

Board Members:

Charley Bible
Shannon Coleman Egle
Paul Fortunato
Tiffany Gardner
Mike George
Terry Henley
J. Ford Little
Lou Moran, III
Alvin Nance
Lisa Rottmann
Anthony Wise



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

Regular Meeting
Tuesday, February 14, 2023, 4:10 p.m.
17 Market Square, #201
Knoxville, Tennessee 37902

AGENDA

- I. Call to Order
- ACTION** II. Approval of Minutes from Previous Meeting
A) Regular Meeting – January 10, 2023
- ACTION** III. 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 The Villas at West Town, L.P. in a principal amount not to exceed \$21,500,000 to finance the acquisition of a 102 unit housing facility for low and moderate income citizens in Knox County as well as a letter of intent related thereto
- 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 Ridgebrook Housing I, LLC in a principal amount not to exceed \$32,000,000 to finance the acquisition of a 144-unit housing facility for low and moderate income citizens in Knox County as well as a letter of intent related thereto
- ACTION** V. Review and consideration of a resolution of the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox authorizing amendment to its variable rate demand bonds (Concord Christian School, LLC Project) Series 2009 and related documents to provide for the substitution of the London Inter-Bank Offered Rate (LIBOR) with the Secured Overnight Financing Rate (SOFR).

ACTION VI. Review and consideration of a resolution authorizing, subject to the submission of satisfactory implementing documents, the issuance of not to exceed \$25,000,000 in revenue bonds and/or notes, for the purpose of financing the acquisition, rehabilitation, construction and equipping of certain low and moderate income housing facilities to be know as Dunhill Apartments and Sutherland View Apartments, and authorizing the execution and delivery of an agreement in connection therewith

ACTION VII. Review and consideration of a resolution authorizing, subject to the submission of satisfactory implementing documents, the issuance of not to exceed \$25,000,000 in revenue bonds and/or notes, for the purpose of financing the acquisition, rehabilitation, construction and equipping of certain low and moderate income housing facilities to be known as Sutherland Park Apartments, and authorizing the execution and delivery of an agreement in connection therewith

ACTION VIII. Election of Board Officers and Committee Appointments

IX. New Business

X. Old Business

XI. Adjourn

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

January 10, 2023, 4:15 p.m.

The regular meeting of the Board of Directors of Health, Educational & Housing Facility Board of the County of Knox (the “Health, Ed Board” or “Board”) was held on Tuesday, January 10, 2023, at 4:30 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, Paul Fortunato (Chair), Dr. Anthony Wise, Alvin Nance, Terry Henley, Mike George, Lisa Rottmann, Lou Moran, III, and J. Ford Little.

Also in attendance were Mike Odom (The Development Corporation), Mac McWhorter (Knoxville Chamber), Karen Kakanis (Knoxville Chamber), Doug Lawyer (Knoxville Chamber), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Katrina E. Vargas (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), and Blayne Chance (public observer).

I. Paul Fortunato, 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 November 8, 2022.

With the acceptance of a proposed correction to the minutes and upon a motion by Alvin Nance, and a second by Terry Henley, the minutes of the November 8, 2022, meeting were unanimously approved. A copy of the minutes are attached hereto as Exhibit B.

III. Review and Approval of Finance Report as of December 31, 2022. The Chair recognized Karen Kakanis who addressed the Board and presented the financial report as of December 31, 2022, (“Financial Report”), reviewing with the Board the Balance Sheet with Prior Year Comparison, Budget Variance Report, and Income Statement with Prior Year Comparison. Discussion was had.

Upon a motion by Alvin Nance and a second by Lou Moran, the Financial Report as of December 31, 2022, was unanimously accepted. A copy of the financial statements so presented during the report are attached hereto collectively as Exhibit C.

IV. Old Business.

A) The Report on Debt Obligation for Educational Facilities Revenue Bonds (Webb School of Knoxville Project) Series 2022 was presented to the Board.

B) The Report on Debt Obligation for Multifamily Housing Revenue Bond (Lakeview at Westland) Series 2022 was presented to the Board.

C) The Report on Debt Obligation for Multifamily Housing Revenue Bond (Central Terrace) was presented to the Board.

D) The Report on Debt Obligation for Multifamily Housing Revenue Bond (Callahan Flats) was presented to the Board.

E) The Report on Debt Obligation for Multifamily Housing Revenue Bond (Westview) was presented to the Board.

V. New Business. None.

VI. Next Meeting. The next regular meeting of The Health, Ed Board of the County of Knox is scheduled for February 14, 2023, at 4:00 p.m. at the offices of The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee.

VII. 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 4:35 p.m.

Dated

Shannon Coleman Egle, Secretary

EXHIBITS

<u>Exhibit A</u>	Agenda – January 10, 2023
<u>Exhibit B</u>	Minutes – November 8, 2022
<u>Exhibit C</u>	Financials

DRAFT

PRELIMINARY BOND RESOLUTION

WHEREAS, The Villas at West Town, L.P. or an affiliate thereof (the "Applicant"), is considering the acquisition, construction and equipping of an approximately 102-unit housing facility for low and moderate-income citizens to be known as The Villas at West Town located at 1817 and 0 Francis Road in Knoxville, Tennessee, and wishes to have The Health, Educational and Housing Facility Board of the County of Knox (the "Board") indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, construction and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 48-101-301; and

WHEREAS, a letter of intent has been presented to the Board under the terms of which the Board agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding \$21,500,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY The Health, Educational and Housing Facility Board of the County of Knox as follows:

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

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

3. The Chair, Vice Chair or legal counsel of the Board is hereby authorized to conduct such public hearings on behalf of the Board as the Applicant may request with respect to the project.

I hereby certify that the foregoing resolution of The Health, Educational and Housing Facility Board of the County of Knox was duly and lawfully adopted by its Board of Directors on February 14, 2023, at a duly called meeting at which a quorum was acting throughout, and I furthermore certify that such resolution has not been amended or modified in any respect.

Executed as of this ___ day of _____, 2023.

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

Secretary

February 14, 2023

The Villas at West Town, L.P.
Knoxville, Tennessee

Ladies and Gentlemen:

The Health, Educational and Housing Facility Board of the County of Knox (the "Board") has been informed that The Villas at West Town, L.P. or an affiliate thereof (the "Applicant"), is considering the acquisition, construction and equipping of an approximate 102-unit housing facility for low and moderate-income citizens known as The Villas at West Town located at 1817 and 0 Francis Road in Knoxville, Tennessee. The above-described acquisition, construction and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 48-101-301.

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

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

1. The Board will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$21,500,000 to provide financing for the project. The Bonds shall be limited obligations of the Board payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of the Board, its directors, or Knox County, Tennessee.

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

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

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

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

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

7. If for any reason the Bonds have not been sold within eighteen (18) months from the date hereof, the provisions of this proposal and the agreement resulting from the acceptance by the Applicant shall, at the option of either party to be evidenced in writing, be canceled and neither party shall have any rights against the other and no third party shall have any rights against either party except:

- (a) The Applicant will pay the Board for all expenses incurred by the Board in connection with the financing of the project;
- (b) The Applicant will pay the out-of-pocket expenses for attorneys for the Board incurred in connection with the project and will pay attorneys for the Board reasonable fees for legal services related to the project; and
- (c) The Applicant will indemnify and hold the Board harmless against any liability which may be incurred by the Board with respect to the project.

8. The Board 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 Board, is to be provided by the Applicant and not by the Board and that the Board has no responsibility as to the accuracy of such information other than as to the name and address of the Board. The Applicant agrees to indemnify and hold harmless the Board 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 (other than the name and address of the Board) or the submission of the Application.

[Remainder of Page Intentionally Left Blank]

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

Yours very truly,

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

By: _____
Chairman

ACCEPTANCE OF PROPOSAL
OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD
OF THE COUNTY OF KNOX

BY

THE VILLAS AT WEST TOWN, L.P.

The terms and conditions contained in the foregoing proposal by The Health, Educational and Housing Facility Board of the County of Knox are hereby accepted by The Villas at West Town, L.P. as of the date first written above.

The Villas at West Town, L.P.

By: The Villas at West Town GP, LLC,
its general partner

By: _____
Title: _____

NOTICE OF A PUBLIC MEETING AND PUBLIC HEARINGS OF
THE HEALTH, EDUCATIONAL AND
HOUSING FACILITY BOARD OF THE COUNTY OF
KNOX RELATIVE TO REVENUE BOND ISSUES

NOTICE IS HEREBY GIVEN that The Health, Educational and Housing Facility Board of the County of Knox (the "Board") will hold a public meeting and public hearings on February 14, 2023 at 4:15 p.m. in the Board Room of the Knoxville Area Chamber Partnership Building located at 17 Market Square, Suite 201, Knoxville, Tennessee to consider and act upon all business which may properly come before the Board, said business to include, but not necessarily be limited to:

1. The issuance of the Board's exempt facility revenue bonds in the total principal amount not to exceed \$32,000,000 (the "Ridgebrook Bonds"), the proceeds of which, if issued, would be loaned to Ridgebrook Housing I, LLC for the purposes of financing the acquisition and rehabilitation of an approximately 144 unit housing facility for low and moderate-income citizens (the "Ridgebrook Project") located at 2121 Ridgebrook Lane in Knoxville, Tennessee. The expected initial principal user of the Ridgebrook Project is expected to be Ridgebrook Housing I, LLC.
2. The issuance of the Board's exempt facility revenue bonds in the total principal amount not to exceed \$21,500,000 (the "West Town Bonds" and together with the Ridgebrook Bonds the "Bonds"), the proceeds of which, if issued, would be loaned to The Villas at West Town, L.P. to finance the acquisition, construction, and equipping of an approximately 102 unit multifamily housing facility to be located at or near 1817 Francis Road (currently designated as tax parcel ID # 106CA00401) and 0 Francis Road (currently designated as tax parcel ID # 106CA02301, 106CA004 and 106CA001) in Knoxville, Tennessee (the "West Town Project"). The expected initial principal user of the West Town Project is expected to be The Villas at West Town, L.P.

THE BONDS, IF ISSUED, WOULD NOT REPRESENT OR CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE BOARD, KNOX COUNTY, THE STATE OF TENNESSEE, OR ANY POLITICAL SUBDIVISION THEREOF.

The public hearings referenced above will be held pursuant to the requirements of Section 147(f) of the U.S. Internal Revenue Code of 1986, as amended. Any person interested in the issuance of the Bonds or the location or purpose of the assets to be financed or refinanced with the proceeds of the Bonds is invited to attend the public hearing (which may be continued or adjourned to a later date), and they will be given an opportunity to express their views both orally and in written form concerning the proposed issuance of the Bonds and the financing and refinancing of the projects with the proceeds thereof.

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

PRELIMINARY BOND RESOLUTION

WHEREAS, Ridgebrook Housing I, LLC or an affiliate thereof (the "Applicant"), is considering the acquisition, rehabilitation and equipping of an approximately 144-unit housing facility for low and moderate-income citizens to be known as Ridgebrook Apartments located at 2121 Ridgebrook Lane in Knoxville, Tennessee, and wishes to have The Health, Educational and Housing Facility Board of the County of Knox (the "Board") indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, rehabilitation and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 48-101-301; and

WHEREAS, the Board previously adopted a Preliminary Bond Resolution and executed a letter of intent in support of the above-described project, and the Board desires to increase the maximum principal amount of the bonds referenced in such letter of intent by executing a new letter of intent; and

WHEREAS, such new letter of intent has been presented to the Board under the terms of which the Board agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding \$32,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY The Health, Educational and Housing Facility Board of the County of Knox as follows:

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

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

3. The Chair, Vice Chair or legal counsel of the Board is hereby authorized to conduct such public hearings on behalf of the Board as the Applicant may request with respect to the project.

I hereby certify that the foregoing resolution of The Health, Educational and Housing Facility Board of the County of Knox was duly and lawfully adopted by its Board of Directors on February 14, 2023, at a duly called meeting at which a quorum was acting throughout, and I furthermore certify that such resolution has not been amended or modified in any respect.

Executed as of this ___ day of _____, 2023.

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

Secretary

February 14, 2023

Ridgebrook Housing I, LLC
Knoxville, Tennessee

Gentlemen:

The Health, Educational and Housing Facility Board of the County of Knox (the "Board") has been informed that Ridgebrook Housing I, LLC or an affiliate thereof (the "Applicant"), is considering the acquisition, rehabilitation and equipping of an approximate 112-unit housing facility for low and moderate-income citizens to be known as Ridgebrook Apartments to be located at 2121 Ridgebrook Lane in Knoxville, Tennessee. The above-described acquisition, rehabilitation and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 48-101-301.

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

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

1. The Board will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$32,000,000 to provide financing for the project. The Bonds shall be limited obligations of the Board payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of the Board, its directors, or Knox County, Tennessee.

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

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

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

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

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

7. If for any reason the Bonds have not been sold within eighteen (18) months from the date hereof, the provisions of this proposal and the agreement resulting from the acceptance by the Applicant shall, at the option of either party to be evidenced in writing, be canceled and neither party shall have any rights against the other and no third party shall have any rights against either party except:

- (a) The Applicant will pay the Board for all expenses incurred by the Board in connection with the financing of the project;
- (b) The Applicant will pay the out-of-pocket expenses for attorneys for the Board incurred in connection with the project and will pay attorneys for the Board reasonable fees for legal services related to the project; and
- (c) The Applicant will indemnify and hold the Board harmless against any liability which may be incurred by the Board with respect to the project.

8. The Board 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 Board, is to be provided by the Applicant and not by the Board and that the Board has no responsibility as to the accuracy of such information other than as to the name and address of the Board. The Applicant agrees to indemnify and hold harmless the Board 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 (other than the name and address of the Board) or the submission of the Application.

[Remainder of Page Intentionally Left Blank]

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

Yours very truly,

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

By: _____
Chairman

ACCEPTANCE OF PROPOSAL
OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD
OF THE COUNTY OF KNOX

BY

RIDGEBROOK HOUSING I, LLC

The terms and conditions contained in the foregoing proposal by The Health, Educational and Housing Facility Board of the County of Knox are hereby accepted by Ridgebrook Housing I, LLC this ___ day of _____, 2023.

RIDGEBROOK HOUSING I, LLC,
a Tennessee limited liability company

By: Ridgebrook Housing, LLC,
a California limited liability company,
its managing member

By: _____

Name: Richard Siebert

Its: Manager

DATE: January 18, 2023

THE HEALTH, EDUCATIONAL AND 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: Concord Christian School, LLC

LOCATION: 11704 Kingston Pike, Farragut, Knox County, Tennessee

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

Concord Christian School, LLC

AUTHORIZATION – AMOUNT ASKING FOR: Seeking amendment to existing bonds issued in the original principal amount of \$11,500,000

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

Proceeds of \$11,500,000 were used to finance the acquisition, construction, renovation and equipping of the buildings, facilities and other improvements located at 11704 Kingston Pike, Farragut, Knox County, Tennessee.

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

Private Placement

PURCHASER: Truist Bank, successor to SunTrust Bank

GUARANTOR: N/A

FISCAL AGENT (if selected):

ATTORNEY (if selected): Jay Moneyhun, Mark Mamantov and Russ Miller,
Bass, Berry & Sims PLC, Bond Counsel to Truist Bank

TRUSTEE (if selected): U.S. Bank National Association

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

Seeking amendment to existing bonds issued in the original principal amount of \$11,500,000 to provide for a fallback to the LIBOR index rate.

34877071.1

The Health, Educational and Housing Facility Board of the County of Knox
Variable Rate Demand Bonds
(Concord Christian School, LLC Project) Series 2009

CONSOLIDATED AMENDMENT TO BOND DOCUMENTS

Issuer: THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX
Borrower: CONCORD CHRISTIAN SCHOOL, LLC
Lender: TRUIST BANK, successor to SunTrust Bank
Bond Caption: THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX VARIABLE RATE DEMAND BONDS (CONCORD CHRISTIAN SCHOOL, LLC PROJECT) SERIES 2009
Date of Bond: May 22, 2009
Original Principal Amount: \$11,500,000
Date of Amendment: [_____, 2023]

BACKGROUND

A. The Issuer issued the bond described above (such bond being referred to herein as the “Bond”) pursuant to an Indenture of Trust dated May 1, 2009 between the Issuer and the U.S. Bank National Association (the “Trustee”), as amended by a First Supplemental Indenture of Trust dated April 2014 (as supplemented, the “Indenture”).

B. The Lender purchased the Bond and advanced the proceeds of the sale of the Bond (on behalf of the Issuer) to the Borrower pursuant to that certain Loan Agreement dated May 1, 2009 (the “Loan Agreement”).

C. The Borrower and the Lender executed that certain Guaranty and Credit Agreement dated May 22, 2009, pursuant to which the First Baptist Church, Concord made certain additional agreements with respect to the Bond (as amended, the “Guaranty Agreement”).

D. While in the Bank Rate Period under the Indenture, the Bond bears interest at the Bank Rate, which is based upon the LIBOR Rate.

E. In contemplation of the cessation of the LIBOR Rate on June 30, 2023, the Borrower, the Church, the Issuer, the Trustee and the Lender desire to amend the Indenture, the Bond, the Loan Agreement and the Guaranty Agreement (collectively, the “Bond Documents”) and each of the other Operative Documents (as defined in the Guaranty Agreement) to provide for the replacement of the LIBOR Rate in the manner and at the time described herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged and intending to be legally bound, the parties hereto are entering into this Consolidated Amendment to Bond Documents (this “Amendment”), and hereby covenant and agree as follows:

1. Defined Terms. Any capitalized terms used in this Amendment or the Background provisions hereof which are not so defined, but which are defined in a Bond Document, shall have the meanings ascribed to those terms in such Bond Document, as applicable.

2. Interest Rate. Notwithstanding anything to the contrary in the Bond Documents, the Issuer, the Church, the Borrower, the Trustee and the Lender acknowledge and agree that, while the Bond is in the Bank Rate Period, the Bank Rate shall equal the Adjusted Interest Rate as defined in Exhibit A hereof. The Adjusted Interest Rate shall be subject to the adjustments provided for in Exhibit A hereof.

3. LIBOR Fallback Provisions.

(a) Notwithstanding anything to the contrary set forth in the Bond Documents or any other Operative Document, the Borrower, the Church, the Lender, the Trustee and the Issuer agree that the Bond Documents and the other Operative Documents are hereby amended to include the provisions attached hereto as Exhibit A, and such provisions shall govern as to all matters related to the replacement of the LIBOR Rate.

(b) The Borrower, the Church, the Lender, the Trustee and the Issuer intend that any current fallback provision addressing the replacement of the LIBOR Rate, including but not limited to the events or conditions under which the LIBOR Rate will be replaced and/or the manner, methodology, or mechanism for the replacement of the LIBOR Rate with a new index or benchmark upon the unavailability of the LIBOR Rate (whether on a temporary or a permanent basis), shall be deemed replaced with the provisions attached hereto as Exhibit A.

(c) The parties hereto intend for this Amendment to constitute a covered modification within the meaning of Treasury and IRS Revenue Procedure 2020-44 dated October 9, 2020, as amplified in the final regulations with respect thereto published January 4, 2022.

4. Continuing Effect. Except as expressly modified hereby, all of the terms, covenants, and conditions of the Bond Documents and the other Operative Documents shall remain in full force and effect. This Amendment is given as a modification of the current fallback provision addressing the replacement of the LIBOR Rate, and is not given in substitution therefor or extinguishment thereof and is not intended to be a novation.

5. Attachment to Bond Documents. This Amendment shall be and remain attached to the Bond Documents and shall be an integral part thereof.

6. Governing Law. This Amendment shall be governed by and construed in accordance with the domestic internal laws (but not the law of conflict of laws) of the State of Tennessee.

7. Miscellaneous. Wherever possible, the provisions of this Amendment shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of any such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument. The headings in this Amendment are included for convenience only and shall neither affect the construction or interpretation of any provision in this Amendment nor affect any of the rights or obligations of the parties to this Amendment. The Borrower agrees to pay all reasonable costs and expenses of the Lender and the Issuer in connection with the preparation, execution and delivery of

the documents executed in connection with this Amendment, including without limitation, the reasonable fees and out-of-pocket expenses of Lender's counsel, bond counsel and Issuer's counsel.

BORROWER ACKNOWLEDGES AND AGREES THAT: (I) BORROWER MAY REQUEST AND APPLY FOR A REPLACEMENT INDEX FOR USD LIBOR NOW OR AT ANY TIME HEREAFTER; (II) THE INTEREST RATE FOLLOWING THE REPLACEMENT OF USD LIBOR THROUGH ANY REQUESTED AMENDMENT MAY BE LOWER OR HIGHER THAN THE INTEREST RATE FOLLOWING REPLACEMENT OF USD LIBOR AT CESSATION AS CONTEMPLATED BY THIS AMENDMENT; AND (III) BORROWER HAS KNOWINGLY AND VOLUNTARILY ENTERED INTO THIS AMENDMENT.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK].

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the Date of Amendment referenced above.

ISSUER:

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

By _____
Name: _____
Title: _____

BORROWER:

CONCORD CHRISTIAN SCHOOL, LLC

By _____
Name: _____
Title: _____

CHURCH:

FIRST BAPTIST CHURCH, CONCORD

By _____
Name: _____
Title: _____

LENDER:

TRUIST BANK, successor to SunTrust Bank

By: _____
Name: _____
Title: _____

TRUSTEE:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

[Signature page to Consolidated Amendment to Bond Documents]

Exhibit A
INTEREST RATE PROVISIONS

The following provisions are hereby made a part of the Bond Documents.

1. BENCHMARK REPLACEMENT SETTING.

1.1 **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Bond Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then, (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, in connection with a Benchmark Transition Event, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Bond Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, the Bond or any other Bond Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, or in connection with an Early Opt-in Election, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Bond Document in respect of any Benchmark setting at or after 5:00 p.m. (Charlotte, North Carolina) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to Borrower without any amendment to the Bond or any other Bond Document, or further action or consent of Borrower. For avoidance of doubt, upon the replacement of the LIBOR Rate, or any subsequent Benchmark, with a Benchmark Replacement, the interest rate on the Bond shall be equal to the Applicable Factor multiplied by the sum of (x) the then-current Benchmark and (y) the Margin, and fixed minimum rates, if any, shall continue to apply.

1.2 **Benchmark Replacement Conforming Changes.** In connection with the implementation of a Benchmark Replacement, Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Bond Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

1.3 **Notices; Standards for Decisions and Determinations.** Lender will promptly notify Borrower of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 1.4 below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Lender pursuant to Section 1, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from Borrower.

1.4 **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Bond Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or the LIBOR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Lender in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer

representative, then Lender may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then Lender may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

1.5 **Benchmark Unavailability Period.** Upon Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the obligation of Lender to make any advance based upon the LIBOR Rate shall cease, and Borrower may revoke any request for such an advance to be made during any Benchmark Unavailability Period, the reference to the “LIBOR Rate” in the calculation of the Adjusted Interest Rate shall be deemed and interpreted to mean the “Standard Rate”, and the Applicable Factor, the Margin and fixed minimum rates, if any, shall continue to apply. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Standard Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Standard Rate.

1.6 **Definitions.** In addition to the terms defined in the Bond Documents, the following definitions shall apply:

“**Adjusted Interest Rate**” means the rate of interest per annum equal to the sum obtained by multiplying the Applicable Factor by the sum of (x) the Benchmark and (y) the Margin, which shall be adjusted monthly on the first day of each Interest Period; provided, however, upon a determination by the Lender that the Bond is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision) then from and after the date on which the Bond is not a “qualified tax-exempt obligation” the interest rate shall be established at a rate equal to the Benchmark plus the Margin.

“**Applicable Factor**” means [67]%, which is the tax-exempt factor component of the interest rate that is applicable to the Bond on the date hereof.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to the Bond Documents as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 1.4.

“**Benchmark**” means, initially, the LIBOR Rate; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the LIBOR Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 1.1.

“**Benchmark Replacement**” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by Lender for the applicable Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by Lender as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated or bilateral credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by Lender in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of the Bond and the other Bond Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by Lender:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Lender for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by Lender in its reasonable discretion.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Standard Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as Lender decides is reasonably necessary in connection with the administration of the Bond and the other Bond Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to Borrower.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with Section 1 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with Section 1.

“**Business Day**” means a day other than a Saturday, Sunday, legal holiday or any other day when Truist is authorized or required by applicable law to be closed.

“**Corresponding Tenor**” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“**Daily Simple SOFR**” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by Lender in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if Lender decides that any such convention is not administratively feasible for Lender, then Lender may establish another convention in its reasonable discretion.

“**Early Opt-in Election**” means, if the then-current Benchmark is the LIBOR Rate, the occurrence of:

(1) a determination by Lender that at least five currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate, and

(2) the election by Lender to trigger a fallback from the LIBOR Rate and the provision by Lender of written notice of such election to Borrower.

“Federal Funds Rate” shall mean, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Truist.

“Floor” means the Benchmark rate floor, if any, provided in the Bond initially (as of the issuance of the Bond, the modification or amendment of the Bond or otherwise) with respect to the LIBOR Rate.

“Interest Period” means the one-month period commencing on the first day of each month and ending on the last day of such month; provided that the first Interest Period shall commence on the date hereof and end on the last day of the month hereof.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“LIBOR Rate” means USD LIBOR for a period of one month determined as of the Reference Time as quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Lender.

“Margin” means [2.30]%, which is the per annum credit spread component of the interest rate that is applicable to the Bond on the date hereof.

“Prime Rate” means the interest rate announced by Truist from time to time as its prime rate. Any change in the Prime Rate shall be effective as of the date such change is announced by Truist.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the LIBOR Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not the LIBOR Rate, the time determined by Lender in its reasonable discretion.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“**Standard Rate**” means, for any day, the rate of interest per annum equal to the lesser of (i) the Federal Funds Rate plus 1.00% and (ii) the Prime Rate, provided that in no event will the Standard Rate ever be less than 0%. Each change in the Standard Rate shall be effective on the date any change in the Prime Rate is publicly announced as being effective, if applicable.

“**Term SOFR**” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“**Truist**” means Truist Bank, and its successors and assigns.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**USD LIBOR**” means the London interbank offered rate for U.S. dollars

1.7 **Notices and Disclosures.** Lender hereby discloses and Borrower understands and agrees to the following with respect to USD LIBOR:

(a) On March 5, 2021 the Financial Conduct Authority (“**FCA**”), the regulatory supervisor of USD LIBOR’s administrator (“**IBA**”), announced in a public statement the future cessation of 1-month, 3-month, 6-month and 12-month USD LIBOR tenor settings on June 30, 2023. This announcement constituted a Benchmark Transition Event.

(b) Term SOFR has been endorsed by the Alternative Reference Rate Committee (the “**ARRC**”), the Relevant Governmental Body established by the Federal Reserve Board.

(c) The ARRC has also endorsed the spread adjustments for the replacement of USD LIBOR as follows:

USD LIBOR tenor being replaced	spread adjustment
1-Month USD LIBOR	.11448%
3-Month USD LIBOR	.26161%
6-Month USD LIBOR	.42826%
1-year USD LIBOR	.71513%

2. BENCHMARK REPLACEMENT SETTING IF BOND HAS AN INTEREST RATE SWAP WITH TRUIST. If the Bond is subject to an interest rate swap agreement with Truist, the following provisions shall apply in lieu of Section 1:

2.1 **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Bond Document, if a Benchmark Replacement Date has occurred prior to the Reference Time in respect of any setting of the then-current Benchmark on any date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Bond Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, the Bond or any other Bond Document.

2.2 **Benchmark Replacement Conforming Changes.** In connection with the implementation of a Benchmark Replacement, Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Bond Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrower.

2.3 **Notices; Standards for Decisions and Determinations.** Lender will promptly notify Borrower of (i) any occurrence of a Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination or decision that may be made by Lender pursuant to Section 2, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non- occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in Lender's sole discretion and without consent from Borrower.

2.4 **Benchmark Unavailability Period.** Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the obligation of Lender to make any advance based upon the LIBOR Rate shall cease, and Borrower may revoke any request for such an advance to be made during any Benchmark Unavailability Period, the reference to the LIBOR Rate in the calculation of the Adjusted Interest Rate shall be deemed and interpreted to mean the "Standard Rate", and the Applicable Factor, the Margin and fixed minimum rates, if any, shall continue to apply.

2.5 **Certain Defined Terms.** In addition to the terms defined in the Bond Documents, the following definitions shall apply for purposes of this Section 2:

"Adjusted Interest Rate" means the rate of interest per annum equal to the sum obtained by multiplying the Applicable Factor by the sum of (x) the Benchmark and (y) the Margin, which shall be adjusted monthly on the first day of each Interest Period; upon a determination by the Lender that the Bond is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision) then from and after the date on which the Bond is not a "qualified tax-exempt obligation" the interest rate shall be established at a rate equal to the Benchmark plus the Margin.

"Applicable Factor" means [67]%, which is the tax-exempt factor component of the interest rate that is applicable to the Bond on the date hereof.

"Benchmark" means, initially, the LIBOR Rate; provided that if a Benchmark Replacement Date has occurred with respect to the LIBOR Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.1.

"Benchmark Replacement" means, for any Interest Period, the sum of the successor rate and any applicable spread adjustment that would apply for derivatives transactions referencing the ISDA Definitions upon the occurrence of an index cessation effective date with respect to the then-current Benchmark for the applicable tenor; provided that if the Benchmark Replacement would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of the Bond and the other Bond Documents. In the event of the payment of any principal prior to the last day of an Interest Period for any reason, any reference to the Benchmark Replacement shall mean the most recent Benchmark Replacement rate available as determined by Lender in its reasonable discretion.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of

“Standard Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Lender in a manner Lender decides is reasonably necessary in connection with the administration of the Bond and the other Bond Documents.

“**Benchmark Replacement Date**” means the occurrence of an index cessation effective date with respect to an index cessation event for the then-current Benchmark, upon which the then-current Benchmark would be replaced in derivatives transactions referencing the ISDA Definitions.

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with Section 2 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Bond Document in accordance with Section 2.

“**Business Day**” means a day other than a Saturday, Sunday, legal holiday or any other day when Truist is authorized or required by applicable law to be closed.

“**Floor**” means the Benchmark rate floor, if any, provided in the Bond initially (as of the execution of the Bond, the modification or amendment of the Bond or otherwise) with respect to the LIBOR Rate.

“**Interest Period**” means the one-month period commencing on the first day of each month and ending on the last day of such month; provided that the first Interest Period shall commence on the date hereof and end on the last day of the month hereof.

“**ISDA Definitions**” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“**LIBOR Rate**” means USD LIBOR for a period of one month determined as of the Reference Time as quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Lender.

“**Margin**” means [2.30]%, which is the per annum credit spread component of the interest rate that is applicable to the Bond on the date hereof.

“**Prime Rate**” means the interest rate announced by Truist from time to time as its prime rate. Any change in the Prime Rate shall be effective as of the date such change is announced by Truist.

“**Reference Time**” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the LIBOR Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not the LIBOR Rate, the time determined by Lender in its reasonable discretion.

“**Standard Rate**” means, for any day, the rate of interest per annum equal to the lesser of (i) the Federal Funds Rate plus 1.00% and (ii) the Prime Rate, provided that in no event will the Standard Rate

ever be less than 0%. Each change in the Standard Rate shall be effective on the date any change in the Prime Rate is publicly announced as being effective, if applicable.

“**Truist**” means Truist Bank, and its successors and assigns.

“**USD LIBOR**” means the London interbank offered rate for U.S. dollars.

2.6 Notices and Disclosures. Lender hereby discloses and Borrower acknowledges and agrees: The ISDA Definitions contain trigger and fallback provisions in respect of USD LIBOR in the event USD LIBOR is permanently discontinued or is deemed to be non-representative. In the event of a permanent cessation or pre-cessation event of USD LIBOR, the floating rate of the derivatives transaction that is based on USD LIBOR will first fall back to a term adjusted risk-free rate for the relevant currency plus a spread (the “Spread Adjustment”) published by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) (“BISL”). Under the ISDA Definitions, the applicable fallback rate for USD LIBOR is “Fallback Rate (SOFR)” which means the term adjusted SOFR plus the Spread Adjustment relating to USD LIBOR, in each case, for a period of the designated maturity provided by BISL on the Fallback Rate (SOFR) Screen. BISL will determine the term adjusted SOFR based on a formula in which SOFR is compounded over an accrual period corresponding to the tenor of USD LIBOR. On March 5, 2021 the Financial Conduct Authority (“FCA”), the regulatory supervisor of USD LIBOR’s administrator (“IBA”), announced in a public statement the future cessation of 1-month, 3-month, 6-month and 12-month USD LIBOR tenor settings on June 30, 2023, which constituted the “Spread Adjustment Fixing Date” under the applicable guidance. As a result the “all-in” fallback rate under the ISDA Definitions for USD LIBOR as published by BISL is anticipated to be the sum of: (i) term adjusted SOFR, as calculated by BISL, and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month’s duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months’ duration, 0.42826% (42.826 basis points) for an Available Tenor of six-months’ duration, and 0.71513% (71.513 basis points) for an Available Tenor of twelve-months’ duration.

34878286.1

A RESOLUTION OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX AUTHORIZING AMENDMENT TO ITS VARIABLE RATE DEMAND BONDS (CONCORD CHRISTIAN SCHOOL, LLC PROJECT) SERIES 2009 AND RELATED DOCUMENTS TO PROVIDE FOR THE SUBSTITUTION OF THE LONDON INTER-BANK OFFERED RATE (LIBOR) WITH THE SECURED OVERNIGHT FINANCING RATE (SOFR)

WHEREAS, The Health, Educational and Housing Facility Board of the County of Knox (the "Issuer") has heretofore issued its Variable Rate Demand Bonds (Concord Christian School, LLC Project) Series 2009 (the "Bonds") that bear interest based on the London Inter-Bank Offered Rate ("LIBOR"); and

WHEREAS, the Bonds were issued pursuant to an Indenture of Trust dated May 1, 2009 between the Issuer and the U.S. Bank National Association (the "Trustee"), as amended by a First Supplemental Indenture of Trust dated April 2014 (as amended, the "Indenture"), and the proceeds thereof were loaned to Concord Christian School, LLC (the "Borrower") pursuant to that certain Loan Agreement dated May 1, 2009 (the "Loan Agreement"), and the Bonds were purchased by SunTrust Bank (now Truist) (the "Lender") pursuant to a Guaranty and Credit Agreement dated May 1, 2009, (as amended, the "Guaranty Agreement"; together with the Bonds, the Indenture, the Loan Agreement, and other financing documents related to such Bonds, the "Bond Documents"); and

WHEREAS, it is expected that LIBOR will be discontinued or will cease to be a functioning index as of June 30, 2023; and

WHEREAS, to prevent disruption in the interest rate calculations for the Bonds, the Issuer wishes to authorize amendment to the Bond Documents to provide for the substitution of LIBOR with the Secured Overnight Financing Rate ("SOFR") pursuant to a Consolidated Amendment to Bond Documents, the form of which is attached hereto as Exhibit A (the "Amendment").

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:

Section 1. Approval of Alternate Interest Rate Indexes. The Issuer hereby approves the substitution of LIBOR with SOFR. Additionally, in connection with such substitution of LIBOR with SOFR, the Issuer hereby authorizes such revisions to the index tax-exempt factor and the credit margin for the applicable Bonds as are determined to be necessary or desirable by the Lender and the Borrower to maintain the same approximate interest rate value for the Bonds following such substitution.

Section 2. Execution of Amendments. The Chairman or Vice-Chairman and the Secretary or Assistant Secretary (if requested to attest to the signature of the Chairman or Vice-Chairman) are hereby authorized, empowered and directed to execute and deliver such amendments to the Bond Documents, including without limitation the Amendment in the name and on behalf of the Issuer as are determined necessary and advisable to provide for the substitution of LIBOR, their execution thereof to constitute conclusive evidence of their approval of such documents.

Section 3. Additional Authorizations. From and after the execution and delivery of the Amendment, the officers of the Issuer are hereby authorized, empowered and directed to do all such acts and to carry out and comply with all the provisions of the Documents and the Amendments as executed.

Section 4. Limited Obligations.

(a) The Bonds, and the interest payable thereon, are limited obligations of the Issuer, and shall not be deemed to constitute a general debt or liability of the Issuer, but shall be payable solely from such special sources and funds provided therefor in accordance with the provisions thereof and the provisions of the Bond Documents.

(b) Neither the State of Tennessee nor any political subdivision thereof, shall be liable for the payment of the principal of, or the interest on, the Bonds, or for the performance of any pledge, mortgage, obligation, agreement, or certification, of any kind whatsoever of the Issuer, and neither the Bonds nor any of the pledges, mortgages, agreements, obligations, or certifications of the Issuer shall be construed to constitute an indebtedness of the State of Tennessee or any political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

(c) No recourse under, or upon, any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents or in any other document or certification whatsoever, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents or any other document or certification, whatsoever, 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 from, or to, the owner of the Bonds, for any sum that may be due and unpaid by the upon the Bonds or the interest payable thereon; 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 or her part or otherwise for, directly or indirectly, the payment for, or to, the Issuer or any receiver thereof, or for, or to, the owner of the Bonds, of the principal of, or the premium, if any, or interest on, the Bonds, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents and the issuance of the Bonds.

The foregoing Resolution was approved and adopted by the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox on February 14, 2023.

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

By: _____
Title: _____

EXHIBIT A
(Form of Amendment)

34891742.1

Cessation of LIBOR

The Health, Educational and Housing Facility Board of the County of Knox (the “Board”) has outstanding the following variable rate bond: Variable Rate Demand Bond (Concord Christian School, LLC Project) Series 2009, which uses the London Interbank Offered Rate (LIBOR) as the market index to reset the interest rate.

On November 30, 2020, the ICE Benchmark Association, the entity that oversees the setting of LIBOR, announced its intention to cease publication of LIBOR as of June 30, 2023. The cessation of LIBOR will have a significant impact across not just the tax-exempt market but in the broader financial markets as well as borrowers and financial institutions must amend their bond and loan documents to provide for a new interest rate index to ensure the continued functioning of these transactions. In an effort to minimize the disruption to the financial markets, the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York convened a committee known as the Alternative Reference Rates Committee (ARRC) to assist to provide recommendations on the transition away from LIBOR. ARRC has suggested the Secured Overnight Financing Rate (SOFR) as a suitable replacement for LIBOR.

To facilitate a smooth transition away from LIBOR for the Board’s variable rate bonds, the proposed resolutions authorize the substitution of LIBOR with SOFR provided that the substitution maintains the same approximate interest rate value for the applicable bonds. The proposed resolution additionally authorizes the appropriate Board officers to execute of such amendments as are necessary to substitute LIBOR in the Board’s existing variable rate bonds with such alternative index.

RESOLUTION AUTHORIZING, SUBJECT TO THE SUBMISSION OF SATISFACTORY IMPLEMENTING DOCUMENTS, THE ISSUANCE OF NOT TO EXCEED \$25,000,000 IN REVENUE BONDS AND/OR NOTES, FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION, 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, Elmington Capital Group, LLC (the "Applicant"), has requested that the Issuer issue its revenue bonds and loan the proceeds from the sale of such bonds to an entity to be formed by the Applicant (the "Borrower") to finance the acquisition, rehabilitation, construction and equipping of an approximate 74-unit low and moderate income housing facility to be located at 1036 Dunhill Way (Dunhill Apartments) and an approximate 92-unit low and moderate income housing facility to be located at 3200 Sutherland View Way (Sutherland View Apartments) in the City of Knoxville, Knox County, Tennessee to be developed by the Borrower (collectively, 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 (the "Bonds") to finance the costs of the Project; and

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 Borrower 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, rehabilitation, 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, the issuance of the Bonds 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 Chairman and the Vice Chairman, 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 Chairman or Vice Chairman 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 Internal Revenue Code of 1986, as amended, and based upon the representations of the Applicant:

(a) The Applicant reasonably expects to reimburse itself or the Borrower 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 \$25,000,000.

(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).

ADOPTED and APPROVED, the 14th day of February, 2023

Chairman

Secretary

**INDUCEMENT AGREEMENT
(Housing)**

THIS INDUCEMENT AGREEMENT entered into this 14 day of February, 2023, by and between The Health, Educational and Housing Facility Board of the County of Knox (the "Issuer") and Elmington Capital Group, LLC (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 (or an entity to be formed by the Applicant) intends to acquire and construct an approximate 74-unit and 92-unit low and moderate income housing facility to be located at 1036 Dunhill Way (Dunhill Apartments) and 3200 Sutherland View Way (Sutherland View Apartments) in the City of Knoxville, Knox County, Tennessee to be developed by the Applicant (the "Project"). The Project is expected to cost approximately \$_____. The Applicant has requested the Issuer to assist the Applicant in defraying the costs of the Project by issuing its Bonds in an amount not exceeding \$25,000,000 as an incentive for the development of the Project;
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 \$25,000,000 (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 40% 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 under an Indenture of Trust pursuant to which the Bonds will be issued (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 they should take or permit any such action, they shall take all lawful actions that they 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 the acquisition, rehabilitation and/or construction 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 the acquisition, rehabilitation and/or construction 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, including, without limitation, any claims pertaining to any inaccuracies, misstatements or omissions of fact set forth in any application or other filing with the Tennessee Housing Development Authority pertaining to the Project. The Applicant represents and warrants to the Issuer that all such filings are and shall be true and correct in all material respects and contain no such material misstatements or omissions of fact.

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 attorney's 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

By: _____

Title: _____

ELMINGTON CAPITAL GROUP, LLC

By: _____

Title: _____

DATE: 2/9/2023

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: ECG Sutherland 1, LP

LOCATION: 3200 Sutherland View Way and 1036 Dunhill Way, Knoxville, TN

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

AUTHORIZATION – AMOUNT ASKING FOR: \$25,000,000

ESTIMATED PROJECT COST AND BREAKDOWN (i.e., land, building, equipment, etc.)
Asset Purchase - \$20.7MM, Hard Costs = \$7MM, Total Costs = \$46MM

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

PURCHASER: Stifel

GUARANTOR: Elmington Affordable, LLC

FISCAL AGENT (if selected): _____

ATTORNEY (if selected): Pete Ezell -- Bond Counsel

TRUSTEE (if selected): _____

BRIEF DESCRIPTION OF PROJECT: (including the purpose, employment created, economic impact, size of buildings, land, etc., and other appropriate comments to fully explain.)
166 units of multi-family, affordable housing apartments. These bonds will be used for both the acquisition and rehab of these properties.

FINANCIAL STATEMENTS: If public placement is requested, include with the above: (1) financial summary of past 5 years; (2) current audit; (3) 3-5 year financial projections.

RULES: Compliance with the rules on the following page is the responsibility of Applicant. The Board reserves the right to amend or waiver any Rule without notice.

RULES

- 1. **Procedure** – The Project Application must be filed with the Secretary of the Board fourteen days prior to meeting so that copies can be mailed to all Board Members and counsel to the Board one week prior to Board meeting.
 - (1) If a TEFRA hearing is requested, the completed TEFRA form and Application **MUST BE RECEIVED** by the Secretary not less than 20 days prior to the meeting.
 - (2) If no TEFRA hearing is requested, the Application **MUST BE RECEIVED** by the Secretary not less than 14 days prior to the meeting.

- 2. **Fee Schedule** – Appropriate fees must be submitted with the request:

Projects and Bond Issues: The Industrial Development Board of the County of Knox and The Health, Educational and Housing Facility Board of the County of Knox

Agenda Fee: \$500. This fee is assessed on matters considered by the Board of Directors at a regular meeting of the Directors. It is not assessed if (i) the Applicant has paid a Project Fee and (ii) the action requested is related to the same Project or Bond Issue for which the Project Fee was paid. If an Applicant requests further action related to an outstanding Bond Issue, the Agenda Fee will be due and payable.

Project Fee: 10 basis points (0.10%) of the Total Project/Bond Issue with a minimum of \$2,000 and a maximum of \$4,000.

Special Meeting Fee: \$5,000 per Applicant.

Interlocal Agreement Fee: \$1,000 per Applicant.

All fees are due and payable fourteen days before the meeting and should be payable to the applicable Board and delivered to the Board at its office located at 17 Market Square, #201, Knoxville, TN 37902-1405.

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 AUTHORIZING, SUBJECT TO THE SUBMISSION OF SATISFACTORY IMPLEMENTING DOCUMENTS, THE ISSUANCE OF NOT TO EXCEED \$25,000,000 IN REVENUE BONDS AND/OR NOTES, FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION, 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, Elmington Capital Group, LLC (the "Applicant"), has requested that the Issuer issue its revenue bonds and loan the proceeds from the sale of such bonds to an entity to be formed by the Applicant (the "Borrower") to finance the acquisition, rehabilitation, construction and equipping of an approximate 120-unit low and moderate income housing facility to be located at 510 Vista Glen Way (Sutherland Park Apartments) in the City of Knoxville, Knox County, Tennessee to be developed by the Borrower (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 (the "Bonds") to finance the costs of the Project; and

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 Borrower 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, rehabilitation, 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, the issuance of the Bonds 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 Chairman and the Vice Chairman, 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 Chairman or Vice Chairman 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 Internal Revenue Code of 1986, as amended, and based upon the representations of the Applicant:

(a) The Applicant reasonably expects to reimburse itself or the Borrower 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 \$25,000,000.

(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).

ADOPTED and APPROVED, the 14th day of February, 2023.

Chairman

Secretary

**INDUCEMENT AGREEMENT
(Housing)**

THIS INDUCEMENT AGREEMENT entered into this 14 day of February, 2023, by and between The Health, Educational and Housing Facility Board of the County of Knox (the "Issuer") and Elmington Capital Group, LLC (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 (or an entity to be formed by the Applicant) intends to acquire and construct an approximate 120-unit low and moderate income housing facility to be located at 510 Vista Glen Way (Sutherland Park Apartments) in the City of Knoxville, Knox County, Tennessee to be developed by the Applicant (the "Project"). The Project is expected to cost approximately \$_____. The Applicant has requested the Issuer to assist the Applicant in defraying the costs of the Project by issuing its Bonds in an amount not exceeding \$25,000,000 as an incentive for the development of the Project;
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 \$25,000,000 (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 40% 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 under an Indenture of Trust pursuant to which the Bonds will be issued (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 they should take or permit any such action, they shall take all lawful actions that they 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 the acquisition, rehabilitation and/or construction 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 the acquisition, rehabilitation and/or construction 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, including, without limitation, any claims pertaining to any inaccuracies, misstatements or omissions of fact set forth in any application or other filing with the Tennessee Housing Development Authority pertaining to the Project. The Applicant represents and warrants to the Issuer that all such filings are and shall be true and correct in all material respects and contain no such material misstatements or omissions of fact.

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 attorney's 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

By: _____

Title: _____

ELMINGTON CAPITAL GROUP, LLC

By: _____

Title: _____

DATE: 2/9/23

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: ECG Sutherland 2, LP

LOCATION: 510 Vista Glen Way Knoxville, TN

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

AUTHORIZATION – AMOUNT ASKING FOR: \$25,000,000

ESTIMATED PROJECT COST AND BREAKDOWN (i.e., land, building, equipment, etc.)
Asset Purchase = \$15MM, Hard Costs = \$5MM, Total Costs = \$33MM

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

PURCHASER: Stifel

GUARANTOR: Elmington Affordable, LLC

FISCAL AGENT (if selected): _____

ATTORNEY (if selected): Pete Ezell -- Bond Counsel

TRUSTEE (if selected): _____

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

120 units of multi-family affordable housing, serving tenants making 60% AMI or less. These bonds would be used to facilitate a substantial rehab of the project.

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.