

Board Members:

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



The Industrial Development Board of the County of Knox

Regular Meeting
Tuesday, August 10, 2021, 4:00 p.m.
17 Market Square, #201
Knoxville, Tennessee 37902

AGENDA

- I. Call to Order
- II. Approval of Minutes from Previous Meeting
 - ACTION** A) Regular Meeting – June 8, 2021
- III. Finance Report
 - ACTION**
- IV. Presentation and Consideration of Agreed Upon Procedures for 12/31/20 for the Knox County Property Tax Incentive Program
 - ACTION**
- V. Presentation and Consideration of Audited Financial Statements for Year Ended 3/31/21
 - ACTION**
- VI. Review and Consideration of Resolution Regarding Extension of Lease Agreement with respect to payment-in-lieu-of-taxes (PILOT) for Lifetime Products, Inc. for property located at 2015 Eastbridge Boulevard, Mascot, TN 37806.
 - ACTION**
- VII. Review and Consideration of Resolution regarding Approval of Amendment to Lease Agreement with SHF-Knoxville High School, LLC (an affiliate of Southeastern Housing Foundation II, Inc.) for property located at 101 E. Fifth Avenue, Knoxville, TN (Historic Knoxville High School)
 - ACTION**
- VIII. Old Business
- IX. New Business
 - A) Discussion Regarding Knox County Code of Ethics and State Conflicts of Interest Requirements.
- X. Adjourn

**MINUTES OF THE REGULAR MEETING OF
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**

June 8, 2021, 4:00 p.m.

The regular meeting of the Board of Directors of The Industrial Development Board of the County of Knox (the “Industrial Development Board” or “Board”) was held on Tuesday, June 8, 2021, at 4:06 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, constituting a quorum, Greg McWhorter, (Chair), Paul Fortunato (Vice Chair), Tiffany Gardner, Anthony Wise, Rick Gentry, Shannon Coleman Egle, Michael Wood, Mike George, and Alvin Nance.

Also, in attendance were Mike Odom (The Development Corporation), Brenda Wilson Spence (The Development Corporation), Todd Napier, (former President of The Development Corporation), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Susan L. Levine (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), Pat Alexander, bond counsel for WCO AL DP, LLC, Dick Brown with Integra Resources, (the management company that will oversee the WCO AL DP Project), Jordana K. Nelson, bond counsel for DGA Lakeview, LP, Craig Cobb, Vice President of DGA Residential, LLC, the general partner of DGA Lakeview, LP, and Mark Mamantov, bond counsel for Pinnacle Bank (Johnson University project).

I. Greg McWhorter, the Board’s Chair, called the Industrial Development Board meeting to order. The Agenda of the Industrial Development Board meeting is attached hereto as Exhibit A. The Chair asked for the Board’s indulgence to amend the agenda to recognize Todd Napier and his years of service to the Board. Mr. McWhorter gave his thanks to Mr. Napier for his years of service and cooperation and assistance with the transition to the Knoxville Chamber. Mr. McWhorter opened the floor to all Board members who also provided additional accolades and memories. Mr. McWhorter then presented Mr. Napier with an original watercolor of downtown Knoxville painted by a local artist. Mr. McWhorter then introduced Mike Odom to the Board, Mr. Odom having been recently appointed as the interim President and CEO of The Development Corporation of Knox County (“TDC”). Mr. Odom assured the Board that the plan is to transition the administrative services from being provided by the TDC to being provided by the Knoxville Chamber Partnership. Mr. Odom stated that the Board will continue to receive the support and guidance it is accustomed to receiving both during and after the transition to the Knoxville Chamber. Mr. Mamantov then stated that the Board should see an item on the August agenda pertaining to the new management arrangements.

The Industrial Development Board then discussed the following matters and took the following actions as noted:

II. Review/ Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the regular meeting held on May 11,

2021. There were none. Upon a motion by Paul Fortunato and a second by Rick Gentry, the minutes of the May 11, 2021, meeting were unanimously approved.

III. Review and Consideration of Signature Card Authorization. The Chair recognized Chris Trump who addressed the Board regarding the proposed Resolution for signature card authorizations due to the resignation of Todd Napier and appointment of Mike Odom as interim President and CEO of TDC. Discussion was had.

Upon a motion by Alvin Nance and a second by Mike George, the Resolution regarding Authorization for Signatures on Checks was unanimously approved. A copy the Resolution is attached hereto as Exhibit B.

IV. Old Business. None.

V. New Business. None.

VI. Next Meeting. The next regular meeting of The Industrial Board of the County of Knox is scheduled for July 13, 2021, 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 4:36 p.m.

Dated

Tiffany E. Gardner, Secretary

EXHIBITS

Exhibit A Agenda – June 8, 2021

Exhibit B Resolution of the Board of Directors of the Industrial
Development Board of the County of Knox Authorizing
Signatures on Checks

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The Industrial Development Board of the County of Knox
Balance Sheet with Prior Year Comparison
As of June 30, 2021

	As of June 30, 2021	As of June 30, 2020 (PY)
ASSETS		
Current Assets		
Bank Accounts		
100-000 Cash - Regions Bank	136,609	174,693
100-600 Construction Funds - Grassy Creek	1,013,529	-
Total 100-000 Cash - Regions Bank	\$ 1,150,138	\$ 174,693
112-000 Grassy Creek Project Fund	11,750	480
113-000 Northshore TC TIF Fund - City	1,293,898	543,684
114-000 Northshore TC TIF Fund - County	76,096	75,998
Total Bank Accounts	\$2,531,882	\$794,856
Accounts Receivable		
125-000 Accounts Receivable (A/R)	-	3,748
Total Accounts Receivable	\$0	\$3,748
Other Current Assets		
127-000 Prepaid Insurance	2,501	2,435
128-000 Closing Fee - Historic Knoxville High	74,918.54	37,459.26
Total Other Current Assets	\$77,419	\$39,895
Total Current Assets	\$2,609,301	\$838,498
Other Assets		
170-000 Loan to TDC	450,000	450,000
180-000 Long-Term Closing Fee - Knox High	-	74,919
Total Other Assets	\$450,000	\$524,919
TOTAL ASSETS	\$3,059,301	\$1,363,417
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200-000 Accounts Payable	-	6,406
Total Accounts Payable	\$0	\$6,406
Other Current Liabilities		
218-000 Accrued Expenses	0	0.00
246-000 Northshore TC TIF - Liability	1,369,994	619,683
247-000 Grassy Creek TIF - Liability	11,750	480
250-000 Grassy Creek Project Fund Liability	1,013,529	0.00
Total Other Current Liabilities	\$2,395,274	\$620,162
Total Current Liabilities	\$2,395,274	\$626,568
Total Liabilities	\$2,395,274	\$626,568
Equity		
300-000 Opening Balance Equity	18,401	18,401
320-000 Retained Earnings	669,178	741,921
Net Income	(23,550)	(23,473)
Total Equity	\$664,028	\$736,848
TOTAL LIABILITIES AND EQUITY	\$3,059,301	\$1,363,417

**The Industrial Development Board of the County of Knox
Budget Variance Report**

For the 3 Periods Ended June 30, 2021

	June 2021			April 2021 - June 2021			April 2021 - March 2022	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	% Remaining
Income								
410-000 Interest Revenue	11	8	2	15	25	(10)	100	85.21%
420-000 Base Rent Revenue	0	725	(725)	0	2,175	(2,175)	8,700	100.00%
435-000 Application Revenue	0	333	(333)	0	1,000	(1,000)	4,000	100.00%
444-000 Closing Revenue	0	0	0	0	0	0	0	0.00%
445-000 Agenda Fee	0	0	0	0	0	0	0	0.00%
447-000 Appropriation from Retained								
Earnings	0	6,513	(6,513)	0	19,538	(19,538)	78,151	100.00%
Total Income	\$11	\$7,579	(\$7,568)	\$15	\$22,738	(\$22,723)	\$90,951	99.98%
Expenses								
502-001 Operating Expenses	64	125	(61)	262	375	(113)	1,500	82.50%
503-001 Advertising Expense	39	100	(61)	240	300	(60)	1,200	80.00%
507-001 Insurance Expense	313	313	(0)	938	938	(0)	3,751	75.00%
509-001 Professional Services	0	83	(83)	0	250	(250)	1,000	100.00%
511-001 Accounting Expense	4,000	792	3,208	4,000	2,375	1,625	9,500	57.89%
512-001 Legal Expense	3,875	2,083	1,792	5,875	6,250	(375)	25,000	76.50%
519-001 Administrative Expense	4,083	4,083	(0)	12,250	12,250	(0)	49,000	75.00%
Total Expenses	\$12,375	\$7,579	\$4,796	\$23,565	\$22,738	\$827	\$89,451	73.66%
Net Operating Income	(\$12,364)	\$0	(\$12,364)	(\$23,550)	\$0	(\$23,550)		

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The Industrial Development Board of the County of Knox
Income Statement with Prior Year Comparison
For the 3 Periods Ended June 30, 2021

	<u>April 2021 - June 2021</u>	<u>April 2020 - June 2020 (PY)</u>
Income		
410-000 Interest Revenue	15	28
420-000 Base Rent Revenue	0	0
435-000 Application Revenue	0	0
444-000 Closing Revenue	0	0
445-000 Agenda Fee	0	0
Total Income	\$15	\$28
Gross Profit	\$15	\$28
Expenses		
502-001 Operating Expenses	262	99
503-001 Advertising Expense	240	493
507-001 Insurance Expense	938	913
509-001 Professional Services		345
511-001 Accounting Expense	4,000	6,400
512-001 Legal Expense	5,875	3,000
519-001 Administrative Expense	12,250	12,250
Total Expenses	\$23,565	\$23,500
Net Operating Income	(\$23,550)	(\$23,473)
Other Income		
460-000 Grassy Creek Construction Revenue	1,074,755	0
Total Other Income	\$1,074,755	\$0
Other Expenses		
560-000 Grassy Creek Construction Expense	1,074,755	0
Total Other Expenses	\$1,074,755	\$0
Net Income	(\$23,550)	(\$23,473)

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE COUNTY OF KNOX**

AGREED-UPON PROCEDURES

DECEMBER 31, 2020

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Directors and Senior Management
The Industrial Development Board of the County of Knox
Knoxville, Tennessee

We have performed the procedures enumerated below, which were agreed to by The Industrial Development Board of the County of Knox (the "Board"), solely to assist the Board in assessing whether all applicable information has been submitted and whether the lessees have complied with the requirements of the leases as of December 31, 2020. The Board's management is responsible for the administration of the leases. The sufficiency of these procedures is solely the responsibility of the party specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reviewed the listing of companies participating in the Property Tax Incentive Program to determine if all companies have submitted the required information as per the lease sections as follows:
 - a. 6.11 for Ridgebrook II, L.P. - No exceptions noted.
 - b. 7.4 for Green Mountain Coffee Roasters, Inc. - No exceptions noted.
 - c. 7.4 for Oakwood Senior Living, LLC - Exception noted, see Finding 1.
 - d. 5.06 for Markets at Choto, LLC – No exceptions noted.
 - e. 5.06 for Marble Alley Lofts, LLC – No exceptions noted.
 - f. 5.06 for Lifetime Products, Inc. – No exceptions noted.
 - g. 5.06 for Fresenius USA Manufacturing, Inc. - Compliance is not yet required as of December 31, 2020.
 - h. 5.06 for America's Collectibles Network, Inc. – Exception noted, see Finding 1.
 - i. 7.4 for Dover Development Corp. (Knox High Independent Living) – Exception noted, see Finding 1.

j. 7.4 for White Oak Crossing, L.P. - Exception noted, see Finding 1.

k. 5.06 for SCAPA Tapes North America, LLC – No exceptions noted.

2. We reviewed the annual Property Tax Incentive Program Performance Reports (“Performance Report”) submitted to verify the documents are complete and properly certified as evidenced by a signature – See finding 1 for annual performance report timely filing findings. The reports appeared complete and properly certified when filed.

3. We reviewed the information contained in the Property Tax Incentive Program Performance Reports and compared it to the application data to verify the participant has complied with the project investment, the job requirements, and the wage requirements within the specified time frame as well as the environmental requirements as stated in the lease sections as follows:

a. 6.11(d) for Ridgebrook II, L.P. – No exceptions noted.

b. 10.1(b) for Green Mountain Coffee Roasters, Inc. - No exceptions noted.

c. 3.2 for Oakwood Senior Living, LLC - No exceptions noted.

d. 2.01 for Markets at Choto, LLC – No exceptions noted.

e. 9.01(b) for Marble Alley Lofts, LLC – No exceptions noted.

f. 3.01 for Lifetime Products, Inc. – No exceptions noted as Lifetime Products compliance with project investment, job requirements, and wage requirements are not yet required as of December 31, 2020.

g. 3.01 for Fresenius USA Manufacturing, Inc. - Compliance is not yet required as of December 31, 2020.

h. 3.01 for America’s Collectibles Network, Inc. – No exceptions noted.

i. 3.1 for Dover Development Corp. (Knox High Independent Living) – No exceptions noted.

j. 3.1 for White Oak Crossing, L.P. - No exceptions noted.

k. 5.06 (c) for SCAPA Tapes North America, LLC – No exceptions noted

4. We compared the information contained in the certificate of liability insurance and verified if it is adequate as compared to the requirements in the lease sections as follows:
- a. 6.4(c) and 6.4(f) for Ridgebrook II, L.P. – No exceptions noted.
 - b. 8.1 and 8.2 for Green Mountain Coffee Roasters, Inc. - No exceptions noted.
 - c. 8.1 and 8.2 for Oakwood Senior Living, LLC - No exceptions noted.
 - d. 7.01 and 7.02 for Markets at Choto, LLC - No exceptions noted.
 - e. 7.01 and 7.02 for Marble Alley Lofts, LLC – No exceptions noted.
 - f. 7.01 and 7.02 for Lifetime Products, Inc. – No exceptions noted.
 - g. 7.01 and 7.02 for Fresenius USA Manufacturing, Inc. – No exceptions noted.
 - h. 7.01 and 7.02 for America’s Collectibles Network, Inc. – No exceptions noted.
 - i. 8.1 and 8.2 for Dover Development Corp. (Knox High Independent Living) - No exceptions noted.
 - j. 8.1 and 8.2 for White Oak Crossing, L.P. – No exceptions noted.
 - k. 7.01 for SCAPA Tapes North America, LLC – No exceptions noted.

* * * * *

Findings

1. Procedures 1c, 1h, 1i, 1j - An Annual Performance Reports as of December 31, 2020, were not provided timely by Oakwood Senior Living, LLC, America’s Collectibles Network, Inc, Dover Development Corp. (Knox High Independent Living), and White Oak Crossing, L.P. These reports were completed and in compliance as of May 31, 2021, which is past the April 2021 deadline for the December 31, 2020 reporting.

* * * * *

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance with the leases. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than the specified party.

Nashville, Tennessee
August XX, 2021

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE COUNTY OF KNOX**

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2021 AND 2020

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THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX

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THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX

BOARD MEMBERS

At March 31, 2021

Board Members

Greg McWhorter
Paul Fortunato
Tiffany Gardner
Julie Wheeler

Chairman
Vice Chairman
Secretary/Treasurer
Asst. Secretary/Treasurer

Other Board Members

Mike George
Alvin J. Nance
Rick Gentry
Terry Henley
Michael Wood
Shannon Egle
Anthony Wise

Legal Counsel

R. Christopher Trump

Legal Counsel to the Board

Independent Auditor's Report

To the Board of Directors of
The Industrial Development Board of the County of Knox
Knoxville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of The Industrial Development Board of the County of Knox (the "Board"), which comprise the statements of net position as of March 31, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors of
The Industrial Development Board of the County of Knox

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of March 31, 2021 and 2020, and the respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Board's basic financial statements. The board members on page ii, as required by the State of Tennessee, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The board members on page ii has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

To the Board of Directors of
The Industrial Development Board of the County of Knox

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August XX, 2021, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Nashville, Tennessee
August XX, 2021

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THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED MARCH 31, 2021 AND 2020

This section of the Industrial Development Board of the County of Knox's (the "Board") annual financial report presents a discussion and analysis of the Board's financial performance during the fiscal year ended March 31, 2021. Please read it in conjunction with the Board's financial statements following this section. The 2020 and 2019 information is provided for comparative purposes.

Financial Highlights

- The assets of the Board exceeded its liabilities at the close of the most recent fiscal year by \$687,578 (net position). Net position amounted to \$760,322 and \$806,035 at March 31, 2020 and 2019, respectively.
- The Board's net position decreased by \$72,744, \$45,713, and \$2,758,982 in 2021, 2020, and 2019, respectively. The decrease in 2019 is due to the contribution of the land held for resale to The Development Corporation of Knox County. The decrease in 2020 is due to a decrease in contribution and closing revenue. The decrease in 2021 is primarily related to the decrease in PILOT and fee revenue.
- The Board's total liabilities decreased by \$870,205 in 2021 and increased by \$1,564,769 in 2020. The fluctuation for both years is related to the ending funds held for the Grassy Creek Project.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's financial statements.

The *Statements of Net Position* present information on all the Board's assets and liabilities, with the difference between the two reported as net position.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how net position changed during the most recent fiscal year. Revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. The principal operating revenues of the Board include fee income associated with the programs, contributions, and sale of land. Operating expenses include the cost of the land sold, land maintenance costs, contractual services, and professional fees. Revenues and expenses also include lease payments under the Knox County Property Tax Incentive Program (also referred to as the payments in lieu of property taxes or PILOT program). Previously, lease payments were made directly to the taxing authority but are now collected by the Board to ensure compliance with the lease agreement.

The *Statements of Cash Flows* present cash receipts and cash payments for the fiscal year.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements - Continued

Notes to the financial statements are an integral part of the statements and should be read in conjunction with the financial statements and the Management’s Discussion and Analysis.

Financial Analysis

The table below provides a summary of the Board’s net position as of March 31, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Statements of Net Position</u>			
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 436,685	\$ 299,700	\$ 654,344
Funds held for others, restricted	620,339	1,661,155	76,008
Accounts receivable	2,000	3,748	127,726
Other receivables	74,919	37,459	37,459
Prepaid expenses	3,438	3,349	3,359
Total current assets	<u>1,137,381</u>	<u>2,005,411</u>	<u>898,896</u>
Other receivables, long-term	<u>450,000</u>	<u>524,919</u>	<u>112,378</u>
Total assets	<u>1,587,381</u>	<u>2,530,330</u>	<u>1,011,274</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	279,464	108,853	129,231
Other liabilities, restricted	620,339	1,661,155	76,008
Total liabilities	<u>899,803</u>	<u>1,770,008</u>	<u>205,239</u>
NET POSITION			
Unrestricted	<u>687,578</u>	<u>760,322</u>	<u>806,035</u>
Total net position	<u>\$ 687,578</u>	<u>\$ 760,322</u>	<u>\$ 806,035</u>

- At the close of the 2021 fiscal year, the Board’s assets exceeded liabilities by \$687,578. At the close of the 2020 and 2019 fiscal years, the Board’s assets exceeded liabilities by \$760,322 and \$806,035, respectively. The Board’s net position decreased by \$72,744, \$45,713, and \$2,758,982 in 2021, 2020, and 2019, respectively. The decrease in 2019 is due to the contribution of the land held for resale to The Development Corporation of Knox County. The decrease in 2020 is due to a decrease in contribution and closing revenue. The decrease in 2021 is due to the decreases in PILOT and fee revenue.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis - Continued

The following table provides a summary of the changes in net position for fiscal year 2021, 2020 and 2019:

Statements of Revenues, Expenses and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue			
Contributions	\$ -	\$ -	\$ 121,104
Closing revenue	11,325	-	6,470
PILOT	365,333	407,849	407,849
Base rent revenue	8,700	8,700	6,700
Oakwood Senior Living	77,000	77,000	77,000
Fees	-	22,000	10,000
Agenda revenue	500	500	500
	<hr/>	<hr/>	<hr/>
Total operating revenue	462,858	516,049	629,623
Operating Expenses			
Contributions	-	-	2,812,068
PILOT	365,333	407,849	407,849
Professional services	34,038	22,500	36,570
Administrative	49,000	49,000	49,000
Insurance	3,661	3,663	3,664
Operating	911	887	1,541
Advertising	1,971	1,036	1,270
Bad debt	3,748	-	-
	<hr/>	<hr/>	<hr/>
Total operating expenses	458,662	484,935	3,311,962
Operating income (loss)	4,196	31,114	(2,682,339)
Non-Operating (Expense) Income			
Contribution of investments to outside entity	(77,000)	(77,000)	(77,000)
Interest income	60	173	357
	<hr/>	<hr/>	<hr/>
Total non-operating expense, net	(76,940)	(76,827)	(76,643)
Change in net position	(72,744)	(45,713)	(2,758,982)
Net position at the beginning of the year	760,322	806,035	3,565,017
	<hr/>	<hr/>	<hr/>
Net position at the end of the year	<u>\$ 687,578</u>	<u>\$ 760,322</u>	<u>\$ 806,035</u>

The Board’s net position as of March 31, 2021 totaled \$687,578. The unrestricted balance may be used to meet the Board’s ongoing objectives and obligations of promoting economic development in Knox County.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis - Continued

The Board’s operating revenue continues to come from two sources: fee and closing income and interest on investments, with other revenues representing flow through transactions.

The following table provides a summary of cash receipts and disbursements for fiscal years 2021, 2020, and 2019:

Statements of Cash Flows

	2021	2020	2019
Cash Flows from Operating Activities			
Receipts from PILOT program	\$ 365,333	\$ 407,849	\$ 410,349
Receipts from base rent revenue	8,700	8,700	6,700
Receipts from closing revenue	11,325	-	6,470
Receipts from agenda revenue	500	500	500
Receipt from third party building renovations	77,000	77,000	77,000
Receipt from fees	35,459	24,874	11,598
Payments for PILOT program	(316,910)	(311,766)	(586,253)
Payments to vendors	(32,941)	(23,433)	(43,138)
Payments to administrators	(49,000)	(49,000)	(49,000)
Net cash flows provided by (used in) operating activities	99,466	134,724	(165,774)
Cash Flows from Investing Activities			
Contribution of funds to related party	-	(77,000)	(77,000)
Receipt of long-term receivable	37,459	37,459	-
Advance to TDC	-	(450,000)	-
Interest received	60	173	357
Net cash flows provided by (used in) investing activities	37,519	(489,368)	(76,643)
Net change in cash and cash equivalents	136,985	(354,644)	(242,417)
Cash and cash equivalents at the beginning of the year	299,700	654,344	896,761
Cash and cash equivalents at the end of the year	\$ 436,685	\$ 299,700	\$ 654,344

Request for Information

This financial report is designed to provide a general overview of the Board’s finances for all of those with an interest in the Board’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chair, The Industrial Development Board of the County of Knox, 17 Market Square, #201, Knoxville, Tennessee 37902-1405.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
STATEMENTS OF NET POSITION
MARCH 31, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 436,685	\$ 299,700
Funds held for others, restricted	620,339	1,661,155
Accounts receivable	2,000	3,748
Other receivables	74,919	37,459
Prepaid expenses	3,438	3,349
Total current assets	1,137,381	2,005,411
Other receivables, long-term	450,000	524,919
Total assets	1,587,381	2,530,330
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	279,464	108,853
Other liabilities, restricted	620,339	1,661,155
Total liabilities	899,803	1,770,008
NET POSITION		
Unrestricted	687,578	760,322
Total net position	\$ 687,578	\$ 760,322

The accompanying notes are an integral part of the financial statements.

**THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED MARCH 31, 2021 AND 2020**

	2021	2020
Operating Revenue		
Closing revenue	11,325	-
PILOT	365,333	407,849
Base rent revenue	8,700	8,700
Oakwood Senior Living	77,000	77,000
Fees	-	22,000
Agenda revenue	500	500
	462,858	516,049
 Total operating revenue		
Operating Expenses		
PILOT	365,333	407,849
Professional services	34,038	22,500
Administrative	49,000	49,000
Insurance	3,661	3,663
Operating	911	887
Advertising	1,971	1,036
Bad debt	3,748	-
	458,662	484,935
 Total operating expenses		
 Operating income	4,196	31,114
Non-Operating (Expense) Income		
Contribution of investments to outside entity	(77,000)	(77,000)
Interest income	60	173
	(76,940)	(76,827)
 Total non-operating expense, net		
 Change in net position	(72,744)	(45,713)
 Net position at the beginning of the year	760,322	806,035
 Net position at the end of the year	\$ 687,578	\$ 760,322

The accompanying notes are an integral part of the financial statements.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities		
Receipts from PILOT program	\$ 365,333	\$ 407,849
Receipts from base rent revenue	8,700	8,700
Receipts from closing revenue	11,325	-
Receipts from agenda revenue	500	500
Receipt from third party building renovations	77,000	77,000
Receipt from fees	35,459	24,874
Payments for PILOT program	(316,910)	(311,766)
Payments to vendors	(32,941)	(23,433)
Payments to administrators	(49,000)	(49,000)
	<u>99,466</u>	<u>134,724</u>
Net cash flows provided by operating activities		
Cash Flows from Investing Activities		
Contribution of funds to related party	-	(77,000)
Receipt of long-term receivable	37,459	37,459
Advance to TDC	-	(450,000)
Interest received	60	173
	<u>37,519</u>	<u>(489,368)</u>
Net cash flows provided by (used in) investing activities		
Net change in cash and cash equivalents	136,985	(354,644)
Cash and cash equivalents at the beginning of the year	<u>299,700</u>	<u>654,344</u>
Cash and cash equivalents at the end of the year	<u>\$ 436,685</u>	<u>\$ 299,700</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 4,196	\$ 31,114
Change in assets and liabilities:		
Decrease in accounts receivable	1,748	123,978
(Increase) decrease in prepaids	(89)	10
Increase (decrease) in accounts payable	93,611	(20,378)
	<u>99,466</u>	<u>134,724</u>
Net cash provided by operating activities	<u>\$ 99,466</u>	<u>\$ 134,724</u>

The accompanying notes are an integral part of the financial statements.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The Industrial Development Board of the County of Knox (the “Board”) is a non-profit corporation formed pursuant to the specific authority granted at Tennessee Code Annotated Section 7-53-101 et seq (the “Act”). The Board performs public functions on behalf of Knox County (the “County”) and its purpose is to undertake the financing and development of projects deemed by the Act to promote industry, trade, commerce, tourism and recreation, and housing construction. The Board participates in economic development activities by serving as a non-recourse conduit for taxable or tax-free financing for industrial projects. Some projects are structured as lease transactions, with the Board holding title to the property and leasing the property to the tenant. The lease may then be pledged to a lender to secure project financing. In other cases, title of the property remains in the leasing business entity, and the Board serves as a conduit lender, with the real estate project pledged as collateral.

The Board periodically issues tax exempt revenue bonds in accordance with the Board’s enabling legislation. The bonds are payable solely from the revenues of the projects and the assets of the applicable borrower.

Financial Reporting Entity

The Board is not considered to be a component unit of the County because the County does not exercise significant influence over operations or have accountability for the Board. However, the Board was created to carry out functions for the County government and the Knox County Commission appoints the Board members. Therefore the entities are considered to be related parties.

In evaluating how to define the Board for financial reporting purposes, management has determined there are no entities over which the Board exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Board. Therefore, the Board has no component units.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Accounting

The Board's operations are accounted for as a proprietary fund. The financial statements are presented on the accrual basis of accounting, using the economic resources measurement focus. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Board include fee income associated with the programs, contributions, remittance of property tax, property leasing income, and sale of land. Operating expenses include the cost of the land sold, land maintenance costs, contractual services, remittance of property tax and professional fees. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Position Classification

Net position represents the difference between assets and liabilities. Net position is classified into three components as defined below:

- Restricted net position - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations or other governments or restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This amount is the net position that does not meet the definition "restricted." These net positions are available for current use by the Board.
- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.

When both restricted and unrestricted net position balances are available for use, it is the Board's policy to use restricted net position balance first, then use unrestricted net position.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Board considers certificates of deposit and highly liquid instruments with original maturities of three months or less when purchased to be cash equivalents.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Conduit Debt Obligations

From time to time, the Board has entered into conduit debt arrangements in accordance with the Board's enabling legislation to provide financial assistance to private-sector entities for acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The conduit debt obligations are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the debts, ownership of the acquired facilities transfers to the private-sector entity serviced by the conduit debt issuance. The Board is not obligated in any manner for repayment of the obligations. Accordingly, the obligations are not reported as liabilities in the accompanying financial statements. At March 31, 2021, the Board had the following conduit debt arrangements being tracked. Any such agreements entered into prior to the tracking implementation would have matured, or be close enough to maturity that management deems them to be immaterial.

- In September 2011, the Board approved a tax increment financing for Northshore Market Investors, LLC for the Northshore Town Center Project. The notes are to be paid from the increase in tax revenue in the plan area. The Board will receive, as a conduit, \$6,000,000 from the County and \$3,000,000 from the City in tax increment revenue. As of March 31, 2021, the \$3,000,000 from the City has been retired and the \$6,000,000 from the County has been refinanced at \$2,507,841. The tax increment notes mature October 5, 2027. The Board has no obligation to pay if they do not receive the monies from the City and County.
- In July 2017, the Board approved a tax-exempt revenue bond for The Change Center which will be used to fund capital expenditures. The face amount of the debt obligation is \$2,300,000. The Board is not responsible for any of this amount.
- In August 2019, the Board approved a tax-exempt revenue bond for the Knoxville Zoological Garden, Inc. which will be used to fund capital expenditures. The face amount of the debt obligation is \$15,000,000. The Board is not responsible for any of this amount.
- In September 2019, the Board approved a tax-exempt revenue bond for the Young Men's Christian Assistance of East Tennessee to refund existing bonds. The face of the debt obligation is \$5,500,000. The Board is not responsible for this amount.
- In November 2019, the Board approved a tax-exempt revenue bond for Grassy Creek to fund capital expenditures. The face of the debt obligation is \$2,500,000. The Board is not responsible for this amount.
- In February 2020, the Board approved a tax-exempt revenue bond for the Boys & Girls Club of the Tennessee Valley to refund existing bonds. The face of the debt obligation is \$8,792,873. The Board is not responsible for this amount.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

As of March 31, 2021, the Board had total outstanding debt obligations, for the debt listed above, in the amount of approximately \$20,632,825. The face value for the debt obligations totaled \$36,600,715.

Revenue Recognition

Project fees are recorded at the time the fee is earned. Any fees earned but not received as of period end are recorded as accounts receivable.

Contributions

From time to time, the Board receives contributions from other governments to promote projects that benefit the region. These funds are then utilized by the Board or contributed to local developers or others who facilitate the projects.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 - CONCENTRATIONS OF CREDIT RISKS

As of March 31, 2021, the Board maintained one deposit account with Regions bank with a balance of \$436,624, two deposit accounts with Pinnacle Bank for a total balance of \$619,874, and one deposit account with SmartBank for a total balance of \$465.

At March 31, 2021 and 2020, all of the Board's bank accounts were fully insured either by the FDIC or by the Board's participation in the State of Tennessee's collateral pool.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 3 - ADMINISTRATIVE SERVICES AGREEMENT

The Board has an administrative services agreement with The Development Corporation. The Development Corporation provides administrative services to the Board for a fee of \$4,083 per month (\$49,000 per year). These services include clerical and personnel services and other ordinary, necessary services for the Board, including the retention and maintenance of records. The fee will be paid from the proceeds from the sale or lease of all or any part of the Board's properties or as a result of any agreement entered into. The fees will be payable at such time as the Board and The Development Corporation shall agree and only to the extent that the Board has received proceeds from such properties sufficient to pay the same, and after payment of any expenses incurred by the Board in connection with such properties. From such proceeds, the Board shall repay any other expenses advanced or incurred by The Development Corporation in connection with the administrative services rendered.

NOTE 4 - KNOX COUNTY PROPERTY TAX INCENTIVE PROGRAM

In January 2003, Knox County, Tennessee approved policies related to the establishment of a Property Tax Incentive Program (the "Program"), to be administered by the Board. The Program is an economic development incentive that can be provided to industrial, pollution control, distribution, office and service projects based on the potential economic benefit to the City/County. The primary role the Board serves for the County is to determine whether a project is in the public interest, according to objective criteria based upon the economic and physical development policies of the County, and to determine the term of the tax incentive transaction for each project. Under the Program, City and County property values are normally frozen at the pre-development level for a period of time (up to 15 years). During the freeze period, "payments in lieu of property taxes" ("PILOT") are made to the Board, which then transfers the payments to the City of Knoxville (the "City") and the County. The Board serves as a pass-through agent for these payments, which are due on or before the last day of February immediately following the tax year with respect to which the payments relate. Title to the property is transferred to the Board for the period of the tax freeze, and is then returned to the business at the end of the period for a nominal fee. The Board does not record the property as an asset on its balance sheet, since there would be an offsetting liability back to the business in a like amount.

The property is leased to the business under a triple net lease during the freeze period for a base rent of a nominal amount, plus additional payments consisting of expenses paid and/or obligations incurred by the Board related to the premises or requirements of the lease.

The Board receives fees from the Program's applicants for the various stages of the administration. During the fiscal year 2021, there was one closing and a total of twelve current projects. There were no closings during fiscal year 2020.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020

NOTE 5 - RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board's risks of loss are covered by a commercial package directors and officers' insurance policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 6 - SUBSEQUENT EVENTS

The Board has evaluated subsequent events through August XX, 2021, the date at which the financial statements were available for issuance, and has determined that there were no subsequent events requiring disclosure.

DRAFT

Independent Auditor's Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of Financial Statements Performed In
Accordance With *Government Auditing Standards*

To the Board of Directors of
The Industrial Development Board of the County of Knox
Knoxville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Industrial Development Board of the County of Knox (the "Board"), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated August XX, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors of
The Industrial Development Board of the County of Knox

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nashville, Tennessee
August XX, 2021

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED MARCH 31, 2021

The Board had no prior year audit findings.

DRAFT

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL
DEVELOPMENT BOARD OF THE COUNTY OF KNOX APPROVING
EXTENSION OF DEADLINE FOR LIFETIME PRODUCTS, INC.**

WHEREAS, THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX (“IDB”) is a nonprofit public corporation organized by Knox County as an industrial development board pursuant to Tenn. Code Ann. §§7-53-301 et seq. (the “Act”) and as such is a public instrumentality of Knox County performing a public function; and

WHEREAS, Lifetime Products, Inc. (“Applicant”) submitted an application (“Application”) to the IDB for certain tax incentives under the Tax Incentive Program in connection with construction, development, renovation, improvement, equipping, and installation of the Applicant’s manufacturing facility now located at 2015 Eastbridge Boulevard, Mascot, TN, 37806 (“Project”);

WHEREAS, on December 8, 2015, the Board of Directors of the IDB approved a resolution (the “Resolution”) authorizing the IDB to enter into a PILOT Lease with Applicant; and

WHEREAS, pursuant to the Resolution, Applicant close the PILOT transaction on July 29, 2016 and entered into a [PILOT] Lease Agreement (“PILOT Lease”) with the IDB; and

WHEREAS, the commencement date of the PILOT Lease was 15 months prior to Applicant receiving the certificate of occupancy on October 11, 2017 for the new manufacturing facility; and

WHEREAS, the worldwide coronavirus pandemic caused difficulties for Applicant in obtaining and retaining employees and Applicant continues to face, significant staffing challenges due to the pandemic; and the worldwide coronavirus pandemic caused difficulties for Applicant in procuring additional machinery and equipment and Applicant had to find a new supplier for its large, custom-made blow-molding machines. Without additional machines, Applicant could not increase production or staffing; and

WHEREAS, the current PILOT Lease requires Applicant to have at least 400 employees with an average wage of \$37,984 by July 29, 2021 and for Applicant to invest \$115 million in capital improvements related to the Project by July 29, 2021; and

WHEREAS, Applicant desires a one-year extension on the Measurement Period and Determination Date Points as defined and mentioned in Section 4.02 of the PILOT Lease to meet its employment and capital investment thresholds through July 29, 2022; and

WHEREAS, the Board of Directors of the IDB (the “Board”) desires to extend the Determination Date for Applicant to achieve its employment and capital investment thresholds; and

WHEREAS, there has been submitted to the Board at its regular scheduled meeting on July 13, 2021, a First Amendment to Lease Agreement between the IDB and the Applicant (“Lease Amendment”), which the IDB proposes to execute to carry out the transaction described above, a copy of which such instrument shall be filed with the records of the IDB.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX AS FOLLOWS:

1. The IDB is hereby authorized and directed to enter into the Lease Amendment, the content and provisions of which is hereby approved.

2. The Chair of the IDB is hereby authorized and directed to execute and deliver the Lease Amendment on behalf of the IDB.

3. The terms of all prior resolutions approved by the Board respecting the Project not modified hereby are ratified in all respects.

[Signature Page to Follows]

[Signature Page to Lifetime Resolution]

**STATE OF TENNESSEE
COUNTY OF KNOX**

I, Tiffany E. Gardner, Secretary of The Industrial Development Board of the County of Knox (the “IDB”) and keeper of the official minutes of the Board of Directors thereof, do hereby certify that the foregoing is a true and complete extract of the minutes of the Board of Directors of the IDB at a meeting duly called and held on July 13, 2021, and sets forth so much of said minutes as in any way relates to the introduction, consideration and passage of the resolution therein set forth. Public notice of said meeting was given pursuant to and in compliance with all provisions of law.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE COUNTY OF KNOX**

Tiffany E. Gardner, Secretary

Dated: _____

FIRST AMENDMENT TO LEASE AGREEMENT

This **AMENDMENT TO LEASE AGREEMENT** (hereinafter “Agreement”), is made and entered into as of the ____ day of _____, 2021, by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**, a public nonprofit corporation organized under the laws of the State of Tennessee, (“Landlord”), and **LIFETIME PRODUCTS, INC.**, a corporation organized under the laws of the State of Utah (“Tenant”).

RECITALS

A. Landlord and Tenant entered into that certain Lease Agreement dated July 29, 2016, as evidenced by that certain Memorandum of Lease of even date recorded at Instrument No. 201608250013106 in the Knox County Register of Deeds office (the “Lease Agreement”) as a part of a payment-in-lieu of tax transaction between Landlord and Tenant and pursuant to which Landlord leases to Tenant certain real property and improvements more particularly described therein.

B. Landlord and Tenant have agreed to make certain amendments to the Lease Agreement more particularly described herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. **Amendments to Lease Agreement.** The Lease Agreement is hereby amended as follows:
 - a. The definition of the term “Measurement Period” as set forth in **Section 1.01** of the Lease Agreement is hereby amended and restated in its entirety as follows:

“Measurement Period” means the time period covering the six (6) years after the Commencement Date.

- b. Section 4.02 of the Lease Agreement is hereby amended and restated as follows:

Section 4.02. Report on Determination Date. Within thirty (30) days after the sixth (6th) anniversary of the Commencement Date (“Determination Date”), the Tenant shall deliver to Landlord the Compliance Report in Accordance with Section 5.06(c) which Landlord shall use to determine the Determination Date Points (as defined below) in accordance with this Section 4.02.

Subsections 4.02(a) and 4.02(b) remain unchanged.

-
2. The Lease Agreement is not amended in any other respect.
3. **Ratification of Lease Agreement.** Each of the parties hereto affirms its respective obligations under the Lease Agreement, as amended hereby, and each such party agrees that such obligations are valid and binding, enforceable in accordance with its terms, subject to no defense, counterclaim, or objection.

[Signatures on Following Page]

[SIGNATURE PAGE FOR AMENDMENT TO LEASE AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LIFETIME PRODUCTS, INC.

By: _____
Name: _____
Title: _____

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, a Notary Public in and for said county and state, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the _____ of **LIFETIME PRODUCTS, INC.**, the within named bargainor, a Utah corporation, and that he/she as such officer being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of said corporation by himself/herself as such _____.

Witness my hand and official seal at office in the aforesaid county, this ____ day of _____, 2021.

Notary Public

My Commission expires: _____

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX

By: _____
Name: Greg McWhorter, Chair

STATE OF TENNESSEE
COUNTY OF KNOX

Before me, the undersigned authority, a Notary Public in and for said county and state personally appeared Greg McWhorter, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chair of **The Industrial Development Board of the County of Knox** the within named bargainor a corporation, and that he as such officer being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of said Public nonprofit corporation by himself as such Chair.

Witness my hand and official seal at office in the aforesaid county, this ____ day of _____, 2021.

Notary Public

My Commission expires: _____

18 June 2021

Re: Lifetime Products Inc PILOT agreement dated 29 July 2016

Dear Knox County Industrial Development Board:

We are requesting a one year extension on the determination date as defined and mentioned in Section 4.02 of our PILOT lease agreement with the Knox County IDB. We feel that there are two factors that warrant an extension.

First, the commencement date of the lease (July 29, 2016) was 15 months prior to our receiving the certificate of occupancy for our new manufacturing facility (October 11, 2017). During the first year of our lease agreement we were unable to hire employees to produce product and progress towards our compliance goal. We missed 15 months of time to grow our employee base. The first three production machines were operational and we started hiring employees as soon as we received the certificate of occupancy. We had three additional machines on order when that certificate of occupancy was received.

Second, the worldwide coronavirus pandemic caused many changes to our business both positive and negative. As a company our sales were up 20% in 2020 and are up another 10% in 2021. However, March-May 2020 was a very uncertain time period for our company and we did not know that sales would pick up and that we would need so many employees. Nor could we foresee the difficulties in getting and retaining employees to produce the product that our customers were demanding. We have faced, and continue to face, significant staffing challenges due to the pandemic.

All of our hiring for our production and production support groups is done through temporary staffing agencies. When the pandemic first struck, it took several weeks for these agencies to set their own staff up to work from home and conduct interviews virtually. Additionally, drug tests and background checks took longer. In March 2020 we sent all of our temporary associates home because we thought production would be down as we expected orders to be down. When everything picked back up and increased over our initial 2020 plan, we couldn't get enough temporary associates to come back to work. Some of our own employees wouldn't come back to work due to fear, increased unemployment benefits, and quarantine requirements.

We also couldn't hold as many, or as large of, meetings as we would like to hire, train, and orient new temporary associates and new employees due to CDC guidelines on how many people can be in a room and how far apart they have to be spaced. Our ability to get temporary associates in our facility and then convert them to full time employees was significantly hampered by the coronavirus pandemic. At one point we were worried about keeping our facility open and for a period of time tried to limit exposure to new people in our facility by not bringing in temporary associates who were not already currently working with us.

The temporary staffing agency fill rates (the number of people they send to us versus the number we request) averaged 46% over the last 6 months. We try to never turn away a temporary associate that comes to our facility. We will work with them and train them and find a place for them to be. We also convert 100% of the temporary associates who complete the 320 hour minimum requirement of working time with the temporary staffing agency to full time employees at Lifetime. Every one of our

line supervisors started as a temporary associate. If we could find enough people, we would hire them and they would have opportunities for promotion.

Every summer our schedule typically slows down but that did not happen in 2020 or 2021 and we couldn't get enough people to fill our needs. At this current point in time our ideal production staffing would be 123 employees per shift and we run 3 shifts. Then we have an additional 50-60 people in production support positions which would be more than 400 employees today if we could get them in our doors.

The pandemic further caused problems in procuring additional machines. We had to find a new supplier for our large, custom-made blow-molding machines. Without additional machines we could not increase production or increase hiring but we likely would not have had the people to staff those machines even if we had them installed and running.

The current PILOT lease agreement requires that we have at least 400 employees with an average wage of \$37,984 on July 29, 2021. We currently only have 261 full-time employees and 183 temporary associates but our average wage is \$38,297. Additionally, we have 43 open positions. We have 487 jobs in our Mascot facility right now and we are converting temporary associates to full time employees on a weekly basis.

The agreement also requires that we invest \$115 million into this project. We have currently only invested \$95 million but we are on track to invest a total of \$120 million by 2023.

Our future plans for our Mascot facility involve continued investment and additional growth. By 2023 we plan to have invested \$120M into our existing facility and have 456 employees. Additionally, we plan to build a 650,000 square foot distribution center to support customer shipping requirements and the increased production from our Mascot facility.

Building this facility in Tennessee has been a great asset to our company and has helped us take advantage of opportunities in the market and support our growth as a company. Without this facility we would not have been able to win kayak business across Walmart's 4,000 stores, capitalize on competitors going out of business, supply products from the US when international supply chains collapsed, or take advantage of the stay at home trend sparked by the coronavirus pandemic and the demand for outdoor lifestyle products.

We are grateful to the state of Tennessee, Knox County, and the cities of Knoxville and Mascot that have welcomed us with open arms and helped us build a strong Lifetime presence in your backyard. We appreciate the friendliness and professionalism that each interaction brings and are privileged to have made so many new friends on our visits to our Mascot facility. We are confident that we can meet the originally agreed upon milestones with a one year extension.

Sincerely,



Brian Slagle
CFO
Lifetime Products, Inc.

**Independence
Village** SENIOR LIVING

Leisure Living
SENIOR COMMUNITIES

STORYPOINT™
Senior Living



**Industrial Development Board
OF KNOX COUNTY**

**Over 38 Years of experience
guiding families and serving seniors**

**Independence
Village** SENIOR LIVING

Leisure Living
SENIOR COMMUNITIES

STORYPOINT™
Senior Living

Serving over 5,400 Seniors



Over 4,500 Employees





INDEPENDENT LIVING

Whatever your ideal retirement looks like, you'll find it with our independent living offering. Want to participate in your favorite hobby with friends? Enjoy afternoon walks in the courtyard? From maintenance-free living to convenient amenities and more, everything is designed to provide peace of mind and help you make the most of your retirement.



ENHANCED LIVING

For those who are most comfortable in an apartment setting and are not ready or in need of the care services offered in assisted living, enhanced living is for you. Enhanced living allows the flexibility to only pay for the services you need. Service options range from household chores to medication and mobility support, meal service, and more.



ASSISTED LIVING

Assisted living is designed to provide the daily assistance our residents need, when they need it — all while helping them make the most of their retirement. From assistance with medication to support with daily activities, coordinating appointments and more, assisted living offers 24-hour care in a licensed community setting.



MEMORY CARE

Designed for those experiencing dementia or other memory impairments, our licensed memory care neighborhood offers specially trained employees who provide 24-hour care, intentional programming, unique community features to accommodate the effects of memory loss, and more.

2021 BEST OF SENIOR LIVING

600 of the nearly 45,000 communities on SeniorAdvisor.com were awarded 2021 Best of Senior Living

22 of our 25 eligible communities earned this award.








RESIDENT, FAMILY & EMPLOYEE FEEDBACK

Throughout the COVID-19 Pandemic we received 1,473 total reviews that averaged 4.9/5 stars.



1,473
TOTAL REVIEWS

Review Site Ratings

	Caring (241)	4.9 ★
	Glassdoor (27)	4.6 ★
	Google (505)	5 ★
	Indeed (28)	4.8 ★
	Senioradvisor (672)	4.8 ★



Amanda Small

1 review

★★★★★ 3 months ago

I found StoryPoint Saline to be absolutely delightful. The staff were so friendly and I was impressed with their processes and procedures in place to address COVID. Will definitely recommend.

 Like

Over 7,000 Senior Housing Units Across 7 States

Independence Village

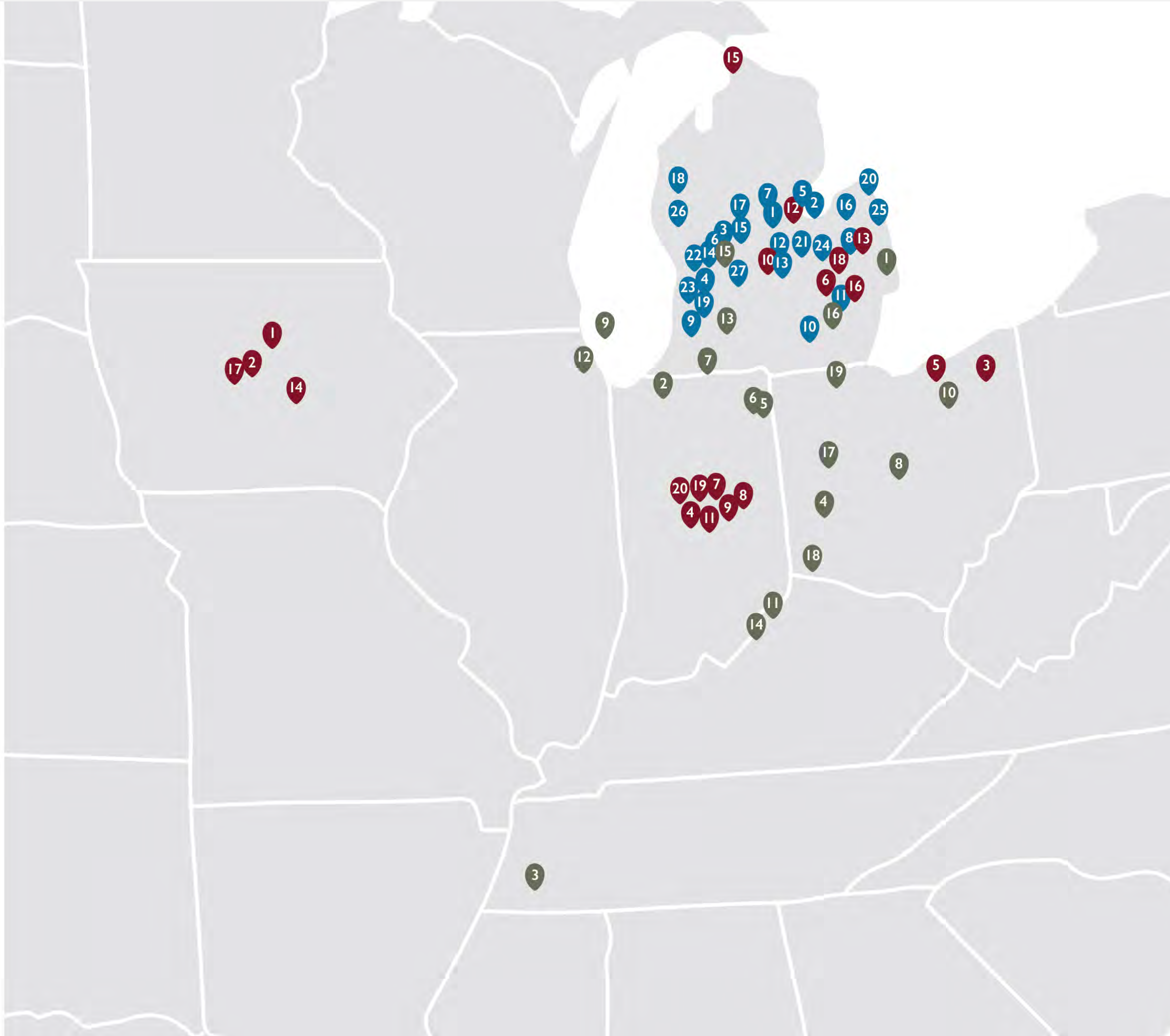
- 1. Ames, IA
- 2. Ankeny, IA
- 3. Aurora, OH
- 4. Avon, IN
- 5. Avon Lake, OH
- 6. Brighton Valley, MI
- 7. Carmel, IN
- 8. East Fishers, IN
- 9. South Fishers, IN
- 10. Grand Ledge, MI
- 11. Greenwood, IN
- 12. Midland, MI
- 13. Oxford (Waterstone), MI
- 14. Pella, IA
- 15. Petoskey, MI
- 16. Plymouth, MI
- 17. Waukee, IA
- 18. White Lake, MI
- 19. East Zionsville, IN
- 20. West Zionsville, IN

Leisure Living

- 1. Arbor Grove
- 2. Bayfield
- 3. Boulder Creek
- 4. Briarwood
- 5. Candlestone
- 6. Cascade Trails
- 7. Crestwood Village
- 8. Devonshire
- 9. Forest Glen
- 10. Gaslight Village
- 11. Glen Abbey
- 12. Grace Haven
- 13. Grandhaven
- 14. Grand Village
- 15. Hathaway Hills
- 16. Heritage Hill
- 17. Lakeview Terrace
- 18. Ludington Woods
- 19. Maple Lake
- 20. Meadow Lane
- 21. Oliver Woods
- 22. Riley's Grove
- 23. River Ridge
- 24. Springvale
- 25. Stonegate Village
- 26. White Lake
- 27. Woodlawn Meadows

StoryPoint

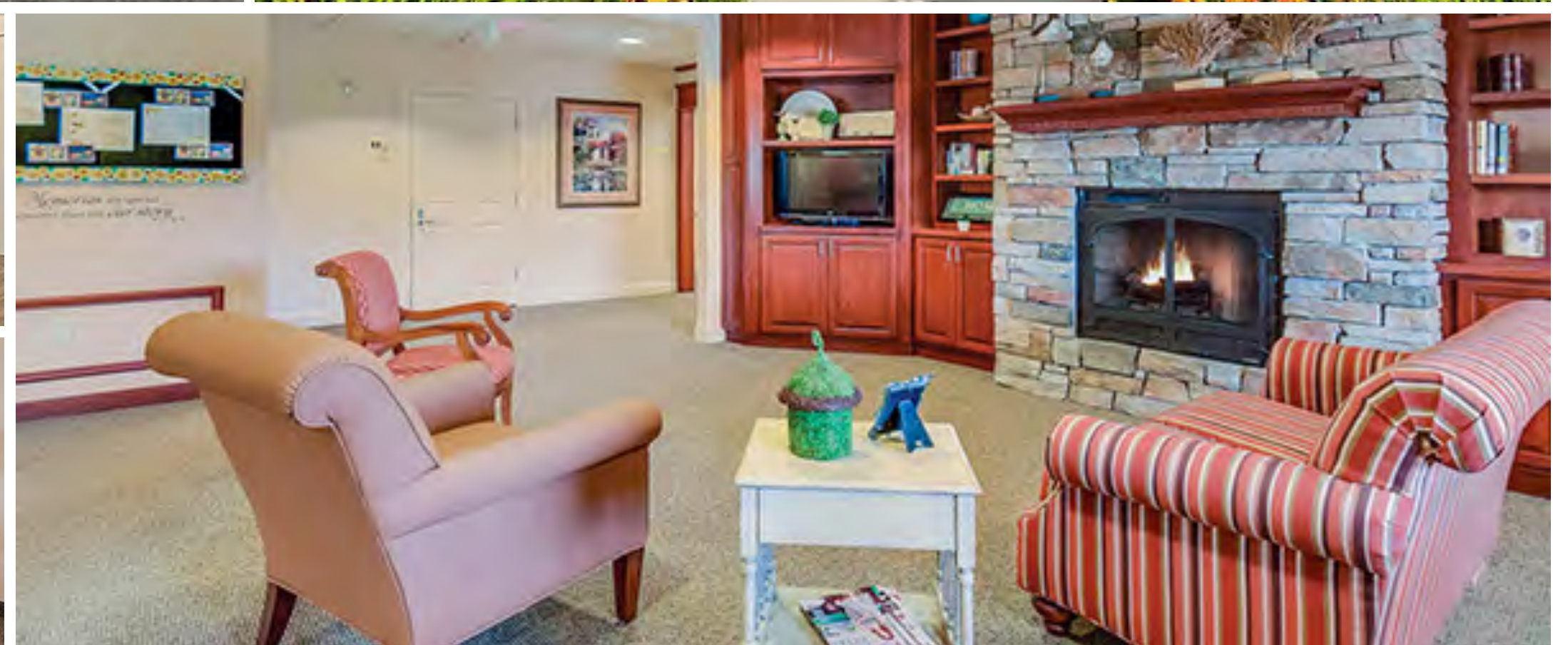
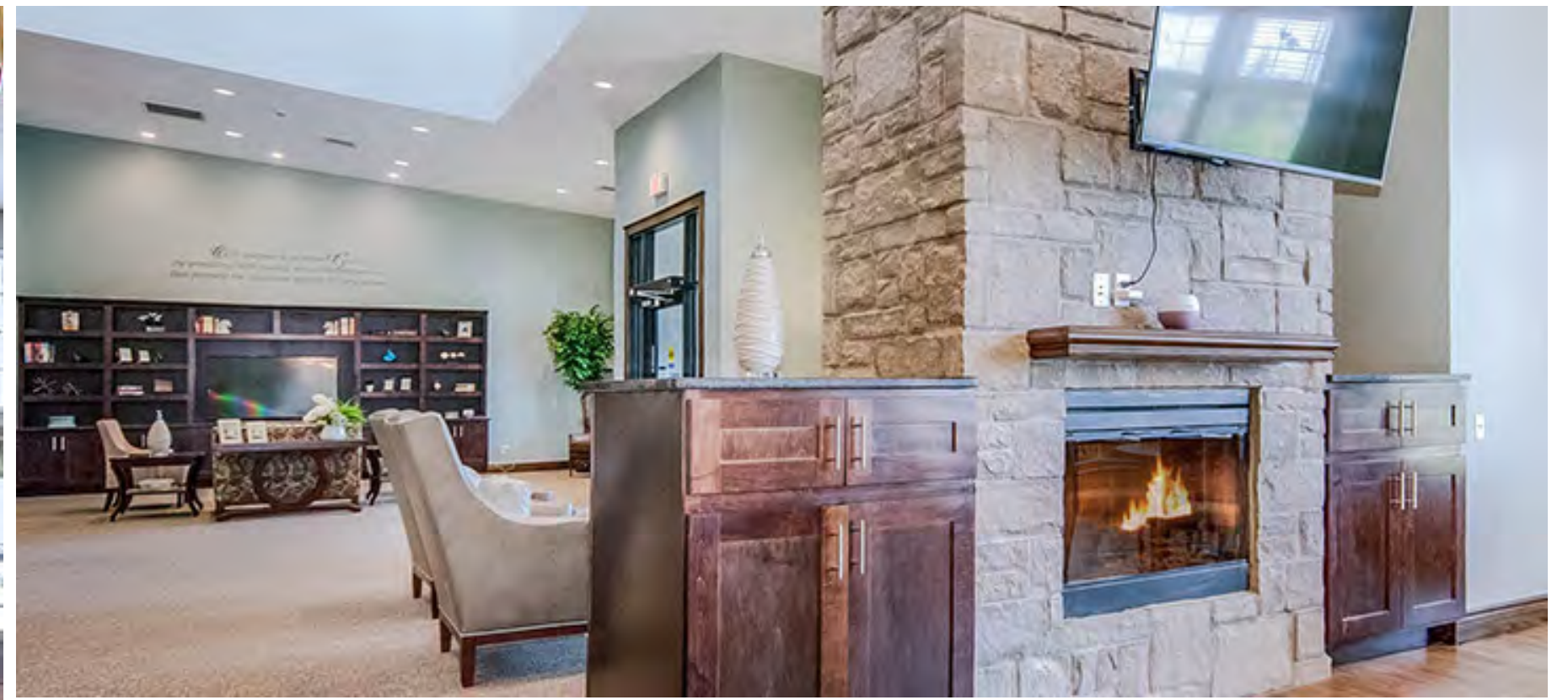
- 1. Chesterfield, MI
- 2. Chesterton, IN
- 3. Collierville, TN
- 4. Fairfield, OH
- 5. Fort Wayne North, IN
- 6. Fort Wayne West, IN
- 7. Granger, IN
- 8. Grove City, OH
- 9. Libertyville, IL
- 10. Medina, OH
- 11. Middletown, KY
- 12. Naperville, IL
- 13. Portage, MI
- 14. Prospect, KY
- 15. Rockford, MI
- 16. Saline, MI
- 17. Troy, OH
- 18. Union, KY
- 19. Waterville, OH

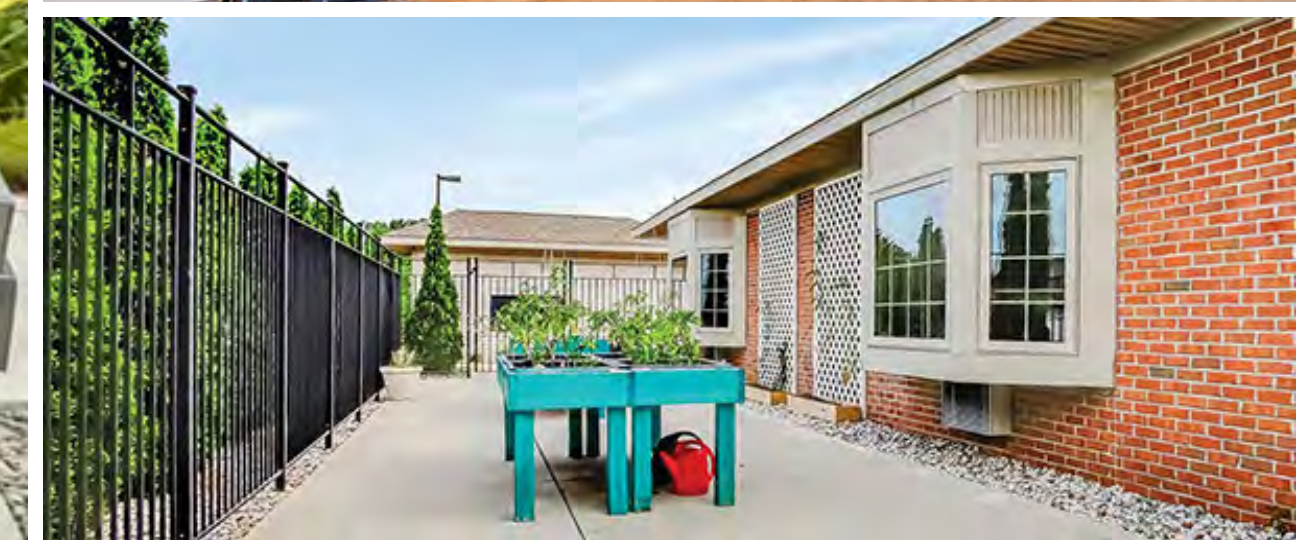


















Colin W. Kraay, CCIM

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Nick Kolb

248.514.9537

nkolb@storypoint.com

**SAMPLE
CONFLICT OF INTEREST STATEMENT**

In accordance with Tenn. Code Ann. § 7-53-301 and as a member of the board of directors of an industrial development corporation, I hereby acknowledge and affirm my understanding of the following:

1. I have received a copy of Tenn. Code Ann. § 12-4-101.
2. I understand that I am required to refrain from voting on matters in which I am directly interested, as defined by Tenn. Code Ann. § 12-4-101(a)(1), and that I must disclose any interest in any matter in which I am indirectly interested, as defined by Tenn. Code Ann. § 12-4-101(b), before voting on the matter.

Signature

Date

HOUSE BILL 831

By Kumar

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 53, relative to the board of directors of
industrial development corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-53-301, is amended by designating the existing language as subsection (a) and adding the following as a new subsection (b):

(b) Each director of an industrial development corporation board shall complete a conflict of interest statement acknowledging that the director has received a copy of § 12-4-101. The statement must include acknowledgements that the director understands that the director is required to refrain from voting on matters in which the director is directly interested and that the director must disclose any matter in which the director is indirectly interested before voting on the matter. The Tennessee ethics commission shall publish a sample conflict of interest statement on its public website.

SECTION 2. This act takes effect July 1, 2021, the public welfare requiring it.

West's Tennessee Code Annotated
Title 12. Public Property, Printing and Contracts
Chapter 4. Public Contracts (Refs & Annos)
Part 1. General Provisions (Refs & Annos)

T. C. A. § 12-4-101

§ 12-4-101. No direct interests by officials; public acknowledgement of indirect interests

Effective: May 20, 2016

Currentness

(a)(1) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This subdivision (a)(1) shall not be construed to prohibit any officer, committee person, director, or any person, other than a member of a local governing body of a county or municipality, from voting on the budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.

(2)(A) Subdivision (a)(1) shall also apply to a member of the board of directors of any not-for-profit corporation authorized by the laws of Tennessee to act for the benefit or on behalf of any one (1) or more counties, cities, towns and local governments pursuant to title 7, chapter 54 or 58.

(B) Subdivision (a)(2)(A) shall not apply to any county with a metropolitan form of government and having a population of four hundred thousand (400,000) or more, according to the 1980 federal census or any subsequent federal census.

(b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

(c) This section shall apply to a member of the board of directors or officer of any nonprofit corporation required under § 8-44-102 to conduct all meetings of its governing body as open meetings.

Credits

1869-1870 Acts, c. 92, § 1; 1977 Pub.Acts, c. 102, § 1; 1983 Pub.Acts, c. 388, §§ 4, 6; 1984 Pub.Acts, c. 831, § 1; 1986 Pub.Acts, c. 765, §§ 1 to 3; 1988 Pub.Acts, c. 908, §§ 4, 5; 1989 Pub.Acts, c. 366, §§ 1 to 3; 1998 Pub.Acts, c. 774, § 1, eff.

July 1, 1998; 2006 Pub.Acts, c. 923, § 4, eff. June 20, 2006; 2013 Pub.Acts, c. 403, § 71, eff. July 1, 2013; 2016 Pub.Acts, c. 1072, § 5, eff. May 20, 2016.

Formerly Shannon's Code, § 1133; 1932 Code, § 1874; § 12-401.

Notes of Decisions (91)

T. C. A. § 12-4-101, TN ST § 12-4-101

Current with laws from the 2021 First Regular Sess. of the 112th Tennessee General Assembly, eff. through May 11, 2021, except for 2021 Pub. Acts, c. 285. Pursuant to §§ 1-1-110, 1-1-111, and 1-2-114, the Tennessee Code Commission certifies the final, official version of the Tennessee Code and, until then, may make editorial changes to the statutes. References to the updates made by the most recent legislative session should be to the Public Chapter and not to the T.C.A. until final revisions have been made to the text, numbering, and hierarchical headings on Westlaw to conform to the official text. Unless legislatively provided, section name lines are prepared by the publisher.

End of Document

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*The Industrial Development Board
of the County of Knox*

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

*Communication with Those
Charged with Governance
Results of the March 31, 2021 Audit*





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August 10, 2021

To the Board of Directors of
The Industrial Development Board of the County of Knox and
The Health, Educational and Housing Facility Board of the County of Knox

Thank you very much for the opportunity to continue to serve as your independent auditors. We are pleased to provide to you our report on the results of the audits of the financial statements of The Industrial Development Board of the County of Knox, and The Housing Educational and Housing Facility Board of the County of Knox (the "Boards") for the year ended March 31, 2021.

A direct line of communication between our Firm and those charged with financial governance is essential to the proper exercise of our respective responsibilities. Our appointment involves the responsibility on our part to call to your attention any significant matters which we believe require your consideration.

The accompanying report is intended solely for the use of the Board of Directors and management and presents information regarding the audit and certain other information which we believe will be of assistance to you.

We would like to take this opportunity to express our appreciation for the assistance and courtesy extended to us by your employees. We appreciate working with you, and we look forward to a continued relationship with the Boards.

Very truly yours,

CROSSLIN, PLLC

A handwritten signature in black ink that reads "David Hunt". The signature is written in a cursive style.

David Hunt
Principal



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



***The Industrial Development Board of the County of Knox, and
The Health, Educational and Housing Facility Board of the County of Knox
Report on Results of the March 31, 2021 Audit***

Report on Financial Statements

We have audited the financial statements of The Industrial Development Board of the County of Knox, and The Health, Educational and Housing Facility Board of the County of Knox for the year ended March 31, 2021, and will issue our reports thereon dated August 10, 2021.

Required Communications

Professional standards require that we provide the Board of Directors with the following information related to our audit:

Our Responsibility under U.S. Generally Accepted Auditing Standards

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. Our audits of the financial statements do not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audits to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audits, we considered the internal control of the Boards solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audits that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



Planned Scope and Timing of the Audit

We conducted our audits consistent with the planned scope and timing we previously communicated to you.

Engagement Personnel

David Hunt	Lead Principal
Erica Saeger	Concurring Review
Curtis Payne	Audit Senior Manager
Jane Nutter	Audit Senior

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Boards is included in Note 1 to each of the financial statements. There have been no changes in significant accounting policies or their application during fiscal year 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. We believe the Boards' significant accounting policies are appropriate and comprehensive.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements is the estimated useful lives of capital assets and collectibility of receivables.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.



Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on an organization's financial reporting process (that is, cause future financial statements to be materially misstated). We have included the proposed adjusting and reclassifying entries in appendix C.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing that could be significant to the financial statements of the auditors' report. We are pleased to report that no such disagreements arose during the course of the audits.

Representations Required from Management

We will require certain written representation from management dated August 10, 2021, which we included in the attached letters (Appendices A and B).

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to an organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, the Boards made no such consultations with other accountants.

Issues Discussed Prior to our Selection as Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to our selection as the Board's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our selection as the Boards' auditors.



Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audits.

Fraud and Illegal Acts

We did not identify any fraudulent or illegal acts during the course of our audits.

Independence

We are not aware of any relations between Crosslin, PLLC and the Boards that, in our professional judgment may reasonably be thought to bear on our independence that have occurred during the period from April 1, 2020 through the date of our opinion.

We hereby confirm that as of August 10, 2021, we are independent with respect to the Boards within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants and *Government Auditing Standards*.

Other Written Communications

- Included as Appendices A and B are drafts of the representation letters we will receive from management.

August 10, 2021

Crosslin, PLLC
The Astoria
3803 Bedford Avenue, Suite 103
Nashville, TN 37215

This representation letter is provided in connection with your audit of the financial statements of the Industrial Development Board of the County of Knox (the “Board”), which comprise the statements of net position as of March 31, 2021 and 2020, and the respective statements of revenue, expenses and changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits:

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 21, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and includes all information required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted external counsel for any material litigation, claims, or assessments through the date of this letter.
- 10) Guarantees, whether written or oral, under which the Board is contingently liable, if any, have been properly recorded or disclosed.
- 11) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audits.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, or contracts, or abuse, whose effects should be considered when preparing financial statements.
- 18) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted external counsel for any material litigation, claims, or assessments through the date of this letter.
- 19) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) The Board has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.
- 22) We are responsible for compliance with the laws, regulations, and provision of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We know of no instances, which have occurred or are likely to have occurred, of noncompliance with provisions of and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, and no other instances that warrant the attention of those charged with governance.
- 26) We know of no instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) The Board has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The Board has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 33) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of net assets date and have been appropriately reduced to their estimated net realizable value.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

- 36) Revenues are appropriately classified in the statements of revenues, expenses, and changes in net position.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 39) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. No impairment reserves are necessary.
- 40) We have appropriately disclosed the Board's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We acknowledge our responsibility for the required supplementary information ("RSI"). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 42) We confirm that there were no expenditures of federal awards for the year and we were not required to have an audit in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- 43) In connection with any electronic presentation of the financial statements and your audit report thereon on our website, we acknowledge that:
 - a) We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
 - b) If your audit report is presented on our website, the full financial statements upon which you reported and to which you appended your signed report will be presented.
 - c) We will clearly indicate in the electronic presentation on our website the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented to us on or in connection with our website that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.

- d) We have assessed the security over financial statement information and the audit report presented on our website, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our website through internal failure or external manipulation.

44) In regard to the financial statement preparation services performed by you, we have—

- a) Assumed all management responsibilities.
- b) Designated Brannon McNeillie, who has suitable skill, knowledge, or experience to oversee the services.
- c) Evaluated the adequacy and results of the services performed.
- d) Accepted responsibility for the results of the services

THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX

Brannon McNeillie
CPA, Abacus Hive

Board Member

August 10, 2021

Crosslin, PLLC
The Astoria
3803 Bedford Avenue, Suite 103
Nashville, TN 37215

This representation letter is provided in connection with your audit of the financial statements of The Health, Education and Housing Facility Board of the County of Knox (the “Board”), which comprise the statements of net position as of March 31, 2021 and 2020, and the respective statements of revenue, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits:

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 21, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and includes all information required by generally accepted accounting principles to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted external counsel for any material litigation, claims, or assessments through the date of this letter.
- 9) Guarantees, whether written or oral, under which the Board is contingently liable, if any, have been properly recorded or disclosed.
- 10) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audits.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- d) Minutes of the meetings of the Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, or contracts, or abuse, whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted external counsel for any material litigation, claims, or assessments through the date of this letter.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) The Board has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.
- 21) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, and other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) The Board has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Board has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 29) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 31) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of net assets date and have been appropriately reduced to their estimated net realizable value.
- 32) Provisions for uncollectible receivables have been properly identified and recorded.
- 33) Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.

- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 35) Revenues are appropriately classified in the statements of revenues, expenses, and changes in net position.
- 36) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 37) We have appropriately disclosed the Board's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 38) We acknowledge our responsibility for the required supplementary information ("RSI"). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
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 - c) We will clearly indicate in the electronic presentation on our website the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented to us on or in connection with our website that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
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- a) Assumed all management responsibilities.
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- c) Evaluated the adequacy and results of the services performed.
- d) Accepted responsibility for the results of the services

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

Brannon McNeillie
CPA, Abacus Hive

Board Member

The Industrial Development Board of the County of Knox

Year End: March 31, 2021

Adjusting journal entries

Date: 4/1/2020 To 3/31/2021

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	3/31/2021	Accrued Expenses	218-000-000	50-1	12,293.00			
1	3/31/2021	Legal Expense	512-001-000	50-1		12,293.00		
To reverse the accrued legal fee and legal expense that had been accounted for twice.								
2	3/31/2021	Closing Fee - Historic Knoxville High	128-000-000	C	74,919.00			
2	3/31/2021	Long-Term Closing Fee - Knox High	180-000-000	C		74,919.00		
To reclassify LT receivable of Knox High closing fees as current.								
					87,212.00	87,212.00		
Net Income (Loss)			(68,996.00)					

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

Year End: March 31, 2021

Adjusting journal entries

Date: 4/1/2020 To 3/31/2021


Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	3/31/2021	Prepaid Insurance	127-000-000	G-1		5,821.00		
1	3/31/2021	Accounts Payable	200-000-000	G-1	5,821.00			
To reverse FY2022 prepaid insurance expense payment from prepaids and accounts payable.								
					5,821.00	5,821.00		
Net Income (Loss)			20,023.00					

CERTIFICATION

On behalf of CSIG Holding Company, LLC, a Michigan limited liability company (the "Proposed Transferee") and its subsidiaries (collectively, the "CSIG Entities"), Robert Czapiewski, Treasurer of the Proposed Transferee, certifies that:

- (a) The CSIG Entities have not been disqualified from owning and operating assisted living facilities or housing facilities by, or participating in government programs associated with any such facilities by, any applicable governmental authorities (such as being on the HUD "limited denial of participation" list or the GSA's "Excluded Parties List" or being prohibited from Medicare/Medicaid participation); and
- (b) The Proposed Transferee is not otherwise prohibited by law from owning and operating the facility currently known as "Historic Knoxville High School" located at 101 E. Fifth Avenue, Knoxville, TN 37917.

Executed this 9th day of August, 2021:



Robert Czapiewski
Treasurer

4816-3060-2485.1

No	Brand	Name	Address	City	State	Zip	IL	Enhanced	AL	MC	SNF	Total Units
1	IV	IV Aurora	505 South Chillicothe Rd	Aurora	OH	44202	83	43	0	0	0	126
2	IV	IV Avon Lake	345 Lear Rd	Avon Lake	OH	44012	99	46	20	20	0	185
3	IV	IV Brighton Valley	7700 Nemco Way	Brighton	MI	48116	122	30	0	0	0	152
4	IV	IV Grand Ledge	4775 Village Dr	Grand Ledge	MI	48837	83	43	20	20	0	166
5	IV	IV Midland	2325 Rockwell Dr	Midland	MI	48642	75	0	22	18	0	115
6	IV	IV Petoskey	965 Hager Dr	Petoskey	MI	49770	79	40	0	0	0	119
7	IV	IV Plymouth	14707 Northville Rd	Plymouth	MI	48170	132	77	0	0	0	209
8	IV	IV Waterstone	701 Market Street	Oxford	MI	48371	109	36	0	0	0	145
9	IV	IV White Lake	935 Union Lake Rd	White Lake	MI	48386	99	50	0	0	0	149
10	SP	SP Saline	6230 S State Street	Saline	MI	48176	92	30	18	18	0	158
11	SP	SP Rockford	2885 10 Mile Rd NE	Rockford	MI	49341	92	30	20	16	0	158
12	SP	SP Portage	3951 W Milham Ave	Portage	MI	49024	92	30	18	18	0	158
13	SP	SP Troy	1840 Towne Park Dr	Troy	OH	45373	92	30	18	18	0	158
14	SP	SP Grove City	3717 Orders Rd	Grove City	OH	43123	116	35	24	24	0	199
15	SP	SP Fairfield	7129 Gilmore Rd	Fairfield	OH	45011	120	0	42	42	0	204
16	SP	SP Chesterton	650 Dickinson Rd	Chesterton	IN	46304	96	0	36	36	0	168
17	SP	SP Fort Wayne	3715 Union Chapel Rd	Fort Wayne	IN	46845	120	42	0	0	0	162
18	IV	IV Ankeny	1275 SW State St	Ankeny	IA	50023	0	0	44	17	0	61
19	IV	IV Pella	2602 Fifield Rd	Pella	IA	50219	51	0	33	7	0	91
20	IV	IV Waukee	1650 SE Holiday Crest Cir	Waukee	IA	50263	80	0	40	17	48	185
21	SP	SP Waterville	1470 Pray Blvd	Waterville	OH	43566	96	36	0	36	0	168
22	SP	SP Chesterfield	51760 Gratiot Ave	New Baltimore	MI	48051	120	42	0	0	0	162
23	SP	SP Middletown	500 Meridian Hills Dr	Middletown	KY	40243	120	42	0	0	0	162
24	SP	SP Union	9255 US-42	Union	KY	41091	120	42	0	0	0	162
25	SP	SP Collierville	691 S Byhalia Rd	Collierville	TN	38017	122	42	0	0	0	164
26	SP	SP Medina	122 Medina Rd	Medina	OH	44256	122	44	0	0	0	166
27	IV	IV Avon	182 S County Rd 550 E	Avon	IN	46123	0	0	102	30	0	132
28	IV	IV Fishers	9745 Olympia Dr	Fishers	IN	46037	0	13	88	25	0	126
29	SP	SP Libertyville	901 Florsheim Dr	Libertyville	IL	60048	109	46	30	14	0	199
30	SP	SP Naperville	504 North River Rd	Naperville	IL	60563	108	43	31	13	0	195
31	IV	IV Ames	1325 Coconino Rd	Ames	IA	50014	0	0	44	16	0	60
32	SP	SP Granger	6330 North Fir Rd	Granger	IN	46530	0	0	86	47	0	133
33	IV	IV Greenwood	2339 South SR 135	Greenwood	IN	46143	0	0	101	30	0	131

34 IV	IV Zionsville	11755 N Michigan Rd	Zionsville	IN	46077	0	0	101	30	0	131
35 SP	SP Fort Wayne West	611 W County Line Rd S	Fort Wayne	IN	46814	0	0	86	46	0	132
36 SP	SP Prospect	6901 Carslaw Ct	Prospect	KY	40059	0	0	41	24	0	65
37 IV	IV of Carmel	13390 N Illinois St	Carmel	IN	46032	73	0	53	24	0	150
38 IV	IV East Fishers	12950 Talblick St	Fishers	IN	46037	83	0	48	32	0	163
39 IV	IV of West Zionsville	6800 Central Blvd	Zionsville	IN	46077	91	0	43	24	0	158
49 LL	Meadow Lane	150 Meadow Lane	Bad Axe	MI	48413	0	0	36	14	0	50
50 LL	Forest Glen	29601 Amerihost Dr	Dowagiac	MI	49047	0	0	20	0	0	20
51 LL	Arbor Grove	1320 Pine Ave	Alma	MI	48801	0	0	32	9	0	41
52 LL	Bayfield	3932 Monitor Rd	Bay City	MI	48706	0	0	36	14	0	50
53 LL	Boulder Creek	6070 Northland Dr	Rockford	MI	49341	0	0	50	14	0	64
54 LL	Briarwood	620 Ely St	Allegan	MI	49010	0	0	32	7	0	39
55 LL	Candlestone	4124 Waldo Ave	Midland	MI	48642	0	0	30	14	0	44
56 LL	Crestwood Village	2378 Lincoln	Mt Pleasant	MI	48858	0	0	31	14	0	45
57 LL	Devonshire Retirement	101 Devonshire Dr	Lapeer	MI	48446	24	0	20	20	0	64
58 LL	Gaslight Village	2625 N Adrian Hwy	Adrian	MI	49221	0	0	26	9	0	35
59 LL	Glen Abbey	445 N Lotz Rd	Canton	MI	48187	0	0	28	13	0	41
60 LL	Grace Haven	1507 Gastonbury Dr	St Johns	MI	48879	0	0	28	12	0	40
61 LL	Grand Village	3939 44th St SW	Grand Village	MI	49418	0	0	32	14	0	46
62 LL	Grandhaven Living	3145 W Mount Hope Ave	Lansing	MI	48911	0	0	60	40	0	100
63 LL	Hathway Hills	1515 Meijer Dr	Greenville	MI	48838	0	0	20	14	0	34
64 LL	Heritage Hills	1430 Cleaver Rd	Caro	MI	48723	0	0	29	9	0	38
65 LL	Lakeview Terrace	9494 Paden Rd	Lakeview	MI	48850	0	0	26	0	0	26
66 LL	Ludington Woods	504 N Sherman St	Ludington	MI	49431	0	0	20	20	0	40
67 LL	Maple Lake	677 Hazen	Paw Paw	MI	49079	6	0	25	13	0	44
68 LL	Oliver Woods	1310 West Oliver St	Owosso	MI	48867	0	0	60	20	0	80
69 LL	River Ridge Retirement	706 Kentucky Ave	South Haven	MI	49090	24	0	26	14	0	64
70 LL	Springvale AL	4276 Kroger Dr	Swartz Creek	MI	48473	0	0	34	14	0	48
71 LL	Stonegate Village	70 W Argyle Ave	Sandusky	MI	48471	0	0	36	9	0	45
72 LL	White Lake	6827 Whitehall Rd	Whitehall	MI	49461	6	0	26	14	0	46
73 LL	Woodlawn Meadows	1821 N East St	Hastings	MI	49058	0	0	20	20	0	40
74 LL	Cascade Trails*	1225 Spaulding Ave	Grand Rapids	MI	49546	0	0	30	14	0	44
75 LL	Riley's Grove	9481 Pentatech Dr	Zeeland	MI	49464	0	0	30	14	0	44

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF KNOX COUNTY, TENNESSEE RELATING TO THE ASSIGNMENT AND ASSUMPTION OF A LEASE AGREEMENT

August 10, 2021

WHEREAS, the Board of Directors of The Industrial Development Board of Knox County, Tennessee (the "Board"), has met pursuant to proper notice; and

WHEREAS, in connection with a payment-in-lieu-of-taxes transaction with the Board, Dover Development Corporation ("Dover Development") and the Board entered in to that certain Lease Agreement dated as of October 31, 2016 (the "Lease"), as evidenced by a Memorandum of Lease dated October 31, 2016, and recorded at Instrument No. 201612010034981 in the Register's Office for Knox County, Tennessee, pertaining to the development of multi-family housing development/independent senior living facility for persons over the age of sixty-two (62) on the property known as the Historic Knoxville High School ("Project"):

WHEREAS, Dover Development wishes to assign its rights and obligations under the Lease to either (i) CSIG Holding Company, LLC, a Michigan limited liability company (referred to hereinafter as "CSIG"), or (ii) any entity affiliated with, or selected by, CSIG (such assignee referred to hereinafter as "Assignee") and, if such assignment is made to an entity other than CSIG, Assignee shall sublease the leasehold interest in the Project to CSIG (such assignment of the leasehold interests to Assignee and CSIG referred to collectively hereinafter as the "Assignment"), provided that such proposed assignment shall not operate to release Dover Development from any liability under the Lease; and

WHEREAS, the Lease provides that Dover Development may not assign its rights and obligations thereunder without the prior written consent of the IDB, and Dover Development and CSIG have requested that IDB provide such consent.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX:

1. The Board hereby authorizes any of its officers to execute such documents as may be requested to consent to the assignment of Dover Development's rights and obligations under the Lease Agreement to CSIG or an Assignee and the assumption of such obligations by CSIG or such Assignee as applicable, such consent to be subject to (a) demonstration, to the reasonable satisfaction of legal counsel to the Board and such officer executing such documents, of the financial wherewithal of Assignee or CSIG, as the case may be, as respects the obligations under the Lease Agreement, and (b) the payment of an assignment fee ; provided further that such officer must also approve the Assignee if such Assignee is an entity other than CSIG, such consent to be based on leasing criteria outlined in the Lease and not to be unreasonably withheld if such Assignee subleases the leasehold interest in the Project to CSIG; provided further that, following such assignment and assumption, Dover Development shall remain fully liable for all obligations of Dover Development thereunder, and provided further that all such documentation shall be subject to approval of the Board's counsel.

2. The officers of the Board, acting alone or together, are hereby authorized and directed to execute, deliver and file such other agreements, certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the consummation of the assignment and assumption of the Lease Agreement described above and the granting of the Board's consent to such transaction. The Board hereby waives that portion of the policies and procedures

governing the Property Tax Incentive Program of the Board requiring the consideration and recommendation of the Board's Application Review Committee respecting the subject matter hereof.

3. Any authorization herein to execute any document shall include authorization to record such document where appropriate.

4. All other acts of the officers of the Board which are in conformity with the purposes and intent of this resolution and as approved by this resolution, are hereby approved and confirmed.

[Signatures to follow]

CERTIFICATE

I, Tiffany E. Gardner, Secretary of The Industrial Development Board of the County of Knox (the "Board") and keeper of the official minutes of the Board of Directors thereof, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Directors of the Board at a meeting duly called and held on August 10, 2021, and that such resolution remains in full force and effect on the date hereof.

This ___ day of August, 2021.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE COUNTY OF KNOX**

By: _____
Tiffany E. Gardner, Secretary