

## WESTERN HEIGHTS 4 GP CORPORATION

### AGENDA

Special Meeting of the Board of Directors

Thursday, March 26, 2026, 5p.m.

901 N. Broadway

Knoxville, Tennessee 37917

1. Call to Order.
2. Approval is requested to execute the minutes for the *annual* meeting held on May 29, 2025. **(Item 2 Attachment)**

### DEVELOPMENT (Jim Hatfield)

3. Resolution authorizing Western Heights 4 GP Corporation, on behalf of Western Heights 4 LP, to negotiate and execute all documents required to effectuate the closing of Western Heights CNI Phase 4, a 47-unit mixed-income housing project for families. **(Item 3 Attachment)**
4. Adjourn

**WESTERN HEIGHTS 4 GP CORPORATION**

**ANNUAL MEETING MINUTES**

The Board of Directors of the Western Heights 4 GP Corporation met on **May 29, 2025** at 901 N. Broadway, Knoxville, Tennessee 37917 as a joint meeting together with the Boards of Directors of certain other instrumentalities of Knoxville's Community Development Corporation.

The meeting was called to order and a quorum declared present at 5:38 p.m. Those Directors present and absent were:

**Present:** Director Scott Broyles  
Director Felix Harris

**Absent:** Director Becky Wade

Approval to execute the minutes of the *annual* meeting held on May 29, 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:** Benjamin Bentley  
**Vice President:** Jim Hatfield  
**Secretary/Treasurer:** Nancy White

With no further business to come before the Board, the meeting adjourned by consent at 5:42 p.m.

\_\_\_\_\_  
Benjamin M. Bentley, President

Approved:

ATTEST:

\_\_\_\_\_  
. Secretary

Approved:

# WESTERN HEIGHTS 4 GP CORPORATION

## BOARD ACTION FORM

<b>MEETING DATE</b>	March 25, 2026
<b>AGENDA ITEM DESCRIPTION</b>	Resolution authorizing Western Heights 4 GP Corporation, on behalf of Western Heights 4 LP, to negotiate and execute all documents required to effectuate the closing of Western Heights CNI Phase 4, a 47-unit mixed-income housing project for families.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> Jim Hatfield, Chief Development Officer
<b>MEETING TYPE</b>	<input type="checkbox"/> Regular <input checked="" type="checkbox"/> Special <input type="checkbox"/> Annual
<b>CLASSIFICATION</b>	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
<b>BUDGET / FINANCIAL IMPACT</b>	Budgeted: \$ _____ Expenditure: \$ _____ Source of Funds:
<b>APPROVAL / REVIEWS</b>	<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: _____
<b><u>BACKGROUND</u></b>	
<b>1. What is the objective of this action?</b>	
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.	
<b>2. Why is the action needed now?</b>	
Board approval is needed before closing which is expected to be in April 2026.	
<b>3. Who are the parties involved and what are their roles (if appropriate)?</b>	
Western Heights 4 LP is the owner entity of the Project. Western Heights 4 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. The Richman Group is providing the tax credit equity. JA Fielden will serve as the general contractor.	
<b>4. What are the long-term and short-term exposures?</b>	
N/A	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	KCDC was previously awarded 9% tax credits from THDA for this project and \$40M HUD CNI grant in 2022.
<b>ATTACHMENTS</b>	Resolution

**RESOLUTION NO. 2026-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF WESTERN HEIGHTS 4 GP CORPORATION REGARDING THE DEVELOPMENT OF AND FINANCING FOR WESTERN HEIGHTS PHASE 4 (THE ARBOR AT BEAUMONT) AND THE EXECUTION OF DOCUMENTS RELATING THERETO**

**WHEREAS**, the Board of Directors of Western Heights 4 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 47-unit mixed-income housing development known as Western Heights Phase 4 (The Arbor at Beaumont) on real property located at approximately 1301 West Oldham Avenue, 1313 West Oak Hill Avenue, 1327 West Oak Hill Avenue, and 1355 West Oak Hill Avenue in Knoxville, Tennessee (the “Project”), the Corporation formed Western Heights 4 LP, a Tennessee limited partnership (the “Partnership”); and

**WHEREAS**, the Corporation serves as the general partner of the Partnership, with KCDC serving as limited partner and KTW Phase 4, LLC (“KTW”) serving as the special limited partner; and

**WHEREAS**, JPMorgan Chase Bank, N.A. (the “Construction Lender”) has agreed to provide construction financing for the Project in an aggregate amount not to exceed \$16,000,000 (the “Construction Loan”), which funds will be loaned to the Partnership at a rate of interest equal to the Wall Street Journal Prime Rate minus 4%, pursuant to a promissory notes and loan agreement between the Partnership and the Construction Lender (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 “Construction Loan Documents”); and

**WHEREAS**, Legacy Bank and Trust Company (the "Permanent Lender") has agreed to provide permanent financing for the Project in an aggregate amount not to exceed \$5,000,000, which funds will be loaned to the Partnership following completion of construction and upon repayment of the Construction Loan, pursuant to a promissory note and loan agreement between the Partnership and the Permanent Lender (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 "Permanent 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 \$4,500,000 (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 \$1,500,000 (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 and the Partnership desire to enter into a ground lease (the "Lease"), pursuant to which KCDC will lease the Project 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 \$800,000 (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**, upon completion of construction of the Project, approximately 23 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"); and

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 Construction 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 Construction Loan Documents;
- (ii) authorize the transactions contemplated in the Permanent 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 Permanent Loan Documents;
- (iii) authorize the transactions contemplated by that certain Amended and Restated Agreement of Limited Partnership Agreement of the Partnership (the “Partnership Agreement”) among the Corporation, KTW, as Class B Limited Partner, USA Institutional Western Heights 4 LLC, as the investor limited partner, the Richman Group Capital Corporation, as the special limited partner, and KCDC, as withdrawing limited partner;
- (iv) 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 Agreement, Partnership Administration Services Agreement and Right of First Refusal Agreement and Purchase Option Agreement (collectively, and together with the Partnership Agreement, the “Equity Documents”);
- (v) authorize the transactions contemplated by the Lease, including but not limited to KCDC’s lease of the Property 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, and the Corporation, as applicable, of the Lease and the documents related thereto (the “Ground Lease Documents”);
- (vi) authorize the Seller Loan to the Partnership and authorizes 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 HAP Documents and authorize the execution by the Corporation, on behalf of the Partnership, of the HAP Documents; and
- (x) 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 Construction Loan Documents, the Permanent Loan Documents, the Equity Documents, the Ground Lease Documents, the Seller Loan Documents, the CNI Documents, the Sponsor 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 is necessary, desirable or appropriate to carry out the transactions contemplated in and to ratify such officers' prior actions related to the Construction Loan Documents, the Permanent Loan Documents, the Equity Documents, the Ground Lease Documents, the Seller Loan Documents, the CNI Documents, the Sponsor Loan Documents, the HAP Documents and the Construction Documents; and

**WHEREAS**, in addition to the foregoing, there is currently a vacancy in the office of Secretary of the Corporation, and the Board of Directors of the Corporation desires to appoint Randall Brown as Secretary of the Corporation.

**NOW, THEREFORE, BE, AND IT IS HEREBY, RESOLVED**, that the Corporation hereby authorizes those certain transactions contemplated in the Construction Loan Documents, the Permanent Loan Documents, the Equity Documents, the Ground Lease Documents, the Seller Loan Documents, the CNI Documents, the Sponsor 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, the Secretary 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 and in the Construction Loan Documents, the Permanent Loan Documents, the Equity Documents, the Ground Lease Documents, the Seller Loan Documents, the CNI Documents, the Sponsor 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; 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; and, further

**RESOLVED**, that Randall Brown is hereby appointed as Secretary of the Corporation.

Approved at a meeting of the Board of Directors held this 26<sup>th</sup> day of March, 2026.

By: \_\_\_\_\_  
President

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