

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: June 24, 2024

To: Board of Commissioners

From: Benjamin M. Bentley, Secretary

Subject: **AGENDA**
Board Meeting of the Board of Commissioners
Thursday, June 27, 2024, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 29, 2024. [\(Item 2 Attachment\)](#)
3. Approval is requested to execute the minutes for the *regular* meeting held on May 29, 2024. [\(Item 3 Attachment\)](#)
4. Motion to add, delete or postpone agenda items.
5. Reports of officers and special presentations.

NEW BUSINESS

ADMINISTRATION (Jim Barker)

6. Approval is requested to award Contract Q24017 for restoration services of Montgomery Village Apartment No. 242. [\(Item 6 Attachment\)](#)

REDEVELOPMENT/LEGAL SERVICES (Jim Hatfield)

7. Resolution authorizing a PILOT agreement between KCDC and Historic Giffin, LP to effectuate a PILOT to support the acquisition and adaptive reuse of a former school into a 77-unit affordable housing complex at 1834 Beech Street in Knoxville. [\(Item 7 Attachment\)](#)
8. Resolution authorizing the execution of a development agreement with DGA Residential and the formation of Hardin Valley GP Corporation and DGA Hardin

THIS MEETING AND ALL COMMUNICATIONS BETWEEN MEMBERS IS SUBJECT TO THE PROVISIONS OF THE TENNESSEE OPEN MEETINGS ACT, TENN. CODE ANN. §8-44-101, *et seq.*

Valley LP in connection with potential development of a new affordable housing project at the intersection of Hardin Valley Rd and Willow Point Way in Knoxville. [\(Item 8 Attachment\)](#)

9. Preliminary Bond Resolution to issue up to \$30M of revenue bonds to support the financing of a new affordable housing development project located at the intersection of Hardin Valley Road and Willow Point Way in Knoxville. [\(Item 9 Attachment\)](#)
10. Resolution authorizing the execution of a development agreement with DGA Residential, LLC with respect to the development of a project at 525 W. Fifth Ave and authorizing the formation of Fifth Ave GP Corporation and DGA Five Ave LP. [\(Item 10 Attachment\)](#)
11. Preliminary bond resolution authorizing KCDC to issue up to \$35M of revenue bonds to support the financing of a new affordable housing development project located at 521 and 525 W. Fifth Avenue, Knoxville. [\(Item 11 Attachment\)](#)
12. Approval is requested to negotiate and execute a contract and related documents in an amount NTE \$15,000,000 with East Tennessee Turf and Landscaping (ETTL) to complete the infrastructure and site work for the second and third phase of CNI development at Western Heights. [\(Item 12 Attachment\)](#)
13. Approval is requested to negotiate and execute a contract and related documents in an amount NTE \$1,300,000 with Sanders Pace Architecture (SPA) to design a 20,000+ SF mixed use commercial building and a public park as part of the CNI development at Western Heights. [\(Item 13 Attachment\)](#)

FINANCE & ACCOUNTING (Nancy White)

14. Resolution approving the Rental Assistance (fka Section 8) and The Manor Operating Budget Revision No. 1 for FY 2024 (July 1, 2023–June 30, 2024). [\(Item 14 Attachment\)](#)

HOUSING (Sabrina Draplin)

15. Approval is requested to increase Section 8 HCV and PBV payment standards in 37920 zip code from 110% to 120% effective 7/1/2024. [\(Item 15 Attachment\)](#)

Unfinished Business
Public Forum
Adjourn

The next agenda review meeting will be held
Thursday, July 18, 2024 @ 5 p.m.

The next board meeting will be held
Thursday, July 25, 2024 @ 5 p.m.

THIS MEETING AND ALL COMMUNICATIONS BETWEEN MEMBERS IS SUBJECT TO THE PROVISIONS OF THE TENNESSEE OPEN MEETINGS ACT, TENN. CODE ANN. §8-44-101, *et seq.*

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

ANNUAL MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **May 29, 2024** at 901 N. Broadway, Knoxville, Tennessee.

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

Present: Chair Kim Henry
Vice Chair Scott Broyles
Treasurer Felix Harris
Commissioner Robert Whetsel
Commissioner Kathy Hall

Absent: Commissioner John Winemiller
Commissioner Becky Wade

Approval to elect officers. Commissioner Broyles made a motion to elect the slate of officers. Commissioner Whetsel seconded the motion. All Commissioners present voted "Aye."

The newly-elected officers are:

Chair:	Kim Henry
Vice Chair:	Scott Broyles
Treasurer:	Felix Harris
Secretary:	Benjamin Bentley

With no further business to come before the Board, the meeting adjourned by consent at 5:03 p.m.

Kimberly K Henry, Chair

Approved:

ATTEST:

Benjamin M. Bentley, Secretary

Approved:

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **May 29, 2024** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared present at 5:03 p.m.

Present: Chair Kim Henry
Vice Chair Scott Broyles
Treasurer Felix Harris
Commissioner Robert Whetsel
Commissioner Kathy Hill

Absent: Commissioner John Winemiller
Commissioner Becky Wade

Approval to execute the minutes for the *regular* meeting held on March 28, 2024 (no April meeting held). Commissioner Broyles moved to approve. Commissioner Harris seconded the motion. All other Commissioners present voted "Aye."

ADMINISTRATION (Ben Bentley for Jim Barker)

Approval to award Contract Q2410 for roofing services at Passport Residences with Lafayette Construction and Development, Inc. Commissioner Whetsel moved to approve. Commissioner Harris seconded the motion. All other Commissioners present voted "Aye."

REDEVELOPMENT (Jim Hatfield)

Approval to grant a Certificate of Completion and Release for 1534 Texas Avenue (#081PE003) (\$3000) to Hayes Construction, Inc. Commissioner Whetsel moved to approve. Commissioner Harris seconded the motion. All other Commissioners present voted "Aye."

Approval to grant a Certificate of Completion and Release for 2120 McCalla Avenue (#095BE006) (\$1875) to East Tennessee Housing Development Corporation. Commissioner Whetsel moved to approve. Commissioner Harris seconded the motion. All other Commissioners present voted "Aye."

Resolution authorizing the formation of Western Heights 4 GP Corporation and Western Heights 4 LP relating to the construction of Western Heights Phase 4. Commissioner Harris moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye." Resolution 2024-15 is attached.

Resolution regarding a payment in lieu of tax transaction (PILOT) with Pines III, L.P. Commissioner Broyles moved to approve. Commissioner Harris seconded the motion. All other Commissioners present voted "Aye." Resolution 2024-16 is attached.

Resolution regarding financing for Western Heights Phase 1. Commissioner Harris moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye." Resolution 2024-17 is attached.

Resolution authorizing amendment to loan agreement with Regions Capital Advantage, Inc. Commissioner Harris moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye." Resolution 2024-18 is attached.

FINANCE & ACCOUNTING (Nancy White)

Resolution approving the Operating Budget for the Public Housing Program and Resolution approving the Operating Budgets for the Rental Assistance/Section 8 Programs, Central Office Cost Center, and Multi-Family Housing for FY 2025 (July 1, 2024-June 30, 2025). Commissioner Whetsel moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye." Resolutions 2024-19 and 2024-20 are attached.

PUBLIC FORUM

None

UNFINISHED BUSINESS

None

ADJOURNMENT

With no further business to come before the Board, the meeting adjourned by consent at 5:29 p.m.

Kimberly K. Henry, Chair

Approved:

ATTEST:

Benjamin M. Bentley, Secretary

Approved:

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM 6

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Approval is requested to award Contract C24017 for restoration services for Montgomery Village Apartment 242.
SUBMITTED BY	Name, Title / Department: Jim Barker, Vice President of Administration
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ _____ Expenditure: \$ 117,122.94 Source of Funds: Insurance proceeds
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: Terry McKee/Procurement Director
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? This action approves the award of KCDC's solicitation for Restoration Services for Montgomery Village Apartment 242 C24017 with Iron Horse Demolition.</p> <p>2. Why is the action needed now? This approval will enable KCDC's staff to start the selected vendor working to restore the apartment to its pre-burn condition and make it ready to rent again. Thus KCDC will be able to provide housing for another family and earn revenue.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? The vendor will work with KCDC's Construction and Maintenance Director, KCDC's Maintenance Director and site staff to provide these services as soon as possible. KCDC has recently worked with this vendor on another project and found the vendor to be satisfactory to work with.</p> <p>4. What are the long-term and short-term exposures? The short term exposure is getting the work done, paying the vendor and restoring the apartment There are no long term on-going costs.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	This apartment was extensively burned in late 2023 and KCDC has worked with HUD and the insurance company to bring the apartment back to occupancy status. This award enables that process to conclude.
ATTACHMENTS	Bid Tabulation Form



Benjamin M. Bentley, Executive Director/CEO

901 N. Broadway • Knoxville, TN 37917
865.403.1100 • Fax 865.403.1117
800.848.0298 (Tennessee Relay Center)
www.kcdc.org

TO: The KCDC Board

FROM: Benjamin M. Bentley, Secretary

DATE: June 9, 2024

SUBJECT: Approval of the award of Contract C24017 for restoration services for Montgomery Village Apartment 242 with Iron Horse Demolition.

KCDC's Procurement Policy requires written formal solicitations (publicly advertised and opened) in all cases where the aggregate cost of the item(s) or service(s) requested is \$50,000 or more. Staff requests Board approval of the following recommendation.

Scope of Work	Provide restoration services at KCDC's Montgomery Village property due to extensive fire damage in apartment 242.
Funding Source	Insurance proceeds
Total Award Amount	\$117,122.94
Review Committee	Jack Canada, Maintenance and Construction Manager Tim Hatmaker, Maintenance Director Kristie Toby, Housing Operation Director Terry McKee, Procurement Director
Solicitation Type	Invitation for Bids

Company	Total Project Cost	Recommended for Approval
Balinger Construction	\$267,800.00	No
Cornerstone	\$137,800.00	No
First Place Finish	\$167,400.00	No
Iron Horse Demolition	\$117,122.94	Yes

Notice of this solicitation was distributed through the following KCDC centric methods to achieve the widest possible dissemination of the opportunity:
Registered Vendors. Vendors who have registered on-line with KCDC and indicated an interest in providing these goods or services receive an automated email with a link to the solicitation document.
KCDC Webpage. The solicitation document and all related documents are posted to KCDC's Web Page for all interested parties to have access to-whether or not they have ever registered with KCDC.
KCDC Bulletin Boards. KCDC property offices receive a copy of each solicitation to post on their bulletin boards for residents to consider should they own, work for or otherwise know of businesses that may be interested in the work.

This solicitation was distributed through the following "distribution" groups for possible distribution to their members and/or contacts. This is part of our outreach to the widest possible marketplace as well as our outreach to small, minority, woman and veteran owned businesses:	
Associated Construction Women*	Associated General Contractors of Tennessee
Atlanta Chapter <i>National Association of Black Women in Construction</i> *+	Black Contractors Association+
Centro Hispano de East Tennessee+	Construction Market Data
Dodge Data & Analytics	Knox County's Supplier Diversity Office*+
Knoxville Area Urban League+	Knoxville Builder's Exchange
Knoxville Chamber Partnership	Knoxville's DBAC Office*+
Knoxville Equity Partners+	SCORE
SERC	Small Business Administration
Tennessee Small Business Development Center	Tennessee Minority Supplier Development Council+
Tennessee Valley Authority Diversity Outreach*+	WJBE Radio+
U.S. Department of Commerce Minority Business Development Agency+	

* Denotes an organization promoting/assisting Woman Owned Businesses

+ Denotes an organization promoting/assisting Minority Owned Businesses

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION BOARD

ACTION FORM

ITEM 7 ATTACHMENT

MEETING DATE	June 27 2024
AGENDA ITEM DESCRIPTION	Resolution authorizing a PILOT agreement between KCDC and Historic Giffin, LP to effectuate a PILOT to support the acquisition and adaptive reuse of a former school into a 77-unit affordable housing complex at 1834 Beech Street in Knoxville.
SUBMITTED BY	Name, Title / Department: James Hatfield, Vice President, Redevelopment
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ n/a Expenditure: \$ n/a Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: BBS Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? This resolution will provide for a 20-year PILOT to assist in the economics in order to facilitate the acquisition and renovation of the historic Giffin school into affordable housing units.</p>	
<p>2. Why is the action needed now? The sponsor, Case Enterprises, was previously awarded 9% credits and are expecting to close on their financing in the 3Q of this year.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? KCDC as lessor under the PILOT lease. Case Enterprises as sponsor of the project and Historic Giffin, LP as lessee under the lease.</p>	
<p>4. What are the long-term and short-term exposures? This PILOT lease structure is customary and is typical for affordable housing developments in Knoxville.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	None.
ATTACHMENTS	Resolution, mayor support letter, draft PILOT lease

RESOLUTION NO. 2024-_____

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION REGARDING A
PAYMENT IN LIEU OF TAX TRANSACTION WITH HISTORIC GIFFIN, LP**

WHEREAS, the Board of Commissioners of Knoxville's Community Development Corporation ("KCDC") has met pursuant to proper notice; and

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

WHEREAS, to induce Historic Giffin, LP, a Tennessee limited partnership (the "Applicant"), to acquire, construct, rehabilitate and equip an approximately 77-unit multifamily housing facility for low and moderate income citizens (the "Project"), KCDC will acquire certain real and personal property related to the Project, and KCDC will lease said property to the Applicant on the terms and conditions set forth in the Lease referenced herein; and

WHEREAS, KCDC has received a letter from the Mayor of the City expressing her support for the Project pursuant to Tenn. Code Ann. § 48-101-312(b)(4)(C); and

WHEREAS, there has been submitted to KCDC a form of Lease (the "Lease"), between KCDC and the Applicant, which provides certain payments in lieu of tax as provided therein and which KCDC proposes to execute to carry out the transaction described above, a copy of which instrument shall be filed with the records of KCDC.

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

1. It is hereby found and determined that the acquisition and ownership of the Project will promote industry, trade, commerce and housing in the State of Tennessee and will increase the availability of affordable housing and employment in the City.

2. The Chair or the Vice Chair 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 execute the Lease and deliver the Lease to the Applicant.

3. KCDC is hereby authorized and directed to own the Project pursuant to the terms of the Lease.

4. The Lease shall be in substantially the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the officer executing it, his or her execution to constitute conclusive evidence of his or her approval of any such omissions, insertions and changes.

5. The officers of KCDC are hereby authorized and directed to execute, deliver and file such other certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the consummation of the transactions described above, including, without limitation, executing such documents as any lender of the Applicant may request in connection with its liens on the Project.

6. Any authorization herein to execute any document shall include authorization to record such document where appropriate.

7. All other acts of the officers of KCDC which are in conformity with the purposes and intent of this resolution are hereby approved and confirmed.

Approved this 27th day of June, 2024

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary

37951967.1



April 10, 2023

Benjamin Bentley
Knoxville's Community Development Corporation
901 N. Broadway
Knoxville, Tennessee 37917

Re: Support Letter for Historic Giffin Affordable Housing Project

Dear Mr. Bentley:

I understand that Knoxville's Community Development Corporation ("KCDC"), through its proposed lessee, Historic Giffin, LP, is undertaking the acquisition and construction of multi-family apartments located at 1834 Beech Street. I understand that this project entails constructing a 77-unit apartment development providing affordable and workforce housing for the local community. To provide financing for this project, Historic Giffin, LP, intends to apply for an allocation of low-income housing tax credits from the Tennessee Housing Development Agency to ensure these apartments remain as affordable housing for the next 30 years.

Pursuant to T.C.A. § 48-101-312, and because the City has not formed a health, educational, and housing facility corporation, KCDC is permitted to enter into an agreement for payments in lieu of taxes with respect to this project provided that I, as the chief executive officer of the City, provide a letter in support of the project. Provided that the project receives an allocation of low-income housing tax credits, please accept this letter as evidence of my support of this project for payments in lieu of taxes for a term of up to 20 years with the payment amount set at \$4,080.66 to the City of Knoxville and \$2,942.00 to Knox County. The provision of affordable housing for low-income residents is an important goal for the City, and this project is consistent with that goal.

Sincerely,

Indya Kincannon
Mayor

Approved as to form:

Ronald E. Mills
Deputy Director of Law

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

(a housing and redevelopment authority of
the City of Knoxville, Tennessee organized under Tennessee law)

TO

HISTORIC GIFFIN, LP

(a Tennessee limited partnership)

LEASE

DATED AS OF _____, 2024

This instrument prepared by:
BASS, BERRY & SIMS PLC (JPM)
900 S. Gay Street, Suite 1700
Knoxville, Tennessee 37902

LEASE

This Lease, made and entered into as of _____, 2024, by and 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. ("Lessor"), and HISTORIC GIFFIN, LP, a Tennessee limited partnership ("Lessee").

WITNESSETH:

WHEREAS, Lessor is 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., as amended (the "Act"), and is authorized under the Act to acquire, whether by purchase, exchange, gift, lease, or otherwise, and to own, lease and dispose of properties for the purpose of providing safe and sanitary dwelling accommodations for persons of low income;

WHEREAS, in order to encourage Lessee to cause the acquisition and construction of a low-income housing facility consisting of approximately 77 apartment units located in the City of Knoxville, Tennessee (the "Project"), thereby furthering the purposes of the Act, Lessor desires to lease to Lessee and Lessee desires to rent from Lessor certain real property and equipment hereinafter more particularly described, on the terms and conditions set forth herein; and

WHEREAS, pursuant to Tenn. Code Ann. § 48-101-312(b)(4)(C), the Mayor of the City of Knoxville, Tennessee submitted a letter dated April 10, 2023 to the Lessor supporting the Project and approving the Lessor to negotiate and accept from Lessee payments in lieu of ad-valorem taxes; and

NOW, THEREFORE, Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents demise, lease and let unto Lessee, and Lessee does by these presents hire, lease and rent from Lessor, for the Term (as defined below) and upon the conditions hereinafter stated, the real property described in Exhibit A attached hereto, together with all facilities and improvements now existing or hereafter constructed thereon by Lessee or otherwise and the equipment described in Exhibit B attached hereto;

UNDER AND SUBJECT, however, to deed restrictions, covenants, easements, reservations, rights of way and other encumbrances applicable to the real property and equipment to be leased and existing as of the date hereof and any other encumbrance hereafter existing that is not created by Lessor; and

UNDER AND SUBJECT to the following terms and conditions:

ARTICLE I. Definitions

Section 1.01 In addition to the words, terms and phrases elsewhere defined in this Lease, the following words, terms and phrases as used in this Lease shall have the following respective meanings:

"Acquisition Deed" shall mean the deed pursuant to which Lessor acquires title to the Leased Land.

"Act" shall mean Tenn. Code Ann. §§ 13-20-101, et seq., as amended.

"Basic Rent" shall mean the amounts described in Section 4.01.

"Buildings" shall mean the Buildings to be renovated and/or constructed on the Leased Land by Lessee pursuant to Article XI.

"City" shall mean the City of Knoxville, Tennessee.

"Completion Date" shall mean the earlier of (i) the date that is _____ months after the date hereof and (ii) the date that the renovations to the existing Buildings and the construction of the new Buildings described in Article XI are substantially complete, as evidenced by the issuance of a certificate of occupancy. Lessee shall provide a certificate to Lessor evidencing the Completion Date no later than thirty (30) days after the occurrence of the Completion Date.

"County" shall mean Knox County, Tennessee.

"Equipment" shall mean the machinery, equipment and other tangible personal property described on Exhibit B attached hereto as from time to time supplemented.

"Force Majeure" means fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the applicable party's reasonable control. Where this Lease expressly provides that a party's obligations are subject to Force Majeure, then delay or non-performance on the part of such party will be excused upon the occurrence and during the continuance of such event of Force Majeure, provided that such party promptly gives the other party written notice of the occurrence and abatement of such event of Force Majeure.

"Improvements" shall mean the Buildings and the other improvements on the Leased Land.

"Investor Limited Partner" shall mean _____, as the investor limited partner of Lessee, and its successors and assigns.

"Lease" shall mean this instrument as originally executed or as it may from time to time be supplemented or amended by one or more instruments supplemental hereto.

"Leased Land" shall mean the real property described in Exhibit A attached hereto.

"Leased Property" shall mean the Equipment and the Leased Land, together with the Buildings and related improvements.

"Lender" shall mean _____ and its successors and assigns.

"Lessee" shall mean Historic Giffin, LP, a Tennessee limited partnership.

"Lessor" shall mean Knoxville's Community Development Corporation, a housing and redevelopment authority of the City of Knoxville, Tennessee organized under the Act.

"Rent" shall mean collectively, the Basic Rent and the Additional Rent.

"Tax Credits" shall mean any low income housing tax credits available at the Leased Property pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

"Tax Year" shall mean each annual period beginning on January 1 of each year and ending on December 31 of that year.

"Term" shall mean the term described in Article III.

ARTICLE II.
Representations of Lessee

Section 2.01 Lessee makes the following representations and warranties to induce Lessor to enter into this Lease:

(a) Lessee is a limited partnership duly formed, existing and in good standing under the laws of the State of Tennessee, has full power and authority to enter into this Lease and to perform all obligations contained herein and therein, and has, by proper action, been duly authorized to execute and deliver this Lease and, when executed and delivered by the parties thereto, this Lease will constitute the valid and binding obligation of Lessee enforceable in accordance with its terms.

(b) Neither the execution and delivery of this Lease, nor the consummation of the transactions contemplated herein by Lessee, nor the fulfillment of or compliance with the terms and conditions of this Lease, does or will conflict with or result in a breach of the terms, conditions or provisions of any restriction or internal governing document of Lessee or any agreement or instrument to which Lessee is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree to which it is subject, or constitutes a default under any of the foregoing or, except as contemplated hereby, results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessee under the terms of any instrument or agreement.

(c) There are no proceedings pending, or to the knowledge of Lessee threatened, against or affecting Lessee in any court or before any governmental authority, arbitration board or tribunal which involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of Lessee, or the ability of Lessee to perform its obligations under this Lease. Lessee is not in default with respect to an order of any court, governmental authority, arbitration board or tribunal.

(d) No event has occurred and no condition exists with respect to Lessee that would constitute an Event of Default under this Lease, as defined in Article XIV, or which, with the lapse of time or with the giving of notice, or both, would become such an Event of Default.

(e) To the knowledge of Lessee, and in reliance upon, and except as disclosed in, an independent third-party report obtained by Lessee, there are no substances, materials, wastes, pollutants or contaminants located on the Leased Property that are regulated under any environmental law or regulation except those materials and substances that are maintained in compliance with such laws and regulations, and Lessee shall not permit material quantities of such substances, materials, wastes, pollutants or contaminants to exist on the Leased Property during the Term of this Lease except in compliance with such laws and regulations.

ARTICLE III.
Lease Term

Subject to the provisions contained in this Lease, this Lease shall be in full force and effect for a Term commencing on the date hereof and ending on the twentieth (20th) anniversary of the Completion Date, unless terminated earlier, in accordance with the terms hereof. Lessee shall provide a certificate to Lessor evidencing the Completion Date no later than thirty (30) days after the occurrence of the Completion Date.

Notwithstanding the foregoing, the Term of this Lease may be terminated upon exercise by Lessee of the purchase option described in Article XV hereof.

ARTICLE IV.

Rent

Section 4.01 Basic Rent. Lessee will pay to Lessor without notice or demand, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, as Basic Rent on each January 1 during the Term, the sum of \$1.00. Lessor acknowledges that Lessee has prepaid the Basic Rent for the Term on the date hereof.

Section 4.02 Additional Rent. Lessee agrees to pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay (including, without limitation, the obligations in Article XI hereof). Without limiting the foregoing, Lessor and Lessee recognize that the Leased Property has been conveyed to Lessor subject to or contemporaneously with the execution of a deed of trust securing the financing of the acquisition of and the construction and renovations to the Leased Property. Lessee agrees to make all payments of debt service relating to such financing. Lessor will execute and deliver commercially reasonable documents pledging its interest in the Leased Property, by joinder or otherwise, in connection with Lessee's financing or refinancing of the Leased Property. In the event of any failure on the part of Lessee to pay any amounts, liabilities or obligations described in this paragraph, Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of the Basic Rent. Notwithstanding the terms of this Lease, the Additional Rent shall not be treated as rent for federal or state tax purposes and the items of Additional Rent shall be treated for tax purposes as determined by the Lessee in its sole discretion as the owner of the Leased Property for federal and state tax purposes.

ARTICLE V.

Compliance with Laws; Permitted Contests;

Lessee's Acceptance of Leased Property; Reports; Lease of Equipment; Net Lease

Section 5.01 Compliance with Laws. Lessee shall throughout the Term and at no expense to Lessor promptly cure any violations under all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which are or shall become lawfully applicable to the Leased Property, the repair and alteration thereof, and the use or manner of use of the Leased Property, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change of governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof.

Section 5.02 Permitted Contests. Lessee shall not be required to comply or cause compliance with the laws, ordinances, orders, rules, regulations or requirements referenced in Section 5.01, so long as Lessee shall, at Lessee's expense, contest the same or the validity thereof in good faith, by appropriate proceedings. Such contest may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine and Lessor agrees that it will, at Lessee's expense, cooperate with Lessee in any such contest to such extent as Lessee may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses (including attorneys' fees) in connection with any such proceeding brought by Lessee, and Lessee covenants to pay, and to indemnify and save harmless Lessor from, any such costs or expenses.

Section 5.03 Acceptance of Leased Property. Lessee acknowledges that, as between Lessor and Lessee, it has examined the Leased Land and the state of Lessor's title thereto prior to the making of this Lease and knows the condition and state thereof, including, without limitation, the environmental and soil

conditions, as of the first day of the term of this Lease, and accepts the same in said condition and state; that no representations as to the condition or state thereof have been made by representatives of Lessor; and that in entering into this Lease, Lessee is relying solely upon its own examination thereof. Lessee shall have sole and exclusive possession of the Leased Property during the Term.

Section 5.04 Lease of Equipment. Lessor does hereby demise, lease and let unto Lessee, and Lessee does hereby lease and rent from Lessor, for the Term and upon the conditions herein stated, all Equipment. Lessee shall have sole and exclusive possession of the Equipment during the Term.

Section 5.05 Net Lease. This is a "net lease" and the Rent and all other sums payable hereunder to or for the account of Lessor shall be paid promptly and without set off, counterclaim, abatement, suspension, deduction, diminution or defense.

ARTICLE VI.

Title and Tax Benefits

Section 6.01 No Conveyance of Title by Lessor. Lessor covenants and agrees that, except as set forth herein, during the Term of this Lease, it will not convey, pledge, encumber or suffer or permit the conveyance of, by any voluntary act on its part, its title to the Leased Property to any person, firm, corporation, or other entity whatsoever, irrespective of whether any such conveyance or attempted conveyance shall recite that it is expressly subject to the terms of this Lease unless such conveyance is consented, in writing, to by Lessee, its mortgagee and Investor Limited Partner. Lessor will not create any lien, encumbrance or charge upon its interest in the Leased Property except for any such lien, encumbrance or charge otherwise created by this Lease or consented to by Lessee.

Section 6.02 Tax Benefits. Lessee shall be deemed throughout the term of this Lease to own all Improvements and all alterations, additions, equipment and fixtures built, made or installed by Lessee in, on or under the Improvements or on the Property for federal tax purposes and shall be entitled to all of the tax attributes of ownership thereof, including, without limitation, the right to claim depreciation or cost recovery deductions and the right to claim the low-income housing tax credit described in Section 42 of the Code, with respect to the Improvements and the equipment therein, and Lessee shall have the right to amortize and depreciate capital costs and to claim any other federal tax benefits attributable to the Improvements and the equipment therein. The Lessor expressly waives and relinquishes in favor of the Lessee any rights to claim the benefit of or to use any federal or state tax credits or depreciation benefits that are currently or may become, available during the Term as a result of any equipment, furniture or fixtures installed by the Lessee on the Improvements whether or not such items become a part of the realty, and the Lessor agrees to execute and deliver to Lessee any election form required to evidence the Lessee's right to claim tax credits or depreciation benefits on improvements made or property installed by the Lessee. Lessor shall execute and deliver other and further certificates, documents, and amendments to this Lease as reasonably requested by Lessee to confirm and establish that Lessee is the owner of the Leased Property for federal income and state franchise and excise tax purposes.

Section 6.03 Taxation of Improvements. This Lease is intended to be a lawful agreement between the Lessee and Lessor, as an instrumentality of a local government, for payments in lieu of taxes and therefore, the Buildings are assessed solely to Lessor and are subject to all applicable exemptions, all in accordance with Tennessee Code Annotated § 67-5-502(d).

ARTICLE VII.
Taxes and Other Charges

Section 7.01 **Taxes and Other Governmental Charges.** Lessee agrees, subject to the provisions of Section 7.04, to pay and discharge, as Additional Rent, punctually as and when the same shall become due and payable without penalty, all ad valorem taxes that at any time during the Term shall be or become due and payable by Lessor or Lessee and that shall be levied, assessed or imposed upon, or that shall be or become liens upon, the Leased Property or any portion thereof or any interest of Lessor or Lessee therein, under and by virtue of any present or future law, statute, regulation or other requirement of any governmental authority.

Section 7.02 **Lessee Subrogated to Lessor's Rights.** To the extent of any payments of Additional Rent by Lessee under this Article VII, Lessee shall be subrogated to Lessor's rights in respect to the proceedings or matters relating to such payments, and any recovery in such proceedings or matter shall be used to reimburse Lessee for the amount of such Additional Rent so paid by Lessee.

Section 7.03 **Utility Services.** Lessee agrees that Lessor is not, nor shall it be, required to furnish to Lessee or any other user of the Leased Property any gas, water, sewer, electricity, light, heat, power or any other facilities, equipment, labor, materials or services of any kind pursuant to this Lease and Lessee agrees that it shall pay all costs and expenses related to the foregoing.

Section 7.04 **Payments in Lieu of Taxes.**

(a) **Recognition of Tax Status.** Lessee recognizes that under present law, including specifically the Act, the properties owned by Lessor are exempt from all taxation in the State of Tennessee. Lessee further recognizes that present law, including specifically the Act and Tenn. Code Ann. § 48-101-312(b)(4)(C), provides legal authority to Lessor to enter into agreements for payments in lieu of ad valorem property taxes, such as this Lease.

(b) **Administrative Provisions.** In furtherance of the agreements in this Section, it is agreed by and between the parties hereto that Lessee, in cooperation with Lessor, shall cause all of the Leased Property, including but not limited to, the Leased Land, the Buildings, the Equipment located in the Buildings or on the Leased Land, each expansion of any Building, the Equipment located in each expansion of any Building, and any other Equipment conveyed to Lessor hereunder to be valued and assessed separately by the assessor or other official or officials charged with the responsibility of assessing privately owned property in the area where the Leased Property is located at the time such privately owned property is valued or assessed. Lessee, in cooperation with Lessor, shall cause to be applied to the appropriate taxable value of each such portion of the Leased Property the tax rate or rates that would be applicable for state and local tax purposes if the property were then privately owned, and shall cause the county trustee or other official or officials charged with the responsibility of collecting taxes to submit annually to Lessor and Lessee a statement of the taxes which would otherwise then be chargeable to each such portion of the Leased Property. The right is reserved to Lessee to the same extent as if Lessee were the owner of the Leased Property to contest the validity or amount of any such assessment.

(c) **Payments in Lieu of Taxes.** In addition to Basic Rent and Additional Rent hereunder, Lessee and Lessor agree that Lessee shall pay directly to the City and the County: (i) for each Tax Year occurring during the period commencing on the date hereof through and including the day prior to the Completion Date, a payment in lieu of taxes equal to the ad valorem taxes that would otherwise be payable with respect to the Leased Property if such Leased Property were owned by Lessee and (ii) for each Tax Year occurring during the period commencing on the Completion Date through and including the

twentieth (20th) anniversary of the Completion Date, an annual payment in lieu of taxes to the County equal to \$2,942.00 and an annual payment in lieu of taxes to the City equal to \$4,080.66.

Amounts payable with respect to any partial Tax Years included within the Term will be prorated based upon the actual number of days included within such Tax Year. Any payment due with respect to a Tax Year that is not paid prior to the termination or expiration of this Lease shall not be extinguished as a result of such termination or expiration and shall survive such termination or expiration.

Notwithstanding anything to the contrary contained in this Section, this Lease shall not be extended except pursuant to an amendment in writing and executed by both the Lessor and Lessee. Such reduction in taxes otherwise payable shall not apply with regard to any other tax assessed against Lessee, its income, its other real property or its personalty. In the event Lessee assumes ownership of the Leased Property, Lessee shall begin paying all applicable ad valorem and other taxes directly to the City and the County, as assessed, but shall not make, from the date of such acquisition, any in lieu payments with respect to such property other than those payments that were unpaid at the time of such acquisition.

Notwithstanding anything to the contrary contained in this Section, in the event that Lessee fails to complete the construction and renovation of the Buildings in accordance with Article XI hereof or the Leased Property becomes ineligible for Tax Credits due to a violation of the use restrictions (related to the Tax Credits) applicable to the Leased Property, then Lessee shall make a payment in lieu of taxes with respect to each Tax Year remaining in the Term on behalf of the Lessor to the City and the County in an amount equal to the ad valorem taxes that would otherwise be payable with respect to the Leased Property if such Leased Property were owned by Lessee.

(d) Credit for Taxes Paid. Nothing contained in this Section 7.04 is intended or shall be construed to require the payment by Lessee of any greater amounts in lieu of taxes than would be payable as taxes if the Leased Property were owned by Lessee. It is accordingly understood and agreed that the amount payable by Lessee in any year under the provisions of this Section 7.04 shall be reduced by the amount of any ad valorem taxes lawfully levied upon the Leased Property or any part thereof, or upon Lessee's leasehold estate therein, and actually paid by Lessee pursuant to the requirements of Section 7.01 hereof to the City and the County and to the extent that any such tax payments paid by Lessee pursuant to the requirements of Section 7.01 hereof for any year shall exceed the in-lieu-of-tax payments for such year otherwise provided in this Section 7.04 the amount payable by Lessee in any subsequent year under the provisions of this Section 7.04 shall be reduced by such excess amount.

(e) Timing of Payments. Each payment in lieu of taxes required by this Section 7.04 with respect to any Tax Year or partial Tax Year shall be paid not later than February 28th of the following year.

(f) Reports. On behalf of Lessor, Lessee shall, during the term of this Lease, submit on or before October 1 of each year to the Tennessee State Board of Equalization the annual report required to be submitted by it. In addition, within ninety (90) days after the conclusion of each Tax Year during the term hereof, Lessee agrees to provide a report to Lessor, in a form reasonably acceptable to Lessor, that includes the following information pertaining to tenant evictions: (i) the number of tenant evictions completed as well as initiated (however, not taken through the full eviction process but which resulted in the tenant relocating from the property) during the Tax Year; and (ii) for each such eviction or initiated eviction that resulted in a relocation, an explanation of the reason(s) for the eviction and unit type (one bedroom, two bedroom, etc.) involved, and (b) the period of time such tenant(s) have been residents of the Project.

(g) Payment Upon Termination or Expiration. Upon the termination of this Lease for any reason during a Tax Year, Lessee shall pay a pro-rated amount of the payments in lieu of taxes, if any, required by this Section 7.04 for the period that this Lease is in effect and for which no payments in lieu of taxes have been made up to the date of such termination.

(h) Cessation of Business. Except in the event Lessee shall terminate this Lease pursuant to Article IX of this Lease, in the event Lessee ceases the active operation (excluding temporary cessations due to Force Majeure events) of a low-income housing facility for eligible residents at the Leased Property, and notwithstanding any provision herein to the contrary, Lessee shall make payments in lieu of taxes beginning as of the date Lessee ceases such operation equal to the ad valorem taxes that Lessee otherwise would have been required to make with respect to the Leased Property if the Leased Property was owned by Lessee.

Section 7.05 Permitted Contests. Lessee shall not be required to pay any tax or assessment against the Leased Property or any part thereof, so long as Lessee shall, at Lessee's expense, contest the same or the validity thereof in good faith, by appropriate proceedings which shall operate to prevent the collection of the tax or assessment so contested or resulting from such contest and the sale of the Leased Property or any part thereof to satisfy the same. Such contest may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine, and Lessor agrees that it will, at Lessee's expense, cooperate with Lessee in any such contest to such extent as Lessee may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses (including attorneys' fees) in connection with any such proceeding brought by Lessee, and Lessee covenants to pay, and to indemnify and save harmless Lessor from, any such costs or expenses.

ARTICLE VIII.

Maintenance and Repair

Lessor shall not be required to rebuild or to make any repairs, replacements or renewals of any nature or description to the Leased Property or to make any expenditures whatsoever in connection with this Lease or to maintain the Leased Property in any way. Lessee expressly waives the right contained in any law now or hereafter in effect to make any repairs at the expense of Lessor.

Lessee shall keep and maintain in good order, condition and repair (including any such repair as is required due to fire, storm or other casualty) the Leased Property and every part thereof and any and all appurtenances thereto. Lessee shall save Lessor harmless on account of claims for mechanics and materialmen's liens in connection with any work by Lessee, and any such liens shall exist only against Lessee's leasehold interest and shall be discharged, by bond or otherwise, within sixty (60) days after filing. Lessee shall keep and maintain the Leased Property in accordance with all directions, rules and regulations of the proper officials of the government agencies having jurisdiction, at the sole cost and expense of Lessee, provided that Lessee shall not be required to repair or restore the Leased Property following material damage from a fire or other casualty except that Lessor may require Lessee to remove any debris from the Leased Property following a fire or other casualty.

ARTICLE IX.

Condemnation

If during the Term, all or any part of the Leased Property be taken by the exercise of the power of eminent domain or condemnation, Lessee shall be entitled to and shall receive the entire award for the taking. If title to or control of all of the Leased Property shall be taken by the exercise of the power of eminent domain or condemnation, or if such use or control of a substantial part of the Leased Property shall be taken as to result in rendering a substantial part of the Leased Property untenable or of materially

reduced value to Lessee, Lessee may terminate this Lease and exercise the purchase option purchase to Article XV by giving written notice to the Lessor and thereafter shall have no further liability hereunder except as specifically provided herein, provided, as a condition of such termination, Lessor may require Lessee to remove all or a portion of the improvements from the remaining portion of the Leased Property.

ARTICLE X.

Insurance and Indemnification

Section 10.01 Insurance. Lessee shall carry commercial general liability insurance covering the Leased Property and the use and occupancy of the same in a company or companies licensed to do business in Tennessee under a policy satisfactory to Lessor both as to amount and coverage and shall provide evidence of same to Lessor. Lessor shall be listed as an additional insured on such policy. Lessee shall also insure all improvements on the Leased Property at their full replacement value, with Lessor being included as an additional insured, and Lessee shall provide evidence of same to Lessor. Each policy described above shall not be canceled without first giving Lessor not less than thirty (30) days prior written notice. Lessee shall provide to Lessor evidence of all insurance policies contemplated by this Section, including, upon request, annual certificates of continued coverage.

Section 10.02 Indemnification. Lessee covenants and agrees, at its expense, to pay, and to indemnify and save Lessor and its directors, agents and employees (collectively, the "Indemnified Parties") harmless against and from any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the occupation, use, possession, conduct or management of or from any work or activity done in or about the Leased Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Leased Property or the occupancy or use thereof. Lessee also covenants and agrees, at its expense, to pay, and to indemnify and save the Indemnified Parties harmless against and from, any and all claims, costs or expenses arising from (i) any condition, including any environmental condition, now existing or hereafter arising, on the Leased Property, (ii) any breach or default on the part of Lessee in the performance of any covenant or agreement to be performed by Lessee pursuant to this Lease, (iii) any act or negligence of Lessee, or any of its agents, contractors, servants, employees or licensees, (iv) the failure of the Acquisition Deed to convey title to the Leased Land to Lessor on the date hereof other than as described in the Acquisition Deed, (v) any disputes, demands or claims related to the title of the Leased Land or any liens or other encumbrances affecting the Leased Land (other than claims originating from an action in violation of Section 6.01 hereof), or (vi) any accident, injury or damage whatever caused to any person, firm or corporation in or about the Leased Property and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section. In the event that any action or proceeding is brought against any Indemnified Party by reason of any such claims, Lessee, upon notice from such Indemnified Party, covenants to resist or defend such action or proceeding. Notwithstanding anything in this Lease to the contrary, Lessee shall not be required to indemnify any of the Indemnified Parties in the event of any acts of gross negligence or willful misconduct or intentional misconduct of any of the Indemnified Parties or for any claim or liability which the Indemnified Parties was not given the opportunity to contest. The indemnification provided shall survive termination of this Lease.

ARTICLE XI.

Construction and Renovation of Buildings; Alterations

Lessee shall have the right to construct buildings and other improvements on the Leased Land from time to time and to make additions to and alterations of any such buildings and improvements and any existing buildings and improvements. All work done in connection with such additions, alterations, improvements or construction shall be done promptly, and in good and workmanlike manner, and in

compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and offices thereof. Lessee shall maintain or cause to be maintained, at all times when any work is in process in connection with such additions, alterations, improvements or construction, workmen's compensation insurance covering all persons employed in connection with such work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee or the Leased Property.

Lessee covenants and agrees at its expense to cause the acquisition of the Leased Land, the construction of new apartment buildings and the renovation of the existing buildings located on the Leased Land (collectively, the "Buildings"), and in connection therewith, Lessee agrees to incur capital expenditures for the renovation of the Buildings in an aggregate amount of not less than \$ _____. It is understood and agreed that the Buildings, together with all other improvements or fixtures from time to time placed on the Leased Land, shall become the property of Lessor and part of the Leased Property, subject to the purchase option set forth in Article XV. Lessee agrees to complete the renovation of the Buildings prior to the date that is _____ after the date hereof, provided that such time period shall be extended in the event of an event of Force Majeure.

ARTICLE XII.

Acquisition of Equipment

Section 12.01 Acquisition of Equipment. As of the date of this Lease, Lessee has acquired the Equipment, if any, shown on Exhibit B for location in the Buildings or on the Leased Land. In furtherance of the foregoing, upon the execution of this Lease, Lessee shall convey the Equipment shown on Exhibit B to Lessor by a bill of sale in substantially the form of Exhibit C attached hereto and thereafter such Equipment shall become the property of Lessor, but shall be for the sole use and benefit of Lessee during the Term.

Unless Lessee gives Lessor written notice to the contrary, any machinery and equipment hereafter acquired by Lessee to be located on the Leased Land or any improvement thereon by means of a bill of sale in substantially the form of Exhibit C attached hereto, and thereafter such equipment likewise shall become the property of Lessor and part of the Equipment subject to the provisions hereof, but shall be for the sole use and benefit of Lessee during the Term, and Exhibit B shall be deemed to have been supplemented to include such equipment.

Any Equipment removed from the Leased Property, other than for ordinary maintenance, shall no longer be deemed part of the Leased Property for purposes of this Lease and, upon the written request of Lessee, shall be conveyed to Lessee pursuant to Article XV.

Section 12.02 Installation and Removal of Other Equipment. Lessee may at any time or times during the Term install or commence the installation on the Leased Land or any improvement thereon of any equipment in addition to the Equipment as Lessee may deem desirable, and Lessee may also remove any such equipment at its discretion. All such equipment shall be acquired and installed at the expense of Lessee and shall remain the property of Lessee and shall not be part of the Equipment unless otherwise added to Exhibit B.

Section 12.03 Alteration, Improvement, Removal and Modifications of Equipment by Lessee. Lessee may alter, improve and modify the Equipment from time to time as it may determine is desirable for its uses and purposes. Lessee shall be responsible for all costs of such alterations, improvements and modifications. All such alterations, improvements and modifications shall become a part of the Equipment and the property of Lessor as made. Lessee shall use its best efforts to cause all work done in connection with such alterations, improvements and modifications to be done in a good and workmanlike manner and

in compliance with all laws, ordinances, orders, rules, regulations and requirements of all governmental authorities. Lessee may remove and dispose of any Equipment that Lessee determines is not necessary for Lessee's operations provided Lessee purchases such Equipment pursuant to Article XV.

ARTICLE XIII.

Subletting, Assignments and Mortgaging

Section 13.01 Except for (i) leases in the ordinary course of business or otherwise desirable for operation of an apartment complex, (ii) a leasehold deed of trust pursuant to which Lessee mortgages its leasehold estate in the Leased Property, (iii) removal of the general partner of Lessee in accordance with the terms of its partnership agreement (the "Partnership Agreement") or by the Lender pursuant to the loan documents related to the loan from the Lender to Lessee (the "Loan Documents") so long as any new general partner of Lessee is approved by Lessor, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved, and (iv) any other transfer of a partnership interest of Lessee in accordance with the terms of its Partnership Agreement or by the Lender pursuant to the Loan Documents so long as the transferee is approved by Lessor, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved (each of the foregoing being a "Permitted Transfer" which shall not require Lessor's consent), Lessee shall not have the right to sublet the Leased Property or assign or otherwise transfer its rights and interest hereunder except with the prior written consent of Lessor or as explicitly permitted in this Lease. In the event that the Lender becomes the successor lessee hereunder pursuant to this section, the Lender shall be eligible to make the payments in lieu of taxes pursuant to Section 7.04 hereof; and further provided that any successor or assign of the Lender, or any purchaser at a foreclosure sale other than the Lender, shall be entitled to make payments in lieu of taxes pursuant to Section 7.04 hereof so long as Lessor has reasonably approved such person or entity, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved. If such successor or assign of the Lender or any purchaser at a foreclosure sale other than the Lender is not approved by Lessor (the "Non-Approved Party") in accordance with the foregoing sentence, then the Non-Approved Party shall make payments in lieu of taxes beginning as of the date of such assignment or purchase equal to the ad valorem taxes that Lessee otherwise would have been required to make with respect to the Leased Property if the Leased Property was owned by Lessee. If Lessee conveys, assigns, transfers, leases, subleases or sells all or any part of its rights or interest hereunder to a transferee with the approval of HUD in accordance with section (c) of the Lease Addendum attached hereto as Exhibit F but without the approval of Lessor, such transferee shall make payments in lieu of taxes beginning as of the date thereof equal to the ad valorem taxes that Lessee otherwise would have been required to make with respect to the Leased Property if the Leased Property was owned by Lessee, except as otherwise provided in this Section 13.01.

Section 13.02 If a mortgagee or Investor Limited Partner of Lessee shall have given Lessor, before any Event of Default shall have occurred hereunder, a written notice specifying the name and mailing address of the mortgagee or Investor Limited Partner, then Lessor shall not terminate this Lease by reason of the occurrence of any Event of Default hereunder unless Lessor shall have given the mortgagee and Investor Limited Partner a copy of its notice to Lessee of such Event of Default addressed to the mailing address last furnished by the mortgagee and Investor Limited Partner, and such Event of Default shall not have been cured by said mortgagee or Investor Limited Partner, as applicable, within the time permitted herein (which such time period, with respect to mortgagee and Investor Limited Partner, shall begin upon receipt of the respective notice by mortgagee and Investor Limited Partner), provided that mortgagee and Investor Limited Partner shall have the right to extend the period of time for the curing of any such Event of Default for an additional period of thirty (30) days from the date contained in the notice given pursuant to Section 16.03 herein, or in the case of an Event of Default which cannot be cured within said thirty (30)

day period, for such additional period (not to exceed an additional sixty (60) days) as, with all due diligence and in good faith, is necessary to cure the Event of Default. Lessor acknowledges that it has received written notice that (a) Lender is a mortgagee hereunder, and that Lessor shall send notices required to be sent to a mortgagee hereunder to Lender at the address provided in Section 16.03 and (b) the Investor Limited Partner is an investor limited partner hereunder, and that Lessor shall send notices required to be sent to an investor limited partner hereunder to the Investor Limited Partner at the address provided in Section 16.03.

Section 13.03 Lessee irrevocably directs that Lessor accept, and Lessor agrees to accept, performance by any such mortgagee or Investor Limited Partner of the Lessee's, as applicable, right to terminate this Lease granted to Lessee by Article XV hereof, regardless whether an Event of Default has occurred. After the date hereof, and in addition to any rights the mortgagee or Investor Limited Partner may have by virtue of this Lease, if, within ninety (90) days after the mailing of a notice of termination, or such later date as may be provided in this Lease following the expiration of the cure period, if any, afforded to the Lessee (the "Mortgagee/Investor Cure Period"), such mortgagee or Investor Limited Partner shall pay, or arrange to the satisfaction of Lessor for the payment of, a sum of money equal to any and all Basic Rent, Additional Rents, and other payments due and payable by Lessee hereunder with respect to the portion of the Leased Property to which such mortgagee or Investor Limited Partner claims an interest as of the date of the giving of notice of termination, in addition to their pro rata share of any and all expenses, costs and fees, including reasonable attorneys' fees, incurred by Lessor in preparation for terminating this Lease, and in acquiring possession of the Leased Property, then, upon the written request of such mortgagee or Investor Limited Partner made any time prior to the expiration of the Mortgagee/Investor Cure Period, Lessor and the party making such request (or its nominee) (the "New Lessee") shall mutually execute prior to the end of such Mortgagee/Investor Cure Period a new Lease of the Leased Property (or such portion thereof as they have an interest in or mortgage on) for the remainder of the Term of this Lease and on the same terms and conditions, and with the same priority over any encumbrances created at any time by Lessor, its successors and assigns which Lessee has or had by virtue of this Lease; provided, however, that in addition to the above payments such New Lessee shall have paid to Lessor a sum of money equal to the Basic Rent and other payments for such portion of the Leased Property accruing from the date of such termination to the date of the commencement of the term of such new Lease, together with its pro rata share of all expenses, including reasonable attorneys' fees, incident to the preparation, printing, execution, delivery and recording of such new lease and provided, further, that such New Lessee is approved by Lessor, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved. Such priority shall exist by virtue of the notice created by this Lease to any transferee of Lessor or person receiving an encumbrance from Lessor, and the priority shall be self-operative and shall not require any future act by Lessor. Such new Leases shall contain the same clauses subject to which this demise is made, and shall be at the rents and other payments for such portion of the Leased Property due Lessor and upon the terms as are herein contained. New Lessees under any such new Leases shall have the same right, title and interest in and to and all obligations accruing thereafter under this Lease with respect to the applicable portion of the Leased Property as Lessee has under this Lease. Nothing in this Section 13.03 shall require the Investor Limited Partner or mortgagee, as a condition to the exercise of its rights under this Section 13.03, to cure any default of Lessee not reasonably susceptible of being cured by any investor limited partner or mortgagee.

Section 13.04 Simultaneously with the making of such new leases, the party obtaining such new lease and all other parties junior in priority of interest in the Leased Property shall execute, acknowledge and deliver such new instruments, including new mortgages and new subleases, as the case may be, and shall make such payments and adjustments among themselves, as shall be necessary and proper for the purpose of restoring to each of such parties as nearly as reasonably possible, the respective interest and status with respect to the Leased Property which was possessed by the respective parties prior to the termination of this Lease as aforesaid.

Section 13.05 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Leased Property to such mortgagee or their respective nominee until the new leases have been executed by all pertinent parties. Lessor agrees, however, that Lessor will, at the cost and expense of such mortgagee or respective nominee, cooperate in the prosecution of judicial proceedings to evict the then defaulting Lessee or any other occupants of the Leased Property.

Section 13.06 Notwithstanding the term of any mortgage, Lessee's mortgagee shall have no further rights in the Lease except as stated herein. As used in this Section and throughout this Lease, the noun "mortgage" shall include a leasehold deed of trust, the verb "mortgage" shall include the creation of a leasehold deed of trust, the word "mortgagee" shall include the beneficiary under a leasehold deed of trust, and the terms "foreclose" or "foreclosure" shall include a trustee's sale under a deed of trust as well as a foreclosure by judicial process.

ARTICLE XIV.

Events of Default; Termination

If any one or more of the following events (herein called "Events of Default") shall happen:

(a) if Lessee fails to maintain the commercial general liability insurance required by Section 10.01 after being given notice of such failure and not curing such failure within ten (10) days of receipt of such notice; or

(b) if default shall be made in the due and punctual payment of any payment due pursuant to Section 7.04 hereof, and such default shall continue for more than thirty (30) days after Lessee's receipt of written notice of such default to Lessee from Lessor; or

(c) if default shall be made by Lessee in the due performance of or compliance with any of the terms hereof, other than that referred to in the foregoing subdivisions (a) and (b), and such default shall continue for sixty (60) days after Lessor shall have given Lessee written notice of such default (or in the case of any such default which cannot with due diligence be cured within such 60-day period, if Lessee shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with any such default not susceptible of being cured with due diligence within the sixty (60) days that the time of Lessee within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence);

then in any such event Lessor at any time thereafter and while such Event of Default shall continue may give a written termination notice to Lessee, which notice shall specify the nature of the Event of Default and a date of termination of this Lease not less than ninety (90) days after the giving of such notice. Upon such termination, Lessor shall have the right, but not the obligation, to enter upon the Leased Property and repossess the Leased Property. This termination right is subject to Lessee's right to purchase the Leased Property pursuant to Section 15.01 and at any time during or within 30 days after the term of this Lease, Lessee may exercise its right in Section 15.01 to purchase the Leased Property without regard to whether an Event of Default has occurred.

ARTICLE XV.

Purchases and Purchase Prices

Section 15.01 Option to Purchase. Lessee (and upon an event of default under any mortgage, such mortgagee) shall have an irrevocable and exclusive option to purchase the Leased Property as a whole or any part thereof at any time during the Term or within thirty (30) days after the termination or expiration of the Lease for the amount provided in Section 15.03. To exercise such option Lessee or mortgagee shall (i) give Lessor at least ten (10) days prior written notice of its intent to exercise any option granted pursuant

to this Section 15.01, which notice shall state the purchase date, and (ii) comply with the provisions of Section 15.03 hereof. The option to be exercised by Lessee or mortgagee hereunder may be exercised whether or not a default or Event of Default has occurred hereunder. Lessee or mortgagee shall also have the option to purchase any item of Equipment upon ten (10) days' prior written notice of its intent to exercise its option to purchase such item and upon compliance with Section 15.03.

Section 15.02 Granting of Easements. From time to time during the Term, Lessee shall have the right, at Lessee's expense, to cause Lessor (i) to grant easements affecting the Leased Land, (ii) to dedicate or convey, as required, portions of the Leased Land for road, highway and utilities and other public purposes, and (iii) to execute petitions to have the Leased Land or portions thereof annexed to any municipality or included within any utility, highway or other improvement or service district. Lessor shall also promptly execute and deliver estoppels, joinders, non-disturbance agreements and other documents required in connection with Lessee's use, financing, and refinancing of the Leased Property.

Section 15.03 Exercise of Option.

(a) To exercise any option contained in Section 15.01, Lessee shall pay, or cause to be paid, on or prior to the purchase date, as the purchase price the sum of (i) \$1.00 plus (ii) any other amounts that are then due or that have accrued under this Lease (including, without limitation, any amounts due upon termination or expiration of this Lease), but excluding any amounts required to be expended pursuant to Article XI.

(b) On the purchase date for the purchase of the Leased Property pursuant to Section 15.01, this Lease shall terminate and Lessor shall convey Lessor's interest in the Leased Property to Lessee (or its assigns) by quitclaim deed and/or bill of sale, as appropriate, without warranty of any type. The form of the quitclaim deed and bill of sale pursuant to which property will be conveyed pursuant to this Section shall be in substantially the forms attached hereto as Exhibit D and Exhibit E respectively. Lessee shall pay all expenses relating to such conveyance.

ARTICLE XVI.
Miscellaneous

Section 16.01 Applicable Law. This Lease shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Tennessee.

Section 16.02 Severability. In the event that any clause or provision of this Lease shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof.

Section 16.03 Notices and Demands. All notices, certificates, demands, requests, consents, approvals and other similar instruments under this Lease shall be in writing, and shall be effective either (a) when delivered personally to the party for whom intended, (b) on the second business day following mailing by a nationally recognized overnight courier service, (c) on the fifth day following mailing by certified or registered mail, return receipt requested, postage prepaid, or (d) on the date transmitted by telecopy as shown on the telecopy confirmation therefor as long as such telecopy transmission is followed by mailing of such notice by certified or registered mail, return receipt requested, postage prepaid, in any case addressed to such party as set forth below or as a party may designate by written notice given to the other party in accordance herewith.

To the Lessor:

Knoxville's Community Development Corporation
P.O. Box 3550
Knoxville, Tennessee 37927
Attention: Benjamin M. Bentley

with copies to:

Bass, Berry & Sims PLC
900 S. Gay Street
1700 Riverview Tower
Knoxville, Tennessee 37902
Attention: James P. Moneyhun, Jr., Esq.

To the Lessee:

Historic Giffin, LP

To Lender (as mortgagee as provided in Article XIII):

To the Investor Limited Partner
(as an investor limited partner as provided in Article XIII):

Section 16.04 Headings and References. The headings in this Lease are for convenience of reference only and shall not define or limit the provisions thereof. All references in this Lease to particular Articles or Sections are references to Articles or Sections of this Lease, unless otherwise indicated.

Section 16.05 Successors and Assigns. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 16.06 Multiple Counterparts. This Lease may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.

Section 16.07 Expenses and Closing Fee. Lessee shall pay all costs and expenses of Lessor in connection with the preparation, negotiation and execution of this Lease and the performance hereof, including the reasonable fees and expenses of Lessor's attorneys. In addition, in the event that Lessor shall be required to engage legal counsel for the enforcement of any of the terms of this Lease, whether or not such employment shall require institution of suit or other legal services required to secure compliance on

the part of Lessee, Lessee shall be responsible for and shall promptly pay to Lessor the reasonable value of said attorneys' fees, and any other reasonable expenses incurred by Lessor as a result of such default. Furthermore, simultaneously with the execution hereof, Lessee shall pay to Lessor a closing fee in the amount of \$25,000.00 in accordance with Lessor's policies.

Section 16.08 No Liability of Officers, Etc. No recourse under or upon any obligation, covenants or agreement contained in this Lease shall be had against any incorporator, members, director or officer, as such, past, present or future, of Lessor, either directly or through the Lessor. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released by Lessee as a condition of and consideration for the execution of this Lease.

Section 16.09 No Liability of City, County, Officers, Etc. The City, County and the officers and agents of the City and County shall not in any event be liable for the performance of any obligation or agreement of any kind whatsoever herein, and none of the agreements or obligations of Lessor contained in this Lease or otherwise shall be construed to constitute an indebtedness of the City, County or the officers or agents of the City or County, within the meaning of any constitutional or statutory provision whatsoever.

Section 16.10 Limitation of Liability. Notwithstanding any other provision hereof, Lessor's liability hereunder shall be limited to its interest in the Leased Property and the payments to be made pursuant to this Lease, and Lessee shall not have any recourse against any other assets of Lessor.

Section 16.11 Interest. In addition to all other amounts payable under this Lease, Lessee shall also pay interest on any payment due hereunder that is not paid on the date such payment is due until paid at the interest rate, as it may vary from time to time, that the City would impose on a delinquent tax payment during the period such payment was due.

Section 16.12 Amendments and Modifications. The Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings whether written or oral. Any amendments, modifications or revisions to this Lease shall be signed by both Lessor and Lessee and only with the prior written consent of Investor Limited Partner.

Section 16.13 HUD Lease Addendum. The Lease Addendum attached hereto as Exhibit F is incorporated herein and, in the event of a conflict between the terms of the Lease Addendum and this Lease, the Lease Addendum shall control.

[Signatures appear on following page.]

IN WITNESS WHEREOF, this Lease has been duly executed by the parties hereto as of the date and year first above written.

KNOXVILLE'S COMMUNITY DEVELOPMENT
CORPORATION

ATTEST:

By: _____
Scott Broyles, Vice Chair

Secretary

HISTORIC GIFFIN, LP,
a Tennessee limited partnership

By: _____,
its General Partner

By: _____

Name: _____

Title: _____

EXHIBIT A

Legal Description of Leased Land

EXHIBIT B

Leased Equipment

None.

EXHIBIT C

BILL OF SALE

Knox County, Tennessee

_____, 20____

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby transfers and conveys to Knoxville's Community Development Corporation, a public nonprofit corporation, all of its right, title, claim and interest in law and equity in and to all personal property, fixtures, machinery and equipment described on Exhibit A attached hereto.

The undersigned warrants that it has good and lawful right to make this conveyance.

IN WITNESS WHEREOF, _____ has caused its name to be signed by its duly authorized officer on the day and year first above written.

HISTORIC GIFFIN, LP,
a Tennessee limited partnership

By: _____,
its General Partner

By: _____
Name: _____
Title: _____

Sworn to and subscribed before me, this ____ day of _____, 20__.

Notary Public

My Commission Expires:

EXHIBIT D

This Instrument Prepared By:
James P. Moneyhun, Jr., Attorney
BASS, BERRY & SIMS PLC
1700 Riverview Tower
900 South Gay Street
Knoxville, Tennessee 37902

QUITCLAIM DEED

THIS INDENTURE, made this _____ day of _____, _____, between:

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION, a housing and redevelopment authority of the City of Knoxville, Tennessee organized under the Tennessee Housing Authorities Law.

First Party, and

HISTORIC GIFFIN, LP, a Tennessee limited partnership.

Second Party,

WITNESSETH: that said First Party, for and in consideration of the sum of ONE DOLLAR (\$1.00) cash and other good and valuable considerations in hand paid by Second Party, the receipt and sufficiency of which is hereby acknowledged, has quitclaimed and does hereby quitclaim unto the said Second Party the following described premises:

SEE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT A AND MADE A PART HEREOF.

THIS CONVEYANCE is made subject to applicable easements, restrictions and building set back lines of record.

TOGETHER with all the estate, right, title and interest of the First Party therein, with the hereditaments and appurtenances thereto appertaining releasing all claims therein.

In this instrument in every case the plural shall include the singular and vice-versa and each gender the others.

IN WITNESS WHEREOF, this instrument has been executed on behalf of First Party by its duly authorized officer on the day and year first above written.

KNOXVILLE'S COMMUNITY DEVELOPMENT
CORPORATION

By: _____
Chair

STATE OF TENNESSEE)
)
COUNTY OF _____)

Personally appeared before me the undersigned authority, a Notary Public in and for said City and in said state, _____, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Chair of Knoxville's Community Development Corporation, the within named bargainor, a housing and redevelopment authority of the City of Knoxville, Tennessee organized under the Tennessee Housing Authorities Law, and that he as such Chair, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Chair.

Witness my hand and official seal at office, this _____ day of _____, _____

Notary Public

My Commission Expires:

Name and address of property owner:

who is responsible for payment of taxes.

CLT CODE: _____

I hereby swear or affirm that the actual consideration or true value of this transfer, whichever is greater is \$1.00.

Subscribed and sworn to before me, this _____ day of _____, _____.

Affiant

My Commission Expires:

Notary Public

EXHIBIT E

BILL OF SALE

Knox County, Tennessee

_____, 20____

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby transfers and conveys to Historic Giffin, LP, a Tennessee limited partnership, all of its right, title, claim and interest in law and equity in and to all personal property, fixtures, machinery and equipment described on Exhibit A attached hereto.

The undersigned makes no warranty as to title of the property transferred and conveyed.

IN WITNESS WHEREOF, Knoxville's Community Development Corporation has caused its name to be signed by its duly authorized officer on the day and year first above written.

KNOXVILLE'S COMMUNITY DEVELOPMENT
CORPORATION

By: _____

Title: _____

Sworn to and subscribed before me, this ____ day of _____, 20__.

Notary Public

My Commission Expires:

EXHIBIT F

HUD Lease Addendum

Lease Addendum - Multifamily

**U.S. Department of Housing
and Urban Development**
Office of Housing

OMB Approval No. 2502-
0598 (Exp. 9/30/2021)

Public Reporting Burden for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.

Project Name: _____
HUD Project No: _____

THIS LEASE ADDENDUM is attached to and made part of that certain Lease dated as of _____, 2024 (the "**Lease**") between **KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION ("Landlord")** and **HISTORIC GIFFIN, LP ("Tenant")** (collectively, the "**Parties**").

The Lease Addendum is required in connection with a mortgage loan insured by the U.S. Department of Housing and Urban Development ("**HUD**") for multifamily projects pursuant to the National Housing Act, as amended, found at 12 U.S.C. § 1701, *et seq.* ("**Act**"), and made by the following HUD-approved lender, Walker & Dunlop, LLC, a Delaware limited liability company ("**Lender**"). The insured loan is secured by a Security Instrument on the leasehold estate set forth in the Lease.

The definition of any capitalized term or word used in this Lease Addendum and not otherwise defined can be found in the Security Instrument and/or Note between Lender and Tenant; or the Regulatory Agreement between Tenant and HUD. The terms "**HUD**" and "**Lender**" as used in the Lease Addendum shall also include their successors and assigns, and the Tenant is the same legal entity as the Borrower under the Security Instrument. All references to "**days**" in this Lease Addendum shall mean calendar days.

Notwithstanding anything else in the Lease to which this Lease Addendum is attached, and for valuable consideration, the receipt and sufficiency of which the Parties hereto hereby acknowledge and agree, and to induce the Lender to make the

Loan to the Tenant described in the Security Instrument, and to induce HUD to insure said Loan, so long as this leasehold estate is subject to a security instrument insured, reinsured, or held by HUD or given to HUD in connection with a resale, or the Property is acquired and held by HUD because of a default under the Security Instrument, Landlord and Tenant acknowledge and agree to the following provisions.

The leasehold estate consists of the legally described land and includes all buildings, improvements, alterations, and fixtures now or in the future located on the legally described land. The Tenant does not own title to any of the buildings, improvements, alterations or fixtures but Tenant is the owner of the buildings, improvements, alterations and fixtures for federal income and state franchise and excise tax purposes. As such, the term “**Property**” means the legally described land in the Lease including the buildings, improvements, alterations and fixtures now or in the future located on the land.

1. Compliance with HUD Requirements. Pursuant to the Act, the following provisions may not be waived under any circumstances, whether for a new lease or an existing lease:

- (a) the term of the Lease and other Lease provisions comply with the section of the Act and related federal regulations under which the Note is endorsed for mortgage insurance;
- (b) the Landlord owns the Property in fee simple, and the leasehold estate is directly by the Landlord to the Tenant;
- (c) the leasehold estate underlying the Lease constitutes a mortgageable real property interest under state law;
- (d) the Lease and related Lease documents do not conflict with any Program Obligations¹ promulgated by HUD with respect to such mortgage insurance; and
- (e) all ground rent amounts have prior written approval by HUD.

2. Modifications. The Lease and this Lease Addendum shall not be modified without the written consent of HUD and Lender. Modifications of the Lease and this Lease Addendum that are not authorized in writing by HUD and Lender are void and unenforceable.

3. Conflict Provision. The provisions of this Lease Addendum benefit Lender and

¹ “Program Obligations” means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Lease Addendum rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on “HUDCLIPS,” at www.hud.gov.

HUD and are specifically declared to be enforceable against the parties to the Lease and all other persons by Lender and HUD. In the event of any conflict, inconsistency or ambiguity between the provisions of this Lease Addendum and the provisions of any other part of the Lease, the provisions of this Lease Addendum shall prevail and control.

4. Recording. The full Lease agreement and incorporated HUD Lease Addendum, or a memorandum of lease (if permitted under state law), must be recorded in the applicable land records office. If a memorandum of lease or a short form lease is to be recorded, it must set forth the following information, in addition to compliance with state law requirements:

- (a) names of the Parties;
- (b) legal description;
- (c) term and renewals;
- (d) reference to the HUD Lease Addendum; and
- (e) specific reference to HUD's option to purchase in Section 7 (unless Section 7 is expressly waived in writing by HUD in accordance with Program Obligations).

5. Estoppel Certificate. As a condition of HUD's acceptance of a lease transaction, an estoppel certificate identifying the Lease documents and signed by the Landlord, dated within thirty (30) days of the Note endorsement, must be provided to Lender and HUD at closing. The Landlord must confirm in writing to Lender and HUD that the Security Instrument is authorized, the Lease is in full force and effect, there are no defaults or pending defaults under the Lease or conditions that would give rise to defaults given the passage of time, and that the description of the Property is correct. The document must provide the language required by 24 CFR Section 200.62, and also include the "Warning" language found at the beginning of this Lease Addendum.

Upon a reasonable request from Tenant, Lender, or HUD, Landlord further agrees to promptly provide from time to time an estoppel certificate to confirm the terms of, and no default under, the Ground Lease.

6. Consent for Mortgage. Landlord agrees that the Tenant is authorized to obtain a loan, the repayment of which is to be insured by HUD and secured by the Security Instrument on this leasehold estate. The Tenant is further authorized to execute all documents necessary as determined by HUD and otherwise to comply with Program Obligations for obtaining such an insured loan.

7. Intentionally deleted.

8. Conveyance by Tenant. If approved in writing by HUD in advance, the Tenant may convey, assign, transfer, lease, sublease or sell all or any part of its leasehold interest in the Property without the need for approval or consent by any other

person or entity.

9. Insurance.

- (a) Insurance policies shall be in an amount, and with such company or companies and in such form, and against such risks and hazards, as shall be approved by Lender and HUD.
- (b) The Landlord shall not take out separate insurance concurrent in form or contributing in the event of loss with that specifically required to be furnished by the Tenant to Lender. The Landlord may at its own expense, however, take out separate insurance which is not concurrent in form or not contributing in the event of loss with that specifically required to be furnished by the Tenant to Lender.

10. Condemnation. All awards and/or proceeds from a condemnation, or the negotiated sale in lieu of condemnation, of all or any part of the Tenant's and/or Landlord's interests in the Property, Improvements or the leasehold estate, shall be paid to Lender and applied as provided in the Security Instrument.

11. Intentionally deleted.

12. Intentionally deleted.

13. Landlord Cooperation for Needed Authorizations. The Landlord agrees that within ten (10) business days after receipt of written request from the Tenant, it will join in any and all applications for permits, licenses or other authorizations required by any Governmental Authority in connection with any work which the Tenant may do hereunder and will also join in any grants for easements for electric, telephone, telecommunications, cable, gas, water, sewer and such other public utilities and facilities as may be reasonably necessary in the operation of the Property and if, at the expiration of such ten (10) day period, the Landlord shall not have joined in any such application, or grants for easements, the Tenant shall have the right to execute such application and grants in the name of the Landlord, and for that purpose, the Landlord hereby irrevocably appoints the Tenant as its attorney-in-fact to execute such papers on behalf of the Landlord, only to the extent that a public body as Landlord may do so within the exercise of its municipal powers and responsibilities.

14. Taxes. Nothing in this Lease shall require the Tenant to pay any franchise, estate, inheritance, succession, capital levy or transfer tax of the Landlord or any income excess profits or revenue tax, or any other tax, assessment charge or levy upon the rent payable by the Tenant under this Lease.

15. Notices. All notices, demands and requests which are required to be given by the Landlord, Tenant, Lender or HUD in connection with the Lease and this Lease Addendum shall be in writing and shall be sent by registered or certified mail,

postage prepaid, and addressed to the address of the party as given in this instrument unless a request for a change in this address has been sent to the party giving the notice by registered or certified mail prior to the time when such notice is given.

All notices shall be addressed as follows:

If to Lender:

If to HUD:

US Dept. of Housing and Urban Dev.
701 Broadway, Suite 130
Nashville, TN 37203

If to Tenant:

Historic Giffin, LP

If to Landlord:

Knoxville's Community Development Corporation
P.O. Box 3550
Knoxville, Tennessee 37927
Attention: Benjamin M. Bentley

with copies to:

James P. Moneyhun, Jr., Esq.
Bass, Berry & Sims PLC
1700 Riverview Tower
Knoxville, Tennessee 37902

16. No Merger. There shall be no merger of this Lease or the leasehold estate created by this Lease with the fee estate in or ownership of the Property or any interest therein by reason of the fact that the same person or entity may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest therein and fee estate in or ownership of the Property. No such merger shall occur unless and until HUD specifically consents and agrees in writing to such merger.

Each signatory below hereby certifies that each of their statements and representations contained in the Lease and this Lease Addendum and all their supporting documentation thereto are true, accurate, and complete. This Lease Addendum has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

IN WITNESS WHEREOF, executed as of the date and year first above written.

KNOXVILLE'S COMMUNITY DEVELOPMENT
CORPORATION

ATTEST:

By: _____
Scott Broyles, Vice Chair

Secretary

HISTORIC GIFFIN, LP,
a Tennessee limited partnership

By: _____,
its General Partner

By: _____
Name: _____
Title: _____

37914505.1

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

ITEM 8 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Resolution authorizing the execution of a development agreement with DGA Residential and the formation of Hardin Valley GP Corporation and DGA Hardin Valley LP in connection with potential development of a new affordable housing project at the intersection of Hardin Valley Rd and Willow Point Way in Knoxville.
SUBMITTED BY	Name, Title / Department: James Hatfield, Vice President, Redevelopment
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: <u>BBS</u> Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? Approval to enter into a development agreement with DGA Residential as well as the formation of entities necessary to facilitate the development of a new, 80-unit affordable housing development off of Hardin Valley Road in West Knoxville.</p> <p>2. Why is the action needed now? In order to apply and pursue 2024 4% tax credits and MTEB, these entities and agreements need to be in place.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? DGA Residential and/or its subsidiaries will serve as developer and sponsor of this project. The deal structure will be substantially the same as previous ventures with DGA Residential (Grosvenor, Willow Place, Bluegrass). Hardin Valley GP Corporation will be an instrumentality of KCDC and will serve as the general partner of the ownership entity.</p> <p>4. What are the long-term and short-term exposures? None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC and DGA Residential have partnered on previous deals together including Grosvenor, Willow Place, and Bluegrass.
ATTACHMENTS	Resolution, map

RESOLUTION NO. 2024-_____

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING THE EXECUTION OF A DEVELOPMENT
AGREEMENT WITH DGA RESIDENTIAL, LLC WITH RESPECT TO
THE DEVELOPMENT OF A PROJECT AT 0 HARDIN VALLEY RD.,
AND AUTHORIZING THE FORMATION OF HARDIN VALLEY GP
CORPORATION
AND DGA HARDIN VALLEY LP**

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(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, 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, DGA Residential, LLC (the "Developer") has requested KCDC's assistance in the development of affordable housing on real property located at approximately 0 Hardin Valley Road in Knoxville, Tennessee (collectively, the "Property"); and

WHEREAS, in exchange for KCDC's assistance in planning and implementing the development of affordable housing on the Property, the Developer has proposed to pay twenty percent (20%) of the development fee and cash flow resulting from the development of the Property to KCDC or an affiliate of KCDC; and

WHEREAS, the Board desires to authorize the officers of KCDC to execute a Development Agreement (the "Development Agreement") with the Developer including the terms described above and such other terms as are deemed necessary and appropriate by the officers of KCDC and counsel to the Board; and

WHEREAS, for the purpose of facilitating financing and development of the Property, KCDC desires to form a corporation known as Hardin Valley GP 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 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 Property, KCDC and the Developer desire to form a limited partnership known as DGA Hardin Valley 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 the Development Agreement; and, further

RESOLVED, that the Development Agreement shall be similar to the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by counsel to the Board and the officers executing it, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, 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 carry out KCDC's obligations under the Development Agreement; and, further

RESOLVED, that it is in the best interest of KCDC to enter into the Development Agreement; and, further,

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, 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 Authorized Officers, acting alone or in combination with one another, 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

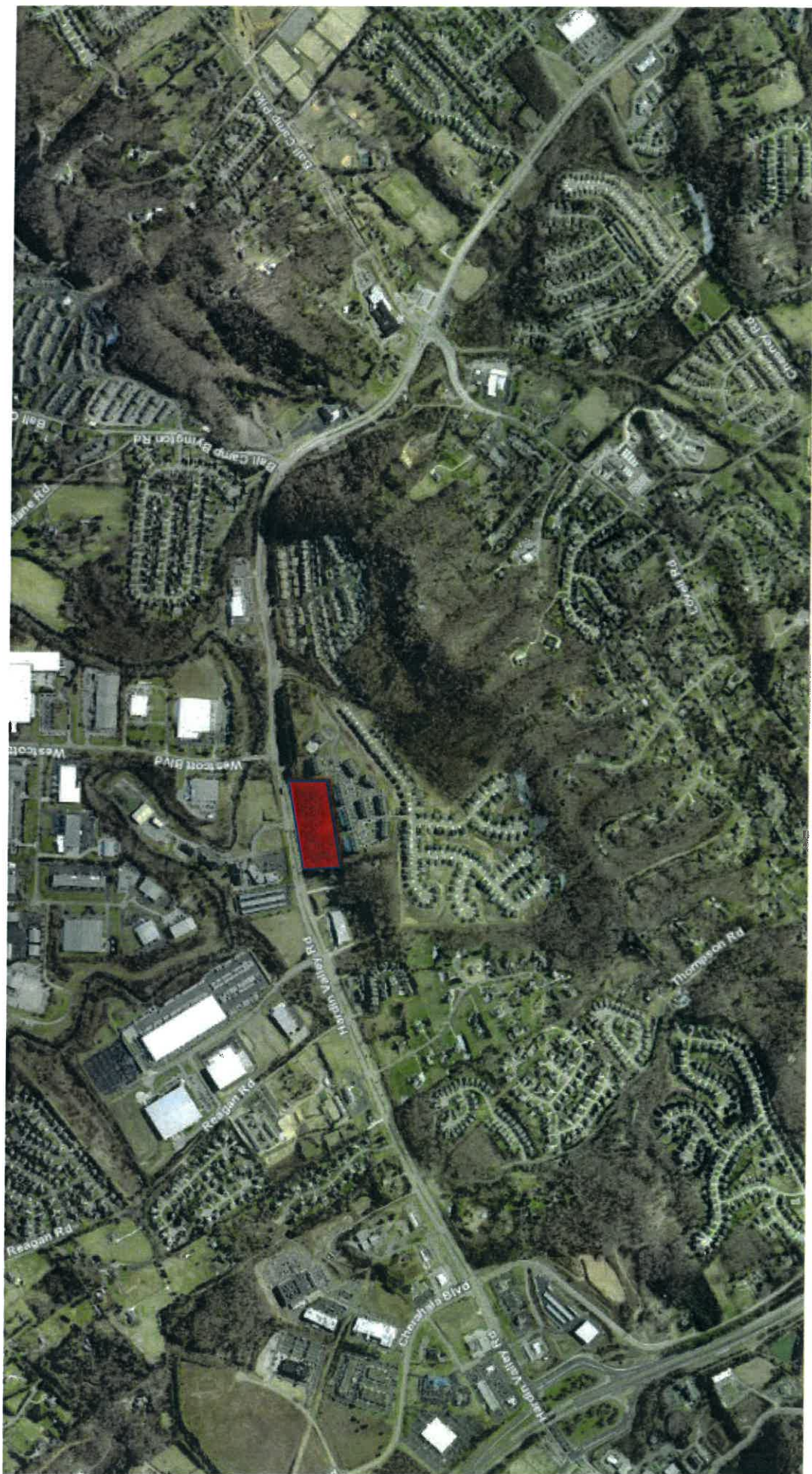
RESOLVED, that it is in the best interest of KCDC to enter into, file and/or record the Corporate Documents and the Partnership Documents with respect to the development of the Property; and, further,

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.

BE IT THEREFORE RESOLVED that this Resolution shall be effective this 27th day of June, 2024.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary



KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

ITEM 9 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Preliminary bond resolution authorizing KCDC to issue up to \$30M of revenue bonds to support the financing of a new affordable housing development project located at the intersection of Hardin Valley Road and Willow Point Way in Knoxville.
SUBMITTED BY	Name, Title / Department: James Hatfield, Vice President, Redevelopment
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds: No funds committed with bond issuance.
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: BBS Other – Name/Title: _____

BACKGROUND

1. What is the objective of this action?
 This resolution authorizes KCDC to issue bonds and enter into a letter intent with the project owner/applicant DGA Hardin Valley LP. The total amount of bonds to be issued will not exceed \$30M. These bonds will be used in connection with 4% LIHTCs to help finance and capitalize the development of this new construction, affordable housing project.

2. Why is the action needed now?
 THDA's 2nd round application period for 4% LIHTCs will be open in the next 60 days and the KCDC bond inducement resolution is required for the application.

3. Who are the parties involved and what are their roles (if appropriate)?
 DGA Residential as KCDC's ownership partner and project developer.

4. What are the long-term and short-term exposures?
 Bonds being issued are not general obligations of KCDC.

HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	None.
ATTACHMENTS	Resolution

RESOLUTION NO. 2024-_____

**PRELIMINARY BOND RESOLUTION
OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
REGARDING DGA HARDIN VALLEY LP**

WHEREAS, DGA Hardin Valley LP, a Tennessee limited partnership (the "Applicant"), is considering the acquisition, construction and equipping of a multifamily housing facility for low and/or moderate-income citizens to be located just south of the intersection of Hardin Valley Road and Willow Point Way in Knoxville, Tennessee on certain property currently designated as tax parcel number 104 01707, and wishes to have Knoxville's Community Development Corporation ("KCDC") indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, construction and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 13-20-101; and

WHEREAS, a letter of intent has been presented to KCDC under the terms of which KCDC agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding \$30,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION as follows:

1. KCDC hereby finds that the financing of such above-described project will improve the quality and availability of housing in the City of Knoxville and Knox County, Tennessee, and will contribute to the general welfare of the citizens thereof.

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

3. The Chair or the Executive Director of KCDC is hereby authorized to conduct such public hearings on behalf of KCDC as the Applicant may request with respect to the project.

Approved this 27th day of June, 2024.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary

June 27, 2024

DGA Hardin Valley LP
3834 Sutherland Avenue
Knoxville, TN 37919

Ladies and Gentlemen:

Knoxville's Community Development Corporation ("KCDC") has been informed that DGA Hardin Valley LP, a Tennessee limited partnership (the "Applicant"), is considering the acquisition, construction and equipping of a multifamily housing facility for low and/or moderate-income citizens to be located just south of the intersection of Hardin Valley Road and Willow Point Way in Knoxville, Tennessee on certain property currently designated as tax parcel number 104 01707. The above-described acquisition, construction and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 13-20-101.

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

Accordingly, in order to assist the Applicant in the financing of the project and in order to carry out the purposes for which KCDC was created, KCDC hereby makes the following proposals:

1. KCDC will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$30,000,000 to provide financing for the project. The Bonds shall be limited obligations of KCDC payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of KCDC, its directors, or the City of Knoxville, Tennessee.

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

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

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

5. KCDC hereby authorizes the Applicant to commence the acquisition, construction and equipping of the project as soon as practicable so that the inhabitants of the State of Tennessee might benefit from the project without delay. The Applicant may advance any interim funds required and be reimbursed from the proceeds of the Bonds, to the extent allowed by applicable law.

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

7. KCDC agrees to cooperate with the Applicant in executing, along with the Applicant, a Multi-Family Tax-Exempt Bond Authority Application (the "Application") to be prepared by the Applicant and submitted to the Tennessee Housing Development Agency ("THDA") with respect to the Project. The Applicant acknowledges that all information provided in the Application, other than the name and address of KCDC, is to be provided by the Applicant and not by KCDC and that KCDC has no responsibility as to the accuracy of such information other than as to the name and address of KCDC. The Applicant shall be responsible for any claims, liabilities, costs or expenses of KCDC that may arise as a result of the inaccuracy of any information contained in the Application (other than the name and address of KCDC) or the submission of the Application.

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

Yours very truly,

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Title: Secretary

ACCEPTANCE OF PROPOSAL
OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
BY
DGA HARDIN VALLEY LP

The terms and conditions contained in the foregoing proposal by Knoxville's Community Development Corporation are hereby accepted by DGA Hardin Valley LP as of the date first written above.

DGA HARDIN VALLEY LP

By: Hardin Valley GP Corporation,
its general partner

By: _____
Title: Secretary

45071157.1

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

ITEM 10 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Resolution authorizing the execution of a development agreement with DGA Residential and the formation of Fifth Ave GP Corporation and DGA Fifth Ave LP in connection with potential development of a new affordable housing project at 525 W Fifth Avenue in Knoxville, Tennessee.
SUBMITTED BY	Name, Title / Department: James Hatfield, Vice President, Redevelopment
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: <u>BBS</u> Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? Approval to enter into a development agreement with DGA Residential as well as the formation of entities necessary to facilitate the development of a affordable housing development consisting of approximately 131 units of new housing off of W Fifth Avenue in downtown Knoxville.</p> <p>2. Why is the action needed now? In order to apply and pursue 2024 4% tax credits and MTEB, these entities and agreements need to be in place.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? DGA Residential and/or its subsidiaries will serve as developer and sponsor of this project. The deal structure will be substantially the same as previous ventures with DGA Residential (Grosvenor, Willow Place, Bluegrass). Fifth Ave GP Corporation will be an instrumentality of KCDC and will serve as the general partner of the ownership entity.</p> <p>4. What are the long-term and short-term exposures? None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC and DGA Residential have partnered on previous deals together including Grosvenor, Willow Place, and Bluegrass.
ATTACHMENTS	Resolution, map

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING THE EXECUTION OF A DEVELOPMENT
AGREEMENT WITH DGA RESIDENTIAL, LLC WITH RESPECT TO THE
DEVELOPMENT OF A PROJECT AT 525 W FIFTH AVE., AND
AUTHORIZING THE FORMATION OF FIFTH AVE GP CORPORATION
AND DGA FIFTH AVE LP**

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(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, 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, DGA Residential, LLC (the "Developer") has requested KCDC's assistance in the development of affordable housing on real property located at approximately 525 W. Fifth Ave. in Knoxville, Tennessee (collectively, the "Property"); and

WHEREAS, in exchange for KCDC's assistance in planning and implementing the development of affordable housing on the Property, the Developer has proposed to pay twenty percent (20%) of the development fee and cash flow resulting from the development of the Property to KCDC or an affiliate of KCDC; and

WHEREAS, the Board desires to authorize the officers of KCDC to execute a Development Agreement (the "Development Agreement") with the Developer including the terms described above and such other terms as are deemed necessary and appropriate by the officers of KCDC and counsel to the Board; and

WHEREAS, for the purpose of facilitating financing and development of the Property, KCDC desires to form a corporation known as Fifth Ave GP 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, which have been submitted to KCDC and shall be filed with the records of KCDC; and

WHEREAS, as set forth in 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 Property, KCDC and the Developer desire to form a limited partnership known as DGA Fifth Ave 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"), which have been submitted to KCDC and shall be filed with the records of KCDC; and

WHEREAS, the Charter of the Corporation was previously filed with the Secretary of State under the name "5th Ave GP Corporation," and the Certificate of Limited Partnership was previously filed with the Secretary of State under the name "DGA 5th Ave LP", and the Board desires to approve and authorize the filing of such corrective amendments as may be required to change the name of the Corporation to "Fifth Ave GP Corporation" and to change the name of the Partnership to "DGA Fifth Ave LP" (collectively, the "Amendments"); and.

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 the Development Agreement; and, further

RESOLVED, that the Development Agreement shall be similar to the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by counsel to the Board and the officers executing it, their execution to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes; and, further

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, 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 carry out KCDC's obligations under the Development Agreement; and, further

RESOLVED, that it is in the best interest of KCDC to enter into the Development Agreement; and, further,

RESOLVED, that the Authorized Officers, acting alone or in combination with one another, are authorized and empowered to execute and cause to be filed or recorded, as applicable, the Charter, the Bylaws, the Limited Partnership Agreement, the Certificate of Limited Partnership and the Amendments; 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 Authorized Officers, acting alone or in combination with one another, 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 development of the Property; and, further,

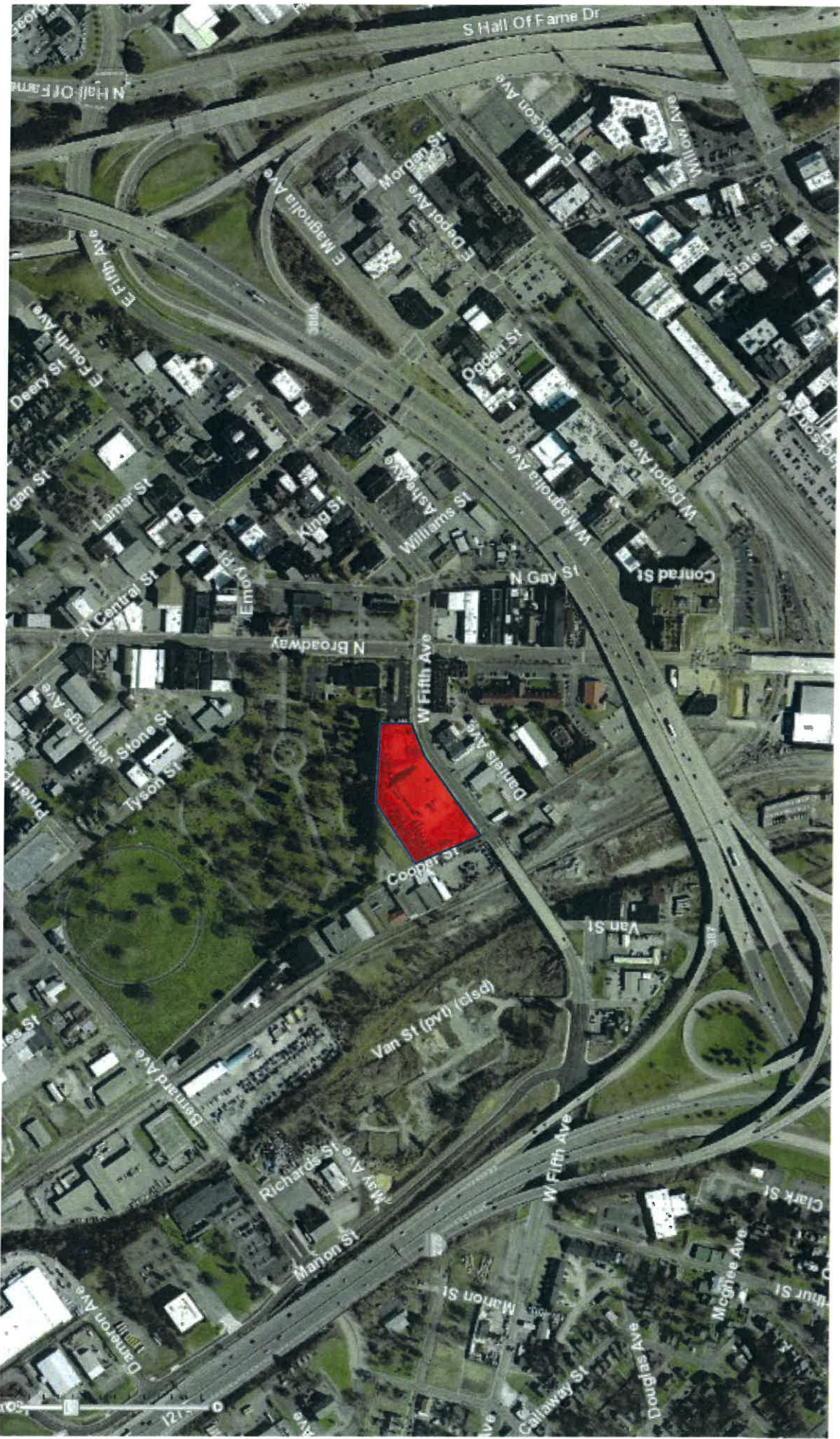
RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts 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.

BE IT THEREFORE RESOLVED that this Resolution shall be effective this 27th day of June, 2024.

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By: _____
Secretary

45074531.3



KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

ITEM 11 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Preliminary bond resolution authorizing KCDC to issue up to \$35M of revenue bonds to support the financing of a new affordable housing development project located at 521 and 525 W. Fifth Avenue, Knoxville 37917.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Vice President, Redevelopment
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ n/a Expenditure: \$ n/a Source of Funds: No funds committed with bond issuance.
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: BBS Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? This resolution authorizes KCDC to issue bonds and enter into a letter intent with the project owner/applicant DGA Fifth Ave LP. The total amount of bonds to be issued will not exceed \$35M. These bonds will be used in connection with 4% LIHTCs to help finance and capitalize the development of this new construction, affordable housing project.</p>	
<p>2. Why is the action needed now? THDA's 2nd round application period for 4% LIHTCs will be open in the next 60 days and the KCDC bond inducement resolution is required for the application.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? DGA Residential as KCDC's ownership partner and project developer.</p>	
<p>4. What are the long-term and short-term exposures? Bonds being issued are not general obligation of KCDC.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	None.
ATTACHMENTS	Resolution

RESOLUTION NO. 2024-_____

**PRELIMINARY BOND RESOLUTION
OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
REGARDING DGA FIFTH AVE LP**

WHEREAS, DGA Fifth Ave LP, a Tennessee limited partnership (the "Applicant"), is considering the acquisition, construction and equipping of a multifamily housing facility for low and/or moderate-income citizens to be located at 521 and 525 W. Fifth Avenue in Knoxville, Tennessee, and wishes to have Knoxville's Community Development Corporation ("KCDC") indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, construction and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 13-20-101; and

WHEREAS, a letter of intent has been presented to KCDC under the terms of which KCDC agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding \$35,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION as follows:

1. KCDC hereby finds that the financing of such above-described project will improve the quality and availability of housing in the City of Knoxville and Knox County, Tennessee, and will contribute to the general welfare of the citizens thereof.

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

3. The Chair or the Executive Director of KCDC is hereby authorized to conduct such public hearings on behalf of KCDC as the Applicant may request with respect to the project.

Approved this 27th day of June, 2024.

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By: _____
Secretary

June 27, 2024

DGA Fifth Ave LP
3834 Sutherland Avenue
Knoxville, TN 37919

Ladies and Gentlemen:

Knoxville's Community Development Corporation ("KCDC") has been informed that DGA Fifth Ave LP, a Tennessee limited partnership (the "Applicant"), is considering the acquisition, construction and equipping of a multifamily housing facility for low and/or moderate-income citizens to be located at 521 and 525 W. Fifth Avenue in Knoxville, Tennessee. The above-described acquisition, construction and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 13-20-101.

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

Accordingly, in order to assist the Applicant in the financing of the project and in order to carry out the purposes for which KCDC was created, KCDC hereby makes the following proposals:

1. KCDC will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$35,000,000 to provide financing for the project. The Bonds shall be limited obligations of KCDC payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of KCDC, its directors, or the City of Knoxville, Tennessee.

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

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

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

5. KCDC hereby authorizes the Applicant to commence the acquisition, construction and equipping of the project as soon as practicable so that the inhabitants of the State of Tennessee might benefit from the project without delay. The Applicant may advance any interim funds required and be reimbursed from the proceeds of the Bonds, to the extent allowed by applicable law.

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

7. KCDC agrees to cooperate with the Applicant in executing, along with the Applicant, a Multi-Family Tax-Exempt Bond Authority Application (the "Application") to be prepared by the Applicant and submitted to the Tennessee Housing Development Agency ("THDA") with respect to the Project. The Applicant acknowledges that all information provided in the Application, other than the name and address of KCDC, is to be provided by the Applicant and not by KCDC and that KCDC has no responsibility as to the accuracy of such information other than as to the name and address of KCDC. The Applicant shall be responsible for any claims, liabilities, costs or expenses of KCDC that may arise as a result of the inaccuracy of any information contained in the Application (other than the name and address of KCDC) or the submission of the Application.

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

Yours very truly,

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____

Title: Secretary

ACCEPTANCE OF PROPOSAL
OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
BY
DGA FIFTH AVE LP

The terms and conditions contained in the foregoing proposal by Knoxville's Community Development Corporation are hereby accepted by DGA Fifth Ave LP as of the date first written above.

DGA FIFTH AVE LP

By: Fifth Ave GP Corporation,
its general partner

By: _____
Title: _____

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

ITEM 12 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Approval to negotiate and execute a contract and related documents in an amount NTE \$15,000,000 with East Tennessee Turf and Landscaping (ETTL) to complete the infrastructure and site work for the second and third phase of CNI development at Western Heights.
SUBMITTED BY	Name, Title / Department: James Hatfield, VP Development
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ 12,000,000 Expenditure: \$ 15,000,000 Source of Funds: City of Knoxville Capital Funds
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? KCDC is preparing to begin infrastructure development that will serve as the development area for the next 2-3 phases of residential development as well as community spaces and mixed-use commercial spaces. In order to meet the overall development timeline set forth in the CNI development plan, infrastructure needs to begin in this area next month in order to prepare the site for future vertical development.</p> <p>2. Why is the action needed now? Building permits are expected to be obtained in the next 1-2 weeks and 100% construction documents have been developed by the civil engineer. The work needs to begin in July in order to meet the timeline of the vertical development.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? ETTL as infrastructure contractor, CEC as civil engineer, KCDC as owner.</p> <p>4. What are the long-term and short-term exposures? More COK capital funds are being utilized on this part of the site than previously assumed.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	ETTL completed infrastructure at Phase 1 of WH as well as the infrastructure at Austin Homes.
ATTACHMENTS	Civil drawings, Bid proposals

SHEET KEY

[illegible]

PARKING INFORMATION

SEE SHEET C001 FOR ADDITIONAL NOTES.

1. CONTRACTOR SHALL REFER TO OTHER PLANS WITHIN THIS CONSTRUCTION SET FOR OTHER PERTINENT INFORMATION. IT IS NOT THE ENGINEER'S INTENT THAT ANY SINGLE PLAN SHEET IN THIS SET OF DOCUMENTS FULLY RESPECT ALL WORK ASSOCIATED WITH THE PROJECT.

2. CONTACT CITY SIGN & MARKING DIVISION AT 865-215-6720 BEFORE INSTALLATION OF ANY ROW SIGNS/OR MARKING FOR HIGH-PRIOR VERIFICATION.

[illegible][illegible]

SCALE 1" = 10'

RECEIVED THE

POWER: 1000 mW

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DATE _____

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History of the Ministry

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Solicitation Document A		General Information about the Supplier				
Note: Complete all cells even if the answer is "Does not apply"						
Sign Your Name to the right						
If completing this document in Adobe, an electronic signature is acceptable to KCDC.						
Your signature means you read and agree to "KCDC's General Instructions to Suppliers" (www.kcdc.org) and KCDC's Invoicing Expectations. Further, it means that you are authorized to bind the supplier to your offer. Your signature certifies that you and any other required representative reviewed the information KCDC provided and that the information submitted is accurate.						
Printed Name and Title		Nicholas R. Overbay, Owner				
Legal Corporate Name		East Tennessee Turf and Landscape				
Street Address		989 Simpson Road				
City/State/Zip		Whitesburg, Tennessee 37891				
Contact Person		Nicholas R. Overbay				
Telephone Number		423.273.1189				
Cell Number		423.273.1189				
Supplier's E-Mail Address		nroverbay@hotmail.com				
Addenda						
Addenda are at www.kcdc.org . Click on "Procurement" and then on "Open Solicitations" to find addenda. Please check for addenda prior to submitting a proposal.						
Acknowledge addenda have been issued by checking below as appropriate:						
None <input type="checkbox"/>	1 <input checked="" type="checkbox"/>	2 <input checked="" type="checkbox"/>	3 <input checked="" type="checkbox"/>	4 <input checked="" type="checkbox"/>	5 <input type="checkbox"/>	
Statistical Information (Check a box in each of the next four lines)						
1. This business is at least 51% owned and operated by a woman						Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
2. This business qualifies as a small business by the State of Tennessee <i>Total gross receipts of not more than \$10,000,000 average over a three-year period OR employs no more than 99 persons on a full-time basis</i>						Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
3. This business is at least 51% owned and operated by a veteran						Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
4. This business is owned & operated by persons at least 51% of the following ethnic background:						
Asian/Pacific <input type="checkbox"/>	Black <input type="checkbox"/>	Hasidic Jew <input type="checkbox"/>	Hispanic <input type="checkbox"/>	Native American <input type="checkbox"/>	White <input checked="" type="checkbox"/>	Publicly Owned <input type="checkbox"/>
Prompt Payment Discount Statement						
A <u>0</u> % prompt payment discount applies when KCDC makes payment in <u>30</u> days of accurate invoicing.						

Conflict of Interest

1. No commissioner or officer of KCDC or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for KCDC has a direct interest in the award or the supplier providing goods or services.
2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the supplier selected for award.
3. The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from suppliers, potential suppliers, or parties to sub-agreements. Submission of this form certifies that no conflicts of interest exist.

Drug Free Workplace Requirements

4. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect (TCA 50-9-112).

Eligibility

5. The supplier is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

General

6. Supplier understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer. Further, such offer is genuine and is not a sham offer.

Iran Divestment Act

7. By submission of this bid/quote/proposal, each supplier and each person signing on behalf of any supplier certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not on the list created pursuant to the Iran Divestment Act (TCA 12-12-101 et seq.).

General

8. Neither the supplier nor any of its officers, partners, owners, agents, representatives, or employees or has in any way colluded conspired, connived or agreed, directly or indirectly, with any other person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an

offer in connection with such award or agreement, or collusion or communication or conference with any other supplier, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other supplier, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against KCDC or any person interested in the proposed award or agreement.

9. The prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the supplier or any of its agents, representatives, owners, employees, or parties in interest.


No Contact/No Advocacy Affidavit

10. After this solicitation is issued, any contact initiated by any supplier with any KCDC representative concerning this solicitation is prohibited-except for communication with the Procurement Division. My signature signifies that no unauthorized contact occurred. To ensure the integrity of the review and evaluation process, respondents to this solicitation nor any firm representing them, may not lobby or advocate to KCDC staff or Board members. My signature signifies that no unauthorized advocacy occurred.

Non-Boycott of Israel Affidavit

11. By submission of this bid/quote/proposal, each supplier and each person signing on behalf of any supplier certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not boycotting Israel pursuant to TCA § 12-4-1 and will not during the term of any award. Note: Applicable only to contracts of \$250,000 or more and to suppliers with 10 or more employees.

The undersigned hereby acknowledges receipt of these affidavits and certifies that the submittal in response to this solicitation is in full compliance with the listed requirements. Failure to properly acknowledge issues concerning the above is grounds for response rejection and may subject the signer to penalties as directed by the appropriate laws.

Signed by	
Printed Name	Nicholas R. Overbay
Title	Owner

**STATEMENT OF COMPLIANCE CERTIFICATE
ILLEGAL IMMIGRANTS**

EACH CONTRACTOR BIDDING SHALL FILL IN AND SIGN THE FOLLOWING

This is to certify that East Tennessee Turf and Landscape
have fully complied with all the requirements of Chapter No. 878 (House Bill No. 111
and Senate Bill No. 411) which serves to amend Tennessee Code Annotated Title 12,
Chapter 4, Part I, attached herein for reference.

- All Bidders for construction services on this project shall be required to submit an affidavit (by executing this compliance document) as part of their bid, that attests that such Bidder shall comply with requirements of Chapter no. 878.

Signed: _____

State of Tennessee)
County of Hamblen) ss

Personally appeared before me, Karen Grogan the undersigned Notary Public, Nicholas Overbay, the within named bargainer, with whom I am personally acquainted, and known to me to be the President / Owner Partner (as applicable) of the East Tennessee Turf & Landscape, Corporation, Partnership, Sole Proprietorship (as applicable) and acknowledged to me that he executed the foregoing document for the purposes recited therein.

Witness my hand, at office, this 29th day of March, 2024

Karen Grogan



My commission expires 3/29/2025

DRUG-FREE WORKPLACE AFFIDAVIT

STATE OF Tennessee

COUNTY OF Hamblen

The undersigned, principal officer of East Tennessee Turf and Landscaping, an employer of five (5) or more employees contracting with KCDC government to provide construction services, hereby states under oath as follows:

1. The undersigned is a principal officer of East Tennessee Turf and Landscaping (hereinafter referred to as the "Company"), and is duly authorized to execute this Affidavit on behalf of the Company.
2. The Company submits this Affidavit pursuant to T.C.A. § 50-9-113, which requires each employer with no less than five (5) employees receiving pay who contracts with the state or any local government to provide construction services to submit an affidavit stating that such employer has a drug-free workplace program that complies with Title 50, Chapter 9, of the Tennessee Code Annotated.
3. The Company is in compliance with T.C.A. § 50-9-113.

Further affiant saith not 

Principal Officer

STATE OF Tennessee

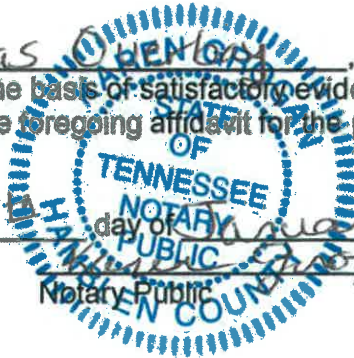
COUNTY OF Hamblen

Before me personally appeared Nicholas O'Brien, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that such person executed the foregoing affidavit for the purposes therein contained.

Witness my hand and seal at office this 29th day of January, 2024.

Notary Public

My commission expires: 3/29/2025



IRAN DIVESTMENT ACT

In compliance with the Iran Divestment Act (State of Tennessee 2016, Public Chapter No.

817), which became effective on July 1, 2016, certification is required of all bidders on contracts over \$1,000.

By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party hereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to T.C.A. § 12-12-106.

I affirm, under the penalties of perjury, this statement to be true and correct.

1.29.2024

Date

Bidder



Signature of

East Tennessee Turf and Landscaping
Company

CERTIFICATION OF NON-BOYCOTT OF ISRAEL

The Bidder certifies that it is not currently engaged in, and will not for the duration of the contract engage in, a boycott of Israel as defined by Tenn. Code Ann. § 12-4-119. This provision shall not apply to contracts with a total value of less than two hundred fifty thousand dollars (\$250,000) or to contractors with less than ten (10) employees.

According to the law, a boycott of Israel means engaging in refusals to deal, terminating business activities, or other commercial actions that are intended to limit commercial relations with Israel, or companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or persons or entities doing business in Israel, when such actions are taken:

- 1) In compliance with, or adherence to, calls for a boycott of Israel, or
- 2) In a manner that discriminates on the basis of nationality, national origin, religion, or other unreasonable basis, and is not based on a valid business reason. Tenn. Code Ann. § 12-4-119.

I certify this statement to be true and correct.

Nicholas R. Overbay

Bidder Name Printed



Signature of Bidder

1.29.2024

Date

East Tennessee Turf and Landscape

Company



Document C

989 Simpson Road • Whitesburg, TN 37891
PH (423) 273.1189 email: nroverbay@hotmail.com

January 29th, 2024

Hello, my name is Nicholas Overbay, and I am the owner of East Tennessee Turf and Landscape. We are a sole proprietorship located in Whitesburg, Tennessee. First, I would like to thank Knoxville Community Development Corporation for allowing my company the opportunity to submit a proposal on Western Heights Infrastructure Phases 2 & 3. Our number one goal is always to provide a quality service to KCDC and to maintain a constant relationship for your satisfaction of a job well done.

East Tennessee Turf and Landscape has been a successful Grading contractor for the last nineteen years servicing various clients throughout East Tennessee. We have experienced several growing pains over the years but have now grown to the size of forty-six employees and revenues expected to exceed Eighteen million dollars for the 2023 year. My Fleet of Equipment consists of 85 pieces of heavy earth moving iron and 14 dump trucks for transporting materials to and from the jobsite. Of that 16 pieces of earth moving equipment are outfitted with GPS machine control guidance. This allows us to know exactly how much and where to place materials at any time.

The Western Heights Project will be assisted by a team from East Tennessee Turf and Landscape. This project will require several members of my staff to track daily progress and production. My Office manager and CFO will keep up to date with the budget and dollars spent. The Vice-President and Project Engineer will keep production and schedule on track. My Superintendents and Foreman will be the boots on the ground making sure that tasks are getting completed and directing the workers in the field. Lastly, I will be doing whatever is necessary to keep KCDC happy and satisfied. This could be anything from running equipment, public relations, laying pipe, to holding a zoom call to discuss any issues before us.

East Tennessee Turf and Landscape is different from most other companies because we are so diverse. We are willing to go out of our way to make sure KCDC will always be completely satisfied. ETTL will self-perform nearly 85% of this project with their own forces. This allows us to stay on track better with schedule and budget, so the project is completed on time.

Since 2007, East Tennessee Turf and Landscape has been partnering with KCDC on multiple contracts. Currently we have maintained the grounds for all the properties almost every year for the last 17 years. Also we recently just completed Phase 1 of the Austin Homes Infrastructure and are nearing completion of Western Heights Phase 1 Infrastructure. Over nearly the last two decades we have developed a relationship with KCDC that has become very successful, and I want to continue for many more years to come.

Sincerely,

Nicholas R. Overbay, Owner

State of Tennessee

409124 13728930

BOARD FOR LICENSING CONTRACTORS
CONTRACTOR

NICHOLAS OVERBAY DBA EAST TENNESSEE TURF & LANDSCAPE

This is to certify that all requirements of the State of Tennessee have been met.

ID NUMBER: 54171

LIC STATUS: ACTIVE

EXPIRATION DATE: January 31, 2026

UNLIMITED; BC; HC; HRA; HRA-A; HRA-E.1; MU; MU-A; MU-D



IN-1313
DEPARTMENT OF
COMMERCE AND INSURANCE



Document C

WESTERN HEIGHTS ORGANIZATIONAL CHART

NICHOLAS R. OVERBAY
OWNER
(Pre-Construction/Construction)

R. TYLER OVERBAY
VICE PRESIDENT
(PRE-CONSTRUCTION)

Jeff Porter
Controller/CFO
(Pre-Construction/Construction)

Karen Grogan
Office Manager
(Pre-Construction/Construction)

ADAM SHEPHERD
PROJECT ENGINEER
Pre-Construction/Construction)

JOHN P. OVERBAY
GENERAL SUPERINTENDANT
(Construction)

JOEY CARPENTER
TRUCKING SUPERINTENDANT
(Construction)

ARTURO ZAPOTICLA
UTILITY SUPERINTENDANT
(Construction)

DARRYL COUNTISS
GRADE SUPERINTENDANT
(Construction)

WAYEN BUSLER
FOREMAN
(Construction)

DIEGO ORTIZ
FOREMAN
(Construction)

NICK E. BLACK
FOREMAN
(Construction)

OPERATOR

OPERATOR

TRUCK DRIVER

LABORER

LABORER

989 Simpson Road
Whitesburg, TN 37891
423.273.1189
nroverbay@hotmail.com

East Tennessee Turf and Landscape

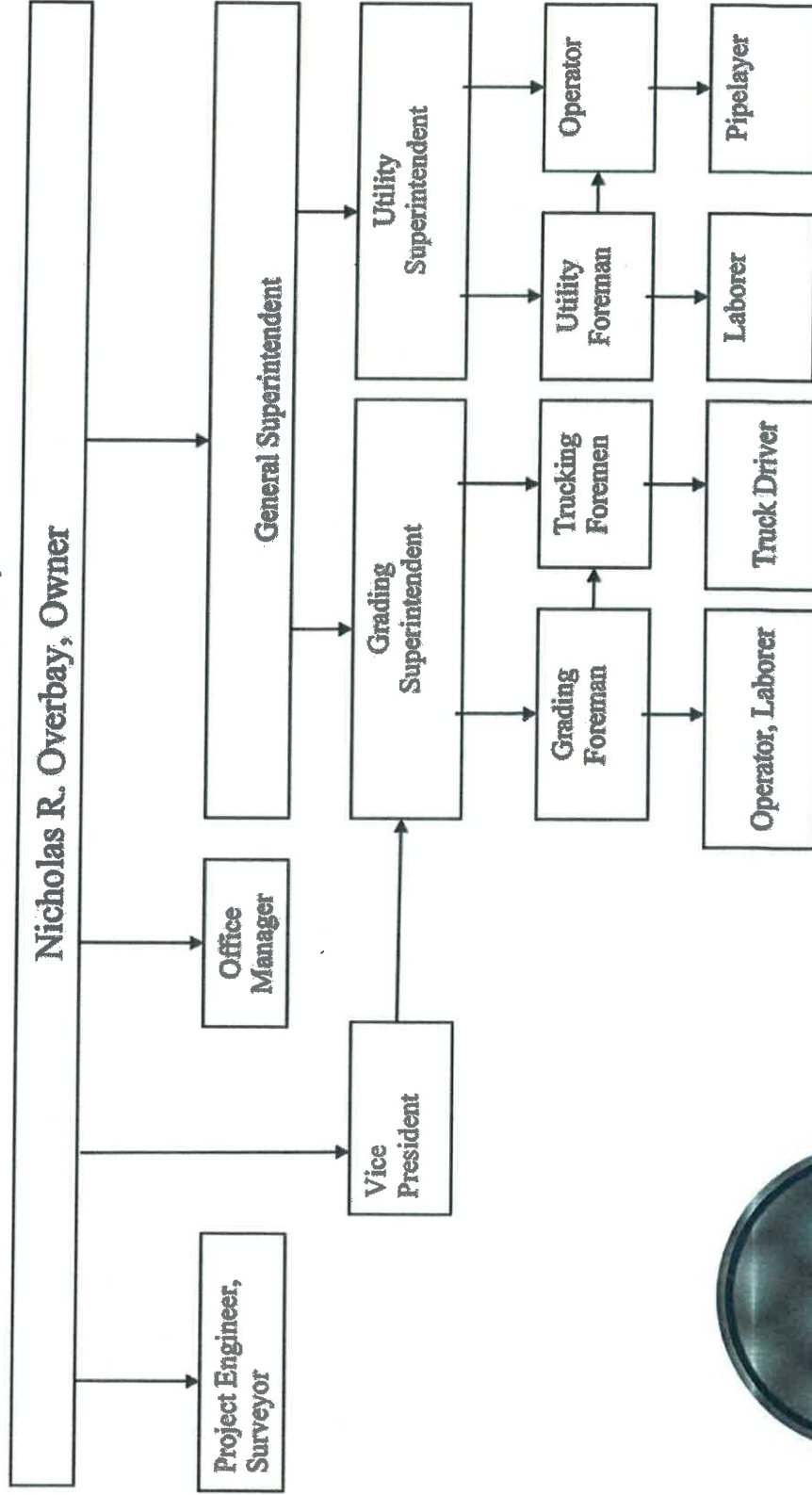
989 Simpson Road

Whitesburg, TN 37891

423.273.1189

(Project Organization Chart)

Document C



TN Contractors # 54171



Document D

989 Simpson Road • Whitesburg, TN 37891
PH (423) 273.1189 email: nroverbay@hotmail.com

January 29th, 2024

Completed Project References:

1. City of Morristown Public Works Grading Phase 1

Owner Representative: Joey Barnard, Assistant City Administrator
100 West 1st North Street
Morristown, Tennessee 37814
423.895.1185 cell
jlclark@mymorristown.com

Project Description: Mass Grading, 2,600' 8" Sanitary Sewer, 15 Manholes, 3,100' 8" Ductile Waterline, 6,100' 18", 24", 30", 36", 42" HP HDPE Storm Drainage, 66 Catch Basins, 2 Water Quality Control Units, 1,000' 10' wide Asphalt Mobility Trail, 1,200' 5 Foot Concrete Sidewalk, Roadway Base Stone, Asphalt Binder, 5,500' Concrete Curb & Gutter and 18" Post Curb, Surface Paving, Sinkhole Repair, Building Pad Cement Stabilization, 3,100' Underground Electrical & Telecommunication Conduit, Landscaping & Irrigation

Total Contract Cost: \$4,233,704

Completed: Fall 2018

2. Lifetime Tennessee 943 Lifetime Products

General Contractor: Stacey Enterprises
Attn: Brett Stephens, Project Manager
3768 Pacific Avenue
Ogden, UT 84405
801.644.1393 cell
bstephens@staceycgc.com

Project Description: Mass Grading for a 350,000 sq. Ft. Manufacturing Warehouse, Demolition, Rail Spur Clear & Grubbing 3,500' 10" C900 Fireline, 8 Post Indicator Valves, 4 Fire Hydrants, 2,200' 8" PVC Sanitary Sewer, 5,000' 15", 18", 24", 30", 36" HP HDPE Storm Water Pipe, 28 Catch Basins, 1 WQCU, Domestic Water Service, Landscaping & Irrigation, MSE Ready Rock Retaining Wall, Base Stone, Asphalt Binder and Surface

Total Contract Cost: \$4,517,954

Completed: November 2017

3. City of Kingsport Colonial Heights Sanitary Sewer Extension Phase 3 & 4

Owner Representative: Hank Clabaugh, City Engineer
130 Shelby Street

Kingsport, Tennessee 37760

423.863.3479 cell or 423.229.9324 office

hankclabaugh@kingsporttn.gov

Project Description: Phase 3 & Phase 4 Sanitary Sewer Extension 33,500' 8" Gravity Sewer, 185 Manholes, 6,500' 6" Lateral Services, 265 Service Laterals, 8,000 CY Trench Rock, 3 Creek Crossings, 26,000 Tons Stone Backfill, 500' 24" HDPE Storm Sewer, 1,000' 6" Ductile Waterline, 3 Fire Hydrants, 4 - 6" & 10" Wet Taps, Miscellaneous Concrete Repair, 3,500 Tons Trench Binder Asphalt Patch, 6,000 Tons Asphalt Topping

Total Contract Cost: \$4,838,000

Completed: August 2017

4. Midway Business Park Phase 1

Owner Representative: Todd Napier,
Knoxville, Tennessee 37902

865.607.4902 cell

tnapier@knoxdevelopment.org

Projection Description: Mass Grading & Infrastructure Work for Midway Business Park, 6,000' New Asphalt Roadway, 7,000' 8" Water Line, 7,000' 8" Sanitary Sewer, 28 Manholes, Under Ground Electrical & Communication Duct Banks, Over Head Distribution & Transmission Power, 27,000 Tons Base Stone, 11,000 Tons Asphalt Binder & Surface, 2,500' Storm Drainage Lines, 30 Catch Basins, 150,000 CY Grading, Traffic Control

Total Contract Cost: \$11,337,355.00

Completion Date: Fall 2020

5. Shady Grove Utility District SR 139 & Greenhill Waterline Extension

Owner Representative: Mike Jones, General Manager
830 Highway 139

Dandridge, Tennessee 37725

865.397.3790

mjohnson@sgud.org

Project Description: 51,152 12" Ductile Waterline, 1,050' 24" Bore & Jack, 400' 12" Bore & Jack, 210 New Service Connections, Asphalt & Concrete Repair, Fire Hydrants, 5,200' 8" Ductile Waterline

Total Contract Cost: \$4,400,000

Completion Date: Spring 2020

6. New West Ridge High School

Owner Representative: Charlie Hubbard

Sullivan County Board of Education

154 Blountville Bypass

Blountville, Tennessee 37617

charles.hubbard@sullivan.k12.net

General Contractor: JA Street & Associates, Attn: Tim Kuykendall

P.O. Box 725

Blountville, Tennessee 37617

423.418.2770 cell or 423.323.6710 office

timkuyk@jastreet.com

Project Description: This is two contracts in one. I have a contract directly with the School Board and also one with J. A. Street & Associates. Contract consists of 888,000 CY Mass grading, 3 Sediments Ponds with Outlet Control Structures, Temporary seeding, Storm Drainage, 8 Athletic Field, 2,200' 6" Ductile Waterline, 2,600' 8" Ductile Fire line, 2,600' 8" Sanitary Sewer, Irrigation, Base Stone, Finish Grading, Rock Excavation, Permanent Seeding.

Total Contract Cost: \$9,080,995

Completion Date: Summer 2021

7. KCDC Austin Homes Grading and Infrastructure

Owner Representative: Alex Decker, Director of Project Management

Partners Real Estate Development

520 West Summit Hill Drive, Suite 603

Knoxville, Tennessee 37902

adecker@partnersinfo.com

865.803.9029 cell or 865.246.0012 office

Project Description: Project consisted of 25,000 cubic yards haul-off waste material, 75,000 yards imported borrow clay, 300' 6' x 12' Box Culvert, 1,200' 54" RCP pipe for creek relocation, 2,220' 8" Sanitary Sewer, 800' of 15" Sanitary Sewer Trunk Line, Primary & Secondary Underground Power, Street Lights, 14,000 sf Concrete Sidewalks, 4,000 tons Pug Base Stone, Asphalt Paving, Concrete Curb and Gutter, & 7 Water Quality Control Units

Total Contract Cost: \$7,869,676

Completion Date: October 2021

8. WALTERS STATE COMMUNITY COLLEGE INFRASTRUCTURE REPAIRS PHASE 1 SBC 166/023-02-2018 MORRISTOWN, TENNESSEE

Owner Representative: Casey R. Smith

Walters State Community College

500 South Davy Crockett Parkway

Morristown, TN 37814

casey.smith@ws.edu

423.312.9248 cell or 423.585.6861 office

Project Description: Project consisted over 3,100' LF 36", 30", 24", 18", & 15" HDPE Storm Drainage; 65 Concrete Catch Basins, Curb Inlets, & Area/Landscape Drains, Asphalt & Concrete Demolition, 8,000 SQFT Concrete Sidewalks, 1,500 LF Extruded Concrete Curb, Asphalt Roadway Paving, Tree Removal, Erosion Control, and Project Management

Total Contract Cost: \$1,310,338.74

Completion Date: September 2023



Document D

989 Simpson Road • Whitesburg, TN 37891
PH (423) 273.1189 email: nroverbay@hotmail.com

January 29th, 2024

Jobs in Progress Report:

1. Beauford Delaney Building	Completion Date: August 2025
2. Hamblen County Justice Center	Completion Date: May 2025
3. KCDC Grounds Mowing	Completion Date: December 2024
4. Knoxville Multi-Use Stadium	Completion Date: April 2025
5. Lincoln Heights Elementary School	Completion Date: December 2024
6. City of Morristown Maid Drainage Ditch Repair	Completion Date: June 2024
7. Sevierville Community Center & Police Station	Completion Date: June 2024
8. City of Morristown Thompson Creek Road Reconstruction	Completion Date: April 2024
9. KCDC Western Heights Phase 1 Infrastructure	Completion Date: March 2024

Document E

January 29th, 2024

Description of Item	UNIT	Quantity	Cost per Unit	Total Cost/Unit	
Mobilization	LS	1	\$ 250,000.00	\$ 250,000.00	
General Conditions/Overhead	LS	1	\$ 800,000.00	\$ 800,000.00	
Bond	LS	1	\$ 100,000.00	\$ 100,000.00	
Builders Risk/Additional Insurances	LS	1	\$ 35,000.00	\$ 35,000.00	
Storm Water Permit	LS	1	\$ 30,000.00	\$ 30,000.00	
Land Disturbance Permit	LS	1	\$ 25,000.00	\$ 25,000.00	
Clearing/Grubbing/Demo	LS	1	\$ 860,000.00	\$ 860,000.00	
Testing/Engineering	LS	1	\$ 250,000.00	\$ 250,000.00	
Erosion Control					
Construction Entrance	LS	3	\$ 5,000.00	\$ 15,000.00	
Maintenance Stems	TON	800	\$ 25.00	\$ 20,000.00	
Smart Fence Silt Fence	LF	8000	\$ 7.00	\$ 56,000.00	
Diversion Ditches	LF	2500	\$ 13.00	\$ 32,500.00	
Rock Check Dams	EA	40	\$ 350.00	\$ 14,000.00	
Slope Matting	SY	15000	\$ 3.00	\$ 45,000.00	
Seeding Slopes	ACRE	3	\$ 3,000.00	\$ 9,000.00	
Seeding with Mulch	ACRE	19	\$ 4,000.00	\$ 76,000.00	
Rip/Rap Emergency Spillway	TON	350	\$ 70.00	\$ 24,500.00	
Rip/Rap Apron	TON	100	\$ 75.00	\$ 7,500.00	
Rip/Rap Pond Forebay	TON	500	\$ 75.00	\$ 37,500.00	
Filter Socks	LF	5000	\$ 9.00	\$ 45,000.00	
Erosion Maintenance/Dewatering	LS	1	\$ 75,000.00	\$ 75,000.00	
Pond Skimmer/Anti-Vortex	LS	3	\$ 50,000.00	\$ 150,000.00	
RidgeRock Retaining Walls					
Retaining Wall Materials	SFF	32000	\$ 15.00	\$ 480,000.00	
Labor Installation Price	SF	22000	\$ 22.00	\$ 484,000.00	
Rock Backfill 57 Stone	TON	17000	\$ 40.00	\$ 680,000.00	
Rock Backfill DGA Stone	TON	1800	\$ 30.00	\$ 54,000.00	
Retainwall Excavation	CY	20000	\$ 25.00	\$ 500,000.00	
Geogrid Reinforcement	SY	24000	\$ 5.00	\$ 120,000.00	
GeoTextile Fabric	SY	3000	\$ 5.00	\$ 15,000.00	
Wall Drainage Pipe	LF	2000	\$ 10.00	\$ 20,000.00	
Retaining Wall Fences/Sleeve-its	LF	2000	\$ 150.00	\$ 300,000.00	
Mass Grading & Export					
Stripping Topsoil	CY	20,000	\$ 10.00	\$ 200,000.00	
On-Site Grading	CY	65000	\$ 19.00	\$ 1,235,000.00	
Spreading Topsoil	CY	17000	\$ 18.00	\$ 306,000.00	
Export Spoils	CY	16500	\$ 29.00	\$ 4,785,000.00	
Storm Water					
18" HW	EA	1	\$ 5,000.00	\$ 5,000.00	
48" Curb Inlets (4' - 6')	EA	19	\$ 8,000.00	\$ 152,000.00	
48" Curb Inlets (6' - 8')	EA	3	\$ 9,000.00	\$ 27,000.00	
48" Curb Inlets (8' - 10')	EA	3	\$ 10,000.00	\$ 30,000.00	
48" CB (4' - 6')	EA	3	\$ 8,000.00	\$ 24,000.00	
48" CB (6' - 8')	EA	4	\$ 9,000.00	\$ 36,000.00	
48" CB (8' - 10')	EA	2	\$ 12,000.00	\$ 24,000.00	
Storm RWH 15.00'	EA	3	\$ 19,000.00	\$ 57,000.00	
Area/Landscaping Drain (6' - 8')	EA	3	\$ 7,500.00	\$ 22,500.00	
OCS-1 9.00'	LS	1	\$ 20,000.00	\$ 20,000.00	
18" RCP Storm Drainage	LF	3100	\$ 225.00	\$ 697,500.00	
Paving, Curbs, & Sidewalks					
(Per COK Spec)					
6" Base Stone	TON	3600	\$ 44.00	\$ 158,400.00	
2.5" B-M2 Binder @ 3.5" Grade D Mfg.	SY	6900	\$ 60.00	\$ 414,000.00	
Asphalt Speed Humps	LS	3	\$ 15,000.00	\$ 45,000.00	
6" x 30" COK Spec Curb & Gutter	LF	4600	\$ 40.00	\$ 184,000.00	
6" Concrete Driveway	SF	2100	\$ 28.00	\$ 58,800.00	
5' Concrete Sidewalk (4" Depth)	SF	30000	\$ 20.00	\$ 600,000.00	
Thermoplastic & Signage	LS	1	\$ 80,000.00	\$ 80,000.00	
Sanitary Sewer (Per KUB)					
8" SDR 26 Gravity Sewer	LF	1800	\$ 130.00	\$ 234,000.00	
6" SDR 26 Gravity Sewer Lateral	LF	3600	\$ 150.00	\$ 540,000.00	
48" Sanitary MH (6' - 8')	EA	5	\$ 8,500.00	\$ 42,500.00	
48" Sanitary MH (8' - 10')	EA	4	\$ 10,000.00	\$ 40,000.00	
Service Laterals	EA	32	\$ 400.00	\$ 12,800.00	
Clean-Out/Connections	EA	32	\$ 600.00	\$ 19,200.00	
Sanitary Sewer Connection to KUB	EA	3	\$ 15,000.00	\$ 45,000.00	
Water (Per KUB Spec)					
8" DWP-CJ 350 (rock backfill)	LF	2900	\$ 170.00	\$ 493,000.00	
8" Water Valve	EA	6	\$ 5,000.00	\$ 30,000.00	
3" Air Release Valve	EA	5	\$ 6,000.00	\$ 30,000.00	
8" Wet Tap Assembly	EA	3	\$ 15,000.00	\$ 45,000.00	
8" Fittings (as needed)	LS	3	\$ 25,000.00	\$ 75,000.00	
Fire Hydrant Assembly	EA	1	\$ 15,000.00	\$ 15,000.00	
Total				\$ 13,802,700.00	

Total \$ 1,290,000.00

Erosion Control Total \$ \$28,000.00

Retaining Wall Total \$ 2,493,000.00

Grading Total \$ 5,866,000.00

Storm Total \$ 1,042,000.00

Paving, Curbs, & Sidewalks \$ 1,410,200.00

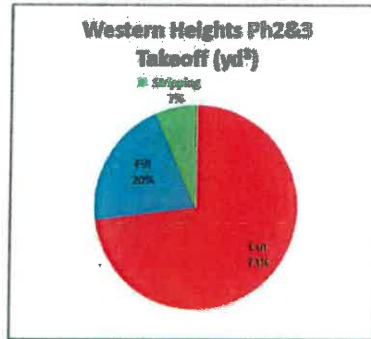
Sanitary Total \$ 849,300.00

Water Total \$ 704,000.00

Document E

Job: Western Heights Ph2&3 Takeoff	
Units: ft-cy	
26-Jan-2024 12:59 PM	

Distribution of Earthwork Volumes (Grid = 5.000)	
Source	Volume (yd³)
Cut	218086.4
Fill	58893.1
Stripping	18730.7



Surface Properties	
FD with subgrades adjusted	
Maximum elevation (ft)	1073.000
Minimum elevation (ft)	955.000
OG with topsoil stripped (to subgrades demolished)	
Maximum elevation (ft)	1074.000
Minimum elevation (ft)	983.000
Maximum cut depth (ft)	32.562
Maximum fill height (ft)	18.281

Volume Report (Grid = 5.000 ft)												
'OG with topsoil stripped (subgrades demolished)' vs 'FD with subgrades adjusted'												
Site Improvement	Area (ft²)				Volume (yd³)		Comp/Ratio		Adjusted (yd³)		Export	Change
	Total	Cut	Fill	On Grade	Cut	Fill	Cut	Fill	Cut	Fill	-Import (yd³)	Per 0.1 Ft
Concrete Apron	250.0	0.0	250.0	0.0	0.0	25.3	1.00	1.00	0.0	25.3	-25.3	0.9
Concrete Apron	275.0	250.0	25.0	0.0	6.7	0.0	1.00	1.00	6.7	0.0	6.7	1.0
Concrete Apron	275.0	275.0	0.0	0.0	27.7	0.0	1.00	1.00	27.7	0.0	27.7	1.0
Concrete Apron	275.0	275.0	0.0	0.0	168.8	0.0	1.00	1.00	168.8	0.0	168.8	1.0
Concrete Apron	300.0	0.0	300.0	0.0	0.0	14.4	1.00	1.00	0.0	14.4	-14.4	1.1
Concrete Apron	300.0	0.0	300.0	0.0	0.0	28.0	1.00	1.00	0.0	28.0	-28.0	1.9
...Subtotal	1675.0	808.0	1875.0	0.0	198.2	45.7			198.2	65.7	72.5	6.9
Concrete Curb	125.0	125.0	0.0	0.0	20.0	0.0	1.00	1.00	20.0	0.0	20.0	0.5
Concrete Curb	450.0	50.0	400.0	0.0	0.4	81.9	1.00	1.00	0.4	81.9	-81.5	1.7
Concrete Curb	450.0	75.0	350.0	25.0	0.7	9.0	1.00	1.00	0.9	9.0	-8.7	1.7
Concrete Curb	500.0	0.0	500.0	0.0	0.0	24.4	1.00	1.00	0.0	24.4	-24.4	1.9
Concrete Curb	600.0	275.0	125.0	200.0	7.9	0.4	1.00	1.00	7.9	0.4	7.5	2.2
Concrete Curb	750.0	75.0	550.0	125.0	1.9	16.3	1.00	1.00	1.9	16.3	-14.3	2.8
Concrete Curb	1325.0	1200.0	100.0	25.0	242.6	1.0	1.00	1.00	182.6	1.0	151.5	4.9
Concrete Curb	1450.0	1050.0	400.0	0.0	130.1	18.6	1.00	1.00	138.1	18.6	114.5	5.4
Concrete Curb	1525.0	1525.0	0.0	0.0	788.4	0.0	1.00	1.00	788.4	0.0	788.4	5.6
Concrete Curb	2800.0	2350.0	250.0	0.0	708.9	9.3	1.00	1.00	706.9	9.3	697.6	9.6
...Subtotal	9775.0	6725.0	2675.0	975.0	2861.5	110.9			1861.5	110.9	1750.5	36.2
Concrete Sidewalk	8750.0	2125.0	4625.0	0.0	238.1	416.8	1.00	1.00	238.1	416.8	-178.7	25.0
Concrete Sidewalk	8150.0	8075.0	75.0	0.0	238.5	0.4	1.00	1.00	238.5	0.4	239.2	30.2
Concrete Sidewalk	9475.0	7700.0	1475.0	0.0	1878.4	51.5	1.00	1.00	1878.4	51.5	1827.9	34.0
...Subtotal	24075.0	17899.0	6175.0	0.0	4197.1	468.7			4177.1	468.7	3708.4	89.2
Standard Duty Asphalt	56224.6	47324.6	8895.0	25.0	15260.9	302.4	1.00	1.00	15360.3	302.4	12857.9	208.2
Remaining Area	917446.3	602422.4	314986.7	75.0	150449.9	57945.9	1.00	1.00	150649.9	57945.9	132704.0	3387.9
Job Total	1009396.0	675172.3	333748.7	475.0	230066.4	58893.1			211006.4	58893.1	151193.3	3738.5

Topsoil Stripping						
Boundary Name	Plane Area (ft²)	Plane Area (AC)	Slope Area (ft²)	Depth (in)	Cut (yd³)	Adjusted (yd³)
<unnamed>	1011456.9	23.21986	1036200.7	6.000	18730.7	18730.7
Stripping Total	1011456.9	23.21986	1036200.7		18730.7	18730.7

Sectional Quantities							
Site Improvement or Material	Area (ft²)		Depth (in)	Volume (yd³)	Supplemental Units		
	Plan	Sloping			Factor	Value	Unit
Concrete Apron	1825.8	2014.0	-	-			
Earthen (Select): Stone	-	-	6.000	33.8	1.00	33.8	yd³
Earthen (Select): Concrete	-	-	6.000	33.8	1.00	33.8	yd³
Concrete Curb	10623.7	12589.9	-	-			
Earthen (Select): Stone	-	-	4.000	181.2	1.00	181.2	yd³
Earthen (Select): Concrete	-	-	2.000	65.6	1.00	65.6	yd³
Concrete Sidewalk	24228.4	29619.6	-	-			
Earthen (Select): Stone	-	-	4.000	299.1	1.00	299.1	yd³
Earthen (Select): Concrete	-	-	4.000	299.1	1.00	299.1	yd³
Standard Duty Asphalt	59723.7	61804.6	-	-			
Earthen (Select): Stone	-	-	8.000	1474.7	1.00	1474.7	yd³
Earthen (Select): Asphalt	-	-	4.000	737.4	1.00	737.4	yd³
Sectional Total	96406.5	106027.6		3074.7			

Topsoil Needed
16,990 Cy

Material Totals						
Material	Length (ft)	Area (ft²)	Volume (yd³)	Supplemental Units		
				Factor	Value	Unit
Earthen (Select): Stone	-	-	1938.8	1.00	1938.8	yd³
Earthen (Select): Concrete	-	-	898.5	1.00	898.5	yd³
Earthen (Select): Asphalt	-	-	737.4	1.00	737.4	yd³



BONDS
SOUTHEAST, INC.

Document F

January 25, 2024

Knoxville Community Development Corporation
901 North Broadway
Knoxville, TN 37917

Re: East Tennessee Turf & Landscape

To Whom It May Concern:

Please let this letter serve as our recommendation of East Tennessee Turf & Landscape and verification that East Tennessee Turf & Landscape has the capacity to provide performance and payment bonds for construction contracts. Current surety requirements are written through Merchants Bonding Company (Mutual) for the past year. Merchants Bonding Company (Mutual) has a rating of A (Excellent) by A.M. Best Company.

East Tennessee Turf & Landscape has performed numerous multi-million-dollar contracts in its history. Several of these projects were extremely high-profile projects. East Tennessee Turf & Landscape has an extremely talented team and can handle widely diverse projects. East Tennessee Turf & Landscape has a current surety file and has the capacity to obtain \$20 million Single Projects/ \$40 million cost to complete Aggregate. Larger amounts can be obtained at the request of East Tennessee Turf & Landscape. All obligations have been performed in a timely and professional manner. As always, the surety reserves the right to perform normal underwriting at the time of any bond request, including, without limitation, prior review and approval of relevant contract documents, bond forms, and project financing. We assume no liability if for any reason we do not execute such bonds.

We value our relationship with East Tennessee Turf & Landscape and consider them to be among the elite professionals in this area. We give them our highest recommendation. If you should have any questions regarding East Tennessee Turf & Landscape, regarding surety capabilities, we encourage you to give us a call at any time. (615) 321-9700.

Sincerely,

Phillip H. Condra
Senior Vice-President

325 Alliance Place NIE Rochester, MN 55906-3975
phone: 507 535 3502, fax: 507 529 2879

ROCKWOOD®

RETAINING WALLS

A better way.™

Date: January 18, 2024 Proj. No: 24-0013

Bid Date: January 18, 2024 Friction Angle: 34°

Checked:

Prepared By: J. Johnson By: C. Roberson

Re: Knoxville Community Development Corporation - Western Heights Phase 2 Infrastructure project in Knoxville, TN
Below you will find the needed quantity estimates for the above referenced project. If you have any questions please feel free to call me.

❖ Preliminary quantities generated by Mortarless Systems Engineering (MSE). Questions/Design, call 507-535-3502.

Wall	Length (ft)	Number of Caps	Area of Wall, excluding caps (ft ²)	Max Wall Height (ft)	Embed Min/Max (in.)	Volume of Drain Rock (yd ³)	Volume of Base Rock (yd ³)	Reinforced Zone (yd ³)	Filter Fabric (yd ²)	Area of Geogrid Gridmaxx 270, or equivalent (yd ²)	Area of Geogrid Gridmaxx 390, or equivalent (yd ²)	Max Grid Length (ft)
Wall 1	1141	856	12789	20	8/26	843	47	4747	1437	6855	660	15.0
Wall 2	73	55	339	7	8/8	26	3	58	92	90	0	6.0
Wall 3	376	282	3801	12	24/24	254	16	1217	474	1890	0	10.0
Wall 4	240	180	4034	24	8/31	257	10	1940	303	2280	995	16.0
Total	1830	1373	20873	N/A	N/A	1390	76	7862	2306	11115	1655	N/A

*Note: This prelim assumes the use of a select gravel backfill.

- Quantities were done from sheet(s) Infrastructure Grading Plan by Civil & Environmental Consultants, Inc. dated January 9, 2024.
- The quantities shown are using Gridmaxx 270 and 390 or equiv. Geogrid, Premier 8 Block, and Universal 16" Cap
- The preliminary quantities assume: the use of select backfill in the reinforced zone with an assumed friction angle of 34° or greater; onsite soil used in the retained and foundation zones of the wall with an assumed friction angle of 26° or greater; and an NCMA design method.
- The long-term ground water is assumed to be well below the bottom of the wall.
- All quantities given represent in-place compacted quantities and do not assume any waste, overlap, shrinkage, swelling or over-excavation.
- Global stability was not considered in the preliminary quantity estimate.
- This information provided is for estimating purposes only. Errors or misinterpretations may occur on this preliminary quantity estimate. All final quantities should be based on the design of a registered professional engineer. Contractor should review all bidding documents.

Solicitation Document C Introduction

This is a brief one-to-two-page introductory letter that:

1. Provides a high-level introduction of your company.
2. Explains the type of organization (Corporation, Partnership, Joint Venture, LLC, et cetera).
3. State of Tennessee Contractor's License Number, Expiration Date, Classification and Limit.
4. Explains why you are interested in this work for KCDC.

Solicitation Document D Experience & Resources

Use this section to provide:

1. Provide a summary of similar projects completed in the last five to seven years. Highlight and provide details (project dates, client info, budget/costs, project size, et cetera) for projects that were comparable infrastructure projects where your firm served as the contractor overseeing and responsible for the construction of the infrastructure.
2. Describe the proposed roles and estimated involvement for the listed key personnel during pre-construction, construction, and/or throughout the project and provide a summary of each individual's professional experience.
3. Your current workload (committed projects that are either in construction and pre-construction) and the respective scheduled completion dates for each project.
4. Identify any components of the Scope of Work included in the RFP that the organization is unable to perform or if additional scope should be included but is not currently listed
5. Provide three references. References should include clients on one or more of the projects highlighted in the section above. Reference information includes a description of the work performed, the contact person and their phone and email address.

Solicitation Document E Construction Cost Estimate

Use this section to provide:

1. Provide a complete construction budget based on the partially complete construction drawings by CEC. Please break out costs associated with mass grading, storm water, and utilities (sanitary and domestic water), paving and concrete, general conditions, contractor fees and other costs (identify other costs).

2. The construction budget should be based on the drawings provided as part of this solicitation. To the extent any assumptions need to be made in order to produce a complete and more accurate budget, please note those assumptions and accompany them with your schedule of values as noted above. Owner reserves the right to request additional information from all proposers in order to ensure that cost estimates can be effectively evaluated.

Solicitation Document F Costs

Use this section to provide information that explains your fee proposal and supports your financial strength to provide the necessary bonding capacity. Include:

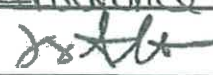
1. Cost Items Details (do not alter the structure below).

a	State the fee for Pre-construction Services.	\$ 15,000. ⁰⁰
b	Provide a proposed construction management fee including overhead and profit applicable to this project assuming the supplier is engaged to provide Construction Services.	% 15

2. Provide a summary of the organization's financial capability to ensure a payment and performance bond in an amount equal to 100% of the construction cost limitation noted above.
3. A listing of current and projected bonding capacity within the next 12 months to 24 months.

Solicitation Document G Insurance Agent's Statement and Certification

I have reviewed the insurance requirements with the bidder/proposer named below and have told the bidder/proposer that the required coverage will be available and have advised the bidder/proposer of any additional costs that may be entailed with the coverages.

Insurance Agency 1 Name: Heritage Insurance Group Inc.
Authorizing Signature: 

Insurance Agency 2 Name: _____
Authorizing Signature: _____

Insurance Agency 3 Name: _____
Authorizing Signature: _____

Bidder's/Proposer's Statement and Certification:

I certify that:

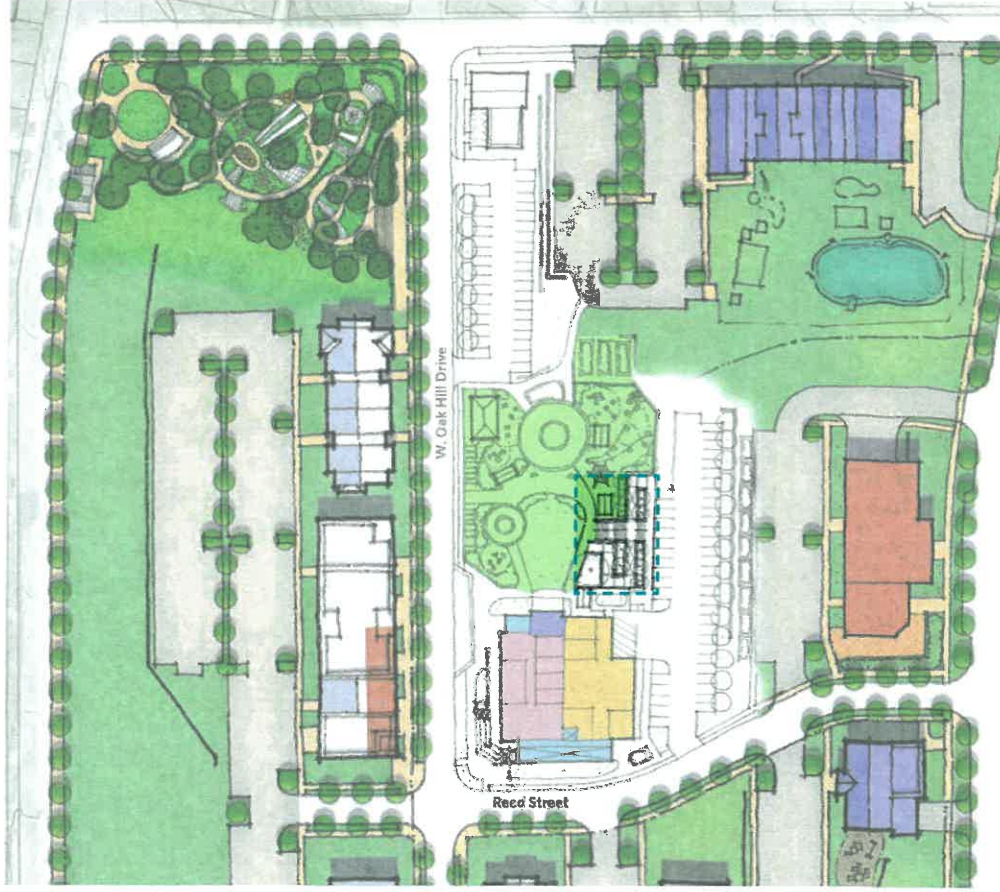
1. I have reviewed these requirements with my insurance agent(s).
2. I and my subcontractors (if any) will comply with the insurance requirements herein.
3. I/my insurance agency take no exceptions to the listed insurance requirements.
4. My subcontractors (if any) take no exceptions to the listed insurance requirements.

Proposer's Name: East Tennessee Turf and Landscape
Authorizing Signature: 

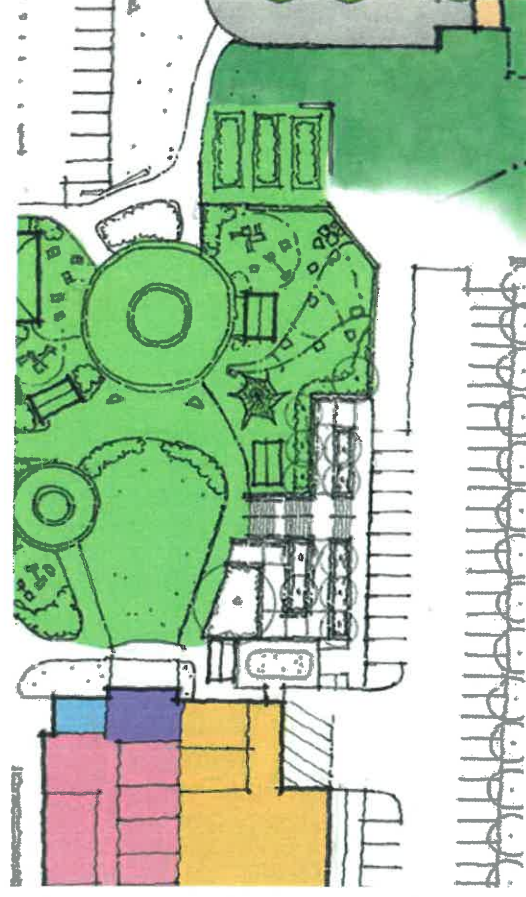
Return this page with your proposal.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
BOARD ACTION FORM
ITEM 13 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Approval is requested to negotiate and execute a contract and related documents in an amount NTE \$1,300,000 with Sanders Pace Architecture (SPA) to design a 20,000 + SF mixed use commercial building and a public park as part of the CNI development at Western Heights.
SUBMITTED BY	Name, Title / Department: James Hatfield, VP Development
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ 1,300,000 Expenditure: \$ 1,300,000 Source of Funds: COK, HUD CNI, Grants, Other
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? Approval to enter into an AIA or similar form agreement with SPA to engage them to design one of the signature non-residential buildings and community spaces at Western Heights. The contract will provide for full design services of the building, parking area and park from schematic design through construction admin.</p>	
<p>2. Why is the action needed now? To keep with the overall development timeline of the CNI project, design needs to begin now on this part of the site.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? KCDC as owner and developer and SPA as architect.</p>	
<p>4. What are the long-term and short-term exposures? None</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC is in its second year of the CNI development at Western Heights.
ATTACHMENTS	Conceptual plans



Upper Floor



Alternative Ramps + Steps



Conceptual Grading Plan

ANCHOR BUILDING AND DESTINATION PARK | ALTERNATIVE - RAMP + STEPS

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

ITEM 14 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Resolution approving Rental Assistance (fka Section 8) and The Manor Operating Budget Revision No. 1 for FY 2024 (July 1, 2023-June 30, 2024).
SUBMITTED BY	Name, Title / Department: Nancy White, Chief Financial Officer, Executive Management
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ _____ Expenditure: \$ _____ Source of Funds: Program Operating and Reserve Funds (as applicable)
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? The objective is to revise and approve the FYE2024 operating budget for the above-mentioned program(s) within policy.</p>	
<p>2. Why is the action needed now? We are required to bring a budget revision, if needed and based upon total expenses and/or net income(loss), to the Board for approval within the fiscal year.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? The Accounting Division staff analyzes and reviews our financial records near the end of each fiscal year to determine the need for revisions per policy requirements.</p>	
<p>4. What are the long-term and short-term exposures? No exposure due to adequate reserves-need for policy compliance.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	Budget policy requires the board to approve budget revisions if total expenses exceed the original budget or net income/loss does not meet projections.
ATTACHMENTS	Resolution Executive Summary

RESOLUTION NO. 2024-___

**RESOLUTION APPROVING OPERATING BUDGETS REVISION
(NUMBER 1) FOR
RENTAL ASSISTANCE AND THE MANOR FOR THE FISCAL YEAR
JULY 1, 2023 THROUGH JUNE 30, 2024**

WHEREAS the Operating Budgets for the Rental Assistance and The Manor are not subject to annual approval by the Department of Housing and Urban Development; and

WHEREAS the annual budget for the above referenced project, programs and departments are directly dependent upon existing contractual relationships or upon contractual relationships that may yet be negotiated during any given fiscal year; and

WHEREAS the above referenced budget revisions (number 1) and budgets have been prepared based upon anticipated revenues from existing contractual relationships between Knoxville's Community Development Corporation and other second parties; and

WHEREAS in the opinion of the Board of Commissioners, the financial plan for each program is consistent with KCDC's overall operating strategy and is fiscally responsible.

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

THAT the Operating Budget Revisions for the Rental Assistance and The Manor are not subject to annual approval by the Department of Housing and Urban Development are hereby approved and adopted for the fiscal year July 1, 2023 through June 30, 2024.

Approved: June 27, 2024.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary



**EXECUTIVE SUMMARY
FY 2024 BUDGET REVISION #1
OTHER KCDC OPERATING PROGRAMS**

CHANGES FROM FY 2024 ORIGINAL BUDGET

Rental Assistance (FKA Section 8):

TOTAL REVENUE: An increase of approximately 2% from \$28,459,862 to \$29,073,145 is proposed for 2024 from original budget figures primarily due to payment standard increase in January that increased HAP revenue.

TOTAL EXPENSES: An increase of approximately 3% from \$28,406,856 to \$29,372,689 is proposed for 2024 from original budget figures primarily due to payment standard increase in January that increased HAP expense.

NET INCOME (LOSS): (\$299,544)

RESERVES: FYE 2024: (estimated): \$2,609,083

THE MANOR:

TOTAL REVENUE: A decrease of 35% from \$308,510 to \$201,567 is proposed for 2024 under original budget figures primarily due to occupancy projections during RAD rehab conversion for the property and reduced fundraising due to staff transitions.

TOTAL EXPENSES: A decrease of approximately 26% from \$312,714 to \$231,929 is proposed for 2024 under original budget figures primarily due to the RAD conversion impacting occupancy which is reducing resident service needs and staffing transitions.

NET LOSS: Proposed at (\$30,362)

RESERVES: FYE 2024: (estimated): \$25,153

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
BOARD ACTION FORM
ITEM 15 ATTACHMENT

MEETING DATE	
AGENDA ITEM DESCRIPTION	
SUBMITTED BY	Name, Title / Department:
MEETING TYPE	Regular Special Annual
CLASSIFICATION	Resolution Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$_____ Expenditure: \$_____ Source of Funds:
APPROVAL / REVIEWS	Department Head /VP Budget/Finance Executive Director/CEO Legal Counsel: _____ Other – Name/Title:
<p style="text-align: center;"><u>BACKGROUND</u></p> <p>1. What is the objective of this action?</p> <p>2. Why is the action needed now?</p> <p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>4. What are the long-term and short-term exposures?</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	
ATTACHMENTS	

	37920 SAFMR PAYMENT STANDARDS						
	NUMBER OF BEDROOMS						
	0	1	2	3	4	5	6
CURRENT PAYMENT STANDARD (@ 110% OF SAFMR)	\$935	\$946	\$1,155	\$1,496	\$1,760	\$2,024	\$2,288
REVISED PAYMENT STANDARD (@ 120% OF SAFMR)	\$1,020	\$1,032	\$1,260	\$1,632	\$1,920	\$2,208	\$2,496

FIFTH AVE GP CORPORATION

Date: June 24, 2024

To: Board of Directors

From: Nancy White, Secretary

Subject: **INITIAL AGENDA**
Meeting of the Board of Directors
Thursday, June 27, 2024, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to Order.

REDEVELOPMENT (Jim Hatfield)

2. Resolution regarding the formation and organizational matters. [\(Item 2 Attachment\)](#)
3. Adjourn.

FIFTH AVE GP CORPORATION

BOARD ACTION FORM

ITEM 2 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Execute a resolution regarding formation and organizational matters of Fifth Ave GP Corporation.
SUBMITTED BY	Name, Title / Department: James Hatfield
MEETING TYPE	<input type="checkbox"/> Regular <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ N/A Expenditure: \$ N/A Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: BBS Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action?</p> <p>This resolution allows for organizational matters and certain actions of Fifth Ave GP Corporation to be conducted including but not limited to filing of the corporate charter, electing officers, enabling the Corporation to serve as the general partner of DGA Fifth Ave LP and file for low income housing tax credits and MTEB.</p>	
<p>2. Why is the action needed now?</p> <p>The 2024 application cycle for 4% tax credits and MTEB starts in the next 60 days and this resolution provides for the approval to apply for tax credits and MTEB allocation.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>Fifth Ave GP Corporation is a wholly owned instrumentality of KCDC. DGA Fifth Ave LP will be the owner entity for the development project. Fifth Ave GP Corporation will serve as the general partner for the owner entity. DGA Residential is the project's sponsor and developer.</p>	
<p>4. What are the long-term and short-term exposures?</p> <p>None</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC has successfully partnered with DGA Residential on past projects including Grosvenor, Willow Place and Bluegrass.
ATTACHMENTS	Resolution, Bylaws

RESOLUTION NO. 2024-01

RESOLUTION OF THE BOARD OF DIRECTORS OF
FIFTH AVE GP CORPORATION REGARDING
FORMATION AND ORGANIZATIONAL MATTERS

June 27, 2024

The board of directors of Fifth Ave GP Corporation, a Tennessee nonprofit corporation (the "Corporation"), has met pursuant to proper notice and does hereby resolve:

Action of Incorporator

RESOLVED, that the Action of the Incorporator of the Corporation taken by written consent dated as of June 27, 2024, and all actions reflected therein, be, and the same hereby are, ratified, approved, and adopted by the undersigned for the benefit of the Corporation; and

FURTHER RESOLVED, that the Incorporator be, and the same hereby is, discharged of any further obligations, duties or liability to the Corporation.

Charter

RESOLVED, that the Charter of the Corporation, filed in the office of the Secretary of State of Tennessee and recorded in the Knox County Register of Deeds, is hereby ratified and approved.

Bylaws

RESOLVED, that the Bylaws attached hereto as Exhibit A are hereby approved and adopted.

Officers

RESOLVED, that the following named persons are hereby declared elected to the offices of the Corporation set forth opposite their respective names to serve as such officers pursuant to the Bylaws:

President – Benjamin M. Bentley

Vice President – Jim Hatfield

Secretary and Treasurer – Nancy White

Bank Accounts

RESOLVED, that the officers of the Corporation are hereby authorized and directed for and on behalf of the Corporation to designate from time to time one or more banks, trust companies or other banking institutions to act as depository or depositories for the funds of the Corporation for and during such period as such officer may from time to time deem necessary or desirable in the interests on the Corporation and to open or close out from time to time accounts in any such depository so selected;

FURTHER RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, in the name of and on behalf of the Corporation, to take any and all actions that such officer may deem necessary or advisable in order to establish bank accounts from time to time for the efficient conduct of the Corporation's business;

FURTHER RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and empowered to sign checks drawn on such account(s); and

FURTHER RESOLVED, that any resolutions required by said banking institutions shall be attached to these resolutions and are hereby adopted in their entirety as if such resolutions were a part hereof as of the date of adoption of these resolutions.

Payment of Organizational Expenses

RESOLVED, that the officers of the Corporation be, and they hereby are, authorized and directed to pay all fees and expenses incident to or required in the organization of the Corporation.

Formation of DGA Fifth Ave LP

RESOLVED, that the officers of the Corporation be, and they hereby are, authorized and directed to take all actions deemed by such officers to be necessary and convenient to form DGA Fifth Ave LP (the "Limited Partnership"), including but not limited to filing such corrective amendments as may be required to change the name of the Limited Partnership from "DGA Fifth Ave LP" to "DGA Fifth Ave LP", and to have the Corporation serve as the general partner of the Limited Partnership.

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, on behalf and in the name of the Corporation, to prepare or cause to be prepared and to execute, deliver, verify, acknowledge, file or record any documents (including, without limitation, certificate of limited partnership and a limited partnership agreement), instruments, certificates, statements, papers, or any amendments thereto, as may be deemed necessary or advisable in order to form the Limited Partnership.

Submission of Application for Low Income Housing Tax Credits and Multifamily Tax-Exempt Bond Authority

RESOLVED, that the officers of the Corporation be, and they hereby are, authorized and directed to take all actions deemed by such officers to be necessary and convenient to facilitate the submission of an application to the Tennessee Housing Development Agency for an allocation of low income housing tax credits and/or Multifamily Tax-

Exempt Bond Authority for the purpose of development of real property located approximately at 525 W. Fifth Ave in Knoxville, Tennessee.

General Authority and Ratification

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, on behalf and in the name of the Corporation, to prepare or cause to be prepared and to execute, deliver, verify, acknowledge, file or record any documents, instruments, certificates, statements, papers, or any amendments thereto, as may be deemed necessary or advisable in order to effectuate the actions approved herein, and to take such further steps and do all such further acts or things as are necessary or desirable to carry out the transactions contemplated by the foregoing resolutions; and

FURTHER RESOLVED, that the authority and power given hereunder be deemed retroactive and any and all acts authorized hereunder performed prior to the passage of these resolutions, are hereby ratified and approved.

Adopted this 27th day of June, 2024.

FIFTH AVE GP CORPORATION

By: _____
Secretary

EXHIBIT A

BY-LAWS OF FIFTH AVE GP CORPORATION

These Bylaws shall regulate the business and affairs of Fifth Ave GP Corporation (the "Corporation"), subject to the provisions of the Charter of the Corporation (as amended or restated from time to time, the "Charter") and any applicable provisions of the Tennessee Nonprofit Corporation Act (as amended, the "Act").

ARTICLE I. OFFICES

Section 1.1 Principal Office. The principal office of the Corporation shall be located at 901 N. Broadway, Knoxville, Knox County, Tennessee 37917. The Corporation may have such other offices, either within or without the State of Tennessee, as its Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 1.2 Registered Office. The registered office of the Corporation required by the Act to be maintained in the State of Tennessee may, but need not, be identical to the principal office in the State of Tennessee; and the address of the registered office may be changed from time to time by its Board of Directors.

ARTICLE II. MEMBERS

The Corporation shall not have members.

ARTICLE III. DIRECTORS

Section 3.1 General Powers. The business and affairs of the Corporation shall be supervised by its Board of Directors (the "Board"), which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these Bylaws. In addition, without limiting the foregoing, the Board shall be authorized and empowered:

- (a) To employ such persons as in its opinion are needed for the administration of the Corporation and to pay reasonable compensation for services and expenses thereof;
- (b) To receive, accept, administer, invest and distribute on behalf of the Corporation property contributed, gifted or bequeathed to the Corporation; and

(c) To make distributions of income and principal in furtherance of the Corporation's purposes in such amounts and proportions as the Board, in its discretion, shall determine from time to time.

Section 3.2 Number and Tenure. The directors of the Corporation shall be the same persons who are elected to hold the offices of Chairman, Vice Chairman, and Treasurer of Knoxville's Community Development Corporation ("KCDC"). The election of any person to any such office in KCDC shall be deemed to be an election of such person to the Board of Directors of the Corporation. Each director shall hold office until the expiration of the term for which he/she is elected, and thereafter until his successor has been elected and qualified. The Board of Commissioners of KCDC shall have the power to appoint and remove all directors of the corporation.

Section 3.3 Limited Personal Liability. No person who is or was a Director of the Corporation, nor such person's heirs, executors or administrators (hereinafter collectively referred to for purposes of this Section as a "Director"), shall be personally liable to the Company for monetary damages for breach of fiduciary duty as a Director. However, this provision shall not eliminate or limit the liability of a Director:

- (a) for any breach of a Director's duty of loyalty to the Corporation;
- (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
- (c) under § 48-58-304 of the Act.

If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a Director of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the full extent permitted by the amended Act. No repeal or modification of the provisions of this Section, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Section 3.4 Annual Meeting. The regular annual meeting of the Board shall be held without other notice than this Section of the Bylaws immediately following the annual meeting of Knoxville's Community Development Corporation in May of each year and at the same place as the annual meeting of Knoxville's Community Development Corporation.

Section 3.5 Special Meetings. Special meetings of the Board may be called by the President or by any Director, and it shall thereupon be the duty of the Secretary-Treasurer to cause notice of such meeting to be given as hereinafter provided. The President or the Director

calling the meeting shall fix the time and place (which may or may be anywhere within or without the State of Tennessee) for the holding of the meeting.

Section 3.6 Notices. Notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Director not less than three (3) days previous thereto either personally, by mail or by electronic mail, by or at the direction of the Secretary-Treasurer, the President or the Director calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his address as it appears on the records of the Corporation with postage thereon prepaid. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.7 Quorum and Participation. A majority of the total number of Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time; and provided further that the Secretary-Treasurer shall notify any absent Directors of the time and place of such adjourned meeting.

Section 3.8 Manner of Acting. Each Director shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, except as may otherwise be specifically provided by law, by the Charter, or by these Bylaws. Members of the Board absent from any meeting shall not be permitted to vote at such meeting by written proxies.

Section 3.9 Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless such Director's dissent shall be entered in the minutes of the meeting, or unless he or she shall forward such dissent by certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.10 Compensation. Neither Directors nor officers shall receive any salary for their services. Any director or officer of the Corporation may also perform legal services for the Corporation; otherwise, no director or officer shall receive compensation for service to the Corporation in any other capacity, nor shall any close relative or a Director or officer receive compensation for serving the Corporation. The term "close relative" as used herein shall mean any brother or sister of any Director or officer, the forebears and descendants of a Director or officer or any such brother or sister and any spouse of a Director or officer or any aforesaid person.

ARTICLE IV. OFFICERS

Section 4.1 Number. The officers of the Corporation shall be a President, Vice President, Secretary–Treasurer and such other officers as may be determined by the Board from time to time to perform such duties as may be designated by the Board. In no event shall a member of the Board serve as an officer of the corporation.

Section 4.2 Election and Term of Office. The officers of the Corporation shall be elected annually by the Board at the regular annual meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until the next regular annual meeting of the Board or until his successor shall have been elected. A vacancy in any office held by an officer, because of death, resignation, removal, disqualification or otherwise, may be filled by the Board. A retiring officer may succeed himself or herself.

Section 4.3 Removal of Officers and Agents by Directors. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Corporation will be served thereby.

Section 4.4 President. The President:

(a) Shall be the principal executive officer of the Corporation, shall in general, supervise and control all of the business and affairs of the Corporation, and unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board;

(b) May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws, to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and

(c) Shall in general perform all duties incident to the office of the present and such other duties as may be prescribed by the Board from time to time.

Section 4.5 Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 4.6 Secretary–Treasurer. The Secretary–Treasurer shall:

- (a) Keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) Keep a register of the names and post office addresses of all Directors;
- (e) Have a general charge of the books of the Corporation;
- (f) Keep on file at all times a complete copy of the Charter and Bylaws of the Corporation containing all amendments thereto (which copy shall always be open to the inspection of any Director), and at the expense of the Corporation, forward a copy of the Bylaws and of all amendments thereto to each Director;
- (g) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him/her by the Board; and
- (h) Have charge and custody of and be responsible for all funds and securities of the Corporation;
- (i) Be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such bank or banks, trust companies or other depositories, as shall be selected in accordance with the provisions of these regulations; and
- (j) In general, perform all the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to him/her by the Board.

Section 4.7 Resignation. An officer may resign such officer's position at any time by tendering such resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

Section 4.8 Compensation. The powers, duties and compensation, if any, of officers, agents and employees shall be fixed by the Board, subject to the provisions of these regulations

with respect to compensation for Directors and officers and close relatives of Directors and officers.

ARTICLE V. NON-PROFIT OPERATION

The Corporation shall at all times be operated on a non-profit basis, and no interest or dividends shall be paid or payable by the Corporation to any Director as such, and shall be operated for the charitable purposes for which the Corporation was created.

ARTICLE VI. CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS

Section 6.1 Contracts and Employment of Agents. The Board may authorize any officer or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, consultants and other counsel, legal, investment or otherwise, as the Board shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities. Such authority may be general or confined to specific instances.

Section 6.2 Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 6.3 Checks. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Secretary-Treasurer and countersigned by the President or Vice President of the Corporation.

Section 6.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositories as the Board may from time to time select.

Section 6.5 Fiscal Year. The fiscal year of the Corporation shall mean a twelve (12) month period commencing the first day of July of each and every year and shall end on the following last day of June.

Section 6.6 Gifts. The Board of Directors may accept, on behalf of the Corporation, any contribution, gift bequest or devise for the general purposes or any special purpose of the Corporation.

ARTICLE VII. BOOKS, RECORDS AND AUDITS

Section 7.1 Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Directors. So long as the Corporation acts and functions as an instrumentality of KCDC, then all books and records of the Corporation may be inspected by KCDC, its agents or attorneys at any time.

Section 7.2 Audits. The Corporation shall cause audits of all its books and records to be performed by a firm of independent certified public accountants as necessary. Copies of the audits shall be provided to KCDC for its review.

ARTICLE VIII. MISCELLANEOUS

KCDC shall have power to make and adopt such rules and regulations not inconsistent with law, the Charter, or these regulations, as it may deem advisable for the management of the business and affairs of the Corporation.

ARTICLE IX. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the laws of the State of Tennessee relating to non-profit corporations or under the provisions of the Charter or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X. AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the affirmative vote of two-thirds of the Directors present at any regular or special meeting, provided a quorum, as provided in these Bylaws, be present and provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or such requirement shall have been duly waived by all Directors.

Adopted this 27th day of June, 2024.

HARDIN VALLEY GP CORPORATION

Date: June 21, 2024

To: Board of Directors

From: Nancy White, Secretary

Subject: **INITIAL AGENDA**
Meeting of the Board of Directors
Thursday, June 27, 2024, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to Order.

REDEVELOPMENT (Jim Hatfield)

2. Resolution regarding the formation and organizational matters. [\(Item 2 Attachment\)](#)
3. Adjourn.

HARDIN VALLEY GP CORPORATION

BOARD ACTION FORM

ITEM 2 ATTACHMENT

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Resolution regarding formation and organizational matters of Hardin Valley GP Corporation.
SUBMITTED BY	Name, Title / Department:
MEETING TYPE	<input type="checkbox"/> Regular <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ N/A Expenditure: \$ N/A Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: BBS Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action?</p> <p>This resolution allows for organizational matters and certain actions of Hardin Valley GP Corporation to be conducted including but not limited to filing of the corporate charter, electing officers, enabling the Corporation to serve as the general partner of DGA Hardin Valley LP and file for low income housing tax credits and MTEB.</p>	
<p>2. Why is the action needed now?</p> <p>The 2024 2nd round application cycle for 4% tax credits and MTEB starts in the next 60 days and this resolution provides for the approval to apply for tax credits and MTEB allocation.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>Hardin Valley GP Corporation is a wholly owned instrumentality of KCDC. DGA Hardin Valley LP will be the owner entity for the development project. Hardin Valley GP Corporation will serve as the general partner for the owner entity. DGA Residential is the project's sponsor and developer.</p>	
<p>4. What are the long-term and short-term exposures?</p> <p>None</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC has successfully partnered with DGA Residential on past projects including Grosvenor, Willow Place and Bluegrass
ATTACHMENTS	Resolution, bylaws, charter

RESOLUTION NO. 2024-01

RESOLUTION OF THE BOARD OF DIRECTORS OF HARDIN VALLEY GP CORPORATION REGARDING FORMATION AND ORGANIZATIONAL MATTERS

June 27, 2024

The board of directors of Hardin Valley GP Corporation, a Tennessee nonprofit corporation (the "Corporation"), has met pursuant to proper notice and does hereby resolve:

Action of Incorporator

RESOLVED, that the Action of the Incorporator of the Corporation taken by written consent dated as of June 27, 2024, and all actions reflected therein, be, and the same hereby are, ratified, approved, and adopted by the undersigned for the benefit of the Corporation; and

FURTHER RESOLVED, that the Incorporator be, and the same hereby is, discharged of any further obligations, duties or liability to the Corporation.

Charter

RESOLVED, that the Charter of the Corporation, filed in the office of the Secretary of State of Tennessee and recorded in the Knox County Register of Deeds, is hereby ratified and approved.

Bylaws

RESOLVED, that the Bylaws attached hereto as Exhibit A are hereby approved and adopted.

Officers

RESOLVED, that the following named persons are hereby declared elected to the offices of the Corporation set forth opposite their respective names to serve as such officers pursuant to the Bylaws:

President – Benjamin M. Bentley

Vice President – Jim Hatfield

Secretary and Treasurer – Nancy White

Bank Accounts

RESOLVED, that the officers of the Corporation are hereby authorized and directed for and on behalf of the Corporation to designate from time to time one or more banks, trust companies or other banking institutions to act as depository or depositories for the funds of the Corporation for and during such period as such officer may from time to time deem necessary or desirable in the interests on the Corporation and to open or close out from time to time accounts in any such depository so selected;

FURTHER RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, in the name of and on behalf of the Corporation, to take any and all actions that such officer may deem necessary or advisable in order to establish bank accounts from time to time for the efficient conduct of the Corporation's business;

FURTHER RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and empowered to sign checks drawn on such account(s); and

FURTHER RESOLVED, that any resolutions required by said banking institutions shall be attached to these resolutions and are hereby adopted in their entirety as if such resolutions were a part hereof as of the date of adoption of these resolutions.

Payment of Organizational Expenses

RESOLVED, that the officers of the Corporation be, and they hereby are, authorized and directed to pay all fees and expenses incident to or required in the organization of the Corporation.

Formation of DGA Hardin Valley LP

RESOLVED, that the officers of the Corporation be, and they hereby are, authorized and directed to take all actions deemed by such officers to be necessary and convenient to form DGA Hardin Valley LP (the "Limited Partnership") and to have the Corporation serve as the general partner thereof.

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, on behalf and in the name of the Corporation, to prepare or cause to be prepared and to execute, deliver, verify, acknowledge, file or record any documents (including, without limitation, certificate of limited partnership and a limited partnership agreement), instruments, certificates, statements, papers, or any amendments thereto, as may be deemed necessary or advisable in order to form the Limited Partnership.

**Submission of Application for Low Income Housing Tax Credits and Multifamily
Tax-Exempt Bond Authority**

RESOLVED, that the officers of the Corporation be, and they hereby are, authorized and directed to take all actions deemed by such officers to be necessary and convenient to facilitate the submission of an application to the Tennessee Housing Development Agency for an allocation of low income housing tax credits and/or Multifamily Tax-Exempt Bond Authority for the purpose of development of real property located approximately at 0 Hardin Valley Road in Knoxville, Tennessee.

General Authority and Ratification

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, on behalf and in the name of the Corporation, to prepare or cause to be prepared and to execute, deliver, verify, acknowledge, file or record any documents, instruments, certificates, statements, papers, or any amendments thereto, as may be deemed necessary or advisable in order to effectuate the actions approved herein, and to take such further steps and do all such further acts or things as are necessary or desirable to carry out the transactions contemplated by the foregoing resolutions; and

FURTHER RESOLVED, that the authority and power given hereunder be deemed retroactive and any and all acts authorized hereunder performed prior to the passage of these resolutions, are hereby ratified and approved.

Adopted this 27th day of June, 2024.

HARDIN VALLEY GP CORPORATION

By: _____
Secretary

EXHIBIT A

BY-LAWS OF HARDIN VALLEY GP CORPORATION

These Bylaws shall regulate the business and affairs of Hardin Valley GP Corporation (the "Corporation"), subject to the provisions of the Charter of the Corporation (as amended or restated from time to time, the "Charter") and any applicable provisions of the Tennessee Nonprofit Corporation Act (as amended, the "Act").

ARTICLE I. OFFICES

Section 1.1 Principal Office. The principal office of the Corporation shall be located at 901 N. Broadway, Knoxville, Knox County, Tennessee 37917. The Corporation may have such other offices, either within or without the State of Tennessee, as its Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 1.2 Registered Office. The registered office of the Corporation required by the Act to be maintained in the State of Tennessee may, but need not, be identical to the principal office in the State of Tennessee; and the address of the registered office may be changed from time to time by its Board of Directors.

ARTICLE II. MEMBERS

The Corporation shall not have members.

ARTICLE III. DIRECTORS

Section 3.1 General Powers. The business and affairs of the Corporation shall be supervised by its Board of Directors (the "Board"), which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these Bylaws. In addition, without limiting the foregoing, the Board shall be authorized and empowered:

- (a) To employ such persons as in its opinion are needed for the administration of the Corporation and to pay reasonable compensation for services and expenses thereof;
- (b) To receive, accept, administer, invest and distribute on behalf of the Corporation property contributed, gifted or bequeathed to the Corporation; and
- (c) To make distributions of income and principal in furtherance of the Corporation's purposes in such amounts and proportions as the Board, in its discretion, shall determine from time to time.

Section 3.2 Number and Tenure. The directors of the Corporation shall be the same persons who are elected to hold the offices of Chairman, Vice Chairman, and Treasurer of Knoxville's Community Development Corporation ("KCDC"). The election of any person to any such office in KCDC shall be deemed to be an election of such person to the Board of Directors of the Corporation. Each director shall hold office until the expiration of the term for which he/she is elected, and thereafter until his successor has been elected and qualified. The Board of Commissioners of KCDC shall have the power to appoint and remove all directors of the corporation.

Section 3.3 Limited Personal Liability. No person who is or was a Director of the Corporation, nor such person's heirs, executors or administrators (hereinafter collectively referred to for purposes of this Section as a "Director"), shall be personally liable to the Company for monetary damages for breach of fiduciary duty as a Director. However, this provision shall not eliminate or limit the liability of a Director:

- (a) for any breach of a Director's duty of loyalty to the Corporation;
- (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
- (c) under § 48-58-304 of the Act.

If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a Director of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the full extent permitted by the amended Act. No repeal or modification of the provisions of this Section, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Section 3.4 Annual Meeting. The regular annual meeting of the Board shall be held without other notice than this Section of the Bylaws immediately following the annual meeting of Knoxville's Community Development Corporation in May of each year and at the same place as the annual meeting of Knoxville's Community Development Corporation.

Section 3.5 Special Meetings. Special meetings of the Board may be called by the President or by any Director, and it shall thereupon be the duty of the Secretary-Treasurer to cause notice of such meeting to be given as hereinafter provided. The President or the Director calling the meeting shall fix the time and place (which may or may be anywhere within or without the State of Tennessee) for the holding of the meeting.

Section 3.6 Notices. Notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Director not less than three (3) days previous thereto either personally, by mail or by electronic mail, by or at the direction of the Secretary-Treasurer, the President or the Director calling the meeting. If mailed, such notice shall be deemed to be

delivered when deposited in the United States mail addressed to the Director at his address as it appears on the records of the Corporation with postage thereon prepaid. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 3.7 Quorum and Participation. A majority of the total number of Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time; and provided further that the Secretary-Treasurer shall notify any absent Directors of the time and place of such adjourned meeting.

Section 3.8 Manner of Acting. Each Director shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, except as may otherwise be specifically provided by law, by the Charter, or by these Bylaws. Members of the Board absent from any meeting shall not be permitted to vote at such meeting by written proxies.

Section 3.9 Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless such Director's dissent shall be entered in the minutes of the meeting, or unless he or she shall forward such dissent by certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.10 Compensation. Neither Directors nor officers shall receive any salary for their services. Any director or officer of the Corporation may also perform legal services for the Corporation; otherwise, no director or officer shall receive compensation for service to the Corporation in any other capacity, nor shall any close relative or a Director or officer receive compensation for serving the Corporation. The term "close relative" as used herein shall mean any brother or sister of any Director or officer, the forebears and descendants of a Director or officer or any such brother or sister and any spouse of a Director or officer or any aforesaid person.

ARTICLE IV. OFFICERS

Section 4.1 Number. The officers of the Corporation shall be a President, Vice President, Secretary-Treasurer and such other officers as may be determined by the Board from time to time to perform such duties as may be designated by the Board. In no event shall a member of the Board serve as an officer of the corporation.

Section 4.2 Election and Term of Office. The officers of the Corporation shall be elected annually by the Board at the regular annual meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until the next regular annual meeting of the Board or until his successor

shall have been elected. A vacancy in any office held by an officer, because of death, resignation, removal, disqualification or otherwise, may be filled by the Board. A retiring officer may succeed himself or herself.

Section 4.3 Removal of Officers and Agents by Directors. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Corporation will be served thereby.

Section 4.4 President. The President:

(a) Shall be the principal executive officer of the Corporation, shall in general, supervise and control all of the business and affairs of the Corporation, and unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board;

(b) May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws, to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and

(c) Shall in general perform all duties incident to the office of the present and such other duties as may be prescribed by the Board from time to time.

Section 4.5 Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 4.6 Secretary-Treasurer. The Secretary-Treasurer shall:

(a) Keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose;

(b) See that all notices are duly given in accordance with these Bylaws or as required by law;

(c) Be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws;

(d) Keep a register of the names and post office addresses of all Directors;

- (e) Have a general charge of the books of the Corporation;
- (f) Keep on file at all times a complete copy of the Charter and Bylaws of the Corporation containing all amendments thereto (which copy shall always be open to the inspection of any Director), and at the expense of the Corporation, forward a copy of the Bylaws and of all amendments thereto to each Director;
- (g) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him/her by the Board; and
- (h) Have charge and custody of and be responsible for all funds and securities of the Corporation;
- (i) Be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such bank or banks, trust companies or other depositories, as shall be selected in accordance with the provisions of these regulations; and
- (j) In general, perform all the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to him/her by the Board.

Section 4.7 Resignation. An officer may resign such officer's position at any time by tendering such resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

Section 4.8 Compensation. The powers, duties and compensation, if any, of officers, agents and employees shall be fixed by the Board, subject to the provisions of these regulations with respect to compensation for Directors and officers and close relatives of Directors and officers.

ARTICLE V. NON-PROFIT OPERATION

The Corporation shall at all times be operated on a non-profit basis, and no interest or dividends shall be paid or payable by the Corporation to any Director as such, and shall be operated for the charitable purposes for which the Corporation was created.

ARTICLE VI. CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS

Section 6.1 Contracts and Employment of Agents. The Board may authorize any officer or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, consultants and other counsel, legal, investment or otherwise, as the Board shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or

entities. Such authority may be general or confined to specific instances.

Section 6.2 Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 6.3 Checks. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Secretary-Treasurer and countersigned by the President or Vice President of the Corporation.

Section 6.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositories as the Board may from time to time select.

Section 6.5 Fiscal Year. The fiscal year of the Corporation shall mean a twelve (12) month period commencing the first day of July of each and every year and shall end on the following last day of June.

Section 6.6 Gifts. The Board of Directors may accept, on behalf of the Corporation, any contribution, gift bequest or devise for the general purposes or any special purpose of the Corporation.

ARTICLE VII. BOOKS, RECORDS AND AUDITS

Section 7.1 Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Directors. So long as the Corporation acts and functions as an instrumentality of KCDC, then all books and records of the Corporation may be inspected by KCDC, its agents or attorneys at any time.

Section 7.2 Audits. The Corporation shall cause audits of all its books and records to be performed by a firm of independent certified public accountants as necessary. Copies of the audits shall be provided to KCDC for its review.

ARTICLE VIII. MISCELLANEOUS

KCDC shall have power to make and adopt such rules and regulations not inconsistent with law, the Charter, or these regulations, as it may deem advisable for the management of the business and affairs of the Corporation.

ARTICLE IX. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the laws of the State of Tennessee relating to non-profit corporations or under the provisions of the Charter or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X. AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the affirmative vote of two-thirds of the Directors present at any regular or special meeting, provided a quorum, as provided in these Bylaws, be present and provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or such requirement shall have been duly waived by all Directors.

Adopted this 27th day of June, 2024.

CHARTER
OF
HARDIN VALLEY GP CORPORATION

FILED

The undersigned, acting as the incorporator of a nonprofit corporation under the Tennessee Nonprofit Corporation Act, does hereby adopt the following Charter for such corporation:

ARTICLE I

NAME

The name of the corporation shall be HARDIN VALLEY GP CORPORATION.

ARTICLE II

PUBLIC BENEFIT CORPORATION

The corporation is a public benefit corporation.

ARTICLE III

NOT FOR PROFIT

The corporation is not-for-profit.

ARTICLE IV

PURPOSES

The corporation is an instrumentality of Knoxville's Community Development Corporation ("KCDC"), a housing authority organized under Tennessee Code Annotated §§ 13-20-101 *et seq.* (the "Housing Authorities Law"), formed pursuant to §13-20-104(b) of the Housing Authorities Law for the purpose of exercising certain powers conferred upon KCDC by the Housing Authorities Law as delegated to the corporation by KCDC from time to time.

ARTICLE V

POWERS

In furtherance and not in limitation of the general powers conferred by the laws of the State of Tennessee, and the purposes set forth herein, it is expressly provided that the corporation shall have the following powers:

(a) To enter into, make and perform contracts of every sort and kind with any person, firm, association, corporation, municipality, body politic, housing authority, county, state, or

with the Federal Government or any agency or instrumentality thereof in connection with the ownership and financing of certain real property located on Hardin Valley Rd., Knoxville, Tennessee (the "Property");

(b) To issue bonds or other obligations of the corporation, and to contract Indebtedness without limit as to amount for any of the purposes of the corporation and to secure the same to the extent necessary by mortgage, deed or deeds of trust, or pledge or lien or any or all of the real or personal property, or both, or right, title and interest therein of the corporation in connection with the ownership and financing of the Property;

(c) To form a limited partnership for the purpose of facilitating the acquisition of the Property and the financing, design, construction and/or operations of low-income housing on the Property;

(d) To acquire the Property and finance, design, construct and/or operate low-income housing on the Property;

(e) To do everything necessary, proper, convenient or incident to effect any or all of the purposes for which the corporation is organized and to undertake any other actions conferred upon KCDC by the Housing Authorities Law and delegated to the corporation by KCDC; and

(f) Without limiting the generality of the foregoing, this corporation shall have all the powers, privileges, rights, and immunities necessary or convenient for carrying out the purposes for which this corporation is formed, and the directors hereby claim for this corporation all the benefits, privileges, rights and powers created, given, extended or conferred, now or hereafter, by the provisions of all applicable laws of the State of Tennessee, pertaining to not-for-profit corporations and any additions or amendments thereto.

ARTICLE VI

PERIOD OF EXISTENCE

The duration of the corporation shall be perpetual.

ARTICLE VII

INITIAL REGISTERED OFFICE; INITIAL REGISTERED AGENT; INITIAL PRINCIPAL OFFICE

The address of the initial registered office of the corporation in the State of Tennessee is 901 N. Broadway, Knoxville, Knox County, Tennessee 37917. The name of its initial registered agent at that office is Benjamin M. Bentley. The place in Tennessee where the principal office of the corporation is to be located is 901 N. Broadway, Knoxville, Knox County, Tennessee 37917. The business email address of the corporation is info@kcdc.org.

ARTICLE VIII

MEMBERS

The corporation shall not have members.

ARTICLE IX

DIRECTORS

SECTION 1. Number of Directors. The Board of Directors shall consist of three (3) members.

SECTION 2. Election and Term. The directors of the corporation shall be the same persons who are elected to hold the offices of Chairman, Vice Chairman, and Treasurer of KCDC. The Board of Commissioners of KCDC shall have the power to appoint and remove all directors of the corporation. The election of any person to any such office in KCDC shall be deemed to be an election of such person to the Board of Directors of the corporation. Each director shall hold office until the expiration of the term for which he/she is elected, and thereafter until his successor has been elected and qualified.

ARTICLE X

INCORPORATOR

The name and address of the Incorporator is as follows:

NAME	ADDRESS
Russell E. Stair	1700 Riverview Tower 900 S. Gay Street Knoxville, TN 37902

ARTICLE XI

AMENDMENTS

The business and conduct of affairs of the corporation shall be regulated by Bylaws adopted by the board of directors, which shall not be inconsistent with this Charter and which so long as the corporation acts and functions as an instrumentality of KCDC, shall only be amended with the prior approval of KCDC, or its successors or designee.

ARTICLE XII

PROVISIONS FOR REGULATION AND CONDUCT OF THE AFFAIRS OF THE CORPORATION

Other provisions, consistent with the laws of the State of Tennessee, for the regulation and conduct of the affairs of this corporation, and creating, defining, limiting or regulating the powers of this corporation or of the directors are as follows:

(a) The corporation is a not-for-profit, non-stock corporation and no part of the income, profits or assets of the corporation shall ever be distributed to, on inure to the benefit of, any member, director or officer, but shall be used only for charitable or low-income housing purposes as provided herein.

(b) All of the assets of the corporation shall be held in trust for the purposes herein mentioned, including payment of the corporation's liabilities. Upon dissolution of the corporation, title to or other interest in any real or personal property and any other assets owned by the corporation at such time, after the payment of all its liabilities, shall vest in and be transferred to KCDC, or, in the event that KCDC shall cease to exist or fail to be a political subdivision of the State of Tennessee, to the State of Tennessee or a political subdivision thereof for a public purpose.

ARTICLE XIII

SPECIAL PROVISION

The acts and functions of the corporation shall constitute only acts of this corporation and shall never constitute an act, debt or a pledge of the faith and credit of the taxing power of the State of Tennessee or any political subdivision, taxing district or body, corporate and politic thereof and shall not constitute an act, debt or pledge of KCDC, HUD or any staff members or employees of any such public body.

ARTICLE XIV

INDEMNIFICATION OF AND INSURANCE ON DIRECTORS AND OFFICERS

The directors and officers of the corporation shall be indemnified in connection with any actual or threatened, civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the name of the corporation or otherwise) arising out of their service to the corporation or to another organization at the request of the corporation to the extent mandated by the laws of the State of Tennessee and to the extent that such indemnification is limited to liability insurance coverage or distribution approved by HUD from residual receipts or surplus cash; provided, however, the directors and officers of the corporation may not be indemnified for liability: (i) for any breach of the director's duty of loyalty to the corporation; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; and (iii) under § 48-58-304 of the Act, as the same exists or hereafter may

be amended. Any repeal or modification of this Article XIV shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

Dated: June 14, 2024



Russell E. Stair

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B1516-6615 06/14/2024 1:11 PM Received by Tennessee Secretary of State Tre Hargett

MONTGOMERY VILLAGE CORPORATION

Date: June 24, 2024

To: Board of Directors

From: Nancy White, Secretary/Treasurer

Subject: **SPECIAL AGENDA**
Meeting of the Board of Directors
Thursday, June 25, 2024, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Approval is requested to execute the *annual* minutes of the meeting held on May 29, 2024. [\(Item 2 Attachment\)](#)

FINANCE & ACCOUNTING (Nancy White)

3. Resolution approving Budget Revision No. 1 for FY 2024 (July 1, 2023–June 30, 2024). [\(Item 3 Attachment\)](#)
4. Adjourn.

MONTGOMERY VILLAGE CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Montgomery Village Corporation met on **May 29, 2024** at 901 N. Broadway, Knoxville, Tennessee 37917.

The meeting was called to order and a quorum declared at 5:59 p.m. Those Directors present and absent were:

Present: Director Kimberly Henry
 Director Scott Broyles
 Director Felix Harris

Approval to execute the minutes of the *annual* meeting held on May 25, 2023. Director Harris made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."

Approval to elect officers. Director Broyles made a motion to elect the following slate of officers. Director Harris seconded the motion. All Directors present voted "Aye."

President: Ben Bentley
Vice President: Jim Hatfield
Secretary-Treasurer: Nancy White

Resolution approving the operating budget for the fiscal year 2025 (July 1, 2024 through June 30, 2025). Director Broyles made a motion to elect the following slate of officers. Director Harris seconded the motion. All Directors present voted "Aye." Resolution No. 2024-01 is attached.

With no further business to come before the Board, the meeting adjourned by consent at 6:01 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

MONTGOMERY VILLAGE CORPORATION

BOARD ACTION FORM - ITEM # 3

MEETING DATE	June 27, 2024
AGENDA ITEM DESCRIPTION	Resolution approving Montgomery Village Corporation Budget Revision No. 1 for FY 2024 (July 1, 2023-June 30, 2024).
SUBMITTED BY	Name, Title / Department:
MEETING TYPE	<input type="checkbox"/> Regular <input checked="" type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ _____ Expenditure: \$ _____ Source of Funds: Program Operating and Reserve Funds (as applicable)
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? The objective is to revise and approve the FYE2024 operating budget for the above-mentioned program within policy.</p>	
<p>2. Why is the action needed now? We are required to bring a budget revision, if needed and based upon total expenses and/or net income(loss), to the Board for approval within the fiscal year.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? The Accounting Division staff analyzes and reviews our financial records near the end of each fiscal year to determine the need for revisions per policy requirements.</p>	
<p>4. What are the long-term and short-term exposures? No exposure due to adequate reserves-need for policy compliance.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	Budget policy requires the board to approve budget revisions if total expenses exceed the original budget or net income/loss does not meet projections.
ATTACHMENTS	Resolution Executive Summary

RESOLUTION NO. 2024-___

**RESOLUTION APPROVING OPERATING BUDGET REVISION (NUMBER
1) FOR
MONTGOMERY VILLAGE CORPORATION FOR THE FISCAL YEAR
JULY 1, 2023 THROUGH JUNE 30, 2024**

WHEREAS the Operating Budgets for Montgomery Village Corporation is not subject to annual approval by the Department of Housing and Urban Development; and

WHEREAS the annual budget for the above referenced project, programs and departments are directly dependent upon existing contractual relationships or upon contractual relationships that may yet be negotiated during any given fiscal year; and

WHEREAS the above referenced budget revision (number 1) and budget have been prepared based upon anticipated revenues from existing contractual relationships between Knoxville's Community Development Corporation and other second parties; and

WHEREAS in the opinion of the Board of Directors, the financial plan for each program is consistent with KCDC's overall operating strategy and is fiscally responsible.

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

THAT the Operating Budget Revision for Montgomery Village Corporation is not subject to annual approval by the Department of Housing and Urban Development are hereby approved and adopted for the fiscal year July 1, 2023 through June 30, 2024.

Approved: June 27, 2024.

MONTGOMERY VILLAGE CORPORATION

By: _____
Secretary



**EXECUTIVE SUMMARY
FY 2024 BUDGET REVISION #1
SUBSIDIARY CORPORATIONS (Montgomery Village Corporation)**

CHANGES FROM FY 2024 ORIGINAL BUDGET

KNOXVILLE'S HOUSING DEVELOPMENT CORPORATION:

TOTAL REVENUE: A decrease of approximately 2% from \$3,482,538 to \$3,401,655 is proposed for 2024 from original budget figures primarily due to higher vacancy than projected.

TOTAL EXPENSES: A decrease of approximately 2% from \$3,008,470 to \$2,946,102 is proposed for 2024 from the original budget figures primarily due to vacancies which impact management fee expense and staffing shortages.

NET INCOME/LOSS: \$455,553

RESERVES: FYE 2024: (estimated): \$614,296