

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: February 21, 2026
To: Board of Commissioners
From: Benjamin M. Bentley, Secretary
Subject: **AGENDA**
Board Meeting of the Board of Commissioners
Thursday, February 26, 2026, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Motion to add, delete or postpone agenda items.
3. Reports of officers and special presentations.
4. Approval is requested to execute the minutes for the *regular* meeting held on January 29, 2026. **(Item 4 Attachment)**

NEW BUSINESS

Development (Jim Hatfield)

5. Approval is requested to award a contract for the demolition of buildings at Western Heights to TOA, LLC. **(Item 5 Attachment)**
6. Approval is requested to release certain development covenants set forth in a Special Warranty Deed dated May 16, 2005. **(Item 6 Attachment)**
7. Resolution authorizing certain guaranties in connection with the Five Points Phase 2, Five Points Phase 3 and Five Points Phase 4 developments. **(Item 7 Attachment)**

Procurement (Terry McKee)

8. Approval is requested to award a contract for replacement of HVAC units for KCDC's property Eastport 2. **(Item 8 Attachment)**

Unfinished Business
Public Forum
Adjournment

Next month's agenda review meeting will be held
Thursday, March 19, 2026 @ 5 p.m.
Next month's board meeting will be held
Thursday, March 26, 2026 @ 5 p.m.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **January 29, 2026** 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 Becky Wade
Vice Chair Felix Harris
Treasurer Nadim Jubran
Commissioner Kimberly Henry
Commissioner Kelly Johnson

Absent: Commissioner Robert Whetsel
Commissioner Martha Tate

Approval to execute the minutes for the *special* meeting held on December 4, 2025. **Commissioner Henry made the motion to approve the minutes. Commissioner Wade seconded the motion and all other Commissioners present voted "Aye."**

Secretary welcomed new commissioner, Kelly Johnson.

NEW BUSINESS

Approval to elect officers. **Commissioner Henry made a motion to elect the slate of officers. Commissioner Johnson seconded the motion. All Commissioners present voted "Aye."**

The newly-elected officers are:

Chair: Becky Wade
Vice Chair: Felix Harris
Treasurer: Nadim Jubran
Secretary: Benjamin Bentley

REDEVELOPMENT (Jim Hatfield)

Resolution authorizing amendments to the Financing Agreement and Indenture related to the Series 2024 MF Housing Bonds issued to support the development of Riella on Firth Avenue. **Commissioner Henry made a motion to approve. Commissioner Harris seconded the motion and all other Commissioners present voted "Aye."** Resolution No. 2026-01 is attached.

PUBLIC FORUM

None

With no further business to come before the Board, the meeting adjourned by consent at 5:13 p.m.

Becky Wade, Chair

Approved:

ATTEST:

Benjamin M. Bentley, Secretary

Approved:

DRAFT

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM 5

MEETING DATE	February 26, 2026
AGENDA ITEM DESCRIPTION	Approval is requested to award a contract for the demolition of buildings at Western Heights to TOA, LLC.
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 type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>750,000</u> Expenditure: \$ <u>579,000.00</u> Source of Funds: Public Housing Capital Funds
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 the demolition of approximately 132 vacant housing units in 26 two story buildings at Western Heights to the highest scoring proposer (TOA, LLC).</p>	
<p>2. Why is the action needed now? This is a critical step in KCDC's transformation of the Western Heights property. This contract is necessary to clear the site for the construction of new apartments and other facilities. Without this approval, the overall transformation timeline may be in jeopardy.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? The vendor (TOA, LLC) will conduct the demolition under the supervision of KCDC's Redevelopment Department.</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 ensuring that the demolition occurs according to the specification and on time. There are no long term on-going costs.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	This is routine demolition that continues the transformation of the Western Height property and it allows for the next steps (new construction) to proceed as currently timed.
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: February 21, 2026

SUBJECT: Approval of staff awarding the proposal for demolition of buildings at Western Heights to TOA, LLC.

KCDC's Procurement Policy requires written formal solicitations (publicly advertised and opened) for services that may exceed \$50,000. Staff requests Board approval of the following recommendation.

Scope of Work	Demolition of approximately 132 housing units, in 26 two story buildings, at its Western Heights property as part of the Western Heights transformation project.
Funding Source	Public Housing Capital Funds
Total Award Amount	\$579,000.00
Review Committee	Brad Richmond, Senior Development Associate Nathaniel Estabrooks, Director Real Estate and Development Terry McKee, Procurement Director
Solicitation Type	Request for Proposals
Vendor for Award	TOA, LLC.

Scoring Matrix	
Company	Score
All Star Construction & Demolition, LLC	97.16
Complete Demolition Services, LLC	109.52
DH Griffin Wrecking Co., Inc.	154.80
E Luke Greene. Co. Inc.	113.08
Environmental Abatement, Inc.	143.04
GCE Construction	111.50
Ingle Demolition & Salvage, Inc.	123.72
Reagan Investments, Inc.	111.18
Sunesis Environmental LLC	87.66
TOA	172.04



Total Demolition Services, Inc.	109.12
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 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:
Black Contractors Association+
Centro Hispano de East Tennessee+
Dodge Data & Analytics
Knox County's Supplier Diversity Office*+
Knoxville Area Urban League+
Knoxville Chamber Partnership
Knoxville's DBAC Office*+
Knoxville Equity Partners+
SCORE
SERC
Small Business Administration
Tennessee Minority Supplier Development Council+
Tennessee Small Business Development Center
Tennessee Valley Authority Diversity Outreach*+
U.S. Department of Commerce Minority Business Development Agency+
WJBE Radio+

* 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 6

MEETING DATE	February 26, 2026
AGENDA ITEM DESCRIPTION	Approval to release certain development covenants set forth in a Special Warranty Deed dated May 16, 2005.
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 type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>N/A</u> Expenditure: \$ <u>N/A</u> Source of Funds: <u>N/A</u>
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input 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? This action approves the release of certain development covenants that were imposed in a special warranty deed dated May 16, 2005 and with an instrument number of 200505120090796.</p>	
<p>2. Why is the action needed now? This deed was executed in 2005 pertaining to a development project that completed in 2006. Certain development covenants set forth in the deed are no longer applicable and need to be released by KCDC.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? KCDC as original property owner and Grantor under the deed. KCDC has the authority to release certain development covenants as set forth in the deed. BDT Development and Management as the developer of the project and Grantee under the deed.</p>	
<p>4. What are the long-term and short-term exposures? None. The project was completed in 2006/2007.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC transferred property to BDT Development and Management in 2005 to effectuate a redevelopment project.
ATTACHMENTS	Release document

This Instrument Was Prepared By:
Bass, Berry & Sims PLC (RES)
900 South Gay Street, Suite 1700
Knoxville, Tennessee 37902

RELEASE OF DEVELOPMENT COVENANTS

THIS RELEASE OF DEVELOPMENT COVENANTS (this “Release”) is executed and delivered effective as of the ___ day of February, 2026, by KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION (“KCDC”), a housing and redevelopment authority of the City of Knoxville, Tennessee organized under the Tennessee Housing Authority Law, Tenn. Code Ann. § 13-20-301 et seq.

RECITALS:

KCDC previously conveyed to BDT Development and Management, LLC, a Tennessee limited liability company (the “Developer”) certain real property more particularly described on Exhibit A attached hereto (the “Property”) by Special Warranty Deed of record as Instrument No. 200505120090796 in the Register's Office for Knox County, Tennessee (the “Deed”). The Deed imposes certain Development Covenants and Conditions (the “Development Covenants”) on the Developer with respect to the Property, all as more specifically described in the Deed and that certain Development Agreement Relating to Five Points Redevelopment Project by and between KCDC, the Developer and the other parties thereto dated as of February 17, 2004 (as the same has been amended from time to time, the “Development Agreement”).

Capitalized terms used herein, but not defined, shall have the same meaning ascribed to them in the Development Agreement.

Pursuant to Paragraph 3 of the Development Covenants, in the event of a breach or default of the Development Covenants that is not cured within eighteen (18) months after written notice to the Developer, then the Property will automatically revert to KCDC (the “Reversionary Right”).

KCDC has now determined that the Development Covenants and the Reversionary Right should be terminated and released.

NOW, THEREFORE, in consideration of the sum of one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, KCDC hereby releases the Development Covenants and the Reversionary Right contained in the Deed. This release shall not affect the Permanent Restrictions set forth in the Deed, which shall remain in full force and effect.

IN WITNESS WHEREOF, KCDC has caused this Release to be executed by its duly authorized officer as of the date first written above.

**KNOXVILLE’S COMMUNITY
DEVELOPMENT CORPORATION**

BY: _____
Benjamin M. Bentley
Secretary

STATE OF TENNESSEE)
COUNTY OF KNOX)

Before me, _____, a Notary Public in and for the County and State aforesaid, personally appeared **Benjamin M. Bentley**, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Secretary of Knoxville’s Community Development Corporation (“KCDC”), the within named bargainer, a housing and redevelopment authority of the City of Knoxville, and that he as such Secretary, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing his name as Secretary on behalf of KCDC.

WITNESS my hand and official seal this ____ day of _____, 2026.

NOTARY PUBLIC

My Commission Expires: _____

EXHIBIT A

SITUATED, LYING, AND BEING in the 1st Civil District of Knox County, Tennessee, within the 14th Ward of the City of Knoxville, Tennessee. And being more particularly bounded and described as follows to wit:

Beginning at an iron rod set on the eastern right of way of Ben Hur Avenue, a common corner with Lot 1, said iron rod set being located S86°23'17"E 201.00 feet from the centerline intersection of Martin Luther King, Jr. Avenue and Ben Hur Avenue, thence with the eastern right of way of Ben Hur Avenue the following three calls: 1) N74°07'56"W, a distance of 28.19 feet to an iron rod found; 2) N71°51'39"W, a distance of 66.25 feet to an iron rod set; 3) with a curve to the right having a radius of 25.00 feet, an arc distance of 49.54 feet, a chord bearing of N15°05'37"W, and a chord distance of 41.82 feet to an iron rod set on the southern right of way of Martin Luther King, Jr. Avenue, thence leaving the eastern right of way of Ben Hur Avenue and with the southern right of way of Martin Luther King, Jr. Avenue the following five calls: 1) N41°40'26"E, a distance of 61.93 feet to an iron rod set; 2) N71°51'39"W, a distance of 0.56 feet to an iron rod set; 3) N41°28'48"E, a distance of 153.15 feet to an iron rod set; 4) N41°28'48"E, a distance of 39.68 feet to an iron rod set; 5) N42°46'58"E, a distance of 199.07 feet to an iron rod set, a common corner with Lot 3, thence leaving the southern right of way of Martin Luther King, Jr. Avenue and with the line of Lot 3 S48°29'31"E, a distance of 307.81 feet to an iron rod set on the northern right of way of Louise Avenue, thence leaving the line of Lot 3 and with the northern right of way of Louise Avenue the following three calls: 1) S41°59'03"W, a distance of 92.44 feet to an iron rod found; 2) S41°45'17"W, a distance of 55.62 feet to an iron rod found; 3) S41°45'59"W, a distance of 43.35 feet to an iron rod set, a common corner with Lot 1, thence leaving the northern right of way of Louise Avenue and with the line of Lot 1 the following five calls: 1) N48°29'31"W, a distance of 84.32 feet to an iron rod set; 2) N72°29'31"W, a distance of 144.55 feet to an iron rod set; 3) N48°29'36"W, a distance of 38.32 feet to an iron rod set; 4) S41°33'54"W, a distance of 41.30 feet to an iron rod set; 5) S17°30'29"W, a distance of 160.47 feet to the POINT OF BEGINNING. Containing 86,938 square feet or 2.00 acres, according to the survey by Daniel P. Humphreys, R.L.S. Number 2060, of Site Inc., 2033 Castaic Lane, Suite 101, Knoxville TN 37932, dated August 20, 2004, last revised November 1, 2004, said survey bearing file number "1424 revised plat 3". All bearings are referenced thereon to Grid North of the City of Knoxville's Control System.

Being the same property granted to BDT Development and Management, LLC, a Tennessee limited liability company, by Knoxville's Community Development Corporation, a housing and redevelopment authority of the City of Knoxville, Tennessee, pursuant to Special Warranty Deed of record in the Office of the Register of Deeds of Knox County as Instrument No. 200505120090796.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM 7

MEETING DATE	February 26, 2026
AGENDA ITEM DESCRIPTION	Resolution authorizing certain guaranties in connection with the Five Points Phase 2, Phase 3, and Phase 4 developments.
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: <u>N/A</u>
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? To make KCDC a guarantor to the mortgage loans on Five Points Phase 2, Phase 3, and Phase 4 by authorizing KCDC officers to execute the guaranty documents with Home Federal Bank (the Lender).</p> <p>2. Why is the action needed now? The Lender has agreed to amend the loan documents for each phase to remove the debt service financial covenants and add KCDC as guarantor to the loan.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? Home Federal (Lender), Five Points 2 LP (Lender), Five Points 3 LP (Lender), Five Points 4 LP (Lender), KCDC (proposed Guarantor); KCDC is the 100% owner of Five Points 2, Five Points 3, and Five Points 4 Corporations. These corporations are the General Partners in each of the corresponding Limited Partnerships.</p> <p>4. What are the long-term and short-term exposures? The long-term exposure is that this would add to KCDC's contingent liabilities.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC previously closed on the financing with Home Federal Bank for these properties in 2017, 2018, and 2019.
ATTACHMENTS	Resolution and draft Guaranty

RESOLUTION NO. 2026-_____

RESOLUTION OF THE BOARD OF COMMISSIONERS OF KNOXVILLE'S
COMMUNITY DEVELOPMENT CORPORATION AUTHORIZING CERTAIN
GUARANTIES IN CONNECTION WITH THE FIVE POINTS PHASE 2, FIVE
POINTS PHASE 3 AND FIVE POINTS PHASE 4 DEVELOPMENTS

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 further the development of a low-income housing development known as Five Points Phase 2 in the City (the "Phase 2 Project"), KCDC (i) formed Five Points 2 Corporation (the "Phase 2 Corporation"), a Tennessee nonprofit corporation, pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated, as an instrumentality of KCDC, (ii) formed, with the Phase 2 Corporation, Five Points 2 LP, a Tennessee limited partnership (the "Phase 2 Partnership"), of which the Phase 2 Corporation is the general partner, and (iii) admitted Red Stone Equity Partners, LLC or an affiliate thereof as a limited partner in the Phase 2 Partnership in exchange for certain tax credit equity capital contributions used to support the development of the Phase 2 Project; and

WHEREAS, to further the development of a low-income housing development known as Five Points Phase 3 in the City (the "Phase 3 Project"), KCDC (i) formed Five Points 3 Corporation (the "Phase 3 Corporation"), a Tennessee nonprofit corporation, pursuant to Sections 13-20-101 et seq., Tennessee Code Annotated, as an instrumentality of KCDC, (ii) formed, with the Phase 3 Corporation, Five Points 3 LP, a Tennessee limited partnership (the "Phase 3 Partnership"), of which the Phase 3 Corporation is the general partner, and (iii) admitted Wells Fargo Affordable Housing Community Development Corporation or an affiliate thereof as a limited partner in the Phase 3 Partnership in exchange for certain tax credit equity capital contributions used to support the development of the Phase 3 Project; and

WHEREAS, to further the development of low-income housing development known as Five Points Phase 4 in the City (the "Phase 4 Project"), KCDC (i) formed Five Points 4 Corporation (the "Phase 4 Corporation") as an instrumentality of KCDC and (ii) formed, with the Phase 4 Corporation, Five Points 4 LP, a Tennessee limited partnership (the "Phase 4 Partnership"), of which the Phase 4 Corporation is the general partner; and (iii) admitted RSEP Holdings, LLC or an affiliate thereof as a limited partner in the Phase 4 Partnership in exchange for certain tax credit equity capital contributions used to support the development of the Phase 4 Project; and

WHEREAS, in connection with the development of the Phase 2 Project, the Phase 2 Partnership obtained a loan from Home Federal Bank of Tennessee (the "Bank") in an original principal amount of \$12,000,000 (the "Phase 2 Loan"); and

WHEREAS, in connection with the development of the Phase 3 Project, the Phase 3 Partnership obtained a loan from the Bank in an original principal amount of \$12,300,000 (the "Phase 3 Loan"); and

WHEREAS, in connection with the development of the Phase 4 Project, the Phase 4 Partnership obtained a loan from the Bank in an original principal amount of \$14,500,000 (the "Phase 4 Loan"); and

WHEREAS, to provide further support for the Phase 2 Project, the Phase 3 Project, and the Phase 4 Project, KCDC has agreed to provide guaranties to the Bank of the Phase 2 Loan, the Phase 3 Loan, and the Phase 4 Loan (collectively, the "Guaranties"); and

WHEREAS, the Board of Commissioners of KCDC desires to authorize the officers of KCDC to execute such documents as they, individually or collectively, determine are necessary, desirable or appropriate in connection with the Guaranties (collectively, the "Guaranty Documents").

NOW, THEREFORE, BE, AND IT IS HEREBY, RESOLVED, that each of (i) the Chairman, Vice Chairman and Secretary of KCDC (each, an "Authorized Officer"), acting alone or in combination with one another, is hereby authorized and directed to execute, 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 Guaranty Documents, and (b) any and all other instruments, documents and agreements deemed necessary or desirable 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 (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 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 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 26th day of February, 2026.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary

48932026.3

GUARANTY

THIS AGREEMENT (this "**Agreement**") is made as of December 31, 2025, by **KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION**, a housing and redevelopment authority organized under the laws of the State of Tennessee ("**Guarantor**") in favor of **HOME FEDERAL BANK OF TENNESSEE**, a federal savings bank (the "**Bank**"). Capitalized terms used herein but not defined shall have the meaning ascribed to such terms in that certain Construction and Term Loan Agreement dated as of May 23, 2017 between Five Points 2 LP, a Tennessee limited partnership (the "**Borrower**") and Bank, as amended by that certain Amendment to Construction and Term Loan Agreement of even date herewith (the "**Amendment**") (and as further amended from time to time, the "**Loan Agreement**").

WHEREAS, Borrower and Bank entered into that certain Construction and Term Loan Agreement dated as of May 23, 2017 (the "**Original Loan Agreement**"), pursuant to which Bank loaned to Borrower a construction loan of up to Twelve Million Dollars (\$12,000,000.00), which loan was guaranteed by Guarantor pursuant to that certain Guaranty dated May 23, 2017 made by Guarantor in favor of Bank (the "**Guaranty**");

WHEREAS, pursuant to the terms of the Original Loan Agreement, Bank later released Guarantor from the Guaranty, which release was confirmed by letter agreement from Bank to Guarantor dated March 5, 2019;

WHEREAS, Section 7.3(A) of the Original Loan Agreement required Borrower to meet and maintain the Debt Service Coverage Requirement (as defined and as further provided in the Original Loan Agreement);

WHEREAS, Borrower has failed to meet and maintain the Debt Service Coverage Requirement as contemplated by the Original Loan Agreement, and Guarantor seeks to induce Bank to eliminate the Debt Service Coverage Requirement in lieu of the Bank exercising any of its remedies for Borrower's failure to meet and maintain the Debt Service Coverage Requirement;

WHEREAS, the execution and delivery by Guarantor of this Agreement is a condition precedent to the Bank's agreement to eliminate the Debt Service Coverage Requirement, as Bank would not eliminate the Debt Service Coverage Requirement but for this Agreement; and,

WHEREAS, Guarantor will derive substantial benefits from the Bank eliminating the Debt Service Coverage Requirement.

NOW, THEREFORE, in consideration of the foregoing recitals, Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor agrees, covenants and represents as follows:

1. (a) Guarantor hereby absolutely and unconditionally guarantees to Bank the due, regular and punctual payment and prompt performance of all of the Obligations, including, but not limited to, the payment of all amounts owing under the Note, the Loan Agreement (including without limitation, the prepayment premium described in Section 3.3 thereof) and all Loan Documents and all Default Costs and Indemnified Losses in connection therewith. Further, Guarantor absolutely and unconditionally guarantees Completion of the Improvements and that the Completion Obligations (as defined below) shall be paid and performed strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or later in effect in any jurisdiction affecting any of such terms or the rights of Bank with respect to the terms. As used in this Agreement, "Completion of Improvements" shall mean that, in Bank's reasonable judgment, all of the conditions set forth in the Loan Agreement relating to construction and completion of the Improvements (the "Completion Obligations") shall have been satisfied, including, without limitation, Substantial Completion of the Project shall have occurred.

(b) This Guaranty is an unconditional guaranty, and Guarantor agrees that Bank, upon the occurrence of an Event of Default, shall not be required to assert any claim or cause of action against any Borrower Party or any other Person before asserting any claim or cause of action against any Guarantor under this Agreement. Furthermore, Guarantor agrees that Bank shall not be required to pursue or foreclose on any Collateral that it may receive from any Borrower Party or others as security for any Obligations before making a claim or asserting a cause of action against any Guarantor under this Agreement.

(c) The failure of Bank to perfect any portion of its security interest in any Collateral as set forth in the Loan Documents or any other Collateral now or hereafter securing all or any part of the Obligations, shall not release Guarantor from Guarantor's liabilities and obligations hereunder.

(d) To the extent permitted by law: notice of acceptance of this Agreement and of any default by any Borrower Party is hereby waived by Guarantor; presentment, protest, demand, and notice of protest and demand of any and all Collateral, and of the exercise of possessory remedies or foreclosure on any and all Collateral are hereby waived; and all settlements, compromises, compositions, accounts stated, and agreed balances in good faith between any primary or secondary obligors on any accounts received as Collateral shall be binding upon Guarantor.

(e) This Agreement shall not be affected, modified, or impaired by the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangements, composition with creditors or readjustment of, or other similar proceedings affecting Guarantor, any other Borrower Party, or any other guarantor, or any of the assets belonging to one or more of them, nor shall this Agreement be affected, modified or impaired by the invalidity of the Loan Agreement, the Note,

any of the other Loan Documents or any other document executed by any Borrower Party in connection with the Loan.

(f) Without notice to Guarantor, without the consent of Guarantor, and without affecting or limiting Guarantor's liability hereunder, Bank may:

(i) grant Borrower extensions of time for payment of the Obligations or any part thereof;

(ii) renew any of the Obligations;

(iii) grant Borrower extensions of time for performance of agreements or other indulgences;

(iv) at any time release any or all of the Collateral held by Bank as security for the Obligations;

(v) at any time release any other guarantor from any guarantor's guarantee of any of the Obligations;

(vi) compromise, settle, release, or terminate any or all of the Obligations, covenants, or agreements of Borrower under the Loan Agreement and/or any one or more of the other Loan Documents; and

(vii) with Borrower's written consent, modify or amend any obligation, covenant or agreement of Borrower set forth in the Loan Agreement and/or the other Loan Documents.

(g) This Agreement may not be terminated by Guarantor until such time as all Obligations, including any renewals or extensions thereof, have been paid and performed in full and such payments and performance of the Obligations have become final and are not subject to being refunded as a preference or fraudulent transfer under bankruptcy law or other applicable law.

2. Guarantor represents and warrants to Bank and covenants that Guarantor has received, reviewed and approved the Loan Documents, has full power and unrestricted right to enter into this Agreement, to incur the obligations provided for herein, and to execute and deliver the same to Bank, and that when executed and delivered, this Agreement will constitute a valid and legally binding obligation of Guarantor, enforceable in accordance with its terms. Guarantor acknowledges that Bank is relying upon such Guarantor's covenants herein in entering into the Amendment, and Guarantor undertakes to perform Guarantor's obligations hereunder promptly and in good faith.

3. Guarantor shall not exercise any rights which it may require by way of subrogation under this Guaranty, by virtue of any payment made under this Agreement or otherwise, until all the Obligations and Completion Obligations shall have been paid or performed in full. If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all

the Obligations and Completion Obligations shall not have been paid or performed in full, such amount shall be held in trust for the benefit of Bank and shall be paid immediately to Bank to be credited and applied upon the Obligations and/or Completion Obligations, as applicable, whether matured or unmatured, in such order as Bank, in its sole and absolute discretion, shall determine.

4. Guarantor covenants and agrees to furnish to Bank such information regarding the affairs, finances, and conditions of Guarantor and Guarantor's operations and properties as may be required of Guarantor under the Loan Agreement or as otherwise reasonably required by the Bank. Further Guarantor shall cause to be prepared and delivered to the Bank, the following:

(a) Within one hundred eighty (180) days after each fiscal year-end of Guarantor, (i) annual, fiscal year-end financial statements of Guarantor, including without limitation, a statement of income and expenses, balance sheet and statement of cash flow, audited by an independent Certified Public Accountant and showing the financial condition of Guarantor and the results of operations during such fiscal year, and (ii) a statement of the amount of each portion of cash, investments and net assets which do not constitute Restricted Assets (as defined in Section 16 below), which statement shall be addressed to the Bank and shall be certified by an officer of Guarantor; and

(b) Within ninety (90) days after each fiscal year-end of Guarantor, internally-prepared, annual fiscal year-end financial statements of Guarantor, including, without limitation, a statement of income and expenses, balance sheet and statement of cash flow, showing the financial condition of Guarantor and the results of operations during such fiscal year.

5. If Borrower is or shall hereafter be indebted to Bank for any obligations, liability or indebtedness other than the Obligations, and Bank should collect or receive any payments, funds or distributions which are not specifically required, by law or agreement, to be applied to the Obligations, Bank may, in its sole discretion, apply such payments, funds or distributions to indebtedness of Borrower other than the Obligations.

6. This Agreement shall be binding upon, and inure to the benefit of, Guarantor, Bank and their respective legal representatives, heirs, successors and assigns.

7. The validity, interpretation, enforcement and effect of this Agreement shall be governed by, and construed according to the laws of, the State of Tennessee. Guarantor and Bank consent that any legal action or proceeding arising hereunder shall be brought in the State and Federal courts in Knox County, Tennessee, and assent and submit to the personal jurisdiction of any such courts in any such action or proceeding

8. GUARANTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION ARISING OUT OF OR IN ANY WAY PERTAINING OR RELATING TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT

OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR IN CONNECTION WITH THE TRANSACTIONS RELATED HERETO OR THERETO OR CONTEMPLATED HEREBY OR THEREBY OR THE EXERCISE OF ANY RIGHTS AND REMEDIES HEREUNDER OR THEREUNDER, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. GUARANTOR AGREES THAT BANK MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED AGREEMENT OF GUARANTOR WITH BANK IRREVOCABLY TO WAIVE TRIAL BY JURY, AND THAT ANY DISPUTE OR CONTROVERSY WHATSOEVER BETWEEN THEM SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

9. In the event that any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall be construed as not containing such provisions and the invalidity of such provisions shall not affect other provisions hereof which are otherwise lawful and valid and shall remain in full force and effect.

10. Any notice or payment required hereunder or by reason of the application of any law shall be given and deemed delivered as provided in the Loan Agreement, and at the address of the applicable Person as provided on in the Loan Agreement, except no payment shall be deemed received until the actual receipt thereof. For purposes hereof, the address of Guarantor is Knoxville's Community Development Corporation, 901 N. Broadway Street, Knoxville, Tennessee 37917.

11. The failure at any time or times hereafter to require strict performance by any Guarantor of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document or instrument now or hereafter executed by Guarantor and delivered to Bank shall not waive, affect or diminish any right of Bank hereafter to demand strict compliance or performance therewith and with respect to any other provisions, warranties, terms and conditions contained in such agreements, documents and instruments, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto and whether of the same or a different type. None of the warranties, conditions, provisions and terms contained in this Agreement or in any agreement, document or instrument now or hereafter executed by Guarantor and delivered to Bank shall be deemed to have been waived by any act or knowledge of Bank, its agents, officers or employees, but only by an instrument in writing, signed by an officer of Bank, and directed to Guarantor specifying such waiver.

12. The obligations of Guarantor under this Agreement will continue to be effective or be reinstated, as the case might be, if at any time any payment from Borrower of any sum due to Bank is rescinded or must otherwise be restored or returned by Bank on the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or as a result of the appointment of a custodian, conservator, receiver, trustee or other officer with similar powers with respect to Borrower or any part of Borrower's property or otherwise. If an event permitting the acceleration of the maturity of the Loan has occurred and is continuing and such acceleration

is at such time prevented by reason of the pendency against Borrower of a proceeding under any bankruptcy law, Guarantor agree that, for the purposes of this Agreement and the obligations of Guarantor under this Agreement, the maturity of the Loan will be deemed to have been accelerated with the same effect as if Bank had accelerated the same in accordance with the terms of the Loan Agreement, the Note, any of the other Loan Documents or any other document executed in connection with the Loan, and Guarantor will immediately pay the unpaid balance of the Loan.

13. Guarantor will, on demand, reimburse Bank for all expenses incurred by Bank in connection with the preparation, administration, amendment, modification or enforcement of this Agreement, and if at any time hereafter Bank employs counsel to advise or provide other representation with respect to this Agreement or any other agreement, document or instrument heretofore, now or hereafter executed by any Guarantor and delivered to Bank with respect to Borrower or the Obligations, or to commence, defend or intervene, file a petition, complaint, answer, motion or other pleadings or to take any other action in or with respect to any suit or proceeding relating to this Agreement or any other agreement, instrument or document heretofore, now or hereafter executed by any Guarantor and delivered to Bank with respect to Borrower or the Obligations, or to represent Bank in any litigation with respect to the affairs of any Guarantor, or to enforce any rights of Bank or obligations of any Guarantor or any other Person which may be obligated to Bank by virtue of this Agreement or any other agreement, document or instrument heretofore, now or hereafter delivered to Bank by or for the benefit of any Guarantor with respect to Borrower or the Obligations or the Completion Obligations, or to collect from any Guarantor any amounts owing hereunder, then in any such event, all of the Attorneys' Fees incurred by Bank arising from such services and any expenses, costs and charges relating thereto shall constitute additional obligations of Guarantor payable on demand.

14. Guarantor, and by its acceptance of this Agreement, Bank, hereby confirms that it is the intention of such Guarantor and Bank that this Agreement and the obligations of such Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any other federal, state or foreign Bankruptcy, insolvency, receivership or similar law to the extent applicable to this Agreement and the obligations of Guarantor hereunder. To effectuate the foregoing intention, Guarantor and Bank hereby irrevocably agree that the obligations of Guarantor under this Agreement at any time shall be limited to the maximum amount as will result in the obligations of such Guarantor under this Agreement not constituting a fraudulent transfer or conveyance.

15. Except as provided in Paragraph 16, Guarantor hereby waives any rights of exemption of property from levy or sale under execution or other process for the collection of debts under the Constitution or laws of the United States or any state thereof as to any of the obligations created hereunder.

16. Bank, by acceptance of this Guaranty, acknowledges and agrees that Guarantor has no authority to pledge or encumber any assets (collectively, "Restricted Assets") that constitute a public housing project, any operating receipts of Guarantor (as such term "operating receipts" is defined in an Annual Contributions Contract ("ACC") entered into between Guarantor and the U.S. Department of Housing and Urban Development), any public housing operating reserve reflected in the Guarantor's annual operating budget and required under the ACC or are otherwise restricted as to their use by a governmental authority (other than Guarantor or its Affiliates) such that they cannot be legally used to fulfill Guarantor's obligations hereunder. Accordingly, Bank acknowledges and agrees that notwithstanding anything to the contrary contained herein, it has no legal right of recourse under this Guaranty against any assets of Guarantor that constitute Restricted Assets.

17. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, between Guarantor and Bank with respect to the subject matter hereof.

IN WITNESS WHEREOF, this instrument has been duly executed by Guarantor as of the day and year first above written.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION,
a housing and redevelopment authority organized
under the laws of the State of Tennessee**

By: _____

Name: _____

Title: _____

EXHIBIT A

SITUATED, LYING, AND BEING in the 1st Civil District of Knox County, Tennessee, within the 14th Ward of the City of Knoxville, Tennessee. And being more particularly bounded and described as follows to wit:

Beginning at an iron rod set on the eastern right of way of Ben Hur Avenue, a common corner with Lot 1, said iron rod set being located S86°23'17"E 201.00 feet from the centerline intersection of Martin Luther King, Jr. Avenue and Ben Hur Avenue, thence with the eastern right of way of Ben Hur Avenue the following three calls: 1) N74°07'56"W, a distance of 28.19 feet to an iron rod found; 2) N71°51'39"W, a distance of 66.25 feet to an iron rod set; 3) with a curve to the right having a radius of 25.00 feet, an arc distance of 49.54 feet, a chord bearing of N15°05'37"W, and a chord distance of 41.82 feet to an iron rod set on the southern right of way of Martin Luther King, Jr. Avenue, thence leaving the eastern right of way of Ben Hur Avenue and with the southern right of way of Martin Luther King, Jr. Avenue the following five calls: 1) N41°40'26"E, a distance of 61.93 feet to an iron rod set; 2) N71°51'39"W, a distance of 0.56 feet to an iron rod set; 3) N41°28'48"E, a distance of 153.15 feet to an iron rod set; 4) N41°28'48"E, a distance of 39.68 feet to an iron rod set; 5) N42°46'58"E, a distance of 199.07 feet to an iron rod set, a common corner with Lot 3, thence leaving the southern right of way of Martin Luther King, Jr. Avenue and with the line of Lot 3 S48°29'31"E, a distance of 307.81 feet to an iron rod set on the northern right of way of Louise Avenue, thence leaving the line of Lot 3 and with the northern right of way of Louise Avenue the following three calls: 1) S41°59'03"W, a distance of 92.44 feet to an iron rod found; 2) S41°45'17"W, a distance of 55.62 feet to an iron rod found; 3) S41°45'59"W, a distance of 43.35 feet to an iron rod set, a common corner with Lot 1, thence leaving the northern right of way of Louise Avenue and with the line of Lot 1 the following five calls: 1) N48°29'31"W, a distance of 84.32 feet to an iron rod set; 2) N72°29'31"W, a distance of 144.55 feet to an iron rod set; 3) N48°29'36"W, a distance of 38.32 feet to an iron rod set; 4) S41°33'54"W, a distance of 41.30 feet to an iron rod set; 5) S17°30'29"W, a distance of 160.47 feet to the POINT OF BEGINNING. Containing 86,938 square feet or 2.00 acres, according to the survey by Daniel P. Humphreys, R.L.S. Number 2060, of Site Inc., 2033 Castaic Lane, Suite 101, Knoxville TN 37932, dated August 20, 2004, last revised November 1, 2004, said survey bearing file number "1424 revised plat 3". All bearings are referenced thereon to Grid North of the City of Knoxville's Control System.

Being the same property granted to BDT Development and Management, LLC, a Tennessee limited liability company, by Knoxville's Community Development Corporation, a housing and redevelopment authority of the City of Knoxville, Tennessee, pursuant to Special Warranty Deed of record in the Office of the Register of Deeds of Knox County as Instrument No. 200505120090796.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM - ITEM 8

MEETING DATE	February 26, 2026
AGENDA ITEM DESCRIPTION	Approval is requested to award a contract for replacement of HVAC units for KCDC's property Eastport 2.
SUBMITTED BY	Name, Title / Department: Procurement, Terry McKee, Director
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: \$ <u>\$153,593.00</u> Source of Funds: HUD Replacement Reserves
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: Terry McKee/Procurement Director, Tim Hatmaker/Maintenance
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? This action approves the award of KCDC's solicitation for Replacement of HVAC Units for KCDC's property Eastport 2 with Tennessee Home Solutions, the lowest compliant bidder.</p>	
<p>2. Why is the action needed now? Replacement of HVAC units is needed now to mitigate the rising costs associated with repairing the existing HVAC system at the property.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)? The vendor will work with KCDC's Maintenance Director and site staff to provide these services.</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 ensuring HVAC systems are operational and functioning as intended. There are no longterm ongoing costs.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	This is a routine HVAC replacement project that is necessary as existing systems reach the end of their useful life. KCDC proposes to engage a vendor to install new auxiliary mini-split HVAC systems to replace the existing units in all 16 apartments in Building C at Eastport 2.
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: February 21, 2026

SUBJECT: Approval of staff awarding the bid for the replacement of HVAC units at Eastport 2. Success Letter to Tennessee Home Solutions.

KCDC’s Procurement Policy requires written formal solicitations (publicly advertised and opened) for services that may exceed \$50,000. Staff requests Board approval of the following recommendation.

Scope of Work	Installation of new auxiliary mini-split HVAC systems to replace existing HVAC units in all 16 apartments of Building C in Eastport 2.		
Funding Source	HUD Replacement Reserves		
Total Award Amount	\$153,593.00		
Review Committee	Tim Hatmaker, Maintenance Director Terry McKee, Procurement Director Emma Mitchell, Procurement Analyst & Advisor		
Solicitation Type	Invitation for Bids		
Vendor for Award	Tennessee Home Solutions, LLC.		
	Company	Proposed Total Cost	Recommended for Approval
	Tennessee Home Solutions, LLC.	\$153,593.00	Yes
	Air Quest America	\$165,800.00	No

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 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:

Black Contractors Association+

Centro Hispano de East Tennessee+

Dodge Data & Analytics

Knox County’s Supplier Diversity Office*+

Knoxville Area Urban League+

Knoxville Chamber Partnership

Knoxville’s DBAC Office*+

Knoxville Equity Partners+

SCORE

SERC

Small Business Administration

Tennessee Minority Supplier Development Council+

Tennessee Small Business Development Center

Tennessee Valley Authority Diversity Outreach*+

U.S. Department of Commerce Minority Business Development Agency+

WJBE Radio+

* Denotes an organization promoting/assisting Woman Owned Businesses

+ Denotes an organization promoting/assisting Minority Owned Businesses