

Board Members:

Greg McWhorter
Paul Fortunato
Terry Henley
Julie Wheeler
Tiffany Gardner
Anthony Wise
Rick Gentry
Alvin Nance
Shannon Coleman Egle
Mike George



The Health, Educational and Housing Facility Board of the County of Knox

Regular Meeting
Tuesday, July 12, 2022, 4:15 p.m.
17 Market Square, #201
Knoxville, Tennessee 37902

AGENDA

- I. Call to Order
- II. Approval of Minutes from Previous Meeting
ACTION A) Regular Meeting – June 14, 2022
- III. Finance Report
ACTION
- IV. Review and consideration of a preliminary bond resolution of the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox relative to the issuance of revenue bonds for Strawberry Plains Pointe to be located at or near 730 Rufus Graham Rd., Knoxville, TN 37924, in a principal amount not to exceed \$18,000,000 to finance the acquisition and construction of an approximately 100 unit housing facility for low and moderate income citizens in Knox County.
ACTION
- V. Review and Consideration for a Resolution Regarding the Appointment of Authorized Signatories for Banking Matters.
ACTION
- VI. Old Business
- VII. New Business
- VIII. Adjourn

**MINUTES OF THE REGULAR MEETING OF THE
HEALTH, EDUCATIONAL & HOUSING FACILITY BOARD OF THE COUNTY OF KNOX**

May 10, 2022, 4:15 p.m.

The regular meeting of the Board of Directors of the Health, Educational & Housing Facility Board of the County of Knox (the “Health, Ed Board” or “Board”) was held on Tuesday, May 10, 2022, at 4:15 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held at the offices of the Knoxville Chamber and The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

The following Directors were present at the meeting, Greg McWhorter (Chair), Paul Fortunato (Vice Chair), Tiffany Gardner (Secretary), Dr. Anthony Wise, Terry Henley, Julie Wheeler.

Also, in attendance were Mike Odom (The Development Corporation), Brenda Wilson Spence (The Development Corporation), Mac McWhorter (Knoxville Chamber), Karen Kakanis (Knoxville Chamber), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Sam Louderback (Legal Counsel - Egerton, McAfee, Armistead & Davis, P.C.), Katrina Vargas (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), James P. Moneyhun, Jr. (Bass Berry & Sims), John Huber (Huber Properties, LLC).

I. Greg McWhorter, the Board’s Chair, called the Health, Ed Board meeting to order. The Agenda of the Health, Ed Board meeting is attached hereto as Exhibit A.

The Health, Ed Board then discussed the following matters and took the following actions as noted:

II. Review/ Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the regular meeting held on May 10, 2022. There were none.

Upon a motion by Paul Fortunato and a second by Dr. Anthony Wise, the minutes of the May 10, 2022, meeting were unanimously approved. A copy of the minutes are attached hereto as Exhibit B.

III. Preliminary Bond Resolution for Callahan Flats, a Project of Callahan Flats GP, LLC.

James P. Moneyhun, Jr., bond counsel for affordable housing complex, described the subject project sponsored by Knoxville Leadership Foundation to be known as Callahan Flats, stating that is an approximately 88-unit housing facility for low and moderate-income citizens to be located at 1511 and 1517 Callahan Drive in Knoxville, Tennessee. Mr. Moneyhun stated that the applicant is seeking bond cap allocation and 4% affordable housing tax credits and is requesting that the proposed preliminary inducement resolution be approved by the Board. Mr. Moneyhun stated that the issuance of bonds will not exceed a principal amount of \$18 million and will be non-recourse to the Board.

The Chair then called the TEFRA hearing to order and opened the floor for public comment. There was none. The TEFRA hearing was then closed. Further discussion was had by the Board.

McWhorter asked question regarding level of services being provided, including serving the

homeless community – Moneyhun said aimed to affordable housing community, not necessarily to address the homeless population. He stated that, currently, there is not much affordable housing stock in the area and that the parcels already have sidewalks and are readily accessible to commercial areas and needed services.

Upon a motion by Paul Fortunato and a second by Tiffany Gardner, the preliminary bond inducement resolution attached hereto as Exhibit C was unanimously approved.

IV. Preliminary Bond Resolution for The Village at Inskip, L.P.

James P. Moneyhun, Jr., bond counsel for affordable housing complex presented the project to the Board, introducing John Huber to the Board. Mr. Huber described the project which includes 120 units of affordable housing in north central Knox County at Dutch Valley Road and Bruhin. He explained that the project will have 1, 2, and 3 bedroom units and that certain units will be rented solely to tenants having annual incomes which are 50% and 60% of the average median income for the area. He stated that a market study found there are 800 units of demand in that market area, so the project is much needed for the area. He stated that total construction costs are estimated to be around \$35,000,000. Mr. Henley asked what the proposed rents would be, and Mr. Huber explained that rents would be between \$800 and \$900 for 1 bedroom units, \$1000 for 2 bedroom units, and \$1100 for 3 bedroom units. He also stated that they are working with KCDC to be eligible for Section 8 vouchers.

The Chair then called the TEFRA hearing to order and opened the floor for public comment. There was none. The TEFRA hearing was then closed. Further discussion was had by the Board.

Upon a motion by Tiffany Gardner and a second by Dr. Anthony Wise, the preliminary bond inducement resolution attached hereto as Exhibit D was unanimously approved.

V. Nominating Committee Report.

Tiffany Gardner presented the Nominating Committee Report, mentioning committee appointments will be deferred until after new board members are appointed by Knox County Commission.

Nominations for Officers are:

Paul Fortunato	as Chair
Tiffany Gardner	as Vice Chair
Shannon Coleman Egle	as Secretary/Treasurer
Terry Henley	as Assistant Secretary/Treasurer

Board Nominations are:

Charlie Bible (Ka-Tom) – recommended by Mayor Glenn Jacobs
Lisa Rottman (Stowers Machinery) – recommended by Mayor Glenn Jacobs
Lou Moran (Inter Agency Insurance Services) – recommended by Mayor Glenn Jacobs
Ford Little (Construction Related Practice) – recommended by Greg McWhorter
Cayce Smith Petko – recommended by Mike George
Dr. Anthony Wise – current director

Upon a motion by Dr. Anthony Wise, and a second by Tiffany Gardner, the appointment of the above officers was unanimously approved, such appointment to be effective as of July 15, 2022.

Upon a motion by Paul Fortunato, and a second by Julie Wheeler, the above board nominees were unanimously approved for submission to the Knox County Commission for its consideration.

VI. New Business. None.

VII. Next Meeting. The next regular meeting of the Health, Ed Board of the County of Knox is scheduled for July 21, 2022, at 4:00 p.m. at the offices of the Knoxville Chamber and The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

VIII. Adjournment. No further business having come before the Board and upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 4:25 p.m.

Dated

Tiffany E. Gardner, Secretary

DRAFT

EXHIBITS

Exhibit A Agenda – May 10, 2022

Exhibit B April 12, 2022 Minutes

DRAFT

The Health, Educational and Housing Facility Board of the County of Knox
Balance Sheet with Prior Year Comparison
As of June 30, 2022

	As of June 30, 2022	As of June 30, 2021 (PY)
ASSETS		
Current Assets		
Bank Accounts		
100-000 Cash - Checking	197,659.19	76,876.84
104-000 Cash - Money Market	224,038.51	223,580.72
Total Bank Accounts	\$ 421,697.70	\$ 300,457.56
Other Current Assets		
127-000 Prepaid Insurance	4,833.32	4,233.32
Total Other Current Assets	\$ 4,833.32	\$ 4,233.32
Total Current Assets	\$ 426,531.02	\$ 304,690.88
TOTAL ASSETS	\$ 426,531.02	\$ 304,690.88
LIABILITIES AND EQUITY		
Liabilities		
Long-Term Liabilities		
250-000 Deferred Revenue	39,953.22	
Total Long-Term Liabilities	\$ 39,953.22	\$ -
Total Liabilities	\$ 39,953.22	\$ -
Equity		
300-000 Opening Balance Equity	44,772.55	44,772.55
320-000 Retained Earnings	334,857.08	257,553.29
Net Income	6,948.17	2,365.04
Total Equity	\$ 386,577.80	\$ 304,690.88
TOTAL LIABILITIES AND EQUITY	\$ 426,531.02	\$ 304,690.88

The Health, Educational and Housing Facility Board of the County of Knox
Budget Variance Report
For the 3 Periods Ended June 30, 2022

	June 2022			April 2022 - June 2022			April 2022 - March 2023	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Remaining
Income								
410-000 Interest Revenue	61	125	(64)	132	375	(243)	1,500	91%
420-000 Base Rent Revenue	-	344	(344)	-	1,033	(1,033)	4,130	100%
435-000 Application Revenue	12,000	1,667	10,333	12,000	5,000	7,000	20,000	40%
445-000 Agenda Revenue	-	166	(166)	-	500	(500)	2,000	100%
447-000 Appropriation - Retained Earnings	-	352	(352)	-	1,055	(1,055)	4,220	100%
Total Income	\$ 12,061	\$ 2,654	\$ 9,407	\$ 12,132	\$ 7,963	\$ 4,169	\$ 31,850	56%
Expenses								
502-001 Operating Expenses	138	58	79	213	175	38	700	70%
503-001 Advertising Expenses	114	83	31	159	250	(91)	1,000	84%
504-001 Administrative Expenses (TDC)	750	750	-	2,250	2,250	-	9,000	75%
507-001 Insurance Expense	604	604	-	1,813	1,813	(0)	7,250	75%
511-001 Accounting Expense	-	492	(492)	-	1,475	(1,475)	5,900	100%
512-001 Legal Expense	250	667	(417)	750	2,000	(1,250)	8,000	91%
Total Expenses	\$ 1,856	\$ 2,654	\$ (798)	\$ 5,184	\$ 7,963	\$ (2,779)	\$ 31,850	84%
Net Operating Income	\$ 10,206	\$ -	\$ 10,206	\$ 6,948	\$ -	\$ 6,948		

The Health, Educational and Housing Facility Board of the County of Knox
Income Statement with Prior Year Comparison
For the 3 Periods Ended June 30, 2022

	<u>April - June, 2022</u>	<u>April - June, 2021 (PY)</u>
Income		
410-000 Interest Revenue	132.47	558.45
435-000 Application Revenue	12,000.00	9,000.00
445-000 Agenda Revenue	-	1,500.00
Total Income	\$ 12,132.47	\$ 11,058.45
Gross Profit	\$ 12,132.47	\$ 11,058.45
Expenses		
502-001 Operating Expenses	212.65	154.92
503-001 Advertising Expenses	159.14	200.98
504-001 Administrative Expenses (TDC)	2,250.00	2,250.00
507-001 Insurance Expense	1,812.51	1,587.51
511-001 Accounting Expense	-	3,750.00
512-001 Legal Expense	750.00	750.00
Total Expenses	\$ 5,184.30	\$ 8,693.41
Net Operating Income	\$ 6,948.17	\$ 2,365.04
Net Income	\$ 6,948.17	\$ 2,365.04

RESOLUTION AUTHORIZING, SUBJECT TO THE SUBMISSION OF SATISFACTORY IMPLEMENTING DOCUMENTS, THE ISSUANCE OF NOT TO EXCEED \$18,000,000 IN MULTIFAMILY HOUSING REVENUE BONDS AND/OR NOTES, FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN LOW AND MODERATE INCOME HOUSING FACILITIES, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT IN CONNECTION THEREWITH.

WHEREAS, The Health, Educational and Housing Facility Board of the County of Knox (the "Issuer") is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of the Health, Educational and Housing Facility Corporation Act, Section 48-101-301, et seq. of the Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, the purpose of said Act, as stated therein, is to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, acquire, own, lease, and/or dispose of properties to the end that such corporations may be able to, among other things, promote the development of safe and sanitary multi-family housing facilities to be used by persons of low and/or moderate income; and

WHEREAS, the Issuer is authorized by the Act to, among other things, enter into loan and lease agreements with others with respect to one or more "projects," as defined in the Act, for such payments and upon such terms as the Board of Directors of the Issuer may deem advisable in accordance with the provisions of the Act, to issue its revenue bonds pursuant to the provisions of the Act for the purpose of carrying out any of its powers, and, as security for the payment of the principal of, and interest on, any such bonds so issued, to pledge the revenues and receipts therefrom, and/or to assign and pledge all or any part of its interests in, and rights under, the loan and lease agreements relating thereto; and

WHEREAS, Strawberry Plains Hall Apartments, LP, or an affiliate thereof (the "Applicant"), has requested that the Issuer issue its revenue bonds and loan the proceeds from the sale of such bonds to the Borrower to finance the acquisition, construction and equipping of an approximate 100-unit low and moderate income housing facility currently to be located at or near 730 Rufus Graham Rd., Knoxville, TN 37924 to be developed by the Applicant (the "Project"); and

WHEREAS, the Issuer has determined that it will be in furtherance of the public purpose of the Constitution and the laws of the State of Tennessee, including particularly the Act, to issue its revenue bonds in amount not to exceed \$18,000,000 (the "Bonds") to finance the costs of the Project; and

WHEREAS, prior to the issuance of the Bonds, Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), as amended, requires that the Issuer hold a public hearing (the "Public Hearing"), following reasonable notice of such hearing (the "Public Notice"), in connection with the Bonds;

WHEREAS, there has been prepared and submitted to this meeting of the Board of Directors of the Issuer a proposed Inducement Agreement (the "Agreement") to be executed by the Issuer and the Applicant in connection with the Project, a copy of such Agreement being attached hereto and incorporated herein as fully as though copied; and,

WHEREAS, the Issuer is of the opinion that the issuance of the Bonds and the establishment of the Project will effectuate the public purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX AS FOLLOWS:

(1) The Issuer finds that a valid public purpose would be served by the acquisition, construction and equipping of the Project.

(2) The Issuer hereby authorizes, subject only to the submission of implementing documents, satisfactory to the Issuer and its legal counsel, and satisfaction of all public approval requirements under Section 147(f) of the Code, the issuance of the Bonds in an amount not to exceed \$18,000,000 for the purposes specified in the preamble hereto and the Agreement.

(3) The form, content, and provisions of the Agreement are hereby approved, and the Chair and the Vice Chair, or either of them, of the Issuer are hereby authorized and directed to execute and deliver such Agreement on behalf of the Issuer, with such changes therein as they, or either of them, may approve, the signature affixed hereto of such Chair or Vice Chair to be conclusive evidence of such approval.

(4) The Issuer makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. §1.150-2 pursuant to the Code, as amended, and based upon the representations of the Applicant:

(a) The Applicant reasonably expects to reimburse itself for the Project expenditures with proceeds of the Bonds.

(b) The maximum principal amount of debt expected to be issued for the reimbursement purposes described herein is not to exceed \$18,000,000.

(c) Reimbursement of the expenditures described in (a) above with the proceeds of the borrowing described herein will occur not earlier than the date on which the expenditure is paid and not later than the later of (1) the date that is 18 months after the date on which the expenditure is paid, or (2) the date on which the Project is placed in service or abandoned (but in no case more than 3 years after the day on which the expenditure is paid).

(d) The expenditures described in (a) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1, which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election)

under general Federal income tax principles (as determined at the time the expenditure is paid).

(e) Without limiting the generality of the foregoing, the Issuer acknowledges that Applicant will be filing, and agrees to cooperate with the Applicant in executing, along with the Applicant, a Multi-Family Tax-Exempt Bond Authority Application (the "Application") to be prepared by the Applicant and submitted to the Tennessee Housing Development Agency ("THDA") with respect to the Project. The Applicant acknowledges that all information provided in the Application, other than the name and address of the Issuer, is to be provided by the Applicant and not by the Issuer and that the Issuer has no responsibility as to the accuracy of such information. The Applicant agrees to indemnify and hold harmless the Issuer and its directors, officers, employees and agents from any claims, liabilities, costs or expenses that may arise as a result of the inaccuracy of any information contained in the Application or the submission of the Application.

[Signature Page to Resolution]

**STATE OF TENNESSEE
COUNTY OF KNOX**

I, _____, Chair of The Health, Educational and Housing Facility Board of the County of Knox (the "HEB"), do hereby certify that the foregoing is a true and complete extract of the minutes of the Board of Directors of the HEB at a meeting duly called and held on July 12, 2022, and sets forth so much of said minutes as in any way relates to the introduction, consideration and passage of the resolution therein set forth. Public notice of said meeting was given pursuant to and in compliance with all provisions of law.

**THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX**

Chair

Dated: _____

**INDUCEMENT AGREEMENT
(Housing)**

THIS INDUCEMENT AGREEMENT entered into this ____ day of _____, 2022, by and between The Health, Educational and Housing Facility Board of the County of Knox, Tennessee (the "Issuer") and Strawberry Plains Hall Apartments, LP, (the "Applicant").

RECITALS:

1. The Issuer is authorized pursuant to Chapter 101, Part 3 of Title 48, Tennessee Code Annotated (T.C.A. §48-101-301 et seq.) as amended, (the "Act") to issue its Bonds and take other actions to finance the development of certain multi-family housing facilities;
2. The Applicant intends to develop a 100-unit multi-family housing development to be known as Strawberry Plains Pointe Apartments, located at or near 730 Rufus Graham Road, Knoxville, Tennessee (the "Project"). The Project is expected to cost approximately \$30,000,000. The Applicant has requested the Issuer to assist the Applicant in defraying the costs of the Project by issuing its Bonds as an incentive for the development;
3. The Bonds of the Issuer shall be limited obligations of the Issuer payable solely out of a pledge of the revenues and receipts of the Project and may take the form of a note or other evidence of indebtedness. No holder of any such Bonds shall have the right to compel any exercise of the taxing power of the State of Tennessee, the County of Knox, or any political subdivision thereof and such Bonds shall not constitute a debt, liability or obligation of the State of Tennessee, County of Knox, or any political subdivision thereof. The Issuer has no taxing power; and,
4. The Issuer finds that the financing as herein described will further the purposes of the Act. Subject to due compliance with all requirements of law and this Agreement, the Issuer will, subject to receipt of satisfactory financial information concerning the Project and debt service and of adequate assurance from the Applicant that there are one or more purchasers for the Bonds, issue and sell its Bonds in an aggregate principal amount not to exceed \$18,000,000 (or such greater amount as the Issuer may determine is reasonably necessary to pay the costs of the Project) (the "Bonds").

Now therefore in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Undertakings on the Part of the Issuer. Subject to the conditions herein stated, the Issuer agrees as follows:

(a) The Issuer has determined that the Project is in the public interest and it will authorize the issuance and sale of the Bonds pursuant to its lawful and constitutional authority;

(b) The Issuer's obligation to issue Bonds shall be subject to and expressly contingent upon (i) the Issuer's approval in all respects of the final terms, conditions and documentation of the financing documents and to the continuing validity of all representations made to the Issuer by the Applicant in connection with its Application, (ii) compliance by the Applicant with the Issuer's

Policies and Procedures satisfactory in all respects to the Issuer; and (iii) the condition that nothing contained in this Agreement shall result in the County of Knox, Tennessee becoming liable for the payment of principal, premium, if any, or interest on the Bonds, nor for the performance of any pledge, mortgage, obligation or agreement in connection with the Project or the Bonds.

2. Undertakings on the Part of the Applicant. Subject to the conditions above stated, the Applicant agrees as follows:

(a) The Project shall consist of multi-family residential units, and other facilities incidental thereto, acquired, rehabilitated or constructed with proceeds of the Bonds or as a result of issuance of the Bonds;

(b) The Project shall be operated in a manner such that the interest on the Bonds shall continue to be exempt from federal income taxation under Sections 141-150 of the Internal Revenue Code (including any regulations promulgated heretofore or hereafter from time to time which are applicable to the Project);

(c) The Applicant will, at all times during the Qualified Residential Rental Period, use its best efforts and all due diligence to assure that at least 100% of the completed dwelling units in the Project, are occupied by tenants whose income is 60% or less of the area median gross income.

(d) The Applicant will permit any duly authorized representative of the Issuer, the Trustee, the United States Treasury Department, or the Internal Revenue Service to inspect the books and records of the Applicant pertaining to the Project;

(e) The Applicant will prepare and submit to the Issuer and the Trustee, not less than annually after the Project is available for occupancy, a Certification of Continuing Program Compliance in the form approved by the Issuer executed by the Applicant stating that at least the percentage of Units required by the Agreement to be occupied were occupied by or held available for occupancy by Low or Moderate Income Tenants at all times during the preceding year;

(f) The Applicant will not knowingly take or permit any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds, and, if it should take or permit any such action, it shall take all lawful actions that it can take to rescind such action promptly upon having knowledge thereof;

(g) The Applicant will take such action or actions, including amendment of the financing documents, as may be necessary, in the opinion of recognized Bond Counsel or tax counsel acceptable to the Issuer and the Trustee, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury of the Internal Revenue Service from time to time pertaining to obligations issued pursuant to Sections 141-150 of the Code and affecting the Project;

(h) The Applicant will furnish to the Issuer and the Trustee; not later than the closing of any loan to finance construction or acquisition of the Project, such opinion of its Counsel and certified

resolutions evidencing necessary or appropriate action, and such other documents as may be reasonably requested by other parties to the transactions contemplated;

(i) The Applicant will not sell, transfer or otherwise dispose of the Project without obtaining the prior written consent of the Issuer, which shall be conditioned upon receipt of evidence reasonably satisfactory to the Issuer that the Applicant's purchaser or transferee (i) has assumed in writing and in full the Applicant's duties and obligations under the financing documents, and, (ii) has the financial capability to carry out such obligations and is knowledgeable in the operation and management of apartments or has engaged a managing agent knowledgeable in the operation and management of apartments to so operate and manage the Project. The Applicant further agrees that any sale, transfer or other disposition of the Project in violation hereof shall be null, void and without effect and shall be ineffective to relieve the Applicant of its obligations under the financing documents; and,

(j) The Applicant will proceed with due diligence to complete the acquisition, rehabilitation and/or construction of the Project after passage of the Final Bond Resolution.

The required covenants of the Applicant as set forth hereinabove shall be deemed to constitute a covenant of the Applicant running with the land and an equitable servitude for the benefit of the holders of the Bonds and shall be binding upon any owner of the Project until such time as such expire under their own terms or the Trustee consents to the release of such restrictions in the event that the Trustee and the Issuer are provided an opinion satisfactory to both the Issuer and the Trustee by counsel knowledgeable in such matters to the effect that the requirements set forth above need no longer be complied with in order to maintain the exemption from federal income taxation of the interest to be received on the Bonds.

3. Right of Entry and Inspection by Issuer. The Issuer shall have:

- (a) The right of access at any time to the Project, subject to the rights of the tenants;
- (b) The right to inspect the Applicant's books and records relating to the Project, including any loans involved in financing construction or acquisition thereof for the purpose of determining compliance with the Statement of Policies and Procedures of the Issuer;
- (c) The right to receive periodic reports relating to the operation of the Project from the Trustee; and,
- (d) The right to enforce compliance by the Applicant with the requirements of this Agreement.

4. Indemnification. The Applicant hereby covenants and agrees that it shall indemnify and hold harmless the Issuer, its officers, members and counsel from and against any and all claims of or on behalf of any person arising from any cause whatsoever in connection with the Project or the financing thereof.

5. Compliance. The Issuer has adopted a Statement of Policies and Procedures and the Applicant covenants and agrees that it will observe, comply with, and perform in all material respects all covenants, conditions or agreements required by or set forth in said Statement, receipt of a copy of which is hereby acknowledged.

6. General Provisions. If the Project is not completed with due diligence and the Bonds in an amount of approximately the amount stated above are not sold within such time, the Applicant agrees that it will reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses (including attorneys' fees) which the Issuer may incur at this request arising from the execution of this Agreement and the performance by the Issuer of its obligations hereunder and this Agreement shall thereupon terminate.

7. Expiration. Unless renewed by the Board pursuant to the request of the Applicant, this Agreement will expire at the Board's meeting held in the sixth month following the meeting at which this Agreement was approved, or the next ensuing meeting if no meeting is held in such sixth month.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by causing their duly authorized officers to affix their signatures hereto as of the date set forth above.

THE HEALTH, EDUCATIONAL AND
HOUSING FACILITY BOARD OF THE
COUNTY OF KNOX, TENNESSEE

By: _____
Chairperson

STRAWBERRY PLAINS HALL
APARTMENTS, LP

By: _____
Name: _____
Title: _____
(the "Applicant")

DATE: 6/24/2022

THE HEALTH, EDUCATION & HOUSING FACILITY BOARD OF THE COUNTY OF KNOX
17 Market Square, #201
Knoxville, TN 37902-1405

The Board meets monthly on the second Tuesday at 4:15 p.m. in the offices of The Development Corporation located at 17 Market Square, #201, Knoxville, TN 37902-1405.

PROJECT APPLICATION

PROJECT NAME: Strawberry Plains Pointe

LOCATION: Approximately 730 Rufus Graham Rd, Knoxville, TN 37924

SUBMITTED BY: (If a partnership, applicant should provide the partners' names, addresses, and status, whether limited or general partner.)

Gary Hall as a general partner
2810 Fertner St., Bldg J, Dothan, AL 36205

AUTHORIZATION - AMOUNT ASKING FOR: \$18,000,000

ESTIMATED PROJECT COST AND BREAKDOWN (i.e., land, building, equipment, etc.)

<u>Land → \$1,200,000</u>	<u>Professional Fees → \$450,000</u>
<u>Construction → \$17,000,000</u>	<u>Other Soft Costs → \$9,750,000</u>
<u>Financing Costs → \$1,600,000</u>	<u>Total Estimated Project Costs</u>
	<u>\$30,000,000</u>

PROCEDURE FOR SALE OF BONDS (Private vs. Public Placement, etc. See also Paragraphs 5 (3) (4) and (5))

Private Placement

PURCHASER: Raymond James, One Burton Hills Blvd, Ste 205, Nashville, TN 37215

GUARANTOR: Raymond James, "

FISCAL AGENT (if selected): N/A

ATTORNEY (if selected): Baker Donelson (Culver Schmidt, Lee Hill)

TRUSTEE (if selected): Regions Bank, 150th 4th Ave N, Ste 1500, Nashville, TN 37219

BRIEF DESCRIPTION OF PROJECT: (including the purpose, employment created, economic impact, size of buildings, land, etc., and other appropriate comments to fully explain.)

100 units of affordable apartment homes (50 two-bedroom units & 50 three-bedroom units); total project costs of \$30mm, 8-acre development site, 2-3 permanent jobs, 350-400 temporary jobs supported & created

3. **Housing** – For housing and similar issues, the Board will require a feasibility study to be filed with the original application or for consideration at a regular meeting not less than one month prior to final approval. If consideration is at a regular meeting, the study must be mailed to members and counsel not less than 10 days prior to the meeting.
4. **Refinancing** – Generally, except for manufacturing or regional warehouse facilities, the Board requires that in any refinancing of existing debt, 25% of the bond proceeds be used for new construction or renovations.

5. **General**

- (1) Projects are approved and extended for 6 month periods.
- (2) Regardless of property ownership, applicants will be required to pay all property taxes as if owned by the applicant.
- (3) In the event applicant requests approval of a public placement, he should clearly designate such request on the application and should be prepared to provide reasons therefore at the appropriate Board meeting. A rating of AA or better will normally be required.
- (4) Unless otherwise designated, the Board will consider all requests for new issues to be request for private placements. Private placements shall mean that the bonds may not be sold, transferred or assigned by the holder thereof except (1) to an institutional investor and then only for the investment account of such institutional investor, or (2) an individual investor and then only for the account of such individual investor. For this purpose, an institutional investor shall mean a bank, savings and loan association, insurance company, or other financial institution having a combined capital and surplus of not less than \$5,000,000. For this purpose, an individual investor shall mean one whose net worth is certified to be not less than \$1,000,000. Bonds, notes and other documents shall bear an appropriate legend to reflect these restrictions. As a substitute for this, the Board will consider restrictions limiting the minimum bond size to \$100,000.
- (5) In the event that the Board approves a public issue, it will not execute in connection therewith official statements or similar documents deemed by counsel to create unacceptable obligations.
- (6) Documents to be executed by the Board will include the following or similar paragraph:

No recourse under or upon any obligation, covenant, or agreement or in any Bond or coupon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator member, director or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond or coupon issue, of any sum that may be due and unpaid by the Issuer upon any such Bond or coupon. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such to respond by reason of any act or omission on his part or otherwise for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond or coupon, of any sum that may remain due and unpaid upon the Bonds and coupons or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such bonds and coupons.

The County of Knox, Tennessee, shall not in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds issued, or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein or indebtedness by the Issuer, and none of the Bonds of the Issuer issued or any of its agreements or obligations herein or otherwise shall be construed to constitute an indebtedness of the County of Knox, Tennessee, within the meaning of any constitutional or statutory provision whatsoever.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE
COUNTY OF KNOX**

AUTHORIZATION FOR SIGNATURES ON CHECKS

February 22, 2022

WHEREAS, the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox (the “Health & Ed Board”) desires to designate and confirm the authorized signatories on all bank accounts maintained by the Health & Ed Board and the required signatures on all transfers of funds of the Health & Ed Board;

NOW, THEREFORE, the following resolutions are hereby adopted:

RESOLVED, that the following officers are hereby authorized, approved and designated as signatories on all bank accounts maintained by the IDB, effective as of July 15, 2022:

Title	Name
Chair	Paul Fortunato
Vice Chair	Tiffany E. Gardner
Secretary/Assistant Treasurer	Shannon Coleman Egle
Treasurer/Assistant Secretary	Terry Henley
President & CEO (The Development Corporation of Knox County)	Mike Odom

RESOLVED, that only one of the foregoing signatures shall be required on all checks or transfers of funds of less than \$10,000.00;

RESOLVED, that two of the foregoing signatures provided one of the signatures is the Chairman, Vice-Chairman or Secretary/Treasurer shall be required on all checks or transfers of funds of \$10,000.00 or more;

RESOLVED, that the form banking resolutions required by any and all banks at which the Health & Ed Board maintains bank accounts are hereby ratified, adopted and approved, such ratification, adoption and approval to be deemed effective as of July 15, 2022, and any designated signatory is authorized to complete and execute such form banking resolutions consistent with the authority granted herein and deliver such banking resolutions to such banks.

[Signature Page Follows]

[Signature Page to Resolution Authorizing Signatories on Checking Account]

I hereby certify that this resolution of the Health & Ed Board was duly and lawfully adopted by its Board of Directors on July 12, 2022, at a meeting at which a quorum was acting throughout, and I furthermore certify that such resolution has not been amended or modified in any respect.

**THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX**

Dated: July 12, 2022

By: _____
Tiffany E. Gardner, Secretary