared present at 5:02 p.m.

Approval of the minutes for the meeting held on October 31, 2019. Commissioner McAdoo moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."

Approval to add agenda item for an additional holiday day of December 29 2019 for full-time employees. Commissioner Whetsel moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."

NEW BUSINESS

REDEVELOPMENT/LEGAL SERVICES (Brad Peters)
Resolution amending the Loan Agreement and Tax Increment Revenue Note with respect to the South Waterfront Riverwalk Project. Commissioner Whetsel moved to approve. Commissioner McAdoo seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2019–27 is attached.

Resolution regarding a PILOT transaction with Bell Street LP. Commissioner McAdoo moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2019–28 is attached.

Resolution regarding a PILOT transaction with Moss Grove, LP. Commissioner Henry moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2019–29 is attached.

Resolution authorizing execution of Owner's Representative Agreement for Austin Homes Phases 1A and 1B and infrastructure. Commissioner McAdoo moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2019–30 is attached.
Resolution authorizing execution of Architect's Agreement for Austin Homes Phases 1A and 1B. Commissioner Henry moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2019–31 is attached.

DEVELOPMENT/STRATEGIC PLANNING (Joyce Floyd)  
Approval to authorize submission of Rental Assistance Demonstration (RAD) applications for Western Heights and Northgate Terrace. Commissioner McAdoo moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye."

FINANCE & ACCOUNTING (Tracee Pross)  
Resolution authorizing implementation of KCDC's Policy Manual. Commissioner Whetsel moved to approve. Commissioner McAdoo seconded the motion. All other Commissioners present voted "Aye." Resolution No. 2019–32 is attached.

CHAIR (John Winemiller)  
Approval to enter into an amended and restated Employment Agreement with Benjamin Bentley, CEO. Commissioner Whetsel moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."

Approval to add December 23 2019 as an additional holiday for full-time employees. Commissioner Whetsel moved to approve. Commissioner Henry seconded the motion. All other Commissioners present voted "Aye."

PUBLIC FORUM  
None

UNFINISHED BUSINESS  
None

ADJOURNMENT  
With no further business to come before the Board, the meeting adjourned at 5:38 p.m.

John T. Winemiller, Chair  
Approved:

ATTEST:

Benjamin M. Bentley, Secretary  
Approved:
## BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>January 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution authorizing the execution of documents relating to the sale and development of certain real property in the South Waterfront Redevelopment Area.</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: James Hatfield, Redevelopment and Real Estate Director</td>
</tr>
<tr>
<td></td>
<td>Department: Redevelopment</td>
</tr>
<tr>
<td>MEETING TYPE</td>
<td>Regular</td>
</tr>
<tr>
<td>AGENDA CLASSIFICATION</td>
<td>Resolution</td>
</tr>
<tr>
<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: NA</td>
</tr>
<tr>
<td></td>
<td>Source of Funds: NA</td>
</tr>
<tr>
<td>APPROVAL/REVIEWS</td>
<td>Department Head /Vice President</td>
</tr>
<tr>
<td></td>
<td>Legal Counsel</td>
</tr>
<tr>
<td></td>
<td>Executive Director/CEO</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ✓</td>
</tr>
</tbody>
</table>

### BACKGROUND

1. **What's the objective of the requested action?**
   
   Authority for KCDC to enter into a binding PSA and Development Agreement to sell 0.81 acres to Dominion for $469,800. The land will be used by Dominion as part of a 230-unit market-rate apartment complex.

2. **Why is the action needed now?**
   
   In October 2019, KCDC was granted board approval to enter into a letter-of-intent (LOI) with Dominion. Subsequently, Dominion has agreed to pursue the transaction based on the terms of that LOI which are reflected in the PSA.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   
   Dominion is a private, for profit real estate developer based in Knoxville. Dominion recently acquired several parcels of vacant land adjacent to the Property and intends to incorporate the Property into their master plan.

4. **What are the long term and short term exposures to KCDC?**
   
   The Development Agreement and Special Warranty Deed provides for a revisionary right back to KCDC in the event Dominion does not perform its obligations under the Development Agreement.

### HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

The Board has previously obtained board approval to enter into an LOI with Dominion for the sale of the Property.

### ATTACHMENTS

Resolution, Purchase and Sale Agreement, Development Agreement, Special Warranty Deed, Maps
RESOLUTION NO. 2020-____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING
TO THE SALE AND DEVELOPMENT OF CERTAIN REAL
PROPERTY IN THE SOUTH WATERFRONT REDEVELOPMENT
AREA

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated; and

WHEREAS, pursuant to the Knoxville South Waterfront Redevelopment & Urban Renewal Plan, as it may be amended from time to time (the "Plan"), KCDC is authorized to facilitate redevelopment projects in the area subject to the Plan (the "Redevelopment Area"); and

WHEREAS, pursuant to the Plan, KCDC is authorized to assist with such redevelopment projects by selling real property for purposes of development and entering into development agreements to ensure development of such real property; and

WHEREAS, KCDC desires to sell certain real property located in the Redevelopment Area at 931 Langford Avenue, Knoxville, Tennessee, comprising approximately 0.81 acres of land (the "Property") to Dominion Langford, LLC, a Tennessee limited liability company (the "Purchaser") pursuant to the terms of that certain Real Property Purchase and Sale Agreement (the "Purchase and Sale Agreement"), a copy of which has been filed with the records of the Board; and

WHEREAS, KCDC also desires to provide for the construction of certain improvements, including a [...] unit residential apartment development (the "Project"), on the Property to eliminate blight and provide for economic development necessary to support stabilization and improvement of surrounding areas; and

WHEREAS, for the purpose of ensuring the property development of the Project, KCDC and the Purchaser desire to enter into a Development Agreement (the "Development Agreement"), a copy of which has been filed with the records of the Board; and

WHEREAS, sale of the Property and the Development of the Project will further the public purposes of KCDC by promoting redevelopment in the Redevelopment Area.
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Knoxville's Community Development Corporation, as follows:

RESOLVED, that the Chairman or the Vice Chairman of KCDC is hereby authorized and directed to execute, and, where requested, the Secretary or Assistant Secretary is authorized to attest, and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is (are) hereby authorized and empowered to (i) execute and deliver to the Purchaser the Purchase and Sale Agreement, the special warranty deed described therein, the Development Agreement and any and all other instruments, documents and agreements deemed necessary or desirable by the Chairman or the Vice Chairman in order to evidence and document the sale of the Property and the development of the Project described therein properly in accordance with the requirements of KCDC, including without limitation assignments, certificates, affidavits, and any other instruments of any kind or nature whatsoever, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same, and (ii) take from time to time any other actions deemed necessary or desirable by the Authorized Officers to effect the transactions described above and to evidence the Purchase and Sale Agreement and Development Agreement properly in accordance with the requirements of KCDC and the Municipality; and, further

RESOLVED, that it is in the best interest of KCDC to sell the Property and provide for the development of the Project; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Approved this 29th day of January, 2020.

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By:_____________________
Secretary
REAL PROPERTY PURCHASE AND SALE AGREEMENT

THIS REAL PROPERTY PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of the ___ day of ________, 2020 (the "Effective Date"), between KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION, a housing and redevelopment authority of the City of Knoxville, Tennessee organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. §§ 13-20-101, et seq. ("Seller"), and DOMINION LANGFORD, LLC, a Tennessee limited liability company ("Purchaser").

WHEREAS, Seller has agreed to sell and Purchaser has agreed to purchase and develop certain property generally located at 931 Langford Avenue, Knoxville, Tennessee, comprising approximately 0.81 acres of land as more particularly described on Exhibit A hereto and consisting of the parcel(s) identified on such Exhibit A, together with all improvements existing thereon (the "Property"); and

WHEREAS, Seller and Purchaser desire to establish certain terms relative to the purchase and development of the Property.

NOW, THEREFORE, in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Property.** Seller hereby agrees to sell to Purchaser and Purchaser hereby agrees to purchase from Seller the Property on the terms set forth herein.

2. **Earnest Money.** Within two (2) business days after the Effective Date, Purchaser shall deposit with a title insurance agency selected by Purchaser and reasonably acceptable to Seller (the "Escrow Agent") Thirty Thousand Dollars ($30,000.00) in cash or certified or cashier's check as earnest money (the "Earnest Money"). Said Earnest Money may be refundable to Purchaser in accordance with Section 4 hereof.

3. **Purchase Price.** The purchase price (the "Purchase Price") of the Property shall be an amount equal to $469,800.00. At the Closing, all Earnest Money shall be applied to the Purchase Price, and the balance of the Purchase Price shall be paid in cash or certified or cashier's check.

4. **Inspection Period; Refund of Earnest Money; Due Diligence Materials.** Purchaser shall have a period of thirty (30) days from the Effective Date of this Agreement ("Inspection Period") to conduct such investigative diligence with respect to the Property as Purchaser deems appropriate and to elect to either continue or terminate this Agreement. Purchaser may terminate this Agreement, and receive a full refund of the Earnest Money, by delivering written termination notice to Seller at any time prior to expiration of the Inspection Period. If Purchaser does not so terminate this Agreement, the Earnest Money shall thereafter be nonrefundable (except as expressly otherwise set forth in this Agreement) and this Agreement shall remain in effect.

Within five (5) days after the Effective Date, Seller shall deliver to Purchaser at Purchaser's sole expense the information more particularly described on Schedule 4 hereto to the extent such information is with Seller's possession or control (the "Due Diligence Materials").

Purchaser acknowledges and agrees that, except as otherwise expressly set forth in Section 9 herein, Seller has not made and will not make any representations or warranties, express or implied, pertaining to the Property, its condition or any other matters whatsoever, and that Purchaser will be relying solely on its own inspections and investigations with respect to the Property, its condition and all
other matters whatsoever. In addition, Purchaser acknowledges and agrees that the Property is being purchased and will be conveyed "as is, where is," with all faults and defects, whether patent or latent, as of the date of Closing.

5. Costs and Prorations.

(a) Purchaser shall pay for all recording costs applicable to the deed of transfer, the costs of any title commitment and title insurance obtained by Purchaser and the costs of any due diligence obtained by Purchaser. Each party shall pay its own attorney's fees.

(b) Seller shall be responsible for paying any outstanding ad valorem property taxes assessed against the Property prior to Closing. Purchaser shall be responsible for paying all ad valorem property taxes assessed against the Property after Closing.

6. Conditions Precedent To the Parties' Obligations. The parties acknowledge that as conditions precedent to the parties' obligations hereunder to convey and purchase the Property, the following shall occur on or before the Closing Date, provided that conditions identified in subsections (b) and (c) below (but not subsection (a)) may be waived by Purchaser in its sole discretion:

(a) The Development Agreement described in Section 13 (the "Development Agreement") shall have been executed and shall be in full force and effect.

(b) A title insurer shall be irrevocably committed to issue upon Closing an 1970/Revised 1984 Form ALTA Owner's Policy of Title Insurance, or such other form reasonably acceptable to Purchaser (the "Title Policy"), insuring Purchaser or their permitted designees as owners of fee simple title to the Property, subject only to Permitted Exceptions (defined below), in the amount of the Purchase Price.

(c) Each and every representation and warranty of Seller set forth in Section 9 shall be true and correct in all material respects, and Seller shall not be in default under any of its obligations under this Agreement, as of Closing.

(d) Seller's Board of Commissioners shall have voted on and approved this Agreement and the Development Agreement at a regularly scheduled meeting.

7. Closing. Subject to all preconditions set forth herein, the closing or settlement ("Closing") of the transaction contemplated hereby, unless terminated in accordance with Section 4 or as otherwise agreed upon by Purchaser and Seller, shall be on or before one hundred eighty (180) days following the end of the Inspection Period of this Agreement or such other time as the parties may agree (such date shall be referred to herein as the "Closing Date").

At Closing, Seller shall convey to Purchaser good, marketable and insurable title to the Property by special warranty deed, subject to (i) standard exceptions for real property taxes not yet due and payable, and (ii) any other matters which are waived by, or acceptable to, Purchaser pursuant to Section 8 (the "Permitted Exceptions"). Such special warranty deed shall contain the reversionary rights described in Section 15 hereof.

8. Title. Within five (5) days of the Effective Date, Purchaser shall procure a title insurance commitment in the amount of the Purchase Price covering the Property issued by a title insurance company selected by Purchaser (the "Title Commitment"). Purchaser shall have until the expiration of the Inspection Period to object to any matters shown on the Title Commitment or any survey obtained by
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NOW, THEREFORE, in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

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Purchaser acknowledges and agrees that, except as otherwise expressly set forth in Section 9 herein, Seller has not made and will not make any representations or warranties, express or implied, pertaining to the Property, its condition or any other matters whatsoever, and that Purchaser will be relying solely on its own inspections and investigations with respect to the Property, its condition and all
Purchaser by written notice to Seller ("Title Objection Notice"). Purchaser may also object to any new matters thereafter revealed by a title or survey update by subsequent Title Objection Notice to Seller. Within ten (10) days after receipt of Purchaser's Title Objection Notice, Seller shall either (i) deliver written notice to Purchaser of any title or survey objections which Seller elects not to cure, or (ii) cure or satisfy such objections (or commence to cure or satisfy such objections as long as Seller reasonably believes such objections may be cured or satisfied at least five (5) business days prior to Closing). Seller's failure to deliver such written response within ten (10) days shall not be a default but shall be deemed as Seller's refusal to cure the matters contained in the Title Objection Notice. Within ten (10) days after receipt of Seller's written notification that Seller elects not to cure a title or survey objection (or Seller's failure to respond), Purchaser may terminate this Agreement and receive a full refund of the Earnest Money by delivering written notice thereof to Seller. If Purchaser does not so terminate this Agreement, then any such title or survey objection which Seller elects not to cure shall be deemed waived by Purchaser and shall be an additional Permitted Exception. If any objection which Seller elects to cure is not satisfied by Seller at least five (5) business days before the scheduled date of Closing, Seller may elect to extend the Closing date by up to thirty (30) additional days to cure any such objections. If Seller is still unable to cure said objections after the additional thirty (30) day period, then Purchaser shall have the right to terminate this Agreement, in which case the Earnest Money shall be returned to Purchaser and neither party shall have any further rights, obligations or duties under this Agreement. If Seller does cure or satisfy the objections at least five (5) business days prior to Closing, then this Agreement shall continue in effect. Any exception to or defect in title which Purchaser shall elect to waive, or which is otherwise acceptable to Purchaser, shall be deemed an additional Permitted Exception to title at Closing. Seller covenants and agrees not to alter or encumber in any way Seller's title to the Property after the date hereof.

9. **Seller's Representations and Warranties.** As of the date hereof and as of the Closing Date (as evidenced by Seller's downnote certificate to be provided at Closing), Seller represents, warrants and covenants to Purchaser that:

   (a) There will be no parties in possession of any portion of the Property as lessees on the Closing Date, and no other party will have on the Closing Date an oral or written license, lease, option, purchase agreement or other right pertaining to the use, purchase or possession of any portion of the Property.

   (b) Seller has not received any notice, nor is Seller aware, of any violation of any ordinance, regulation, law, statute, rule or restriction relating to the Property.

   (c) Seller is duly organized and is validly existing under the laws of the State of Tennessee. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property to be conveyed by Seller pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein to be made by Seller. This Agreement constitutes, and all agreements and documents contemplated hereby (when executed and delivered pursuant hereto) will constitute, the valid and legally binding obligations of Seller, enforceable in accordance with their respective terms.

   (d) Seller has not entered into any agreement to dispose of its interest in the Property or any part thereof, except for this Agreement.

   (e) Seller is not a party to any litigation which is still pending, and knows of no threatened litigation, affecting or relating to the Property.

10. **Broker and Broker's Commission.** Seller and Purchaser represent and warrant that neither has dealt with any broker in connection with this transaction. If any claim is made or brought by
any other broker in connection with this transaction, the party whose agreement gave rise to such claim shall indemnify the other for any damage or expenses sustained in connection therewith, including, without limitation, reasonable attorney's fees. This Section shall survive the Closing of this transaction.

11. Survey and Inspection. Purchaser and Purchaser's agents, employees and independent contractors shall have the right and privilege to enter upon the Property during the Inspection Period to survey and inspect the Property and to conduct soil borings, environmental assessment and toxic waste studies and other geological, engineering or landscaping tests or studies, all at Purchaser's sole cost and expense. Purchaser hereby covenants and agrees to indemnify and hold harmless Seller from any and all loss, liability, cost, claim, demand, damage, action, cause of action and suit arising out of or in any manner related to the exercise by Purchaser of Purchaser's rights under this section (but not the existence of any condition discovered in the course of Purchaser's inspections and testing) and to repair any damage to the Property resulting from the exercise of Purchaser's rights hereunder. In the event Purchaser elects not to purchase the Property in accordance with its rights hereunder, the foregoing indemnity will survive and Purchaser will provide Seller with copies of all tests, studies, borings and surveys obtained by Purchaser as consideration for entering into this Agreement.

12. Seller's Covenants. Between the Effective Date and Closing, Seller shall (i) give to Purchaser immediate written notice of the institution of or receipt of notice of any litigation or threatened litigation affecting the Property which would in any way constitute or have the effect of presently or in the future creating a lien, claim or obligation of any kind against the Property; (ii) give Purchaser immediate notice upon the occurrence of any event, or receipt of any notice, which constitutes a breach by Seller of any of its representations or warranties set forth herein, (iii) not, without the prior written consent of Purchaser, impose, nor permit to be imposed upon the Property, any new or additional encumbrances to title; and (iv) not, without the prior written consent of Purchaser, enter into any agreement or instrument or take any action that would encumber the Property after Closing or that would bind Purchaser or the Property after Closing.

13. Development Agreement. Within sixty (60) days after the Effective Date, Purchaser and Seller shall agree upon the form of a Development Agreement relating to Purchaser's development of the Property. If the form of the Development Agreement is not agreed upon within sixty (60) days after the Effective Date, this Agreement shall automatically terminate, and the Earnest Money shall be refunded to Purchaser. The Development Agreement will contain such terms as are necessary for the orderly development of the Property, including the construction of certain public infrastructure improvements.

14. Reversionary Right. At Closing, the Property shall be encumbered by a reversionary right in the special warranty deed providing for reversion of the Property to Seller as provided in the Development Agreement. The reversionary right shall generally protect the interests of Seller in assuring construction of a residential apartment development as shown in the SW2 Form-Based zoning approved plans (see Exhibit B). The reversionary right shall generally provide that if construction of a residential apartment development does not commence within one year of the Closing Date and the Property is not developed according to the Development Agreement, the Property shall revert to Seller.

15. Notice. Each notice required or permitted to be given hereunder shall be sent by hand delivery, or by certified mail with return receipt requested and adequate postage prepaid, addressed to the appropriate party (and marked to a particular individual's attention) as hereinafter provided and shall be deemed effective upon such delivery or, in the case of notice sent by the mails, upon deposit in the U.S. mail, correctly addressed, with adequate prepaid postage affixed thereto. Rejection or other refusal by the addressee to accept shall be deemed to be receipt of the notice sent. The addresses of the parties to which notices are to be sent shall be those set forth on the signature page of this Agreement. Any party shall have the right from time to time to change the address to which notices to it shall be sent and to specify
Purchaser by written notice to Seller ("Title Objection Notice"). Purchaser may also object to any new matters thereafter revealed by a title or survey update by subsequent Title Objection Notice to Seller. Within ten (10) days after receipt of Purchaser's Title Objection Notice, Seller shall either (i) deliver written notice to Purchaser of any title or survey objections which Seller elects not to cure, or (ii) cure or satisfy such objections (or commence to cure or satisfy such objections as long as Seller reasonably believes such objections may be cured or satisfied at least five (5) business days prior to Closing). Seller's failure to deliver such written response within ten (10) days shall not be a default but shall be deemed as Seller's refusal to cure the matters contained in the Title Objection Notice. Within ten (10) days after receipt of Seller's written notification that Seller elects not to cure a title or survey objection (or Seller's failure to respond), Purchaser may terminate this Agreement and receive a full refund of the Earnest Money by delivering written notice thereof to Seller. If Purchaser does not so terminate this Agreement, then any such title or survey objection which Seller elects not to cure shall be deemed waived by Purchaser and shall be an additional Permitted Exception. If any objection which Seller elects to cure is not satisfied by Seller at least five (5) business days before the scheduled date of Closing, Seller may elect to extend the Closing date by up to thirty (30) additional days to cure any such objections. If Seller is still unable to cure said objections after the additional thirty (30) day period, then Purchaser shall have the right to terminate this Agreement, in which case the Earnest Money shall be returned to Purchaser and neither party shall have any further rights, obligations or duties under this Agreement. If Seller does cure or satisfy the objections at least five (5) business days prior to Closing, then this Agreement shall continue in effect. Any exception to or defect in title which Purchaser shall elect to waive, or which is otherwise acceptable to Purchaser, shall be deemed an additional Permitted Exception to title at Closing. Seller covenants and agrees not to alter or encumber in any way Seller's title to the Property after the date hereof.

9. Seller's Representations and Warranties. As of the date hereof and as of the Closing Date (as evidenced by Seller's downdate certificate to be provided at Closing), Seller represents, warrants and covenants to Purchaser that:

(a) There will be no parties in possession of any portion of the Property as lessees on the Closing Date, and no other party will have on the Closing Date an oral or written license, lease, option, purchase agreement or other right pertaining to the use, purchase or possession of any portion of the Property.

(b) Seller has not received any notice, nor is Seller aware, of any violation of any ordinance, regulation, law, statute, rule or restriction relating to the Property.

(c) Seller is duly organized and is validly existing under the laws of the State of Tennessee. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property to be conveyed by Seller pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein to be made by Seller. This Agreement constitutes, and all agreements and documents contemplated hereby (when executed and delivered pursuant hereto) will constitute, the valid and legally binding obligations of Seller, enforceable in accordance with their respective terms.

(d) Seller has not entered into any agreement to dispose of its interest in the Property or any part thereof, except for this Agreement.

(e) Seller is not a party to any litigation which is still pending, and knows of no threatened litigation, affecting or relating to the Property.

10. Broker and Broker's Commission. Seller and Purchaser represent and warrant that neither has dealt with any broker in connection with this transaction. If any claim is made or brought by
two additional addresses to which copies of notices to it shall be mailed by giving to the other party at least seven (7) days' prior notice of the changed address or additional addresses.

16. Remedies. If this transaction fails to close by reason of Purchaser's wrongful failure to perform its obligations under this Agreement, the Earnest Money shall be retained by Seller as liquidated damages the parties hereby acknowledging that Seller's actual damages in such circumstances would be difficult, if not impossible, to determine. Seller expressly acknowledges and agrees that retention of the Earnest Money as provided for herein shall be Seller's sole and exclusive remedy in the event of Purchaser's failure to perform its obligations hereunder. If this transaction fails to close for any reason other than Purchaser's wrongful failure to perform their obligations hereunder, the Earnest Money shall promptly be refunded to Purchaser. In the event Seller fails or refuses to convey the Property in accordance with the terms hereof or otherwise fails to perform its obligations hereunder, Purchaser shall have the right to a refund of all Earnest Money and the right to recover Purchaser's actual out-of-pocket expenses not to exceed $50,000.00.

17. Time of Essence. Time is of the essence of this Agreement.

18. Closing Documents. At or prior to Closing, each party shall deliver to the other party appropriate evidence to establish the authority of such party to enter into and close the transaction contemplated hereby. Seller also shall execute and deliver to Purchaser at Closing (i) special warranty deeds in the form to be included in the Development Agreement; (ii) a certificate with respect to Section 1445 of the Internal Revenue Code stating, among other things, that Seller is not a foreign corporation as defined in the Internal Revenue Code and I.R.S. Regulations; (iii) the Development Agreement; and (iv) such other documents reasonably necessary or appropriate to complete and evidence the transaction contemplated hereby, including without limitation a standard title company owner's affidavit. The parties shall also execute, deliver and record as applicable such documents as are reasonably required to implement the transaction contemplated herein, including, but not limited to, the Subdivision Plat.

19. Entire Agreement. This Agreement constitutes the entire agreement of the parties and may not be amended except by written instrument executed by Purchaser and Seller.

20. Headings. The section headings are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope or content of this Agreement or any provision hereof.


22. Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

23. Surviving Clauses. The provisions of this Agreement relating to Purchaser's indemnification with respect to its entering upon the Property prior to Closing and Seller's representations and warranties in Section 10 shall survive any Closing pursuant to this Agreement. Except as set forth in the preceding sentence or as otherwise expressly set forth herein, no other provision of this Agreement shall survive the Closing of this transaction.

24. Third Party Beneficiaries. The parties to this Agreement do not intend to create in any other individual or entity the status of a third party beneficiary, and this Agreement shall not be construed so as to create such status.

25. Disclosure of Confidential Information. The parties acknowledge that Seller is subject to
the Tennessee Open Records Act ("Act"). The Act generally provides that written documents retained by Seller are subject to disclosure upon the request of any third party except for specific limited exceptions provided for in the Act.

29. **Assignment.** Except as permitted by this Section 29, Purchaser may not transfer or assign any or all of its rights or obligations under this Agreement except with the prior written consent of Seller, which shall be in Seller's sole discretion, and any such attempted assignment without the prior written consent of Seller shall be wholly void and of no effect. Notwithstanding the foregoing, the Purchaser may assign its rights and/or obligations hereunder provided that a majority of the equity interests in any entity that is Purchaser's assignee shall be held by Purchaser.

30. **Waiver.** No waiver by any party of any term or condition of this Agreement shall be deemed or construed to constitute a waiver of any term or condition or of any subsequent breach, whether or not it is the same or different provision.

31. **Applicability of Law.** This Agreement is and shall be construed as being executed and delivered within the State of Tennessee, and it is mutually understood and agreed by each party hereto that all agreements and statements of work shall be governed by the laws of the State of Tennessee, both as to interpretation and performance. The parties agree that the venue for enforcement of any provisions shall be the courts of Knox County.

32. **Sovereign Immunity.** Seller does not waive its sovereign immunity by entering into this Agreement, and fully retains all immunities and defenses provided by law with respect to any action based on or occurring as a result of this Agreement.

33. **Press Releases and Public Announcements.** Purchaser agrees that it will not issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior written permission of Seller; however, Purchaser may make any public disclosure they believe in good faith is required by applicable law.

34. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows]
two additional addresses to which copies of notices to it shall be mailed by giving to the other party at least seven (7) days' prior notice of the changed address or additional addresses.

16. Remedies. If this transaction fails to close by reason of Purchaser's wrongful failure to perform its obligations under this Agreement, the Earnest Money shall be retained by Seller as liquidated damages the parties hereby acknowledging that Seller's actual damages in such circumstances would be difficult, if not impossible, to determine. Seller expressly acknowledges and agrees that retention of the Earnest Money as provided for herein shall be Seller's sole and exclusive remedy in the event of Purchaser's failure to perform its obligations hereunder. If this transaction fails to close for any reason other than Purchaser's wrongful failure to perform their obligations hereunder, the Earnest Money shall promptly be refunded to Purchaser. In the event Seller fails or refuses to convey the Property in accordance with the terms hereof or otherwise fails to perform its obligations hereunder, Purchaser shall have the right to a refund of all Earnest Money and the right to recover Purchaser's actual out-of-pocket expenses not to exceed $50,000.00.

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25. Disclosure of Confidential Information. The parties acknowledge that Seller is subject to
IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

KNOXVILLE’S COMMUNITY
DEVELOPMENT CORPORATION

By: __________________________
    John Winemiller
    Chairman

DOMINION DEVELOPMENT GROUP, LLC

By: __________________________
Title: _______________________

7
SCHEDULE 4

DUE DILIGENCE MATERIALS

(a) Copies of any environmental reports, soil reports, engineering reports and other reports with respect to the Property;

(b) Copies of any title policies, commitments or reports relating to the Property; and

(c) Notices from any governmental authority regarding any noncompliance or alleged noncompliance of the Property with any law or regulation.
IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: ________________________________
    John Winemiller
    Chairman

DOMINION DEVELOPMENT GROUP, LLC

By: ________________________________
Title: _______________________________
EXHIBIT A

DESCRIPTION OF PROPERTY
DEVELOPMENT AGREEMENT  

THIS DEVELOPMENT AGREEMENT (the "Agreement") is entered into this ___ day of ____________, 2020, by and between KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION, a housing and redevelopment authority of the City of Knoxville, Tennessee ("KCDC") and, DOMINION LANGFORD, LLC, a Tennessee limited liability company ("Developer").

WITNESSETH:

WHEREAS, KCDC and Developer entered into a Real Property Purchase and Sale Agreement dated as of ____ __, 2020 (the "Purchase Agreement") for the sale and acquisition of certain real property (the "Property") generally located at 931 Langford Avenue, Knoxville, Tennessee, comprising approximately 0.81 acres of land as shown on the diagram included as part of Exhibit A hereto and consisting of the parcel(s) identified on such Exhibit A; and

WHEREAS, the Property is subject to the South Waterfront Redevelopment & Urban Renewal Plan (as amended, the "Redevelopment Plan"); and

WHEREAS, as of the date hereof, Developer is acquiring the Property from KCDC pursuant to the Purchase Agreement and pursuant to a Special Warranty Deed (the "Deed"), the form of which is attached hereto as Exhibit B; and

WHEREAS, Developer desires to construct at least [___] (___) residential units, and associated appurtenant improvements, parking, paving and other amenities customary to residential development on the Property (the "Project"); and

WHEREAS, for the purpose of establishing the rights and obligations of the parties with respect to the redevelopment of the Property, the parties have entered into this Agreement; and

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereafter set forth in detail, the parties do hereby mutually agree as follows:

ARTICLE I
Definitions

1.1. Definitions. In addition to the capitalized terms defined elsewhere in this Agreement, the following terms shall have the meanings specified below:

"Approvals" means any and all approvals necessary or desirable in connection with the development of the Project issued by governmental authorities, inspectors, lenders or other party.

"Person" means an individual, a corporation, a partnership, a limited liability company, a trust or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

ARTICLE II
Term
2.1 **Term.** The Term of this Agreement shall begin on the date of this Agreement and shall extend through the date which is four (4) years following the date first above written, the date upon which all parties shall have fully completed their obligations hereunder, unless, however, the parties have mutually agreed in writing to extend the date for performance by Developer.

**ARTICLE III**

**Representations of Developer**

3.1 **Representations by Developer.** The Developer represents and warrants that:

(a) Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Tennessee, is in compliance with the laws of the State of Tennessee, and has the power and authority to own its properties and assets and to carry on its business in the State of Tennessee as now being conducted and as hereby contemplated.

(b) Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by Developer.

(c) This Agreement is a legal, valid and binding obligation of Developer enforceable against Developer in accordance with its terms, subject to applicable insolvency laws and equitable principles.

(d) The execution and delivery of this Agreement and the consummation of the transactions herein contemplated do not conflict with or result in a breach of any of the terms or conditions of any restriction or agreement to which the Developer is now a party and does not result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Developer under the terms of any instrument or agreement other than this Agreement.

(e) Developer is familiar with and is capable of satisfying all federal, state and local laws and regulations that may affect cost, progress, performance and furnishing of the Project.

(f) There are no existing suits or proceedings involving any material amounts, pending, or to the best of the knowledge of Developer, threatened, against Developer, or relating to the business, properties, and assets of Developer, and no final judgment, order, or decree has been rendered against Developer that has not been fully satisfied or complied with.

**ARTICLE IV**

**Developer's Obligations**

4.1 **Designation.** KCDC hereby designates Developer as developer of the Property and, in furtherance thereof, grants to Developer, during the term of this Agreement, the exclusive right to redevelop the Property for the Project substantially in accordance with this Agreement, the Deed and the Redevelopment Plan.

4.2 **Approvals.** Developer shall use its best efforts to obtain all Approvals necessary for the development of the Project, including, without limitation, planning approvals, zoning permits (if necessary), building permits and certificates of occupancy.
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") is entered into this ___ day of _____________, 2020, by and between KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION, a housing and redevelopment authority of the City of Knoxville, Tennessee ("KCDC") and, DOMINION LANGFORD, LLC, a Tennessee limited liability company ("Developer").

WITNESSETH:

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WHEREAS, the Property is subject to the South Waterfront Redevelopment & Urban Renewal Plan (as amended, the "Redevelopment Plan"); and

WHEREAS, as of the date hereof, Developer is acquiring the Property from KCDC pursuant to the Purchase Agreement and pursuant to a Special Warranty Deed (the "Deed"), the form of which is attached hereto as Exhibit B; and

WHEREAS, Developer desires to construct at least [____] (____) residential units, and associated appurtenant improvements, parking, paving and other amenities customary to residential development on the Property (the "Project"); and

WHEREAS, for the purpose of establishing the rights and obligations of the parties with respect to the redevelopment of the Property, the parties have entered into this Agreement; and

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereafter set forth in detail, the parties do hereby mutually agree as follows:

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Definitions

1.1. Definitions. In addition to the capitalized terms defined elsewhere in this Agreement, the following terms shall have the meanings specified below:

"Approvals" means any and all approvals necessary or desirable in connection with the development of the Project issued by governmental authorities, inspectors, lenders or other party.

"Person" means an individual, a corporation, a partnership, a limited liability company, a trust or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

ARTICLE II
Term
4.3 Plans and Specifications. Developer has submitted to KCDC plans and specifications, as more particularly described on Exhibit C attached hereto (the “Plans and Specifications”), and KCDC has approved the Plans and Specifications. KCDC’s preapproval of the Plans and Specifications attached hereto in no way releases the Developer from ensuring that the Plans and Specifications are at all times in conformance with all Approvals and adhere to the requirements set forth in the Redevelopment Plan.

4.4 Construction of the Project. Developer shall cause the Project to be constructed in accordance with the terms and conditions of this Agreement, and in furtherance of the foregoing, Developer agrees to the following:

(a) Plans and Specifications. In no event shall Developer make, permit or suffer any material changes to any of the Plans and Specifications during construction of the Project without the prior written consent of KCDC. In the event that Developer becomes aware that any of the Plans and Specifications are in any way deficient, Developer shall bring such deficiencies immediately to the attention of KCDC. At KCDC’s written direction, Developer shall use its best efforts to effect the correction of such deficiencies as may be necessary or appropriate.

(b) Contractor. Developer shall enter into a contract with a reputable licensed general contractor to construct the Project (the "General Contractor"). Developer shall use its best efforts to cause construction of the Project to be performed in a good and workmanlike manner by the General Contractor in accordance with the Plans and Specifications.

(c) Commencement of Construction. Developer shall commence construction within twelve (12) months after the date of this Agreement.

(d) Completion. Developer shall have obtained a certificate of occupancy from the applicable governmental authority for the Project on or before the date that is [forty-eight] ([48]) months from the date of this Agreement

(e) Permits, Licenses, Laws, Regulations and Codes. Developer shall cause all legally or contractually required permits, licenses and certificates of occupancy to be obtained and paid for and ensuring that all laws, rules, regulations and codes of federal, state and local governments are observed during the term of this Agreement.

4.5 Speculation. Developer shall not speculate in or with respect to (i.e., sell or contract to sell substantially all of the Project in one transaction or sell all or substantially all of the ownership interests or control of any Permitted Assignee (as such term is hereinafter defined)) the Property prior to the completion of the Project except with the written approval of KCDC. Notwithstanding the foregoing, it is expressly acknowledged that Developer may sell the entire Project at any time after obtaining a certificate of occupancy and completion of the Project in accordance with the Plans and Specifications.

4.7 Cost of Project. Developer agrees that the Project shall be developed at Developer’s expense and KCDC is not a partner.

ARTICLE V
Insurance and Indemnification
5.1 Indemnification. Developer agrees to protect, indemnify and hold harmless KCDC from and against any and all loss, liability expense, damage, charge and costs (including court costs and counsel fees) suffered or alleged to have been suffered as a result of any act or omission on the part of Developer or others whose services are engaged by Developer or any party directly or indirectly employed or controlled by either of them in the course of the performance of the services provided for in this Agreement.

5.2 Insurance. Developer shall maintain, at the Developer's sole expense, on a primary and non-contributory basis, at all times during the life of this Agreement insurance coverages, limits, and endorsements described herein. All insurance must be underwritten by insurers with an A.M. Best rating of A-:VI or better. Upon execution of this Agreement, Developer shall provide Certificate(s) of Insurance to KCDC evidencing said insurance coverages.

Developer agrees the insurance requirements herein as well as KCDC's review or acknowledgement, is not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Developer under this Agreement. Developer shall maintain the following coverages:

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance with a limit of not less than $2,000,000 each occurrence for bodily injury, personal injury, property damage, and products and completed operations. If such insurance contains a general aggregate limit, it shall apply separately to the work/location in this Agreement or be no less than $3,000,000.

Such insurance shall contain or be endorsed to contain a provision that includes KCDC, its officials, officers, employees, and volunteers as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Developer including materials, parts, or equipment furnished in connection with such work or operations. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed insureds.

The Additional Insured shall read "Knoxville’s Community Development Corporation (KCDC)".

If necessary, umbrella/excess liability insurance can be used in conjunction with the general liability insurance to meet these requirements. Unless the umbrella/excess liability insurance provides coverage on a pure/true follow-form basis, or KCDC is automatically defined as an additional insured, Developer shall add by endorsement, KCDC its officials, officers, employees, and volunteers as an additional insured.

ARTICLE VI
Default and Remedies

6.1 Events of Default. An "Event of Default" shall occur if:

(a) there shall have occurred a material breach by Developer in any respect under any provision of this Agreement which breach prevents or substantially interferes with the transactions contemplated hereunder or the commencement, completion or operation of the Project; or

(b) Developer shall violate the covenants and restrictions contained in the Deed; or
4.3 Plans and Specifications. Developer has submitted to KCDC plans and specifications, as more particularly described on Exhibit C attached hereto (the "Plans and Specifications"), and KCDC has approved the Plans and Specifications. KCDC's preapproval of the Plans and Specifications attached hereto in no way releases the Developer from ensuring that the Plans and Specifications are at all times in conformance with all Approvals and adhere to the requirements set forth in the Redevelopment Plan.

4.4 Construction of the Project. Developer shall cause the Project to be constructed in accordance with the terms and conditions of this Agreement, and in furtherance of the foregoing, Developer agrees to the following:

(a) Plans and Specifications. In no event shall Developer make, permit or suffer any material changes to any of the Plans and Specifications during construction of the Project without the prior written consent of KCDC. In the event that Developer becomes aware that any of the Plans and Specifications are in any way deficient, Developer shall bring such deficiencies immediately to the attention of KCDC. At KCDC's written direction, Developer shall use its best efforts to effect the correction of such deficiencies as may be necessary or appropriate.

(b) Contractor. Developer shall enter into a contract with a reputable licensed general contractor to construct the Project (the "General Contractor"). Developer shall use its best efforts to cause construction of the Project to be performed in a good and workmanlike manner by the General Contractor in accordance with the Plans and Specifications.

(c) Commencement of Construction. Developer shall commence construction within twelve (12) months after the date of this Agreement.

(d) Completion. Developer shall have obtained a certificate of occupancy from the applicable governmental authority for the Project on or before the date that is [forty-eight] ([48]) months from the date of this Agreement.

(e) Permits, Licenses, Laws, Regulations and Codes. Developer shall cause all legally or contractually required permits, licenses and certificates of occupancy to be obtained and paid for and ensuring that all laws, rules, regulations and codes of federal, state and local governments are observed during the term of this Agreement.

4.5 Speculation. Developer shall not speculate in or with respect to (i.e., sell or contract to sell substantially all of the Project in one transaction or sell all or substantially all of the ownership interests or control of any Permitted Assignee (as such term is hereinafter defined)) the Property prior to the completion of the Project except with the written approval of KCDC. Notwithstanding the foregoing, it is expressly acknowledged that Developer may sell the entire Project at any time after obtaining a certificate of occupancy and completion of the Project in accordance with the Plans and Specifications.

4.7 Cost of Project. Developer agrees that the Project shall be developed at Developer's expense and KCDC is not a partner.

ARTICLE V

Insurance and Indemnification
(c) Developer shall not have obtained a certificate of occupancy for the Project on or before the date forty-eight (48) months from the date hereof.

6.2 Remedies.

(a) Notice. If there is an Event of Default by Developer under Section 6.1 hereof, KCDC shall not exercise its remedies hereunder unless the Event of Default has not been cured after: (i) written notice to Developer and to any lender of Developer of whom KCDC has actual written knowledge, and (ii) the expiration of thirty (30) days after such notice, provided that in the event any nonmonetary default cannot reasonably be cured within such thirty (30) day period, but can reasonably be cured with additional time, Developer shall have an additional period of time after such written notice to cure such default, provided that Developer proceeds promptly, diligently and in good faith to cure said default, but in no event shall Developer’s cure period extend beyond ninety (90) days after the required notice of default shall have been given.

(b) Remedies. On the occurrence of an Event of Default by Developer and failure to cure under Section 6.2(a), this Agreement may be terminated by KCDC giving written notice to that effect to Developer and/or KCDC may also exercise such other remedies to which KCDC may be entitled at law or in equity; provided however, KCDC’s rights regarding reversion of the Property shall be as set forth in the Deed. In the event of default by KCDC under Section 6.1 of this Agreement, Developer may terminate this Agreement as its sole and exclusive remedy.

(c) No Waiver. The failure of KCDC to exercise the remedy available to KCDC pursuant to the terms of this Agreement shall not be deemed to be a waiver of such remedy or of any of the terms and provisions of this Agreement.

ARTICLE VII
General Provisions

7.1 Integration. This Agreement and related agreements constitute the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, and there are no terms, understandings, representations, or warranties, express or implied. No amendment, modification or termination of this Agreement shall be effective unless in writing and signed by the party intending to be bound thereby.

7.2 No Third Party Beneficiaries. The parties to this Agreement do not intend the benefit of this Agreement to inure to any third party. Notwithstanding anything contained in this Agreement, or any conduct or course of conduct by any of the parties hereto, either before or after signing this Agreement, this Agreement shall not be construed as creating any rights, claims or causes of action against KCDC in favor of the General Contractor, the Architect or any other contractor, subcontractor, supplier of labor or materials for any of their respective creditors, or any other person or entity.

7.3 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

7.4 Time is of the Essence. The parties hereto agree that time is of the essence for the performance of all obligations hereunder.
7.5 **Successors and Assigns.** This Agreement may not be assigned by any party hereto without the written consent of all of the other parties. The sale of all or substantially all of the assets, or limited liability interests of Developer, or a merger or consolidation of Developer into or with any Person shall constitute a prohibited assignment which, if made without the prior written consent of KCDC, shall constitute an Event of Default. Subject as aforesaid, this Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

7.7 **Section Headings.** The section headings inserted into this Agreement are for convenience only and are not intended to and shall not be construed to limit, enlarge or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

7.8 **Notices.** Any notice or demand required or permitted to be given by or to any of the parties hereto and every allegation of a breach of a warranty or allegation of a misrepresentation contained in this Agreement shall be in writing and shall be personally delivered, or mailed by certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Developer:

Dominion Langford, LLC

[ ]

Knoxville, Tennessee [ ]

Attention: [ ]

If to KCDC:

Knoxville's Community Development Corporation

901 Broadway

P.O. Box 3550

Knoxville, Tennessee 37927-3550

Attention: Chief Executive Officer

or to such other addresses as the parties may from time to time designate in writing in the manner set forth above.

7.9 **Governing Law.** The law of the State of Tennessee shall govern this Agreement.

7.10 **Severability.** Invalidation or a holding of enforceability of any provision of this Agreement shall not affect any other provisions hereof, which other provisions shall remain in full force and effect.

7.11 **Independent Contractor.** Developer is an independent contractor of KCDC and shall not be considered to be a partner or joint venturer with KCDC with respect to the Project.
(c) Developer shall not have obtained a certificate of occupancy for the Project on or before the date forty-eight (48) months from the date hereof.

6.2 Remedies.

(a) Notice. If there is an Event of Default by Developer under Section 6.1 hereof, KCDC shall not exercise its remedies hereunder unless the Event of Default has not been cured after: (i) written notice to Developer and to any lender of Developer of whom KCDC has actual written knowledge, and (ii) the expiration of thirty (30) days after such notice, provided that in the event any nonmonetary default cannot reasonably be cured within such thirty (30) day period, but can reasonably be cured with additional time, Developer shall have an additional period of time after such written notice to cure such default, provided that Developer proceeds promptly, diligently and in good faith to cure said default, but in no event shall Developer’s cure period extend beyond ninety (90) days after the required notice of default shall have been given.

(b) Remedies. On the occurrence of an Event of Default by Developer and failure to cure under Section 6.2(a), this Agreement may be terminated by KCDC giving written notice to that effect to Developer and/or KCDC may also exercise such other remedies to which KCDC may be entitled at law or in equity; provided however, KCDC’s rights regarding reversion of the Property shall be as set forth in the Deed. In the event of default by KCDC under Section 6.1 of this Agreement, Developer may terminate this Agreement as its sole and exclusive remedy.

(c) No Waiver. The failure of KCDC to exercise the remedy available to KCDC pursuant to the terms of this Agreement shall not be deemed to be a waiver of such remedy or of any of the terms and provisions of this Agreement.

ARTICLE VII
General Provisions

7.1 Integration. This Agreement and related agreements constitute the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, and there are no terms, understandings, representations, or warranties, express or implied. No amendment, modification or termination of this Agreement shall be effective unless in writing and signed by the party intending to be bound thereby.

7.2 No Third Party Beneficiaries. The parties to this Agreement do not intend the benefit of this Agreement to inure to any third party. Notwithstanding anything contained in this Agreement, or any conduct or course of conduct by any of the parties hereto, either before or after signing this Agreement, this Agreement shall not be construed as creating any rights, claims or causes of action against KCDC in favor of the General Contractor, the Architect or any other contractor, subcontractor, supplier of labor or materials for any of their respective creditors, or any other person or entity.

7.3 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

7.4 Time is of the Essence. The parties hereto agree that time is of the essence for the performance of all obligations hereunder.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

KCDC:

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION

By: ________________________________
    Chairman

ATTEST:

______________________________
Secretary

DEVELOPER:

DOMINION LANGFORD, LLC

By: ________________________________
    ,
EXHIBIT A

Property Description
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

KCDC:

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION

By: ________________________________
   Chairman

ATTEST:

__________________________________
Secretary

DEVELOPER:

DOMINION LANGFORD, LLC

By: ________________________________
   ,
EXHIBIT B

Special Warranty Deed

This instrument prepared by:
Knoxville's Community Development Corporation
901 Broadway
Knoxville, Tennessee 37917

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, THAT

WHEREAS, Knoxville's Community Development Corporation is the record owner of certain real property located 931 Langford Avenue, Knoxville, Tennessee with a Tax Identification Number of #__________ ; and

WHEREAS, the South Waterfront Redevelopment and Urban Renewal Plan (as amended, "Redevelopment Plan") was adopted by the Board of Commissioners of Knoxville's Community Development Corporation by Resolution No. ____________ and has been approved by the City Council of the City of Knoxville by Resolution No. R-__________; and

WHEREAS, pursuant to the Redevelopment Plan and Sections 13-20-201, 13-20-204, 13-20-209, and 13-20-210 of the Tennessee Code Annotated, Knoxville's Community Development Corporation is authorized to sell real property interests in a redevelopment area.

NOW THEREFORE, this Special Warranty Deed is made this ___ day of __________, 2020, by and between KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION (the "Grantor"), a public corporation organized and existing under the laws of the State of Tennessee, with its offices located in Knoxville, Knox County, Tennessee, and DOMINION LANGFORD, LLC, a Tennessee limited liability company (the "Grantee").

WITNESSETH, that for and in consideration of the sum of Ten Dollars AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor does, by this Special Warranty Deed, grant and convey unto the Grantee, the real property described in Exhibit A attached hereto and incorporated herein by reference (the "Property"), together with all and singular, the hereditaments and appurtenances hereunto belonging or in any way appertaining thereto.
DEVELOPMENT COVENANTS AND CONDITIONS

1. DEVELOPMENT AGREEMENT. The Grantor and Grantee have entered into a Development Agreement dated as of __________, 2020 (as amended, the "Development Agreement") relating to the development of a residential development on the Property. The Grantor agreed to convey the Property to the Grantee pursuant to the Development Agreement.

2. EFFECT OF DEVELOPMENT COVENANTS AND CONDITIONS. This Deed is made and executed upon and is subject to the Development Covenants and Conditions, as defined below, that relate to the development of the Property in substantial accordance with the Development Agreement (the "Development Covenants and Conditions"). The Development Covenants and Conditions are a part of the consideration for the Property hereby conveyed, and are to be taken and construed as running with the land, and the continued existence of the estate hereby granted shall depend upon the compliance by the Grantee with the Development Covenants and Conditions.

3. BREACH OF DEVELOPMENT COVENANTS AND CONDITIONS AND TERMINATION OF GRANTEES ESTATE. If at any time prior to the recording of the Release as provided for herein, the Grantee, its successors or assigns, shall default in or otherwise be in breach of the Development Covenants and Conditions, and if such default or breach has not been remedied or cured within one hundred eighty (180) days after written notice specifying such default or breach has been given to the Grantee, then to the extent not released from the Development Covenants and Conditions, the estate in the real property conveyed herein, at the expiration of said one hundred eighty (180) day period, shall automatically revert to the Grantor without the necessity of further action by either party. The cure period hereunder shall run simultaneously with any cure period contained in the Development Agreement.

4. NOTICE OF MORTGAGEES. If the Grantee encumbers its interest in the Property or any part thereof with a deed of trust or other security instrument (a "Mortgage") and if the mortgagee or other secured party (a "Mortgagee") thereunder registers with the Grantor by giving the Grantor its address and by delivering to the Grantor a copy of its Mortgage, then: (a) upon delivering a copy of any notice hereunder to the Grantee, the Grantor shall simultaneously deliver a copy of such notice to the Mortgagee at the address which has been given; and (b) the Mortgagee shall have the right during the cure period provided to remedy or cause to be remedied the breach of the Development Covenants and Conditions.

5. RELEASE OF PROPERTY FROM DEVELOPMENT COVENANTS AND CONDITIONS. In accordance with the Development Agreement and the covenants and conditions contained herein, the Property will be developed into residential units. Upon completion of the Project (as defined in the Development Agreement) by the Grantee and in accordance with the terms of the Development Agreement and this deed, Grantor shall deliver to Grantee in recordable form a full and complete release of the covenants and conditions contained herein with respect to the Project.

6. DEVELOPMENT COVENANTS AND CONDITIONS. By accepting this deed, the Grantee hereby binds itself and its successors, assigns, grantees, and lessees, to the following covenants and conditions (the "Development Covenants and Conditions"):  

COVENANT A: The Grantee shall devote the Property only to the uses specified in the Development Agreement, specifically, the development of at least [___] (___) residential units on the Property unless the KCDC Board takes action to approve a different design concept.

COVENANT B: The Grantee shall commence the construction of the improvements on the Property in accordance with the Development Agreement not later than twelve (12) months from the date
EXHIBIT B

Special Warranty Deed

This instrument prepared by:
Knoxville’s Community Development Corporation
901 Broadway
Knoxville, Tennessee 37917

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, THAT

WHEREAS, Knoxville's Community Development Corporation is the record owner of certain real property located 931 Langford Avenue, Knoxville, Tennessee with a Tax Identification Number of #___________; and

WHEREAS, the South Waterfront Redevelopment and Urban Renewal Plan (as amended, "Redevelopment Plan") was adopted by the Board of Commissioners of Knoxville's Community Development Corporation by Resolution No. ____________ and has been approved by the City Council of the City of Knoxville by Resolution No. R-__________; and

WHEREAS, pursuant to the Redevelopment Plan and Sections 13-20-201, 13-20-204, 13-20-209, and 13-20-210 of the Tennessee Code Annotated, Knoxville's Community Development Corporation is authorized to sell real property interests in a redevelopment area.

NOW THEREFORE, this Special Warranty Deed is made this ___ day of __________, 2020, by and between KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION (the "Grantor"), a public corporation organized and existing under the laws of the State of Tennessee, with its offices located in Knoxville, Knox County, Tennessee, and DOMINION LANGFORD, LLC, a Tennessee limited liability company (the "Grantee").

WITNESSETH, that for and in consideration of the sum of Ten Dollars AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor does, by this Special Warranty Deed, grant and convey unto the Grantee, the real property described in Exhibit A attached hereto and incorporated herein by reference (the "Property"), together with all and singular, the hereditaments and appurtenances hereunto belonging or in any way appertaining thereto.
of this deed. The Grantee shall prosecute diligently the construction of said improvements to completion and obtain a certificate of occupancy for the Project (as such term is defined in the Development Agreement) not later than forty-eight (48) months from the date of this Deed.

**COVENANT C:** Until a certificate of occupancy is issued for the [_______] ([____]) residential units, the Grantee shall have no power to convey the Property herein described, or any part thereof, or any interest therein, without the prior written consent of the Grantor, except to a mortgagee or trustee under a mortgage or deed of trust permitted by this Deed. The Grantor agrees that upon request from the Grantee and delivery of a certificate of occupancy for the Project, it will inspect the improvements which have been erected and/or otherwise constructed and, if the terms of this Deed and the Development Agreement have been complied with by the Grantee with respect to such improvement, these Special Covenants shall be released with respect to the Property.

**COVENANT D:** The Grantee agrees not to materially alter, revise or modify the Plans and Specifications (as defined in the Development Agreement) for the Property as submitted pursuant to the Development Agreement and as approved by the Grantor, except with the prior written consent of the Grantor which shall not be unreasonably withheld, conditioned or delayed. Such approval by the Grantor shall in no way be construed as approval of compliance with local codes and regulations, and will not relieve the Grantee of the responsibility of securing proper approvals and permits from appropriate public agencies.

**COVENANT E:** Upon the issuance of a certificate of occupancy, the Grantor shall provide to the Grantee certification as to compliance with the Development Agreement and a copy of the certificate of occupancy.

**COVENANT F:** Until the release of the Development Covenants and Conditions with respect to the Property, the Grantee, its successors and assigns, shall not dispose of the Property or any portion of the Property for a profit.

**PERMANENT RESTRICTIONS**

This conveyance is made subject to the following permanent restrictions which shall run with the land and shall be binding upon the Grantee and its successors and assigns:

The Grantee agrees, for itself and any successor in interest, not to discriminate on the basis of race, creed, color or national origin in the sale, lease or rental, or in the use of occupancy of the Property herein conveyed, or any part thereof, or of any improvements erected, or to be erected thereon, or any part thereof.

The Grantor or any party benefited by the foregoing permanent restriction shall be entitled to enforce the foregoing permanent restriction by an action for injunctive relief and in the event any such action is required to enforce the permanent restriction, the person bringing such enforcement action shall be entitled to recover the reasonable cost and expense of such action, including reasonable attorney fees.

The Grantor certifies that all conditions precedent to the valid execution and delivery of this Special Warranty Deed on its part have been complied with, and that all things necessary to constitute this Special Warranty Deed a valid, binding, and legal agreement on the terms and conditions and for the purposes set forth herein have been done and performed and have happened, and that the execution and delivery of this Special Warranty Deed on its part have been and are in all respects authorized in accordance with law.
TO HAVE AND TO HOLD said Property described in Exhibit A to the Grantee, its successors and assigns, in fee simple forever subject to all restrictions, easements and other applicable matters of record.

The Grantor will specially warrant and forever defend the right and title thereof in the Grantee against the claims of all persons claiming by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, the Grantor has executed this instrument on the day and year first above written.

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By: ________________________________

Benjamin M. Bentley, Executive Director/CEO
of this deed. The Grantee shall prosecute diligently the construction of said improvements to completion and obtain a certificate of occupancy for the Project (as such term is defined in the Development Agreement) not later than forty-eight (48) months from the date of this Deed.

COVENANT C: Until a certificate of occupancy is issued for the [_______] ([__]) residential units, the Grantee shall have no power to convey the Property herein described, or any part thereof, or any interest therein, without the prior written consent of the Grantor, except to a mortgagee or trustee under a mortgage or deed of trust permitted by this Deed. The Grantor agrees that upon request from the Grantee and delivery of a certificate of occupancy for the Project, it will inspect the improvements which have been erected and/or otherwise constructed and, if the terms of this Deed and the Development Agreement have been complied with by the Grantee with respect to such improvement, these Special Covenants shall be released with respect to the Property.

COVENANT D: The Grantee agrees not to materially alter, revise or modify the Plans and Specifications (as defined in the Development Agreement) for the Property as submitted pursuant to the Development Agreement and as approved by the Grantor, except with the prior written consent of the Grantor which shall not be unreasonably withheld, conditioned or delayed. Such approval by the Grantor shall in no way be construed as approval of compliance with local codes and regulations, and will not relieve the Grantee of the responsibility of securing proper approvals and permits from appropriate public agencies.

COVENANT E: Upon the issuance of a certificate of occupancy, the Grantor shall provide to the Grantee certification as to compliance with the Development Agreement and a copy of the certificate of occupancy.

COVENANT F: Until the release of the Development Covenants and Conditions with respect to the Property, the Grantee, its successors and assigns, shall not dispose of the Property or any portion of the Property for a profit.

PERMANENT RESTRICTIONS

This conveyance is made subject to the following permanent restrictions which shall run with the land and shall be binding upon the Grantee and its successors and assigns:

The Grantee agrees, for itself and any successor in interest, not to discriminate on the basis of race, creed, color or national origin in the sale, lease or rental, or in the use of occupancy of the Property herein conveyed, or any part thereof, or of any improvements erected, or to be erected thereon, or any part thereof.

The Grantor or any party benefited by the foregoing permanent restriction shall be entitled to enforce the foregoing permanent restriction by an action for injunctive relief and in the event any such action is required to enforce the permanent restriction, the person bringing such enforcement action shall be entitled to recover the reasonable cost and expense of such action, including reasonable attorney fees.

The Grantor certifies that all conditions precedent to the valid execution and delivery of this Special Warranty Deed on its part have been complied with, and that all things necessary to constitute this Special Warranty Deed a valid, binding, and legal agreement on the terms and conditions and for the purposes set forth herein have been done and performed and have happened, and that the execution and delivery of this Special Warranty Deed on its part have been and are in all respects authorized in accordance with law.
STATE OF TENNESSEE  
)  
)  
COUNTY OF KNOX  
)  

Before me, the undersigned authority, a notary public, of the state and county aforesaid, personally appeared Benjamin M. Bentley, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Executive Director/CEO of KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION, the within named bargainor, a public corporation, and the he, as such Executive Director/CEO, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the public corporation by himself as Executive Director/CEO.

WITNESS my hand and seal, at office in Knoxville, Tennessee, this ____ day of ________, 2020.

__________________________________________  
Expiration of Commission  
__________________________________________  
Notary Public

I, or we, hereby swear and affirm that the actual consideration of this transfer or value of the property transferred, whichever is greater, is FOUR HUNDRED SIXTY NINE THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS ($469,800.00), which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

__________________________________________  
Affiant

WITNESS my hand and seal, at office in Knoxville, Tennessee, this ____ day of ________, 2020.

__________________________________________  
Expiration of Commission  
__________________________________________  
Notary Public

PROPERTY TAX PAYER:  
____________________________  
____________________________  
____________________________

PROPERTY OWNER:  
____________________________  
____________________________  
____________________________

27687784.2
# BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>January 30, 2020</th>
</tr>
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<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution regarding the authorization to negotiate easement.</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Rachel Maples, Project Manager, Real Estate</td>
</tr>
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<td></td>
<td>Department: Redevelopment</td>
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<td>MEETING TYPE</td>
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<td>AGENDA CLASSIFICATION</td>
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<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: NA Expenditure: $0.00</td>
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<td></td>
<td>Source of Funds: NA</td>
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<td>APPROVAL/REVIEWS</td>
<td>☒ Department Head/Vice President ☐ Budget/Finance</td>
</tr>
<tr>
<td></td>
<td>☐ Legal Counsel Name of Reviewer: ________________</td>
</tr>
<tr>
<td></td>
<td>☐ Executive Director/CEO ☐ Other - Name &amp; Title: ________________</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☒ Deny: ☐ Defer: ☐</td>
</tr>
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</table>

## BACKGROUND

1. **What's the objective of the requested action?**
   Cherokee Health Systems is requesting an easement on the Five Point property to serve as parking for the health center.

2. **Why is the action needed now?**
   Cherokee Health Systems needs extra parking for their facility.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   Cherokee Health Systems is looking to extend their parking lot over certain portions of land on the Five Points property adjacent to the current parking lot and KCDC is the owner of that desired land.

4. **What are the long term and short term exposures to KCDC?**
   The easement shall run with the land in perpetuity.

## HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

- Cherokee Health Systems offer a wide array of comprehensive health services to community residents.

## ATTACHMENTS

- Resolution, Drawings, and Aerial Map
RESOLUTION NO. 2020-____

RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION REGARDING THE AUTHORIZATION TO NEGOTIATE EASEMENT

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13–20–101 et seq., Tennessee Code Annotated; and

WHEREAS, by Sections 13–20–101 et seq., Tennessee Code Annotated, housing and redevelopment authorities in Tennessee are authorized through their respective governing bodies to finance and/or refinance housing and redevelopment projects; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD, AS FOLLOWS:

Section 1. KCDC is hereby authorized to negotiate an easement of certain real property that adjoins the Cherokee Health Systems property located at 2202 Martin Luther King Jr. Avenue, Knoxville, Tennessee 37915 to convert into a parking lot to benefit the facility.

Section 2. The Chairman, Vice Chairman, Secretary or any other officer of KCDC are authorized, empowered, and directed to negotiate, execute, and deliver, and, if required, the Secretary is authorized to affix the official seal of KCDC to, the agreement in the name, for and on behalf of the KCDC, and thereupon to cause the agreement to be executed, acknowledged, recorded and delivered to the other party or parties thereto.

Section 3. From and after the execution and delivery of the agreement, the officers, employees and agents of KCDC are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the agreement.

Approved this 30th day of January, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By:________________________
Secretary
## BOARD ACTION FORM

<table>
<thead>
<tr>
<th>MEETING DATE</th>
<th>January 30, 2020</th>
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</thead>
<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution authorizing the negotiation of a change order for TOA Demolition Contract</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: James Hatfield, Redevelopment and Real Estate Director</td>
</tr>
<tr>
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<td>Department: Redevelopment</td>
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<td>☒ Department Head /Vice President</td>
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<td></td>
<td>☐ Legal Counsel</td>
</tr>
<tr>
<td></td>
<td>☒ Executive Director/CEO</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☒</td>
</tr>
</tbody>
</table>

### BACKGROUND

1. **What’s the objective of the requested action?**
   Authority to execute a change order under the TOA demolition contract. The not-to-exceed change order request of $165,000 is required to compensate TOA for additional time and resources to remove foundations under the legacy buildings which have foundation systems that are significantly larger and more robust than anticipated. Partners has evaluated the situation and has negotiated the change order based on their estimates of additional equipment and time.

2. **Why is the action needed now?**
   TOA is actively working on the demolition of Austin Homes structures. Demolition needs to be completed by the end of February in order to record the new plat and allow for the site infrastructure work to begin in March/April. This change order is needed now so that TOA can complete the removal of the buildings and foundations without having to cease work and return to the site at a later date to remove the foundations.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   TOA is the demolition contractor and has requested the change order. Partners Development is KCDC’s project manager and owner’s rep.

4. **What are the long term and short term exposures to KCDC?**
   The only risks are normal construction liability risks. The total cost of demolition of Austin Homes will be reimbursed to KCDC under a funding agreement with COK that covers the infrastructure development and related costs at Austin Homes.

### HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

The Board previously approved the TOA demolition contract.

### ATTACHMENTS

Resolution
RESOLUTION NO. 2020-___

RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION REGARDING THE AUTHORIZATION TO NEGOTIATE A CHANGE ORDER FOR TOA DEMOLITION CONTRACT

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated; and

WHEREAS, by Sections 13-20-101 et seq., Tennessee Code Annotated, housing and redevelopment authorities in Tennessee are authorized through their respective governing bodies to finance and/or refinance housing and redevelopment projects; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD, AS FOLLOWS:

Section 1. KCDC is hereby authorized to negotiate a change order, in an amount not to exceed $165,000, due to the discovery of deep foundations in the demolition of legacy units at Austin Homes by TOA LLC.

Section 2. The Chairman, Vice Chairman, Secretary or any other officer of KCDC are authorized, empowered, and directed to negotiate, execute, and deliver, and, if required, the Secretary is authorized to affix the official seal of KCDC to, the agreement in the name, for and on behalf of the KCDC, and thereupon to cause the agreement to be executed, acknowledged, recorded and delivered to the other party or parties thereto.

Section 3. From and after the execution and delivery of the agreement, the officers, employees and agents of KCDC are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the agreement.

Approved this 30th day of January, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By:__________________________
Secretary
## BOARD ACTION FORM

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<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution regarding the formation and organizational matters of Bell Street 2 Corporation.</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Brad Peters, VP of Redevelopment/Legal Services  Department: Executive Management</td>
</tr>
<tr>
<td>MEETING TYPE</td>
<td>☒ Regular  ☐ Special</td>
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<td>AGENDA CLASSIFICATION</td>
<td>☒ Resolution  ☐ Regular</td>
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<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: N/A  Expenditure: filing fees  Source of Funds: KHDC</td>
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<td>APPROVAL/REVIEWS</td>
<td>☒ Department Head /Vice President  ☐ Budget/Finance  ☒ Legal Counsel  Name of Reviewer: Mark Mamantov  ☐ Other - Name &amp; Title:</td>
</tr>
<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☒  Deny: ☐  Defer: ☐</td>
</tr>
</tbody>
</table>

### BACKGROUND

1. **What's the objective of the requested action?**
   In conjunction with the Master Planning of the Austin Homes, KCDC will file a low income housing tax credit (LIHTC) application for the second Phase of development. In order to obtain private financing, equity partners require separate limited partnerships to be formed to facilitate the equity payment and protect against bankruptcy.

2. **Why is the action needed now?**
   It is a requirement to be able to file the tax credit application.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   Bell Street 2 Corporation would be an instrumentality of KCDC.

4. **What are the long term and short term exposures to KCDC?**
   There are no short term exposures. The long term exposures relate to the ability of the partnerships to have positive cash flow through the proposed 15-year partnership period with the equity partner if LIHTCs are allocated.

### HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)
The KCDC Board previously approved the Master Planning contract for the Austin Homes site and the formation of Bell Street Corporation, and instrumentality of KCDC, in conjunction with the first Phase of development of Austin Homes.

### ATTACHMENTS
Resolution
RESOLUTION NO. 2020-____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING THE FORMATION OF BELL STREET 2
CORPORATION AND BELL STREET 2 LP RELATING TO THE
AUSTIN HOMES REVITALIZATION PROGRAM

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13–20–101 et seq., Tennessee Code Annotated; and

WHEREAS, pursuant to Tenn. Code Ann. § 13–20–104(b), housing and redevelopment authorities in Tennessee are authorized to cause the formation of corporations; and

WHEREAS, pursuant to Tenn. Code Ann. § 13–20–104(a)(6), housing and redevelopment authorities in Tennessee are authorized to own, operate, assist, or otherwise participate in (directly or through a partnership, a limited liability company, or other entity in which the authority, or an entity affiliated with an authority, is a general partner, managing member, or otherwise participates in the activities of the entity) one (1) or more mixed-finance projects (including projects financially assisted by low-income housing tax credits); and

WHEREAS, KCDC has previously authorized master planning for the redevelopment of Austin Homes located in the Municipality; and

WHEREAS, for the purpose of facilitating financing and development of the second phase of the proposed redevelopment, KCDC desires to form a corporation known as Bell Street 2 Corporation (the "Corporation"); and

WHEREAS, the Board desires to approve and authorize such documentation as is necessary for KCDC to form the Corporation (the "Corporate Documents"), including, but not limited to, the charter (the "Charter") and bylaws (the "Bylaws") of the Corporation, drafts of which have been submitted to KCDC and shall be filed with the records of KCDC; and

WHEREAS, as set forth in draft of the Charter submitted to KCDC, KCDC desires to appoint its Chairman, Vice-Chairman and Treasurer as the initial Board of Directors of the Corporation; and
WHEREAS, for the purpose of facilitating financing and development of the second phase of the proposed redevelopment, KCDC and the Corporation desire to form a limited partnership known as Bell Street 2 LP (the "Limited Partnership"); and

WHEREAS, the Board desires to approve and authorize the execution of such documentation as is necessary for KCDC to form the Limited Partnership (the "Partnership Documents"), including, but not limited to, a limited partnership agreement (the "Limited Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership"), drafts of which have been submitted to KCDC and shall be filed with the records of KCDC.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute and cause to be filed or recorded, as applicable, the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership; and, further

RESOLVED, that the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute and cause to be filed or recorded, as applicable, any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to form the Corporation and the Limited Partnership, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same; and, further

RESOLVED, that it is in the best interest of KCDC to enter into, file and/or record the Corporate Documents and the Partnership Documents with respect to the fourth phase of redevelopment of the Austin Homes; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the
foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Adopted this ___ day of _____________, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By:____________________________________
   Secretary

27705458.1
**BOARD ACTION FORM**

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<td>AGENDA ITEM DESCRIPTION</td>
<td>Resolution regarding the formation and organizational matters of Bell Street 3 Corporation.</td>
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<tr>
<td>SUBMITTED BY</td>
<td>Name &amp; Title: Brad Peters, VP of Redevelopment/Legal Services</td>
</tr>
<tr>
<td>Department: Executive Management</td>
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<td>AGENDA CLASSIFICATION</td>
<td>☑ Resolution ☐ Regular</td>
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<td>BUDGET / FINANCIAL IMPACT</td>
<td>Budgeted: N/A Expenditure: filing fees</td>
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<td>Source of Funds: KHDC</td>
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<tr>
<td>APPROVAL/REVIEWS</td>
<td>☑ Department Head /Vice President ☐ Budget/Finance</td>
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<tr>
<td>☑ Legal Counsel Name of Reviewer: Mark Mamantov</td>
<td></td>
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<tr>
<td>☑ Executive Director/CEO ☐ Other - Name &amp; Title:</td>
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<tr>
<td>STAFF RECOMMENDED ACTIONS</td>
<td>Approve: ☑ Deny: ☐ Defer: ☐</td>
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**BACKGROUND**

1. **What's the objective of the requested action?**
   In conjunction with the Master Planning of the Austin Homes, KCDC will file a low income housing tax credit (LIHTC) application for the third Phase of development. In order to obtain private financing, equity partners require separate limited partnerships to be formed to facilitate the equity payment and protect against bankruptcy.

2. **Why is the action needed now?**
   It is a requirement to be able to file the tax credit application.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   Bell Street 3 Corporation is an instrumentality of KCDC.

4. **What are the long term and short term exposures to KCDC?**
   There are no short term exposures. The long term exposures relate to the ability of the partnerships to have positive cash flow through the proposed 15-year partnership period with the equity partner if LIHTCs are allocated.

**HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)**

The KCDC Board previously approved the Master Planning contract for the Austin Homes site and the formation of Bell Street Corporation, and instrumentality of KCDC, in conjunction with the first Phase of development of Austin Homes.

**ATTACHMENTS**

Resolution
RESOLUTION NO. 2020-____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING THE FORMATION OF BELL STREET 3 CORPORATION AND BELL STREET 3 LP RELATING TO THE AUSTIN HOMES REVITALIZATION PROGRAM

WHEREAS, Knoxville’s Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "Municipality") and is duly incorporated pursuant to Sections 13–20–101 et seq., Tennessee Code Annotated; and

WHEREAS, pursuant to Tenn. Code Ann. § 13–20–104(b), housing and redevelopment authorities in Tennessee are authorized to cause the formation of corporations; and

WHEREAS, pursuant to Tenn. Code Ann. § 13–20–104(a)(6), housing and redevelopment authorities in Tennessee are authorized to own, operate, assist, or otherwise participate in (directly or through a partnership, a limited liability company, or other entity in which the authority, or an entity affiliated with an authority, is a general partner, managing member, or otherwise participates in the activities of the entity) one (1) or more mixed-finance projects (including projects financially assisted by low-income housing tax credits); and

WHEREAS, KCDC has previously authorized master planning for the redevelopment of Austin Homes located in the Municipality; and

WHEREAS, for the purpose of facilitating financing and development of the second phase of the proposed redevelopment, KCDC desires to form a corporation known as Bell Street 3 Corporation (the "Corporation"); and

WHEREAS, the Board desires to approve and authorize such documentation as is necessary for KCDC to form the Corporation (the "Corporate Documents"), including, but not limited to, the charter (the "Charter") and bylaws (the "Bylaws") of the Corporation, drafts of which have been submitted to KCDC and shall be filed with the records of KCDC; and

WHEREAS, as set forth in draft of the Charter submitted to KCDC, KCDC desires to appoint its Chairman, Vice-Chairman and Treasurer as the initial Board of Directors of the Corporation; and
WHEREAS, for the purpose of facilitating financing and development of the third phase of the proposed redevelopment, KCDC and the Corporation desire to form a limited partnership known as Bell Street 3 LP (the "Limited Partnership"); and

WHEREAS, the Board desires to approve and authorize the execution of such documentation as is necessary for KCDC to form the Limited Partnership (the "Partnership Documents"), including, but not limited to, a limited partnership agreement (the "Limited Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership"), drafts of which have been submitted to KCDC and shall be filed with the records of KCDC.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute and cause to be filed or recorded, as applicable, the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership; and, further

RESOLVED, that the Charter, the Bylaws, the Limited Partnership Agreement and the Certificate of Limited Partnership shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute and cause to be filed or recorded, as applicable, any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officers in order to form the Corporation and the Limited Partnership, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same; and, further

RESOLVED, that it is in the best interest of KCDC to enter into, file and/or record the Corporate Documents and the Partnership Documents with respect to the fourth phase of redevelopment of the Austin Homes; and, further,

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the
foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Adopted this ____ day of ______________, 2020.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

By: ____________________________
   Secretary

27705529.1
# BOARD ACTION FORM

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<thead>
<tr>
<th>MEETING DATE</th>
<th>January 30, 2020</th>
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<tbody>
<tr>
<td>AGENDA ITEM DESCRIPTION</td>
<td>Approval is requested to allow the Housing Choice Voucher Small Area Fair Market Rent (SAFMR) Exception Payment Standard Increase.</td>
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| SUBMITTED BY | Name & Title: Sean Gilbert, Sr. Vice President of Housing  
Department: Housing/Section 8 |
| MEETING TYPE | ☒ Regular  
☐ Special |
| AGENDA CLASSIFICATION | ☐ Resolution  
☒ Regular |
| BUDGET / FINANCIAL IMPACT | Budgeted: ____________  
Expenditure: ____________  
Source of Funds: Housing Choice Voucher HAP funds  
☒ Department Head /Vice President  
☒ Budget/Finance  
☐ Legal Counsel  
Legal Reviewer: ________________  
☒ Executive Director/CEO  
☒ Other - Name & Title: D. Taylor-Allen, Dir |
| STAFF RECOMMENDED ACTIONS | Approve: ☒  
Deny: ☐  
Defer: ☐ |

## BACKGROUND

1. **What's the objective of the requested action?**
   To increase SAFMR Exception payment standards in zip codes 37921 and to add 37922 as an SAFMR exception payment standard area. This will improve leasing to more opportune areas in Knoxville/Knox County and utilize HAP reserves in 2020.

2. **Why is the action needed now?**
   If approved, increases to be effective March 1, 2020.

3. **Who are the parties involved and what are their roles (if appropriate)?**
   Debbie Taylor-Allen, Section 8 Director and Section 8 staff

4. **What are the long term and short term exposures to KCDC?**
   Increased administrative dollars as tenants find units and lease. Use of NRA funds.

## HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)

## ATTACHMENTS
Spreadsheet of costs and reason for increase explanations
CURRENT FAIR MARKET RENTS
(MAXIMUM AMOUNT FOR CONTRACT RENT AND UTILITY ALLOWANCE)

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CURRENT SAFMR
EXCEPTION PAYMENT STANDARDS BY ZIP CODE

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PROPOSED SAFMR EXCEPTION PAYMENT STANDARDS BY ZIP CODE

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- 5 Bedroom Fair Market Rent = 115% of 4-bedroom Fair Market Rent
- 6 Bedroom Fair Market Rent = 130% of 4-bedroom Fair Market Rent

Revised January 2020