

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: April 17, 2025

To: Board of Commissioners

From: Benjamin M. Bentley, Secretary

Subject: **AGENDA**
Board Meeting of the Board of Commissioners
Thursday, April 24, 2025, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Approval is requested to execute the minutes for the meeting held on March 27, 2025. [\(Item 2 Attachment\)](#)
3. Motion to add, delete or postpone agenda items.
4. Report of officers and special presentations.

NEW BUSINESS

REDEVELOPMENT (Jim Hatfield)

5. Resolution authorizing the formation of Western Heights Community Corporation in connection with the closing of the Western Heights Phase 2. [\(Item 5 Attachment\)](#)
6. Resolution authorizing the negotiation and execution of all documents required to effectuate the closing of Western Heights CNI Phase 2, a 52-unit mixed income housing project for families, including the execution of all loan and tax credit documents, soft loans (CNI pass through), as well the ground and PILOT lease. [\(Item 6 Attachment\)](#)

Unfinished Business
Public Forum
Adjournment

The next agenda review meeting will be on **May 22, 2025**

The next board meeting will be held on **May 29, 2025**

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **March 27, 2025** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared at 5:01 p.m. Those Commissioners present and absent were:

Present: Chair Kimberly Henry
Vice Chair Scott Broyles
Treasurer Felix Harris
Commissioner Robert Whetsel
Commissioner Becky Wade
Commissioner Nadim Jubran

Absent:

Approval to execute the minutes for the *regular* meeting held on January 30, 2025 (no February meeting held). **Commissioner Jubran made the motion to approve the minutes. Commissioner Wade seconded the motion and all other Commissioners present voted "Aye."**

HOUSING (Sabrina Draplin)

Approval to award solicitation Q2014 to Clark Enterprises, First Place Finish, Inc., Iron Horse Demolition and KMF III Services, LLC for miscellaneous maintenance services. **Commissioner Broyles made a motion to approve. Commissioner Harris seconded the motion and all other Commissioners present voted "Aye."**

Resolution approving submission of KCDC's 2025 Five Year Annual Plan and Public Housing Agency Annual Plan. **Commissioner Wade made a motion to approve. Commissioner Whetsel seconded the motion and all other Commissioners present voted "Aye."** Resolution No. 2025-06 is attached.

UNFINISHED BUSINESS

Handout – Debt Obligation for Hardin Valley and 525 Flats

PUBLIC FORUM

None

With no further business to come before the Board, the meeting adjourned by consent at 5:14 p.m.

Kimberly K. Henry, Chair

Approved:

ATTEST:

Benjamin M. Bentley, Secretary

Approved:

DRAFT

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
BOARD ACTION FORM - ITEM #5

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:
<div style="text-align: center;"><u>BACKGROUND</u></div> <div>1. What is the objective of this action?</div> <div>2. Why is the action needed now?</div> <div>3. Who are the parties involved and what are their roles (if appropriate)?</div> <div>4. What are the long-term and short-term exposures?</div>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	
ATTACHMENTS	

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING THE FORMATION OF WESTERN HEIGHTS
COMMUNITY CORPORATION**

WHEREAS, Knoxville's Community Development Corporation ("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, 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 mixed-finance housing 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, in connection with the phased redevelopment of the Western Heights neighborhood in the City (collectively, the "Project"), KCDC desires to form a corporation known as Western Heights Community Corporation (the "Corporation") to serve as a party to one or more leases of nonresidential space in the Project and to provide certain other services to the Western Heights neighborhood and surrounding areas; 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, the forms 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.

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"), are authorized and empowered to execute and cause to be filed or recorded, as applicable, the Charter and the Bylaws; and, further

RESOLVED, that the Charter and the Bylaws 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, 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, 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 24th day of April, 2025.

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By: _____
Secretary

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM #6

MEETING DATE	April 24, 2025
AGENDA ITEM DESCRIPTION	Resolution authorizing the negotiation and execution of all documents required to effectuate the closing of Western Heights CNI Phase 2, a 52-unit mixed income housing project for families, including the execution of all loan and tax credit documents, soft loans (CNI pass through), as well the ground and PILOT lease.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Chief Development Officer
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 various documents, including condominium documents, related to the financial closing of the Western Heights CNI Phase 2 as well as provide all necessary completion and financial guarantees for the project and the execution of a ground and PILOT lease.</p> <p>2. Why is the action needed now? Board approval is needed before closing which is expected to be in late May 2025.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? Brinshore as development partner with KCDC and also co-guarantor on behalf of the owner entity, JP Morgan Chase, and to the equity investor, Richman Group. Western Heights 2 GP Corporation, an instrumentality of KCDC, is the general partner of owner entity, Western Heights 2 LP. The General Partner will, however, be party to all the documents as general partner of the owner entity. KCDC will serve as lessor under the ground and pilot lease.</p> <p>4. What are the long-term and short-term exposures? The documents and agreements associated with this transaction are very comparable to past tax credit development transactions such as those at the first two phases of Austin Homes and WH Phase 1. Pursuant to our MDA with Brinshore, KCDC guarantee liability is limited to the amount of cash developer fee earned.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC was previously awarded 9% tax credits from THDA for this project and KCDC was also awarded a \$40M HUD CNI Grant. This is the first phase of development under the CNI grant.
ATTACHMENTS	Resolution, site plan, renderings

RESOLUTION NO. 2025-____

RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION REGARDING FINANCING FOR WESTERN HEIGHTS PHASE 2

WHEREAS, the Board of Commissioners (the "Board") 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 further the construction and/or rehabilitation of 52 units of mixed-income housing (the "Project") on certain property located at approximately 1253 Oak Hill Avenue in Knoxville, Tennessee (the "Property"), KCDC (i) formed Western Heights 2 GP Corporation (the "Corporation"), a Tennessee nonprofit corporation, pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated, as an instrumentality of KCDC and (ii) formed Western Heights 2 LP, a Tennessee limited partnership (the "Partnership"), of which the Corporation is the general partner, KTW Phase 2, LLC ("KTW") is the special limited partner and KCDC is the initial limited partner; and

WHEREAS, in connection with the development and financing of the Project, KCDC desires to execute and record a Declaration of Condominium (the "Condominium Declaration") pursuant to which KCDC will establish the Western Heights Phase 2 Condominium on the Property, including the Tax Credit Unit and the Medical Clinic Unit, as set forth in the Condominium Declaration, together with a Declaration of Easement with respect to the Property (the "Easement Declaration") and, together with the Condominium Declaration and any additional documents, instruments and agreements to be executed in connection with the Condominium Declaration and the Easement Declaration, the "Condominium and Easement Documents"; and

WHEREAS, KCDC and the Partnership desire to enter into a Ground Lease pursuant to which KCDC will lease to the Partnership the Tax Credit Unit established in the Condominium Declaration (the "Tax Credit Unit Ground Lease"); and

WHEREAS, the Tax Credit Unit Ground Lease also provides for a payment in lieu of taxes agreement between the Partnership and KCDC; and

WHEREAS, KCDC and Western Heights Community Corporation desire to enter into a Lease pursuant to which KCDC will lease to Western Heights Community Corporation the

Medical Clinic Unit established in the Condominium Declaration (the “Medical Clinic Unit Lease”); and

WHEREAS, KCDC, the City of Knoxville, Tennessee (the “City”) and the United States Department of Housing and Urban Development (“HUD”) have entered into a FY 2021 Choice Neighborhoods Implementation Grant Agreement pursuant to which HUD has agreed to provide financing for the development of the Project through HUD’s Choice Neighborhoods Implementation grant program (the “CNI Funds”), which CNI Funds will be contributed by HUD in the form of a grant to the Corporation; and

WHEREAS, KCDC desires to make a loan of CNI Funds to the Partnership to assist with the financing of the Project in an amount not to exceed \$2,000,000 (the “CNI Loan”), which loan will be evidenced by a promissory note and a loan agreement and will be secured by a deed of trust (together with such other documents, agreements and instruments referred to therein and/or required to be executed in connection with the CNI Loan or KCDC’s receipt and/or use of the CNI Funds, the “CNI Documents”); and

WHEREAS, KCDC desires to make an additional loan to the Partnership to finance an up-front rental payment owed by the Partnership to KCDC under the Tax Credit Unit Ground Lease in an amount not to exceed \$700,000 (the “Seller Loan”), which loan will be evidenced by a promissory note and secured by a deed of trust (together with such other documents, agreements and instruments to be executed in connection with the Seller Loan, the “Seller Loan Documents”); and

WHEREAS, KCDC desires to make an additional loan to the Partnership to assist with the financing of the Project in an amount not to exceed \$1,000,000 (the “Sponsor Loan”), which loan will be evidenced by a promissory note and a loan agreement and will be secured by a deed of trust (together with such other documents, agreements and instruments referred to therein and/or required to be executed in connection with the Sponsor Loan, the “Sponsor Loan Documents”); and

WHEREAS, KCDC desires to make an additional loan to the Partnership to assist with the financing of the Project in an amount not to exceed \$2,300,000 (the “City Funds Loan”), which loan will be evidenced by a promissory note and a loan agreement and will be secured by a deed of trust (together with such other documents, agreements and instruments referred to therein and/or to be executed in connection with the City Funds Loan, the “City Funds Loan Documents”); and

WHEREAS, in order to move forward with the development of the Project and to utilize low-income housing tax credits available pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, for said development, KCDC desires to:

- (i) transfer its limited partnership interest and to otherwise authorize the transactions contemplated pursuant to an Amended and Restated Agreement of Limited Partnership for the Partnership (the "Partnership Agreement") among the Corporation, KTW, as Class B Limited Partner, U.S. Bancorp Community Development Corporation or an affiliate thereof, as the investor limited partner, and KCDC, as withdrawing limited partner;
- (ii) authorize the Condominium and Easement Documents;
- (iii) authorize the transactions contemplated pursuant to the Tax Credit Unit Ground Lease and the execution and delivery thereof;
- (iv) authorize the transactions contemplated pursuant to the Medical Clinic Unit Lease and the execution and delivery thereof;
- (v) authorize the CNI Loan to the Partnership and the execution and delivery of the CNI Documents; and
- (vi) authorize the Seller Loan to the Partnership and the execution and delivery of the Seller Loan Documents;
- (vii) authorize the Sponsor Loan to the Partnership and the execution and delivery of the Sponsor Loan Documents; and
- (viii) authorize the City Funds Loan to the Partnership and the execution and delivery of the City Funds Loan Documents.

Copies of the Partnership Agreement, the Condominium and Easement Documents, the Tax Credit Unit Ground Lease, the Medical Clinic Unit Lease, the CNI Documents, the Seller Loan Documents, the Sponsor Loan Documents and the City Funds Loan Documents shall be filed with the records of KCDC.

WHEREAS, the Board desires to authorize the officers of KCDC to execute such documents as they, individually or collectively, determine are necessary, desirable or appropriate to carry out the transactions contemplated herein, in the Partnership Agreement and agreements related thereto, the Condominium and Easement Documents, the Tax Credit Unit Ground Lease, the Medical Clinic Unit Lease, the CNI Documents, the Seller Loan Documents, the Sponsor Loan Documents and the City Funds Loan Documents.

NOW, THEREFORE, BE, AND IT IS HEREBY, RESOLVED, that (i) the Chairman, the Vice Chairman and the Secretary of KCDC (each, an "Authorized Officer") is hereby authorized and directed to execute (to the extent that KCDC is a party thereto), and, if requested, the Secretary

or Assistant Secretary is authorized to attest, and any such officer of KCDC is authorized to deliver to the other parties thereto the following documents: (a) the Partnership Agreement, (b) the Condominium and Easement Documents, (c) the Tax Credit Unit Ground Lease, (d) the Medical Clinic Unit Lease, (e) the CNI Documents, together with any other documents required to be executed by HUD in connection with the CNI Funds, (f) the Seller Loan Documents, (g) the Sponsor Loan Documents, (h) the City Funds Loan Documents and (i) any and all other instruments, documents and agreements deemed necessary or desirable by an Authorized Officer in connection with the documents and transactions described herein; all in the form approved by the Authorized Officer executing same, the execution of same by such Authorized Officer to constitute conclusive evidence of the approval of same, and (ii) such officers, together with all other officers and employees of KCDC, are hereby authorized to take all such further action as they may consider necessary or desirable in connection with the transactions described herein, including, without limitation, executing such documents as any lender to the Partnership may request in connection with its liens on the Project, and to take from time to time any actions deemed necessary or desirable by such officers and employees to effectuate and comply with the terms of such agreements as are executed on behalf of KCDC pursuant to the authorization contained herein; and, further

RESOLVED, that it is in the best interest of KCDC to undertake the transactions described herein; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the officers of KCDC 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 officers of KCDC that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Approved at a meeting of the Board of Commissioners held this 24th day of April, 2025.

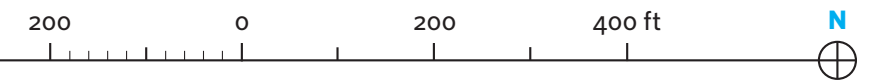
**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____

37474639.2

Housing Plan: Phase 2 Rendering





ILLUSTRATIVE PLAN

HARDIN VALLEY GP CORPORATION

Date: April 17, 2025

To: Board of Commissioners

From: Nancy White, Secretary

Subject: **SPECIAL AGENDA**
Board Meeting of the Board of Directors
Thursday, April 24, 2025, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Approval is requested to execute the minutes for the *special* meeting held on December 5, 2024. [\(Item 2 Attachment\)](#)

REDEVELOPMENT (Jim Hatfield)

3. Resolution authorizing Hardin Valley GP Corporation to negotiate and execute all documents required to effectuate the closing of Scenic View at Hardin Valley Apartments, a 84-unit, new construction affordable housing development. [\(Item 3 Attachment\)](#)
4. Adjourn.

HARDIN VALLEY GP CORPORATION

MEETING MINUTES

The Board of Directors of Hardin Valley GP Corporation met on **December 5, 2024** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared at 5:36 p.m. Those Directors present and absent were:

Present: Director Scott Broyles
Director Felix Harris

Absent: Director Kim Henry

Approval to execute the minutes of the *initial* meeting held on June 27, 2024. **Director Harris made a motion to approve. Director Broyles seconded the motion. All Directors present voted "Aye."**

REDEVELOPMENT (Jim Hatfield)

Resolution regarding the development and financing of the Scenic View at Hardin Valley Apartments and the execution of documents relating thereto. **Director Harris made the motion to approve. Director Broyles seconded the motion and all Directors present voted "Aye." Resolution No. 2024-02 is attached.**

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

Benjamin M Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

HARDIN VALLEY GP CORPORATION

BOARD ACTION FORM - ITEM #3

MEETING DATE	April 24, 2025
AGENDA ITEM DESCRIPTION	Resolution authorizing Hardin Valley GP Corporation to negotiate and execute all documents required to effectuate the closing of Scenic View at Hardin Valley Apartments, a 84-unit, new construction affordable housing development.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Chief Development Officer
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: \$ <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 - Russell Stair</u> Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action?</p> <p>Hardin Valley GP Corporation, as GP of the project's owner entity, DGA Hardin Valley LP, needs to enter into various customary agreements required in order for the project to close on its financing and begin construction. Such documents include but are not limited to an amended partnership agreement, loan documents, PILOT lease, management agreement, assignments, and other related agreements.</p> <p>2. Why is the action needed now?</p> <p>Closing for this project is scheduled next month and board approval is needed in advance of closing.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>KCDC, as owner of Hardin Valley GP Corporation, the general partner of the project. DGA Residential as project sponsor and developer.</p> <p>4. What are the long-term and short-term exposures?</p> <p>There is minimal exposure to KCDC under the development agreement terms with DGA residential for this project.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	In May 2024, the board approved the formation of the entities for this project and in December 2024 the board approved a final bond resolution for this project.
ATTACHMENTS	Resolution

RESOLUTION NO. 2025-_____

**RESOLUTION OF THE BOARD OF DIRECTORS OF HARDIN VALLEY GP
CORPORATION REGARDING THE DEVELOPMENT AND FINANCING OF
SCENIC VIEW AT HARDIN VALLEY AND THE EXECUTION OF DOCUMENTS
RELATING THERETO**

WHEREAS, the Board of Directors of Hardin Valley GP Corporation (the “Corporation”) has met pursuant to proper notice; and

WHEREAS, the Corporation has been organized pursuant to Sections 13–20–101 et seq., Tennessee Code Annotated, as an instrumentality of Knoxville's Community Development Corporation (“KCDC”); 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, by Sections 13–20–101 et seq., Tennessee Code Annotated, housing and redevelopment authorities in Tennessee are authorized through their respective governing bodies to finance and/or refinance housing and redevelopment projects; and

WHEREAS, to further the development of an approximately 84–unit low–income housing development known as Scenic View at Hardin Valley on real property located at approximately 10216 Hardin Valley Road in Knox County, Knoxville, Tennessee (the “Project”), the Corporation as the sole general partner, DGA Hardin Valley SLP, LLC, as the Class B Limited Partner and Craig Cobb, as the limited partner, formed DGA Hardin Valley LP, a Tennessee limited partnership (the “Partnership”); and

WHEREAS, to assist the Partnership in the financing of the development of the Project, KCDC, as issuer (the “Issuer”), previously issued its Collateralized Multifamily Housing Bonds (Scenic View at Hardin Valley Project) Series 2024 in an aggregate principal amount of \$21,087,000 (the “Bonds”); and

WHEREAS, to proceed with the development and financing of the Project and to utilize low–income housing tax credits available pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, for said development, the Corporation, on its own behalf and as sole general partner acting on behalf of the Partnership, desires to:

- (i) authorize the Partnership's acquisition of the Property in accordance with the terms of that certain Purchase and Sale Agreement by and between RDP Holdings, LLC and DGA Residential, LLC dated as of February 23, 2024, as assigned to the Partnership, and the execution of all documents required to be executed in connection therewith (the "Property Acquisition Documents");
- (ii) authorize the transactions contemplated in that certain Lease between The Health, Educational and Housing Facility Board of the County of Knox (the "PILOT Lessor") and the Partnership, providing for the PILOT Lessor's lease of the Project to the Partnership and the Partnership's payment in lieu of taxes to the PILOT Lessor" (the "Lease", and, together with all documents required to be executed in connection therewith, the "PILOT Documents");
- (iii) authorize the transactions contemplated by that certain Amended and Restated Agreement of Limited Partnership of DGA Hardin Valley LP (the "Partnership Agreement") among the Corporation, First Horizon Community Investment Group, Inc. (the "Limited Partner"), CC Community Development Holdings, Inc. (the "Special Limited Partner"), Craig Cobb (the "Withdrawing Limited Partner") and DGA Hardin Valley SLP, LLC (the "Class B Limited Partner") (the Partnership Agreement, together with all documents required to be executed in connection therewith, the "Partnership Documents");
- (iv) authorize a mortgage loan from Walker & Dunlop, LLC ("Walker & Dunlop") to the Partnership in an amount not exceeding \$20,114,300 (the "Walker & Dunlop Loan"), such loan to be insured by the Secretary of Housing and Urban Development, the proceeds of which are to be used for the benefit of the Project and the terms of which are substantially similar to those set forth in that certain draft Building Loan Agreement provided by Walker & Dunlop and available for review at this meeting (together with all documents, regulatory agreements and security instruments referred to therein and/or required to be executed in connection therewith, with such modifications agreed to by the parties thereto, the "Walker & Dunlop Loan Documents");
- (v) Authorize a subordinate mortgage loan of HOME funds from Knox County, Tennessee in an amount not to exceed \$1,000,000, the proceeds of which will be used to develop the Project, and to enter into a promissory note (together with all other documents, agreements and security instruments referred to therein and/or required to be executed in connection therewith, with such

modifications agreed to by the parties thereto, the "HOME Loan Documents"); and

- (vi) Authorize an equity bridge loan from First Horizon Bank in an amount not to exceed \$12,000,000, the proceeds of which will be used to develop the Project, and to enter into a promissory note and bridge loan agreement (together with all other documents, agreements and security instruments referred to therein and/or required to be executed in connection therewith, with such modifications agreed to by the parties thereto, the "Bridge Loan Documents");

Copies of the Property Acquisition Documents, PILOT Documents, Partnership Documents, the Walker & Dunlop Loan Documents, the HOME Loan Documents and the Bridge Loan Documents shall be filed with the records of the Corporation; and

WHEREAS, the Board of Directors of the Corporation desires to authorize the officers of the Corporation, for and on behalf of the Corporation on its own behalf and, as the sole general partner, on behalf of the Partnership, as applicable, to execute such documents as they, individually or collectively, determine is necessary, desirable or appropriate to carry out the transactions contemplated in and to ratify such officers' prior actions related to the Property Acquisition Documents, PILOT Documents, the Partnership Documents, the Walker & Dunlop Loan Documents, the HOME Loan Documents and the Bridge Loan Documents.

NOW, THEREFORE, BE, AND IT IS HEREBY, RESOLVED, that the Corporation, acting on its own behalf and on behalf of the Partnership, as applicable, be and hereby is authorized to approve and to close those certain transactions contemplated in the Property Acquisition Documents, PILOT Documents, the Partnership Documents, the Walker & Dunlop Loan Documents, the HOME Loan Documents and the Bridge Loan Documents; and, further

RESOLVED, that each of the President, the Vice President and any other officer of the Corporation (each, an "Authorized Officer"), or any one of them acting alone, be and hereby is authorized and directed, on behalf of the Corporation, acting on its own behalf and as sole general partner of the Partnership, as applicable, without the necessity of the joinder by any other officer of the Corporation, to (i) execute and deliver (a) any and all instruments, documents and agreements deemed necessary or desirable by the Authorized Officer in connection with the acquisition of the Property, including but not

limited to the Property Acquisition Documents; (b) any and all instruments, documents and agreements deemed necessary or desirable by the Authorized Officer in connection with the Lease, including but not limited to the PILOT Documents and any other documents requiring the approval or consent of the Partnership or the Corporation; (c) the Partnership Documents, (d) any and all instruments, documents and agreements deemed necessary or desirable by the Authorized Officer to evidence and secure the Walker & Dunlop Loan, including, but not limited to, the Walker & Dunlop Loan Documents; (e) any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officer to evidence and secure the HOME Loan, including, but not limited to, the HOME Loan Documents; (f) any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officer to evidence and secure the Bridge Loan, including, but not limited to, the Bridge Loan Documents; and (g) any and all other instruments, documents and agreements deemed necessary or advisable by an Authorized Officer to carry out the transactions described herein; all in the form approved by the Authorized Officer executing same, the execution of same by such Authorized Officer to constitute conclusive evidence of the approval of same; and further (ii) take all such further action as they may consider necessary or desirable in connection with the transactions described herein and to take from time to time any actions deemed necessary or desirable by such officer to effectuate and comply with the terms of such agreements as are executed on behalf of the Corporation (on its own behalf and/or in its capacity as the sole general partner of the Partnership, as applicable) pursuant to the authorization contained herein; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of the Corporation (on its own behalf and on behalf of the Partnership, in its capacity as the sole general partner of the Partnership) by the officers of the Corporation 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 officers of the Corporation that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects; and, further

RESOLVED, that the Limited Partner, the Special Limited Partner, and their respective successors and assigns are hereby authorized to rely upon these resolutions, and upon any certificate of any officer of the Corporation with respect thereto, until receipt of actual written notice of the revocation thereof, and may conclusively presume that the persons designated as officers of the Corporation in any certificates signed by

any officer of the Corporation to hold such position until actual receipt of a certificate from the Corporation to the contrary; and, further

RESOLVED, that these resolutions may be executed and transmitted via facsimile, e-mail or other form of electronic transmission, and shall be deemed an original.

Approved at a meeting of the Board of Directors held this 24th day of April, 2025.

HARDIN VALLEY GP CORPORATION

By: _____
President

37795619.3

WESTERN HEIGHTS 2 GP CORPORATION

Date: April 17, 2025

To: Board of Commissioners

From: Nancy White, Secretary

Subject: **SPECIAL AGENDA**
Board Meeting of the Board of Directors
Thursday, April 24, 2025, 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. [\(Item 2 Attachment\)](#)

REDEVELOPMENT (Jim Hatfield)

3. Resolution authorizing Western Heights 2 GP Corporation, on behalf of Western Heights 2 LP, to negotiate and execute all documents required to effectuate the closing of Western Heights CNI Phase 2, a 52-unit mixed-income housing project for families. [\(Item 3 Attachment\)](#)
4. Adjourn.

WESTERN HEIGHTS 2 CORPORATION

ANNUAL MEETING MINUTES

The Board of Directors of the Western Heights 2 Corporation met on **May 29, 2024** at 901 N. Broadway, Knoxville, Tennessee 37917.

The meeting was called to order and a quorum declared at 6:09 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 *initial* meeting held on February 27, 2024. **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

With no further business to come before the Board, the meeting adjourned by consent at 6:10 p.m.

Benjamin M. Bentley, President

Approved:

ATTEST:

Nancy White, Secretary

Approved:

WESTERN HEIGHTS 2 GP CORPORATION

BOARD ACTION FORM - ITEM #3

MEETING DATE	April 24, 2025
AGENDA ITEM DESCRIPTION	Resolution authorizing Western Heights 2 GP Corporation, on behalf of Western Heights 2 LP, to negotiate and execute all documents required to effectuate the closing of Western Heights CNI Phase 2, a 52-unit mixed-income housing project for families.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Chief Development Officer
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:
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:
<h3 style="text-align: center; text-decoration: underline;">BACKGROUND</h3> <p>1. What is the objective of this action?</p> <p>The Project's owner entity and the Project's General Partner will need to enter into various customary agreements that are all required in order for the Project to close. Such documents include but are not limited to an amended partnership agreement, loan documents, construction contract, management agreement, assignments, AHAP, capital advance and regulatory agreements, CNI covenants, ground lease and PILOT, construction contract documents, and other related agreements.</p> <p>2. Why is the action needed now?</p> <p>Board approval is needed before closing which is expected to be in late May 2025.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>Western Heights 2 LP is the owner entity of the Project. Western Heights 2 GP Corporation is the General Partner. Brinshore Development, and their subsidiaries, will be our partner on this project and will serve as lead developer. JP Morgan Chase is providing the debt financing. US Bank is providing the tax credit equity. JA Fielden will serve as the general contractor.</p> <p>4. What are the long-term and short-term exposures?</p> <p>N/A</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC was previously awarded 9% tax credits from THDA for this project and \$40M HUD CNI grant in 2022.
ATTACHMENTS	Resolution

RESOLUTION NO. 2025-____

RESOLUTION OF THE BOARD OF DIRECTORS OF WESTERN HEIGHTS 2 GP CORPORATION REGARDING THE DEVELOPMENT AND FINANCING OF WESTERN HEIGHTS PHASE 2 AND THE EXECUTION OF DOCUMENTS RELATING THERETO

WHEREAS, the Board of Directors of Western Heights 2 GP Corporation (the “Corporation”) has met pursuant to proper notice; and

WHEREAS, the Corporation has been organized pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated, as an instrumentality of Knoxville's Community Development Corporation (“KCDC”); 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, by Sections 13-20-101 et seq., Tennessee Code Annotated, housing and redevelopment authorities in Tennessee are authorized through their respective governing bodies to finance and/or refinance housing and redevelopment projects; and

WHEREAS, to further the development of a 52-unit mixed-income housing development known as Western Heights Phase 2 on real property located at approximately 1253 W. Oak Hill Avenue in Knoxville, Tennessee (the “Project”), the Corporation formed Western Heights 2 LP, a Tennessee limited partnership (the “Partnership”); and

WHEREAS, the Corporation serves as the general partner of the Partnership, with KCDC serving as the initial limited partner and KTW Phase 2, LLC (“KTW”) serving as the special limited partner; and

WHEREAS, JPMorgan Chase Bank, N.A. (the “Bank”) has agreed to provide construction and permanent financing for the Project in an aggregate amount not to exceed \$18,000,000 for construction financing and \$6,500,000 for permanent financing, all or a portion of which funds will be loaned to the Partnership at a rate of interest equal to the Wall Street Journal Prime Rate minus 4% and a portion of which may be loaned at the prevailing market rate of interest, pursuant to one or more Promissory Notes and Loan Agreements between the Partnership and the Bank (together with such other documents, agreements, and security instruments referred to therein and/or required to be executed in connection therewith and any amendments thereto, the “Bank Loan Documents”); and

WHEREAS, KCDC, the City of Knoxville, Tennessee (the “City”) and the United States Department of Housing and Urban Development (“HUD”) have entered into a FY 2021 Choice Neighborhoods Implementation Grant Agreement pursuant to which HUD has agreed to provide financing for the development of the Project through HUD’s Choice Neighborhoods Implementation grant program (the “CNI Funds”), which CNI Funds will be contributed by HUD in the form of a grant to the KCDC; and

WHEREAS, KCDC desires to make a loan of CNI Funds to the Partnership to assist with the financing of the Project in an amount not to exceed \$2,000,000 (the “CNI Loan”), which loan will be evidenced by a promissory note and secured by a deed of trust (together with such other documents, agreements and instruments referred to therein and/or required to be executed in connection with the CNI Loan, the “CNI Loan Documents”); and

WHEREAS, KCDC desires to make an additional loan to the Partnership to assist with the financing of the Project in an amount not to exceed \$1,000,000 (the “Sponsor Loan”), which loan will be evidenced by a promissory note and a loan agreement and will be secured by a deed of trust (together with such other documents, agreements and instruments referred to therein and/or required to be executed in connection with the Sponsor Loan, the “Sponsor Loan Documents”); and

WHEREAS, KCDC desires to make an additional loan to the Partnership to assist with the financing of the Project in an amount not to exceed \$2,300,000 (the “City Funds Loan”), which loan will be evidenced by a promissory note and a loan agreement and will be secured by a deed of trust (together with such other documents, agreements and instruments referred to therein and/or required to be executed in connection with the City Funds Loan, the “City Funds Loan Documents”); and

WHEREAS, in connection with the financing of the Project, KCDC will record a Declaration of Condominium (the “Condominium Declaration”) pursuant to which KCDC will establish the Western Heights Phase 2 Condominium on the Property, including the Tax Credit Unit and the Medical Clinic Unit, as set forth in the Condominium Declaration; and

WHEREAS, KCDC and the Partnership desire to enter into a ground lease (the “Tax Credit Unit Ground Lease”), pursuant to which KCDC will lease the Tax Credit Unit to the Partnership on the terms set forth therein, which includes an up-front rental payment, which up front rental payment shall be financed by KCDC in whole or in part through a loan to the Partnership in an amount not to exceed \$700,000 (the “Seller Loan”) to be evidenced by a promissory note and secured by a deed of trust (together with such other documents, agreements and instruments referred to therein and/or required to be executed in connection therewith, the “Seller Loan Documents”); and

WHEREAS, the Lease also provides for a payment in lieu of taxes agreement between the Partnership and KCDC; and

WHEREAS, the Partnership desires to enter into a Master Lease with Western Heights Community Corporation, an instrumentality of KCDC, with respect to certain nonresidential space in the Tax Credit Unit lease (the "Master Lease"); and

WHEREAS, upon completion of construction of the Project, approximately 25 units in the Project will be subsidized through project-based Section 8 vouchers pursuant to a Housing Assistance Payments contract between the Partnership and HUD or KCDC, as applicable (the "HAP Contract"), which will be evidenced at closing by an Agreement to Enter Into a Housing Assistance Payments Contract (the "AHAP" and, together with the HAP Contract, the "HAP Documents");

WHEREAS, to proceed with the rehabilitation of the Project and to utilize low-income housing tax credits available pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, for said rehabilitation, the Corporation desires to:

- (i) authorize the transactions contemplated in the Bank Loan Documents, and authorize the execution and delivery by the Corporation, on behalf of itself and on behalf of the Partnership, as applicable, of the Bank Loan Documents;
- (ii) authorize the transactions contemplated by that certain Amended and Restated Agreement of Limited Partnership of the Partnership (the "Partnership Agreement") among the Corporation, KTW, as Class B Limited Partner, U.S. Bancorp Community Development Corporation or an affiliate thereof, as the investor limited partner, and KCDC, as withdrawing limited partner;
- (iii) authorize the execution and delivery by the Corporation, on behalf of the Partnership and on its own behalf, as applicable, of the Partnership Agreement and the documents and agreements ancillary thereto, including but not limited to a Development Services Agreement, a Guaranty, a Partnership Management Agreement, a Joint Marketing Agreement and a Purchase Option and Right of First Refusal Agreement (collectively, and together with the Partnership Agreement and all other documents required to be executed in connection with the Partnership Agreement, the "Equity Documents");
- (iv) authorize the transactions contemplated by the Tax Credit Unit Ground Lease, including but not limited to KCDC's lease of the Tax Credit Unit to the Partnership and the Partnership's agreement to a payment in lieu of taxes arrangement with KCDC, and authorize the execution by the Corporation, on behalf of the Partnership, of the Tax Credit Unit Ground Lease and the documents related thereto (the "Tax Credit Unit Ground Lease Documents");

- (v) authorize the transactions contemplated by the Master Lease, including but not limited to the Partnership's lease of certain nonresidential space within the Tax Credit Unit to Western Heights Community Corporation, and authorize the execution by the Corporation, on behalf of the Partnership, of the Master Lease and the documents related thereto (the "Master Lease Documents");
- (vi) authorize the Seller Loan to the Partnership and authorize the execution by the Corporation, on behalf of the Partnership, of the Seller Loan Documents;
- (vii) authorize the CNI Loan to the Partnership and authorize the execution by the Corporation, on behalf of the Partnership, and the Corporation, as applicable, of the CNI Loan Documents, together with any other documents, instruments and agreements required by HUD in connection with the CNI Funds (collectively, the "CNI Documents"); and
- (viii) authorize the Sponsor Loan to the Partnership and authorize the execution by the Corporation, on behalf of the Partnership, of the Sponsor Loan Documents; and
- (ix) authorize the City Funds Loan to the Partnership and authorize the execution by the Corporation, on behalf of the Partnership, of the City Funds Loan Documents; and
- (x) authorize the HAP Documents and authorize the execution by the Corporation, on behalf of the Partnership, of the HAP Documents; and
- (xi) authorize a construction contract between the Partnership and J.A. Fielden Co., Inc. and the documents related thereto for the construction of the Project (collectively, the "Construction Documents"), and authorize the execution by the Corporation, on behalf of the Partnership, and the Corporation, as applicable, of the Construction Documents;

Copies of the Bank Loan Documents, the Equity Documents, the Tax Credit Unit Ground Lease Documents, the Master Lease Documents, the Seller Loan Documents, the CNI Documents, the Sponsor Loan Documents, the City Funds Loan Documents, the HAP Documents and the Construction Documents shall be filed with the records of the Corporation; and

WHEREAS, the Board of Directors of the Corporation desires to authorize the officers of the Corporation, for and on behalf of the Corporation and the Partnership, to execute such documents as they, individually or collectively, determine are necessary, desirable or appropriate to carry out the transactions contemplated in and to ratify such officers' prior actions related to the Bank Loan Documents, the Equity Documents, the Tax Credit Unit Ground Lease Documents,

the Master Lease Documents, the Seller Loan Documents, the CNI Documents, the Sponsor Loan Documents, the City Funds Loan Documents, the HAP Documents and the Construction Documents.

NOW, THEREFORE, BE, AND IT IS HEREBY, RESOLVED, that the Corporation hereby authorizes those certain transactions contemplated in the Bank Loan Documents, the Equity Documents, the Tax Credit Unit Ground Lease Documents, the Master Lease Documents, the Seller Loan Documents, the CNI Documents, the Sponsor Loan Documents, the City Funds Loan Documents, the HAP Documents and the Construction Documents, and to the execution of the same by the Corporation on its own behalf and on behalf of the Partnership, as applicable; and, further

RESOLVED, that each of the President, the Vice President and any other officer of the Corporation (each, an "Authorized Officer"), or any one of them acting alone, be and hereby is authorized and directed, on behalf of the Corporation and on behalf of the Partnership, without the necessity of the joinder by any other officer of the Corporation, to (i) execute and deliver (a) any and all instruments, documents and agreements deemed necessary or desirable by the Authorized Officer in connection with the transactions contemplated herein, including, but not limited, to the Bank Loan Documents, the Equity Documents, the Tax Credit Unit Ground Lease Documents, the Master Lease Documents, the Seller Loan Documents, the CNI Documents, the Sponsor Loan Documents, the City Funds Loan Documents, the HAP Documents and the Construction Documents, and (b) any and all other instruments, documents and agreements deemed necessary or advisable by an Authorized Officer to carry out the transactions described herein and contemplated in the foregoing documents; all in the form approved by the Authorized Officer executing same, the execution of same by such Authorized Officer to constitute conclusive evidence of the approval of same; and further (ii) take all such further action as they may consider necessary or desirable in connection with the transactions described herein and to take from time to time any actions deemed necessary or desirable by such officer to effectuate and comply with the terms of such agreements as are executed on behalf of the Corporation and the Partnership pursuant to the authorization contained herein; and, further

RESOLVED, that any and all other actions heretofore taken on behalf of the Corporation (on its own behalf and on behalf of the Partnership, in its capacity as the general partner of the Partnership) by the officers of the Corporation 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 officers of the Corporation that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Approved at a meeting of the Board of Directors held this 24th day of April, 2025.

WESTERN HEIGHTS 2 GP CORPORATION

By: _____
President

37474640.4

WESTERN HEIGHTS COMMUNITY CORPORATION

Date: April 17, 2025

To: Board of Directors

From: Nancy White, Secretary

Subject: **INITIAL AGENDA**
Meeting of the Board of Directors
Thursday, April 24, 2025, 5 p.m.
901 N. Broadway
Knoxville, Tennessee 37917

1. Call to Order.

REDEVELOPMENT (Jim Hatfield)

2. Resolution regarding formation and organizational matters in connection with the closing of the Western Heights Phase 2. [\(Item 2 Attachment\)](#)
3. Adjourn.

WESTERN HEIGHTS COMMUNITY CORPORATION

BOARD ACTION FORM - ITEM #2

MEETING DATE	April 24, 2025
AGENDA ITEM DESCRIPTION	Resolution regarding formation and organizational matters of Western Heights Community Corporation in connection with the closing of the Western Heights Phase 2.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Chief Development Officer
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: \$ <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?</p> <p>This resolution allows for organizational matters and certain actions of Western Heights Community Corporation to be conducted including but not limited to filing of the corporate charter, electing officers, enabling the Corporation to enter into a master lease with Western Heights 2 LP and enter into subleases as required.</p>	
<p>2. Why is the action needed now?</p> <p>Board approval is needed before closing which is expected to be in late May 2025.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>WHCC will be the master lessee for the mixed use space and will lease the space pursuant to a lease from the owner entity, Western Heights 2 LP.</p>	
<p>4. What are the long-term and short-term exposures?</p> <p>This entity will be a direct subsidiary of KCDC and is being used for legal structuring purposes. No additional exposure to KCDC as a result of this resolution.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC was previously awarded 9% tax credits from THDA for this project and KCDC was also awarded a \$40M HUD CNI Grant. This is the first phase of development under the CNI grant.
ATTACHMENTS	Resolution

RESOLUTION NO. 2025-01

RESOLUTION OF THE BOARD OF DIRECTORS OF WESTERN HEIGHTS COMMUNITY CORPORATION REGARDING FORMATION AND ORGANIZATIONAL MATTERS AND APPROVAL OF CERTAIN LEASES

April 24, 2025

The board of directors of Western Heights Community 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 April 24, 2025, 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.

Master Lease with Western Heights 2 LP; Subleases

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 enter into a master lease (the "Master Lease") with Western Heights 2 LP (the "Partnership") with respect to certain commercial space owned by the Partnership, such Master Lease to be in a form substantially similar to the form of Master Lease presented to the board of directors of the Corporation, with such changes, deletions, additions and modifications as may be approved by the officer executing the same, the signature of such officer to serve as conclusive evidence of his or her approval of the same; and

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 enter into subleases with tenants to be selected by the officers of the Corporation, in accordance with the terms of the Master Lease, such subleases to be on terms approved by the officer executing the same, the signature of such officer to serve as conclusive evidence of his or her approval of the same.

Lease of Western Heights Phase 2 Medical Clinic Unit; Sublease

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 enter into a lease with KCDC with respect to the "Medical Clinic Unit" established by KCDC pursuant to that certain Declaration of Condominium to be recorded in connection with the financing of Phase 2 of Western Heights (the "Medical Clinic Lease"), such Medical Clinic Lease to be in a form substantially similar to the form presented to the board of directors of the Corporation, with such changes, deletions, additions and modifications as may be approved by the officer executing the same, the signature of such officer to serve as conclusive evidence of his or her approval of the same; and

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 enter into a sublease with the University of Tennessee Medical Center or an affiliate thereof with respect to the Medical Clinic Unit, such sublease to be on terms approved by the officer executing the same, the signature of such officer to serve as conclusive evidence of his or her approval of the same.

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 24rd day of April, 2025.

**WESTERN HEIGHTS COMMUNITY
CORPORATION**

By: _____
Secretary

EXHIBIT A

BY-LAWS OF WESTERN HEIGHTS COMMUNITY CORPORATION

These Bylaws shall regulate the business and affairs of Western Heights Community 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 24th day of April, 2025.