

**Board Members:**

Charley Bible  
Shannon Coleman Egle  
Tiffany Gardner  
Bill Fox  
Terry Henley  
J. Ford Little  
Lou Moran, III  
Alvin Nance  
Lisa Rottmann  
Janet Testerman  
L. Anthony Wise, Jr.



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

Regular Meeting  
Tuesday, July 8, 2025, 4:15 p.m.  
17 Market Square, #201  
Knoxville, Tennessee 37902

**AGENDA**

- I. Call to Order
- ACTION** II. Approval of Minutes from Previous Meeting
  - a) Regular Meeting – June 10, 2025
- ACTION** III. Finance Report
- ACTION** IV. Review and Consideration of a Bond Resolution of the Board of Directors of the Industrial Development Board of the County of Knox to approve the tax-exempt bond transaction with University Health System (TEFRA)
- ACTION** V. Review and Consideration of a Resolution of the Board of Directors of the Industrial Development Board of the County of Knox to approve the PILOT (Payment-In-Lieu-Of-Taxes) application of Resource Housing Group/Peaks of Knox, LP for the proposed new construction consisting of a 78-unit affordable housing facility located at 0 Roscoe Lane, Knoxville, TN 37914
- VI. Old Business
- VII. New Business
  - a) Appointment of a 3-person Nominating Committee for the nomination of new board officers
- VIII. Adjourn



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

June 10, 2025, 4:40 p.m.

The regular meeting of the Board of Directors of Health, Educational & Housing Facility Board of the County of Knox (the “Health, Ed Board” or “Board”) was held on Tuesday, June 10, 2025, pursuant to notice duly provided to the Directors and the public. The meeting was held at the offices of the Knoxville Chamber located at 17 Market Square, #201, Knoxville, Tennessee 37902.

The following Directors were present at the meeting: Tiffany Gardner (Chair), Janet Testerman, Alvin J. Nance, Ford Little, Charley Bible, and Dr. William “Bill” Fox.

Also, in attendance were Mac McWhorter (Knoxville Chamber), Karen Kakanis (Knoxville Chamber), Joshua Ford (Knoxville Chamber), Samuel C. Louderback (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Donita Walter (Paralegal – Egerton, McAfee, Armistead & Davis, P.C.), Soriya Gast (Law Clerk – Egerton, McAfee, Armistead & Davis, P.C.), Sam Mishu (West End Phase II Partnership), Jon Stallings (West End Phase II Partnership), Tommy Vann (West End Phase II Partnership), and Madison Gardner (Public Observer).

I. Call to Order. Ms. Gardner, the Board’s Chair, called the Health, Ed Board meeting to order. The Agenda of the Health, Ed Board meeting is attached hereto as Exhibit A.

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

II. Review/Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the Minutes of the regular meeting held on May 13, 2025.

Upon a motion by Ms. Testerman, and a second by Mr. Nance, the Minutes of the May 13, 2025 meeting of the Board were unanimously approved. A copy of the Minutes is attached hereto as Exhibit B.

III. Old Business. None.

IV. New Business.

(a) Discussion on the need for hard copies at Board meetings.

The Chair recognized Mr. Nance, who reiterated his proposal from the Industrial Development Board meeting to no longer print hard copies of the packets for the meetings.

Upon a motion by Mr. Nance and a second by Mr. Bible, the Board approved the proposal to no longer print hard copies of the packets for the meetings.

V. 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 4:50 p.m.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Secretary/Assistant Secretary

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**EXHIBITS**

Exhibit A      Agenda – June 10, 2025

Exhibit B      Minutes – May 13, 2025

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**The Health, Educational and Housing Facility Board of the County of Knox**  
**Balance Sheet**  
As of June 30, 2025

|  | As of Jun 30, 2025   | As of Jun 30, 2024 (PY) | Change               | % Change        |
|--|----------------------|-------------------------|----------------------|-----------------|
| <b>ASSETS</b>                          |                      |                         |                      |                 |
| <b>Current Assets</b>                  |                      |                         |                      |                 |
| <b>Bank Accounts</b>                   |                      |                         |                      |                 |
| 101-000 First Horizon Checking         | 12,638.82            | 73,412.99               | (60,774.17)          | -82.78%         |
| 102-000 Cash - Savings                 | 174,414.99           | 104,610.45              | 69,804.54            | 66.73%          |
| 104-000 Cash - Money Market            | 232,559.78           | 228,096.10              | 4,463.68             | 1.96%           |
| <b>Total Bank Accounts</b>             | <b>\$ 419,613.59</b> | <b>\$ 406,119.54</b>    | <b>\$ 13,494.05</b>  | <b>3.32%</b>    |
| <b>Accounts Receivable</b>             |                      |                         |                      |                 |
| 125-000 Accounts Receivable            | 5,814.68             | 13,884.76               | (8,070.08)           | -58.12%         |
| 126-000 Interest Receivable            | -                    | -                       | -                    | -               |
| <b>Total Accounts Receivable</b>       | <b>\$ 5,814.68</b>   | <b>\$ 13,884.76</b>     | <b>-\$ 8,070.08</b>  | <b>-58.12%</b>  |
| <b>Other Current Assets</b>            |                      |                         |                      |                 |
| 127-000 Prepaid Insurance              | 4,833.32             | 4,833.32                | -                    | 0.00%           |
| Undeposited Funds                      | -                    | -                       | -                    | -               |
| <b>Total Other Current Assets</b>      | <b>\$ 4,833.32</b>   | <b>\$ 4,833.32</b>      | <b>\$ 0.00</b>       | <b>0.00%</b>    |
| <b>Total Current Assets</b>            | <b>\$ 430,261.59</b> | <b>\$ 424,837.62</b>    | <b>\$ 5,423.97</b>   | <b>1.28%</b>    |
| <b>TOTAL ASSETS</b>                    | <b>\$ 430,261.59</b> | <b>\$ 424,837.62</b>    | <b>\$ 5,423.97</b>   | <b>1.28%</b>    |
| <b>LIABILITIES AND EQUITY</b>          |                      |                         |                      |                 |
| <b>Liabilities</b>                     |                      |                         |                      |                 |
| <b>Current Liabilities</b>             |                      |                         |                      |                 |
| <b>Accounts Payable</b>                |                      |                         |                      |                 |
| 200-000 Accounts Payable               | 118.90               | 55.10                   | 63.80                | 115.79%         |
| <b>Total Accounts Payable</b>          | <b>\$ 118.90</b>     | <b>\$ 55.10</b>         | <b>\$ 63.80</b>      | <b>115.79%</b>  |
| <b>Other Current Liabilities</b>       |                      |                         |                      |                 |
| 218-000 Accrued Expenses               | -                    | 3,000.00                | (3,000.00)           | -100.00%        |
| <b>Total Other Current Liabilities</b> | <b>\$ -</b>          | <b>\$ 3,000.00</b>      | <b>\$ (3,000.00)</b> | <b>-100.00%</b> |
| <b>Total Current Liabilities</b>       | <b>\$ 118.90</b>     | <b>\$ 3,055.10</b>      | <b>\$ (2,936.20)</b> | <b>-96.11%</b>  |
| <b>Long-Term Liabilities</b>           |                      |                         |                      |                 |
| 250-000 Deferred Revenue               | 33,616.87            | 35,760.51               | (2,143.64)           | -5.99%          |
| <b>Total Long-Term Liabilities</b>     | <b>\$ 33,616.87</b>  | <b>\$ 35,760.51</b>     | <b>\$ (2,143.64)</b> | <b>-5.99%</b>   |
| <b>Total Liabilities</b>               | <b>\$ 33,735.77</b>  | <b>\$ 38,815.61</b>     | <b>\$ (5,079.84)</b> | <b>-13.09%</b>  |
| <b>Equity</b>                          |                      |                         |                      |                 |
| 300-000 Opening Balance Equity         | 44,772.55            | 44,772.55               | -                    | 0.00%           |
| 320-000 Retained Earnings              | 341,249.46           | 336,579.87              | 4,669.59             | 1.39%           |
| Net Income                             | 10,503.81            | 4,669.59                | 5,834.22             | 124.94%         |
| <b>Total Equity</b>                    | <b>\$ 396,525.82</b> | <b>\$ 386,022.01</b>    | <b>\$ 10,503.81</b>  | <b>2.72%</b>    |
| <b>TOTAL LIABILITIES AND EQUITY</b>    | <b>\$ 430,261.59</b> | <b>\$ 424,837.62</b>    | <b>\$ 5,423.97</b>   | <b>1.28%</b>    |

**The Health, Educational and Housing Facility Board of the County of Knox**  
**Budget Variance Report**  
**For the 12 Periods Ended June 30, 2025**

|                              | July 2024 - June 2025 |                  |                   | July 2024 - June 2025 |            |
|------------------------------|-----------------------|------------------|-------------------|-----------------------|------------|
|                              | Actual                | Budget           | Variance          | Budget                | Remaining  |
| <b>Income</b>                |                       |                  |                   |                       |            |
| 410-000 Interest Revenue     | 10,504                | 6,000            | 4,504             | 6,000                 | -75%       |
| 415-000 Chamber Contribution | 12,123                | 15,307           | (3,184)           | 15,307                | 21%        |
| 420-000 Base Rent Revenue    | 8,393                 | 8,393            | 0                 | 8,393                 | 0%         |
| <b>Total Income</b>          | <b>\$ 31,020</b>      | <b>\$ 29,700</b> | <b>\$ 1,320</b>   | <b>\$ 29,700</b>      | <b>-4%</b> |
| <b>Expenses</b>              |                       |                  |                   |                       |            |
| 502-001 Operating Expenses   | 21                    | 1,350            | (1,329)           | 1,350                 | 98%        |
| 503-001 Advertising Expenses | 1,246                 | 1,100            | 146               | 1,100                 | -13%       |
| 507-001 Insurance Expense    | 7,250                 | 7,250            | -                 | 7,250                 | 0%         |
| 511-001 Accounting Expense   | 9,000                 | 11,000           | (2,000)           | 11,000                | 18%        |
| 512-001 Legal Expense        | 3,000                 | 3,000            | -                 | 3,000                 | 0%         |
| <b>Total Expenses</b>        | <b>\$ 20,517</b>      | <b>\$ 23,700</b> | <b>\$ (3,184)</b> | <b>\$ 23,700</b>      | <b>13%</b> |
| <b>Net Operating Income</b>  | <b>\$ 10,504</b>      | <b>\$ 6,000</b>  | <b>\$ 4,504</b>   | <b>\$ 6,000</b>       |            |

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**The Health, Educational and Housing Facility Board of the County of Knox**  
**Income Statement with Prior Year Comparison**  
**For the 12 Periods Ended June 30, 2025**

|                               | <u>Jul - Jun, 2025</u> | <u>Jul - Jun, 2024 (PY)</u> | <u>Change</u>        | <u>% Change</u> |
|-------------------------------|------------------------|-----------------------------|----------------------|-----------------|
| <b>Income</b>                 |                        |                             |                      |                 |
| 410-000 Interest Revenue      | 10,503.81              | 4,669.59                    | 5,834.22             | 124.94%         |
| 415-000 Chamber Contribution  | 12,123.03              | 23,860.00                   | (11,736.97)          | -49.19%         |
| 420-000 Base Rent Revenue     | 8,393.47               | 6,260.16                    | 2,133.31             | 34.08%          |
| <b>Total Income</b>           | <b>\$ 31,020.31</b>    | <b>\$ 34,789.75</b>         | <b>\$ (3,769.44)</b> | <b>-10.83%</b>  |
| <b>Gross Profit</b>           | <b>\$ 31,020.31</b>    | <b>\$ 34,789.75</b>         | <b>\$ (3,769.44)</b> | <b>-10.83%</b>  |
| <b>Expenses</b>               |                        |                             |                      |                 |
| 502-001 Operating Expenses    | 20.95                  | 561.85                      | (540.90)             | -96.27%         |
| 503-001 Advertising Expenses  | 1,245.55               | 808.31                      | 437.24               | 54.09%          |
| 507-001 Insurance Expense     | 7,250.00               | 7,250.00                    | -                    | 0.00%           |
| 511-001 Accounting Expense    | 9,000.00               | 18,500.00                   | (9,500.00)           | -51.35%         |
| 512-001 Legal Expense         | 3,000.00               | 3,000.00                    | -                    | 0.00%           |
| <b>Total Expenses</b>         | <b>\$ 20,516.50</b>    | <b>\$ 30,120.16</b>         | <b>\$ (9,603.66)</b> | <b>-31.88%</b>  |
| <b>Net Operating Income</b>   | <b>\$ 10,503.81</b>    | <b>\$ 4,669.59</b>          | <b>\$ 5,834.22</b>   | <b>124.94%</b>  |
| <b>Other Income</b>           |                        |                             |                      |                 |
| 430-000 PILOT Revenue         | 61,844.14              | 7,710.00                    | 54,134.14            | 702.13%         |
| <b>Total Other Income</b>     | <b>\$ 61,844.14</b>    | <b>\$ 7,710.00</b>          | <b>\$ 54,134.14</b>  | <b>702.13%</b>  |
| <b>Other Expenses</b>         |                        |                             |                      |                 |
| 587-001 PILOT Payment Expense | 61,844.14              | 7,710.00                    | 54,134.14            | 702.13%         |
| <b>Total Other Expenses</b>   | <b>\$ 61,844.14</b>    | <b>\$ 7,710.00</b>          | <b>\$ 54,134.14</b>  | <b>702.13%</b>  |
| <b>Net Other Income</b>       | <b>\$ -</b>            | <b>\$ -</b>                 | <b>\$ -</b>          |                 |
| <b>Net Income</b>             | <b>\$ 10,503.81</b>    | <b>\$ 4,669.59</b>          | <b>\$ 5,834.22</b>   | <b>124.94%</b>  |



**BOND RESOLUTION**

A Bond Resolution Authorizing the Issuance and Sale of  
Not in Excess of  
\$61,000,000  
The Health, Educational and Housing Facility Board of the County of Knox  
Revenue Bonds (University Health System, Inc.)

WHEREAS, The Health, Educational and Housing Facility Board of the County of Knox (the “*Issuer*”) has determined that it is in keeping with its authorized purposes to issue a series of revenue bonds and loan the proceeds thereof to University Health System, Inc., to finance costs of the Project (as hereinafter defined); and

BE IT RESOLVED by the Members of The Health, Educational and Housing Facility Board of the County of Knox, as follows:

Section 1. Definitions. (a) As used in this Bond Resolution, including the preambles hereto, unless a different meaning clearly appears from the context, or as otherwise defined herein, the following words and terms which are defined in the Bond Purchase and Loan Agreement shall have the same meanings, respectively, in this Bond Resolution and with respect to the Bonds authorized hereby as are given to such words and terms by the Bond Purchase and Loan Agreement.

In addition, as used in this Bond Resolution, unless a different meaning clearly appears from the context, the following words and terms shall have the following respective meanings:

“*Act*” shall mean Sections 48-101-301 *et seq.*, Tennessee Code Annotated.

“*Authorized Officer*” shall mean the Chair, Vice Chair, Secretary/Treasurer or Assistant Secretary/Treasurer of the Issuer.

“*Bond Purchaser*” shall mean DNT Asset Trust, wholly owned subsidiary of JPMorgan Chase Bank, N.A., as purchaser of the Series 2025 Bonds.

“*Bond Purchase and Loan Agreement*” shall mean the Series 2025 Bond Purchase and Loan Agreement by and among the Issuer, the Institution and the Purchaser relating to the issuance of the Series 2025 Bonds, the loan of the proceeds of the Series 2025 Bonds to the Institution, and related matters, authorized by Section 5 hereof and when amended or supplemented, such Bond Purchase and Loan Agreement as amended or supplemented.

“*Bond Resolution*” shall mean this Bond Resolution, adopted by the Issuer on July [ ], 2025.

“*Institution*” shall mean the Tennessee not-for-profit corporation operating hospital facilities located in Knoxville, Tennessee, the corporate name of which is University Health System, Inc., and its successors.

“*Project*” shall mean the capital additions and improvements described in the Bond Purchase and Loan Agreement.

“*Series 2025 Bonds*” shall mean the Issuer’s revenue bonds to be issued pursuant to this Bond Resolution and under the Bond Purchase and Loan Agreement.

“*Tax Regulatory Agreement*” shall mean the Tax Regulatory Agreement by and among the Issuer, the Institution and the Master Trustee relating to the Series 2025 Bonds.

Section 2. Authority for this Bond Resolution. This Bond Resolution is adopted pursuant to and in accordance with the provisions of the Act.

Section 3. Series 2025 Bonds Authorized and Purpose of Issue. There is hereby authorized the issuance of a series of The Health, Educational and Housing Facility Board of the County of Knox, Revenue Bonds, for the purposes of financing and refinancing costs of the Project, including but not limited to reimbursing to the Institution any such costs paid by it and paying costs of issuance of the Series 2025 Bonds. The principal amount of the Series 2025 Bonds shall be as set forth in the Bond Purchase and Loan Agreement but shall not exceed \$61,000,000.

Section 4. Details of Series 2025 Bonds. (a) The Series 2025 Bonds shall bear such series designation, be dated, bear interest from their date, be payable, be lettered “R” and numbered consecutively from 1 upwards in order of issuance, be in the denominations (initially, \$100,000 and integral multiples of \$5,000 in excess thereof), be serial or term bonds and in the latter case be subject to sinking fund retirement at such times and in such amounts, and bear such other terms, in all cases as provided in the Bond Purchase and Loan Agreement.

The Series 2025 Bonds shall mature in the years (but not later than 40 years after their respective dated dates) and in the principal amounts as set forth in the Bond Purchase and Loan Agreement and shall bear interest at fixed or variable (if variable, based on SOFR or some market-acceptable substitute therefor, or a percentage thereof, and additional factors) interest rates per annum not to exceed the maximum rate permitted by law, as shall be determined pursuant to the Bond Purchase and Loan Agreement.

(b) The Series 2025 Bonds shall be subject to optional and mandatory redemption prior to maturity or tender for purchase and purchase in lieu of redemption, as and to the extent provided in the Bond Purchase and Loan Agreement.

Section 5. Sale of Series 2025 Bonds; Related Documents. The Series 2025 Bonds shall be sold by the Issuer to the Bond Purchaser in consideration of advances to be made by the Bond Purchaser in respect thereof, up to and not exceeding \$61,000,000. The Authorized Officers or any of them are hereby authorized and directed to execute and deliver the Series 2025 Bonds to the Bond Purchaser upon receipt from the Bond Purchaser of the initial advance in respect thereof, and to execute and deliver all documents and instruments required in connection therewith.

The form, terms and provisions of the Bond Purchase and Loan Agreement, in substantially the form presented to this meeting, are in all respects approved. The Authorized

Officers or any of them are authorized and empowered for and on behalf of the Issuer to execute, acknowledge and deliver the Bond Purchase and Loan Agreement and the Series 2025 Bonds, and the Secretary/Treasurer or Assistant Secretary/Treasurer (unless a signatory as aforesaid) is hereby authorized and empowered to affix, impress, imprint or otherwise reproduce on each Series 2025 Bond the seal of the Issuer, if required, and to attest to the same for and on behalf of the Issuer, with such changes therein as the signing officer shall approve, execution and delivery to be conclusive evidence of such approval.

All Authorized Officers are hereby authorized to take any action, execute any document, or give any consent which may from time to time be required by the Issuer under the Act, this Bond Resolution and the Bond Purchase and Loan Agreement, including but not limited to giving notice of intention to issue refunding Series 2025 Bonds, if required, and executing and delivering the Tax Regulatory Agreement. Any such action taken or document executed by such officer in his or her capacity as an officer of the Issuer shall be deemed to be an act by the Issuer.

Section 6. Effective Date. This Bond Resolution shall take effect immediately.



**DATE:** June 24, 2025

**THE HEALTH, EDUCATION & HOUSING FACILITY BOARD OF THE COUNTY OF KNOX**

17 Market Square, #201  
Knoxville, TN 37902-1405

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

**PROJECT APPLICATION**

**PROJECT NAME:** Series 2025 Private Placement for University Health System, Inc.

**LOCATION:** 1924 Alcoa Highway, Knoxville, Tennessee, 37920

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

Benjamin Cunningham, SVP and Chief Financial Officer. [bcunningham@utmck.edu](mailto:bcunningham@utmck.edu).

University Health System, Inc.

1924 Alcoa Highway, Knoxville, Tennessee, 37920

**AUTHORIZATION – AMOUNT ASKING FOR:** \$61,000,000 (including cost of issuance)

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

\$15,000,000 for the Build out of 2<sup>nd</sup> Floor Above Emergency Department

\$30,000,000 for Sterile Processing Building

\$15,000,000 for Emergency Department Expansion

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

**PURCHASER:** Bank Private Purchase: DNT Asset Trust (a Delaware statutory trust, wholly owned subsidiary of JPMorgan Chase Bank)

**GUARANTOR:** University Health System, Inc.

**FISCAL AGENT** (if selected): N/A \_\_\_\_\_

**ATTORNEY** (if selected): Baker Donelson .

**TRUSTEE** (if selected): Regions Bank \_\_\_\_\_

**BRIEF DESCRIPTION OF PROJECT:** (including the purpose, employment created, economic impact, size of buildings, land, etc., and other appropriate comments to fully explain.) The purpose of the project is to fund the capital expenditures that are listed above (build out of the 2<sup>nd</sup> floor above the Emergency Department, construction for the Sterile Processing building and Emergency Department Expansion) . Due to the volatile public markets and limited size of the offering and based on a competitive offer from JPMorgan Chase Bank

following a RFP process, the UHS team decided to borrow debt in the private markets. UHS intends borrow a 7-year tenor fixed or variable rate tax-exempt structure with JPMorgan Chase Bank.

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

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

## **RULES**

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

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

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

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

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

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

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

3. **Housing** – For housing and similar issues, the Board will require a feasibility study to be filed with the original application or for consideration at a regular meeting not less than one month prior to final approval. If consideration is at a regular meeting, the study must be mailed to members and counsel not less than 10 days prior to the meeting.

4. **Refinancing** – Generally, except for manufacturing or regional warehouse facilities, the Board requires that in any refinancing of existing debt, 25% of the bond proceeds be used for new construction or renovations.

5. **General**

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

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

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



**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX APPROVING THE PILOT APPLICATION OF RESOURCE HOUSING GROUP/PEAKS OF KNOX, LP**

**WHEREAS**, THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX (“HEB”) has been duly created and organized pursuant to and in accordance with the provisions of Part 3 of Chapter 101 of Title 48 of the Tennessee Code Annotated, as amended (the “Act”) and as such is a public instrumentality of Knox County performing a public function; and

**WHEREAS**, the purpose of said Act, as stated therein, is to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, refinance, acquire, own, lease, and/or dispose of projects to promote and maintain and increase commerce, welfare, health, housing, education and prosperity of the people of the State of Tennessee; and

**WHEREAS**, Tenn. Code Ann. § 48-101-312 provides that the HEB and all properties at any time owned by it, and the income and revenues therefrom, and all bonds issued by it, and the income therefrom are exempt from all taxation in the State of Tennessee; and

**WHEREAS**, Resource Housing Group/Peaks of Knox, LP (“Applicant”) has submitted an application (“Application”) to the HEB for a payment in lieu of tax arrangement under Tenn. Code Ann. §48-101-312 (“PILOT”) for real property taxes in connection with the acquisition, construction and equipping of an approximately 78-unit housing facility for low and moderate-income citizens located on certain property known as Lot 38 and located at 0 Roscoe Lane in Knoxville, Tennessee (Tax Parcel ID 072 04501) to be known as Peaks of Knox (the “Project”), subject to such project receiving an allocation of low-income housing tax credits (“LIHTC”) under Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. § 42) from the Tennessee Housing Development Agency (“THDA”); and

**WHEREAS**, pursuant to Tenn. Code Ann. §§48-101-312(b)(4), the HEB has the authority to enter into a payment in lieu of tax transaction for LIHTC projects upon finding that such payments are deemed to be in furtherance of the HEB’s public purposes and upon receipt by the HEB of a letter of support from the Mayor of Knox County for such project; and

**WHEREAS**, the Mayor of Knox County has issued a letter of support for a PILOT for the Project consistent with the terms set forth below (“Mayoral Support Letter”); and

**WHEREAS**, the Application Review Committee (the “Committee”) of the Board of Directors of the HEB (the “Board”) has considered the Application and recommended the Board’s approval of a PILOT for the real property on such terms as are further described in the Application; and

**WHEREAS**, the Board’s Directors desire to approve the Application.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:**

1. The Board finds that the Project and grant of tax incentives to Applicant by the Board pursuant to the Act, and in particular, Tenn. Code Ann. § 48-101-312, are in furtherance of the public purposes of the HEB provided in the Act, and will have the effect of to promote and maintain and increase commerce, welfare, health, housing (affordable housing, in particular), education and prosperity of the people of the State of Tennessee and, in particular, Knox County, Tennessee.

2. Subject to the THDA's allocation of LIHTC to the Project and as provided in the Mayoral Support Letter, the Application is hereby approved by the Board.
3. The staff and legal counsel of the Board are hereby authorized to proceed in the preparation and finalization for presentment to the Board of a Lease Agreement and other documents deemed necessary and convenient by such staff and legal counsel to accomplish the proposed payment in lieu of tax transaction ("Transaction Documents"). Such Transaction Documents shall provide for (a) the lease by the HEB to the Applicant of certain real property constituting the Project, on such terms as are further described in the Application; and (b) such other terms and conditions set forth in the Application, or as otherwise required or deemed necessary and convenient by the staff and legal counsel of the Board.
4. Such approvals set forth herein are subject to the Applicant paying or reimbursing the Board for any and all costs and expenses incurred by the Board in connection with the approval and closing of the PILOT, including, without limitation, any and all attorneys' fees incurred by the Board.
5. The PILOT transaction approved hereby must close by October 31, 2025, and upon failure to close by such date (or such later date approved by the Board pursuant to a separate resolution), the approval evidenced hereby shall expire and be of no further force and effect.

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Presented at this meeting of the Board, held on July 8, 2025, and passed and approved on the same date.

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

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Chair

Dated: July 8, 2025

**CERTIFICATE**

As Secretary of The Health, Educational & Housing Facility Board of the County of Knox, I hereby certify that the above Resolution was presented at the meeting of the Board of Directors of said corporation on the 8<sup>th</sup> day of July, 2025; that a quorum was present; that the vote on the adoption of the Resolution was taken openly and the Board of Directors duly approved the resolution; that said meeting was held at a specified time and place; that notice was duly given, and that the meeting was called and held in strict accordance with the provisions of the charter and bylaws of said corporation and in accordance with applicable law.

**IN WITNESS WHEREOF**, I have executed this Certificate, this \_\_\_\_ day of July, 2025.

\_\_\_\_\_  
Secretary



**GRANTS & COMMUNITY DEVELOPMENT**

May 28, 2025

Ms. Tiffany Gardner, Chair  
The Health, Educational & Housing Facility Board  
17 Market Square  
Knoxville, TN 37902

RE: PILOT Letter of Support

Dear Chair Gardner:

I understand that Resource Housing Group/Peaks of Knox, LP (the "Developer") desires to construct 78 units of affordable housing at 0 Roscoe Lane, Knoxville, TN 37914. I further understand that 100% of the units will be maintained as affordable housing, principally serving low to moderate income households at or below 60% of the area median income (AMI). To provide financing for this project, the Developer has received 9% low-income housing tax credits through the Tennessee Housing Development Agency and is requesting payments in lieu of taxes through The Health, Educational & Housing Facility Board of the County of Knox (County HEB).

Pursuant to Section 48-101-301 of the Tennessee Code Annotated, the County HEB is permitted to enter into an agreement for payments in lieu of taxes provided that the chief executive of Knox County provides a letter in support of the project. Per the County's previously established practice, I am providing this letter as evidence of support of the Developer's request for payments in lieu of taxes in the amount of \$35,100.00 for a term of 15 years. The 15-year term shall commence at the point of stabilization (defined as occupied at 80% or above) or 3 years from the start of construction, whichever comes first. Thank you.

Sincerely,



Glenn Jacobs  
Knox County Mayor



DATE: May 13, 2025

TO: Jenny Holden, Knox County Grants & Community Development, Senior Director

FROM: Kate Molinaro, M&L

RE: Subsidy Layering/PILOT Analysis-Peaks of Knox

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I have reviewed the Development Budget, Sources and Uses Statement and Operating Proforma for the Peaks of Knox development submitted by Resource Housing Group/Peaks of Knox, LP. Peaks of Knox will be a 78-unit family community, located at 0 Roscoe Lane, Knoxville, TN. The unit mix will comprise 6 one-bedroom units, 36 two bedroom units, and 36 three bedroom units. The purpose of this memo is to outline observations and determine whether the developer's requested PILOT is appropriate or if it would result in excess profit to the developer.

1. There is a demonstrated need for the project. Low vacancy rates and a high number of income-eligible households all indicate a strong market for the type of project to be developed. A shortage of units both affordable and available for renter households at or below 30% area median income (AMI) increases housing insecurity and rent pressure on extremely low-income households. Demand for multifamily rental units typically is generated from new renter-occupied household growth and the relocation of existing renter-occupied households within the market area due to cost burden, poor housing quality and overcrowded housing. According to 2016-2020 CHAS data, 24.1% of households in Knox County are cost burdened. Similarly, severe cost burden is defined as spending over 50% of household income on housing costs. In Knox County, 10.9% of households are severely cost burdened. These households are most likely to benefit from the proposed project. Further, the Knox County Homelessness in Knox County Report and Recommendations cite a lack of affordable housing as the number one reason individuals become homeless. As rent prices continue to increase, while incomes remain stagnant (or in many cases have decreased), demand for affordable units far exceeds supply.
2. Review of the financial sources and uses for the project indicates all costs are considered reasonable and necessary to complete the project in comparison to industry standards and projects of similar size and scope conducted within the last year. The developer fee (11%) does not exceed the standard 15% of the development cost; builder profit and overhead are below the respective 6% and 2% standard maximums; builder General Requirements are below the 6% standard maximum. There are no indications that the project will not be completed once started. The current sources/uses budget demonstrates no gap in financing but requires an annual debt service in the amount of \$415,159 in

order to meet cost requirements. A fifteen-year operating proforma indicates a debt coverage ratio sufficient to meet this obligation.

3. The current analysis assumes a PILOT in the amount of \$35,100. This amount is sustainable for the 15 year affordability period. Should the PILOT not be granted, the operating budget would require property tax payments equal to, or greater than the \$35,100, which includes the present value of the credits added to the base tax assessment. Without the PILOT, the project would not have sufficient debt coverage beginning in year two of operation.

In summary, the analysis indicates that the developer has demonstrated experience and capacity to complete the project. The project would fill a clear need for affordable housing as shown by the number of income-eligible and cost-burdened households. Costs are reasonable and similar to previously funded projects, and the developer is not receiving excessive profits. The debt coverage ratio, assuming the PILOT, is 1.15 in year one of operation; without the PILOT there is insufficient debt coverage. In my opinion, the requested PILOT would not result in excessive profits for the developer and is considered reasonable for the type and size of the project. The requested PILOT is similar to a PILOT requested and approved for similar affordable housing developments.





**Utility Allowance**

[Name]

[Date]

| Source: THDA  |                 | Responsible Party |        | Bedroom Size |                  |                  |                  |             |
|---------------|-----------------|-------------------|--------|--------------|------------------|------------------|------------------|-------------|
| Utility       | Type of Service | Owner             | Tenant | Eff.         | 1BR              | 2BR              | 3BR              | 4BR         |
| Heat          | Electric        |                   | x      | \$ -         | \$ 10.00         | \$ 12.00         | \$ 13.00         | \$ -        |
| Hot Water     | Electric        |                   | x      | \$ -         | \$ 9.00          | \$ 12.00         | \$ 14.00         | \$ -        |
| Cooking       | Electric        |                   | x      | \$ -         | \$ 4.00          | \$ 5.00          | \$ 7.00          | \$ -        |
| Lighting      | Electric        |                   | x      | \$ -         | \$ 35.00         | \$ 40.00         | \$ 46.00         | \$ -        |
| Other Elect.  | Electric        |                   | x      | \$ -         | \$ -             | \$ -             | \$ -             | \$ -        |
| A/C           | Electric        |                   | x      | \$ -         | \$ 5.00          | \$ 7.00          | \$ 9.00          | \$ -        |
| Other         | Sewer           | x                 |        | \$ -         | \$ 67.00         | \$ 99.00         | \$ 147.00        | \$ -        |
| Other         |                 |                   |        | \$ -         | \$ -             | \$ -             | \$ -             | \$ -        |
| Water         |                 |                   | x      | \$ -         | \$ 32.00         | \$ 43.00         | \$ 60.00         | \$ -        |
| Sewer         |                 |                   |        | \$ -         | \$ -             | \$ -             | \$ -             | \$ -        |
| Garbage       |                 |                   |        | \$ -         | \$ -             | \$ -             | \$ -             | \$ -        |
| Other         |                 |                   |        | \$ -         | \$ -             | \$ -             | \$ -             | \$ -        |
| Other         |                 |                   |        | \$ -         | \$ -             | \$ -             | \$ -             | \$ -        |
| Other         |                 |                   |        | \$ -         | \$ -             | \$ -             | \$ -             | \$ -        |
| <b>Totals</b> |                 |                   |        | <b>\$ -</b>  | <b>\$ 162.00</b> | <b>\$ 218.00</b> | <b>\$ 296.00</b> | <b>\$ -</b> |

**Stabilized Annual Operating Budget**

[Name]

[Date]

| Underwriting Assumptions |  |
|--------------------------|--|
| 0.00%                    | 2021 vacancy rate                                  |
| 0.00%                    | 2022 and beyond vacancy rate (stabilized vacancy)  |
| 0.00%                    | Annual rental revenue growth years 1-5             |
| 0.00%                    | Annual rental revenue growth years 6 and beyond    |
| 0.00%                    | Annual other revenue growth years 1-5              |
| 0.00%                    | Annual other revenue growth years 6 and beyond     |
| 0.00%                    | Annual expense growth years 1-5                    |
| 0.00%                    | Annual expense growth years 6 and beyond           |
| 0.00%                    | Annual utilities expense growth years 1-5          |
| 0.00%                    | Annual utilities expense growth years 6 and beyond |
| 0.00%                    | Management Fee                                     |
| 3.00%                    | Annual replacement reserve increase                |

|                                     | <b>Total</b>         | <b>PUPA</b>         |
|-------------------------------------|----------------------|---------------------|
| <b>Gross Annual Rental Revenue</b>  | \$ 878,640.00        | \$ 11,264.62        |
| <b>Other Revenue</b>                |                      |                     |
| Rental Assistance                   | \$ -                 | \$ -                |
| Interest                            | \$ -                 | \$ -                |
| Tenant Charges                      | \$ -                 | \$ -                |
| Laundry/Vending Revenue             | \$ 17,573.00         | \$ 225.29           |
| <b>Total Annual Revenue</b>         | \$ 896,213.00        | \$ 11,489.91        |
| <b>(Vacancy)</b>                    | \$ -                 | \$ -                |
| <b>Net Annual Operating Revenue</b> | <b>\$ 896,213.00</b> | <b>\$ 11,489.91</b> |
| <b>Operating Expenses</b>           |                      |                     |
| Advertising                         | \$ 1,200.00          | \$ 15.38            |
| Legal & Accounting                  | \$ 11,340.00         | \$ 145.38           |
| Other Professional Fees             | \$ -                 | \$ -                |
| On Site Mgmt (Proll)                | \$ 85,275.00         | \$ 1,093.27         |
| Other Administrative                | \$ 14,130.00         | \$ 181.15           |
| Utilities                           | \$ 13,200.00         | \$ 169.23           |
| Maint. & Repairs (Proll)            | \$ 66,300.00         | \$ 850.00           |
| Other Maintenance                   | \$ 69,033.00         | \$ 885.04           |
| Real Estate Taxes                   | \$ -                 | \$ -                |
| Other Taxes & Fees                  | \$ -                 | \$ -                |
| Insurance                           | \$ 32,040.00         | \$ 410.77           |
| Property Mgmt.                      | \$ 35,100.00         | \$ 450.00           |
| Asset management Fees               | \$ -                 | \$ -                |
| TBD                                 | \$ -                 | \$ -                |
| TBD                                 | \$ -                 | \$ -                |
| TBD                                 | \$ -                 | \$ -                |
| TBD                                 | \$ -                 | \$ -                |
| RD Guarantee Fee                    | \$ -                 | \$ -                |
| Miscellaneous                       | \$ -                 | \$ -                |
| <b>Total Operating Expenses</b>     | <b>\$ 327,618.00</b> | <b>\$ 4,500.23</b>  |
| <b>Replacement Reserves</b>         | <b>\$ 23,400.00</b>  | <b>\$ 300.00</b>    |
| <b>Net Operating Income</b>         | <b>\$ 545,195.00</b> | <b>\$ 6,689.68</b>  |

Cash Flow Pro Forma

[Name]  
[Date]

|                             | 2025           | 2026           | 2027           | 2028           | 2029           | 2030           | 2031           | 2032           | 2033           | 2034           | 2035           | 2036           | 2037           | 2038           | 2039           | 2040           |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue:                    |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Gross Annual Rental Revenue | \$ 878,640.00  | 896,213        | 914,137        | 932,420        | 951,068        | 970,090        | 989,491        | 1,009,281      | 1,029,467      | 1,050,056      | 1,071,057      | 1,092,478      | 1,114,328      | 1,136,615      | 1,159,347      | 1,182,534      |
| Other Revenue               | \$ 17,573.00   | \$ 17,924.00   | \$ 18,283.00   | \$ 18,648.00   | \$ 19,021.00   | \$ 19,402.00   | \$ 19,790.00   | \$ 20,186.00   | \$ 20,589.00   | \$ 21,001.00   | \$ 21,421.00   | \$ 21,850.00   | \$ 22,287.00   | \$ 22,732.00   | \$ 23,187.00   | \$ 23,651.00   |
| Rental Assistance           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |
| Interest                    | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |
| Tenant Charges              | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |
| Laundry/Vending Revenue     | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |
| Total Annual Revenue        | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           |
| (Vacancy)                   | \$ (62,735.00) | \$ (63,990.00) | \$ (65,269.00) | \$ (66,575.00) | \$ (67,906.00) | \$ (69,264.00) | \$ (70,650.00) | \$ (72,063.00) | \$ (73,504.00) | \$ (74,974.00) | \$ (76,473.00) | \$ (78,003.00) | \$ (79,563.00) | \$ (81,154.00) | \$ (82,777.00) | \$ (84,433.00) |

Net Annual Operating Revenue \$ 833,478.00

|                          | 2025          | 2026          | 2027          | 2028          | 2029         | 2030         | 2031          | 2032          | 2033          | 2034          | 2035          | 2036          | 2037          | 2038          | 2039          | 2040          |
|--------------------------|---------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating Expenses       |               |               |               |               |              |              |               |               |               |               |               |               |               |               |               |               |
| Advertising              | \$ 1,200.00   | \$ 1,236.00   | \$ 1,273.08   | \$ 1,311.27   | \$ 1,350.61  | \$ 1,391.13  | \$ 1,432.86   | \$ 1,475.85   | \$ 1,520.12   | \$ 1,565.73   | \$ 1,612.70   | \$ 1,661.08   | \$ 1,710.91   | \$ 1,762.24   | \$ 1,815.11   | \$ 1,869.56   |
| Legal & Acctg            | \$ 11,340.00  | \$ 11,680.20  | \$ 12,030.61  | \$ 12,391.52  | \$ 12,763.27 | \$ 13,146.17 | \$ 13,540.55  | \$ 13,946.77  | \$ 14,365.17  | \$ 14,796.13  | \$ 15,240.01  | \$ 15,697.21  | \$ 16,168.13  | \$ 16,653.17  | \$ 17,152.77  | \$ 17,667.35  |
| Other Professional Fees  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| On Site Mgmt (Profl)     | \$ 85,275.00  | \$ 87,833.25  | \$ 90,468.25  | \$ 93,182.29  | \$ 95,977.76 | \$ 98,857.10 | \$ 101,821.00 | \$ 104,869.00 | \$ 107,991.00 | \$ 111,186.00 | \$ 114,452.00 | \$ 117,788.00 | \$ 121,194.00 | \$ 124,660.00 | \$ 128,186.00 | \$ 131,772.00 |
| Other Administrative     | \$ 14,130.00  | \$ 14,553.90  | \$ 14,990.52  | \$ 15,440.23  | \$ 15,903.44 | \$ 16,380.54 | \$ 16,871.96  | \$ 17,378.12  | \$ 17,899.46  | \$ 18,436.45  | \$ 18,989.54  | \$ 19,559.22  | \$ 20,146.00  | \$ 20,750.38  | \$ 21,372.89  | \$ 22,014.08  |
| Utilities                | \$ 13,200.00  | \$ 13,596.00  | \$ 14,003.88  | \$ 14,424.00  | \$ 14,856.72 | \$ 15,302.42 | \$ 15,761.49  | \$ 16,234.34  | \$ 16,721.37  | \$ 17,223.01  | \$ 17,739.70  | \$ 18,271.89  | \$ 18,820.04  | \$ 19,384.65  | \$ 19,966.18  | \$ 20,565.17  |
| Maint. & Repairs (Profl) | \$ 66,300.00  | \$ 68,289.00  | \$ 70,337.67  | \$ 72,447.80  | \$ 74,621.23 | \$ 76,859.87 | \$ 79,165.67  | \$ 81,540.64  | \$ 83,986.86  | \$ 86,506.46  | \$ 89,101.66  | \$ 91,774.71  | \$ 94,527.95  | \$ 97,363.79  | \$ 100,284.70 | \$ 103,293.24 |
| Other Maintenance        | \$ 69,033.00  | \$ 71,103.99  | \$ 73,237.11  | \$ 75,434.22  | \$ 77,697.25 | \$ 80,028.17 | \$ 82,429.01  | \$ 84,901.88  | \$ 87,448.94  | \$ 90,072.41  | \$ 92,774.58  | \$ 95,557.82  | \$ 98,424.55  | \$ 101,377.29 | \$ 104,418.61 | \$ 107,551.16 |
| Real Estate Taxes        | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Other Taxes & Fees       | \$ 32,040.00  | \$ 33,001.20  | \$ 33,991.24  | \$ 35,010.97  | \$ 36,061.30 | \$ 37,143.14 | \$ 38,257.44  | \$ 39,405.16  | \$ 40,587.31  | \$ 41,804.93  | \$ 43,059.08  | \$ 44,350.85  | \$ 45,681.38  | \$ 47,051.82  | \$ 48,463.37  | \$ 49,917.28  |
| Insurance                | \$ 35,100.00  | \$ 36,153.00  | \$ 37,237.59  | \$ 38,354.72  | \$ 39,505.36 | \$ 40,690.52 | \$ 41,911.24  | \$ 43,168.57  | \$ 44,463.63  | \$ 45,797.54  | \$ 47,171.46  | \$ 48,586.61  | \$ 50,044.21  | \$ 51,545.53  | \$ 53,091.90  | \$ 54,684.66  |
| Asset Management Fees    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| TBD                      | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| TBD                      | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| TBD                      | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| TBD                      | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| RD Guarantee Fee         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Miscellaneous            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Total Operating Expenses | \$ 327,618.00 | \$ 333,001.20 | \$ 339,991.24 | \$ 350,101.97 | \$ 36,061.30 | \$ 37,143.14 | \$ 38,257.44  | \$ 39,405.16  | \$ 40,587.31  | \$ 41,804.93  | \$ 43,059.08  | \$ 44,350.85  | \$ 45,681.38  | \$ 47,051.82  | \$ 48,463.37  | \$ 49,917.28  |
| Expenses Per Unit        | \$ 4,200.23   | \$ 4,326.24   | \$ 4,456.03   | \$ 4,589.71   | \$ 4,727.40  | \$ 4,869.22  | \$ 5,015.30   | \$ 5,165.75   | \$ 5,320.73   | \$ 5,480.35   | \$ 5,644.76   | \$ 5,814.10   | \$ 5,988.52   | \$ 6,168.18   | \$ 6,353.23   | \$ 6,543.82   |
| Replacement Reserves     | \$ 23,400.00  | \$ 24,102.00  | \$ 24,825.00  | \$ 25,570.00  | \$ 26,337.00 | \$ 27,127.00 | \$ 27,941.00  | \$ 28,779.00  | \$ 29,642.00  | \$ 30,532.00  | \$ 31,448.00  | \$ 32,391.00  | \$ 33,363.00  | \$ 34,364.00  | \$ 35,395.00  | \$ 36,456.00  |

Net Operating Income \$ 482,460.00

|                           | 2025  | 2026  | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  | 2036  | 2037  | 2038  | 2039  | 2040  |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Debt Service (Hard Debt)  | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| Permanent First Mortgage  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |
| Permanent Second Mortgage | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |
| Permanent Third Mortgage  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |
| Total                     | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |

Cash Flow After Debt Service \$ 67,301.00

|                           | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
|---------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Deferred Developer Fee    | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Service (Soft Debt)  | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| First Soft Debt Mortgage  | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Second Soft Debt Mortgage | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Cash Flow After DDF & Soft Debt \$ 67,301.00

Debt Coverage Ratio 1.16



**Project Estimate: Budget**  
**Project Name: The Peaks of Knox**

Prepared: MTH \_\_\_\_\_ Date: 06/06/2025  
 Approved: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved: \_\_\_\_\_ Date: \_\_\_\_\_

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION                | Amount          | Per S.F. | Per Unit     |
|--------------------------------------|-----------------|----------|--------------|
| <b>Site Costs</b>                    |                 |          |              |
| <b>Onsite Costs</b>                  |                 |          |              |
| <b>SITE WORK</b>                     |                 |          |              |
| <b>Onsite Costs</b>                  |                 |          |              |
| 001.201 Sitework - Sub               | \$ 1,230,829.00 | \$ 13.04 | \$ 15,779.86 |
| 001.205 Earthwork                    | \$ -            | \$ -     | \$ -         |
| 001.210 Demolition                   | \$ -            | \$ -     | \$ -         |
| 001.215 Environmental Spill/Cleanup  | \$ -            | \$ -     | \$ -         |
| 001.225 Erosion & Sediment Control   | \$ -            | \$ -     | \$ -         |
| 001.230 Retention Pond               | \$ -            | \$ -     | \$ -         |
| 001.235 Rock Removal                 | \$ -            | \$ -     | \$ -         |
| 001.236 Concrete Modulus Columns     | \$ -            | \$ -     | \$ -         |
| 001.240 Site Clearing & Grubbing     | \$ -            | \$ -     | \$ -         |
| 001.245 Duration Equipment           | \$ -            | \$ -     | \$ -         |
| 001.255 Site Other                   | \$ -            | \$ -     | \$ -         |
| 001.260 Site Testing                 | \$ -            | \$ -     | \$ -         |
| 001.265 Surveying                    | \$ -            | \$ -     | \$ -         |
| 001.275 Pest Control                 | \$ 4,152.00     | \$ 0.04  | \$ 53.23     |
| 001.511 Asphalt Paving (inc. Curbs & | \$ 375,050.00   | \$ 3.97  | \$ 4,808.33  |
| 001.512 Construction Drive           | \$ -            | \$ -     | \$ -         |
| 001.510 Concrete Unit Paving         | \$ -            | \$ -     | \$ -         |
| 001.520 Concrete Paving              | \$ -            | \$ -     | \$ -         |
| 001.530 Walks and Curbs              | \$ 208,919.00   | \$ 2.21  | \$ 2,678.45  |
| 001.535 Extruded Curb                | \$ -            | \$ -     | \$ -         |
| 001.701 Site Utilities - Water       | \$ -            | \$ -     | \$ -         |
| 001.702 Site Utilities -Sanitary     | \$ -            | \$ -     | \$ -         |
| 001.703 Site Utilities - Storm       | \$ -            | \$ -     | \$ -         |

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION                               | Amount                 | Per S.F.        | Per Unit            |
|---|------------------------|-----------------|---------------------|
| <b>Site Costs</b>                                   |                        |                 |                     |
| <b>Onsite Costs</b>                                 |                        |                 |                     |
| 001.704 Primary/Secondary Electric                  | \$ 150,000.00          | \$ 1.59         | \$ 1,923.08         |
| 001.705 Site Utilities - Gas                        | -                      | -               | -                   |
| 001.706 Site Lighting                               | -                      | -               | -                   |
| 001.707 Site Cable/Phone                            | -                      | -               | -                   |
| 001.708 Lift Station                                | \$ 422,290.00          | \$ 4.48         | \$ 5,413.97         |
| 001.709 Site Utility-Contribution& Aid              | -                      | -               | -                   |
| 001.710 Relining Pipe                               | -                      | -               | -                   |
| 001.799 Standby Inspection Fee                      | -                      | -               | -                   |
| 001.801 Site Improvements                           | -                      | -               | -                   |
| 001.802 Tot Lots, Playground, Benches, Grills, Etc. | -                      | -               | -                   |
| 001.803 Dumpster and Pad                            | -                      | -               | -                   |
| 001.805 Site Accessories                            | -                      | -               | -                   |
| 001.810 Permanant Entrance Sign                     | -                      | -               | -                   |
| 001.815 Mailboxes                                   | \$ 22,687.00           | \$ 0.24         | \$ 290.86           |
| 001.901 Landscaping/Irrigation                      | \$ 241,817.00          | \$ 2.56         | \$ 3,100.22         |
| 001.903 Retaining Walls                             | -                      | -               | -                   |
| <b>Total Onsite Costs</b>                           | <b>\$ 2,655,744.00</b> | <b>\$ 28.15</b> | <b>\$ 34,048.00</b> |
| <b>Offsite Costs</b>                                |                        |                 |                     |
| 002.210 Offsite Demolition                          | \$ -                   | \$ -            | \$ -                |
| 002.220 Offsite Earthwork                           | \$ -                   | \$ -            | \$ -                |
| 002.225 Offsite Erosion & Sediment Control          | \$ -                   | \$ -            | \$ -                |
| 002.230 Offsite Retention Pond                      | \$ -                   | \$ -            | \$ -                |
| 002.250 Offsite Site Clearing & Grubbing            | \$ -                   | \$ -            | \$ -                |
| 002.511 Offsite Asphalt Paving                      | \$ -                   | \$ -            | \$ -                |
| 002.510 Offsite Concrete Unit Paving                | \$ -                   | \$ -            | \$ -                |
| 002.520 Offsite Concrete Paving                     | \$ -                   | \$ -            | \$ -                |
| 002.530 Offsite Walks and Curbs                     | \$ -                   | \$ -            | \$ -                |

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION  | Amount                 | Per S.F.        | Per Unit            |
|--|------------------------|-----------------|---------------------|
| <b>Site Costs</b>  |                        |                 |                     |
| <b>Onsite Costs</b>  |                        |                 |                     |
| 002.535 Offsite Extruded Curb  | \$ -                   | \$ -            | \$ -                |
| 002.701 Offsite Site Utilities - Water (Includes Force Main and Jack & Bore) | \$ 305,738.00          | \$ 3.24         | \$ 3,919.72         |
| 002.702 Offsite Site Utilities -Sanitary                                     | \$ -                   | \$ -            | \$ -                |
| 002.703 Offsite Site Utilities - Storm                                       | \$ -                   | \$ -            | \$ -                |
| 002.704 Offsite Primary/Secondary Electric                                   | \$ -                   | \$ -            | \$ -                |
| 002.705 Offsite Site Utilities - Gas   | \$ -                   | \$ -            | \$ -                |
| 002.706 Offsite Site Lighting  | \$ -                   | \$ -            | \$ -                |
| 002.707 Offsite Site Cable/Phone   | \$ -                   | \$ -            | \$ -                |
| 002.990 Offsite Unforeseen Conditions  | \$ -                   | \$ -            | \$ -                |
| <b>Total Offsite Costs</b>   | <b>\$ 305,738.00</b>   | <b>\$ 3.24</b>  | <b>\$ 3,919.72</b>  |
| <b>TOTAL SITE COSTS</b>  | <b>\$ 2,961,482.00</b> | <b>\$ 31.39</b> | <b>\$ 37,967.72</b> |
| <b>BUILDING COSTS</b>  |                        |                 |                     |
| <b>Concrete</b>  |                        |                 |                     |
| 003.301 Cast in Place Concrete   | \$ -                   | \$ -            | \$ -                |
| 003.302 Footers  | \$ -                   | \$ -            | \$ -                |
| 003.303 Foundations & Bldg Pads  | \$ 475,376.00          | \$ 5.04         | \$ 6,094.56         |
| 003.304 Porches, Patios & Lead Walks   | \$ -                   | \$ -            | \$ -                |
| 003.340 Pre-Cast Concrete  | \$ -                   | \$ -            | \$ -                |
| 003.345 Gyperete   | \$ 316,561.00          | \$ 3.35         | \$ 4,058.47         |
| <b>Masonry</b>   | \$ 697,468.00          | \$ 7.39         | \$ 8,941.90         |
| 004.101 Block  | \$ -                   | \$ -            | \$ -                |
| 004.110 Brick  | \$ -                   | \$ -            | \$ -                |
| 004.115 Stone  | \$ -                   | \$ -            | \$ -                |
| 004.125 Masonry  | \$ -                   | \$ -            | \$ -                |

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION                 | Amount          | Per S.F. | Per Unit     |
|---------------------------------------|-----------------|----------|--------------|
| <b>Site Costs</b>                     |                 |          |              |
| <b>Onsite Costs</b>                   |                 |          |              |
| 004.130 Stucco / EIFS                 | \$ -            | \$ -     | \$ -         |
| <b>Metals</b>                         |                 |          |              |
| 005.101 Structural Steel Framing      | \$ 131,648.00   | \$ 1.40  | \$ 1,687.79  |
| 005.110 Light Gauge Framing           | \$ -            | \$ -     | \$ -         |
| 005.120 Miscellaneous Metals          | \$ -            | \$ -     | \$ -         |
| <b>Wood &amp; Plastics</b>            |                 |          |              |
| 006.102 Panalization L&M              | \$ -            | \$ -     | \$ -         |
| 006.140 Rough Carpentry Turnkey       | \$ 1,744,119.00 | \$ 18.48 | \$ 22,360.50 |
| 006.141 Rough Carpentry Material      | \$ -            | \$ -     | \$ -         |
| 006.199 Decks, Wood or Plastic        | \$ -            | \$ -     | \$ -         |
| 006.141 Interior Demolition           | \$ -            | \$ -     | \$ -         |
| 006.151 Asbestos Abatement            | \$ -            | \$ -     | \$ -         |
| 006.155 Abatement                     | \$ -            | \$ -     | \$ -         |
| 006.202 Base, Casing/Stop, Int. Doors | \$ -            | \$ -     | \$ -         |
| 006.203 Handrail, Poplar (stain hdwr) | \$ -            | \$ -     | \$ -         |
| 006.204 Royalwood (window sill mtl)   | \$ -            | \$ -     | \$ -         |
| 006.205 Misc Hardware                 | \$ -            | \$ -     | \$ -         |
| 006.206 Interior Door Locksets        | \$ -            | \$ -     | \$ -         |
| 006.207 Shelving (Wire)               | \$ 26,437.00    | \$ 0.28  | \$ 338.94    |
| 006.208 Refurbish Trim                | \$ -            | \$ -     | \$ -         |
| 006.210 WCI Labor                     | \$ -            | \$ -     | \$ -         |
| 006.215 Final Clean                   | \$ -            | \$ -     | \$ -         |
| 006.220 Punch List                    | \$ -            | \$ -     | \$ -         |
| 006.225 Misc Labor Expense            | \$ -            | \$ -     | \$ -         |
| 006.240 Finish Carpentry Labor        | \$ -            | \$ -     | \$ -         |
| 006.241 Finish Carpentry Material     | \$ -            | \$ -     | \$ -         |

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION                    | Amount        | Per S.F. | Per Unit    |
|--|---------------|----------|-------------|
| <b>Site Costs</b>                        |               |          |             |
| <b>Onsite Costs</b>                      |               |          |             |
| 006.401 Cabinets & Countertops           | \$ 469,800.00 | \$ 4.98  | \$ 6,023.08 |
| 006.402 Countertops                      | \$ -          | \$ -     | \$ -        |
| <b>Thermal &amp; Moisture Protection</b> |               |          |             |
| 007.101 Dampproofing/Waterproofing       | \$ 119,186.00 | \$ 1.26  | \$ 1,528.03 |
| 007.105 Insulation                       | \$ 211,382.00 | \$ 2.24  | \$ 2,710.03 |
| 007.106 HERS and Energy Audit Testing    | \$ -          | \$ -     | \$ -        |
| 007.109 Roofing Turnkey                  | \$ 266,367.00 | \$ 2.82  | \$ 3,414.96 |
| 007.110 Roof Material                    | \$ -          | \$ -     | \$ -        |
| 007.111 Sheetmetal Work                  | \$ -          | \$ -     | \$ -        |
| 007.115 Vinyl Siding                     | \$ -          | \$ -     | \$ -        |
| 007.116 Gutters and Downspouts           | \$ -          | \$ -     | \$ -        |
| 007.117 Cement Siding                    | \$ 490,855.00 | \$ 5.20  | \$ 6,293.01 |
| 007.118 Plywood Siding                   | \$ -          | \$ -     | \$ -        |
| 007.125 Vinyl Railing                    | \$ -          | \$ -     | \$ -        |
| <b>Doors &amp; Windows</b>               |               |          |             |
| 008.101 Hollow Metal Doors & Framing     | \$ -          | \$ -     | \$ -        |
| 008.102 Wood Doors (inc. Trim)           | \$ 540,166.00 | \$ 5.72  | \$ 6,925.21 |
| 008.103 Exterior Doors & Hardware        | \$ -          | \$ -     | \$ -        |
| 008.104 Exterior Locksets                | \$ -          | \$ -     | \$ -        |
| 008.105 Finish Door Hardware             | \$ -          | \$ -     | \$ -        |
| 008.106 Special Doors                    | \$ -          | \$ -     | \$ -        |
| 008.107 Entrance Doors                   | \$ -          | \$ -     | \$ -        |
| 008.108 Storefront/Entrance Doors        | \$ 22,792.00  | \$ 0.24  | \$ 292.21   |
| 008.109 Handicap Entry Door Opener       | \$ -          | \$ -     | \$ -        |
| 008.501 Metal Windows                    | \$ -          | \$ -     | \$ -        |
| 008.502 Vinyl Windows                    | \$ 192,859.00 | \$ 2.04  | \$ 2,472.55 |

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION                           | Amount        | Per S.F. | Per Unit     |
|---|---------------|----------|--------------|
| <b>Site Costs</b>                               |               |          |              |
| <b>Onsite Costs</b>                             |               |          |              |
| 008.505 Glass                                   | \$ -          | \$ -     | -            |
| 008.801 Glazing                                 | \$ -          | \$ -     | -            |
| <b>Finishes</b>                                 |               |          |              |
| 009.241 Drywall                                 | \$ 857,182.00 | \$ 9.08  | \$ 10,989.51 |
| 009.301 Ceramic Tile                            | \$ -          | \$ -     | -            |
| 009.305 Resilient Flooring (inc. Carpet & Tile) | \$ 309,289.00 | \$ 3.28  | \$ 3,965.24  |
| 009.310 Carpeting                               | \$ -          | \$ -     | -            |
| 009.315 Laminate/Plank Flooring                 | \$ -          | \$ -     | -            |
| 009.511 Acoustical Ceilings                     | \$ -          | \$ -     | -            |
| 009.901 Painting                                | \$ 621,833.00 | \$ 6.59  | \$ 7,972.22  |
| <b>Specialties</b>                              |               |          |              |
| <b>010.101 Misc. Specialties (Family)</b>       | \$ -          | \$ -     | -            |
| 010.150 Misc Specialties (Elderly)              | \$ -          | \$ -     | -            |
| 010.162 Interior/Exterior Signage               | \$ -          | \$ -     | -            |
| 010.801 Bath Accessories                        | \$ 159,651.00 | \$ 1.69  | \$ 2,046.81  |
| <b>Equipment</b>                                |               |          |              |
| 011.201 Laundry Equipment                       | \$ -          | \$ -     | -            |
| 011.210 Appliances                              | \$ 249,072.00 | \$ 2.64  | \$ 3,193.23  |
| 011.220 Equipment                               | \$ -          | \$ -     | -            |
| <b>Furnishings</b>                              |               |          |              |
| 012.101 Furnishings                             | \$ -          | \$ -     | -            |
| 012.120 Blinds, Shades, Draperies               | \$ 45,985.00  | \$ 0.49  | \$ 589.55    |
| <b>Special Construction</b>                     |               |          |              |
| 013.101 Special Construction (Knox Boxes)       | \$ 3,943.00   | \$ 0.04  | \$ 50.55     |

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION                   | Amount          | Per S.F. | Per Unit     |
|---|-----------------|----------|--------------|
| <b>Site Costs</b>                       |                 |          |              |
| <b>Onsite Costs</b>                     |                 |          |              |
| 013.102 Pre-fabricated Fireplaces       | \$ -            | \$ -     | \$ -         |
| 013.105 Fire Extinguishers and Cabinets | \$ 15,160.00    | \$ 0.16  | \$ 194.36    |
| 013.110 Stove Top Canisters             | \$ -            | \$ -     | \$ -         |
| <b>Conveying Systems</b>                |                 |          |              |
| 014.201 Elevators                       | \$ -            | \$ -     | \$ -         |
| 014.301 Trash Chute                     | \$ -            | \$ -     | \$ -         |
| <b>Mechanical</b>                       |                 |          |              |
| 015.301 Sprinkler Systems               | \$ -            | \$ -     | \$ -         |
| 015.305 Fire Protection                 | \$ 230,378.00   | \$ 2.44  | \$ 2,953.56  |
| 015.401 Plumbing L& M                   | \$ 1,011,336.00 | \$ 10.72 | \$ 12,965.85 |
| 015.402 Plumbing - Trenching            | \$ -            | \$ -     | \$ -         |
| 015.403 Underground Plumbing            | \$ -            | \$ -     | \$ -         |
| 015.420 Radon Mitigation                | \$ -            | \$ -     | \$ -         |
| 015.501 Heating and Cooling             | \$ 776,117.00   | \$ 8.23  | \$ 9,950.22  |
| 015.502 HVAC Insulation                 | \$ -            | \$ -     | \$ -         |
| <b>Electrical</b>                       |                 |          |              |
| 016.101 Electrical L & M                | \$ 1,264,570.00 | \$ 13.40 | \$ 16,212.44 |
| 016.110 Electrical Heat                 | \$ -            | \$ -     | \$ -         |
| 016.115 Light Fixtures                  | \$ -            | \$ -     | \$ -         |
| 016.120 Alarm systems                   | \$ -            | \$ -     | \$ -         |
| <b>Other Hard Costs</b>                 |                 |          |              |
| 017.101 Other Hard Costs                | \$ -            | \$ -     | \$ -         |
| 017.102 Construction Management Fee     | \$ -            | \$ -     | \$ -         |
| 017.103 Contingency                     | \$ -            | \$ -     | \$ -         |
| 017.110 Insurance Claims                | \$ -            | \$ -     | \$ -         |

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION               | Amount                  | Per S.F.         | Per Unit             |
|-------------------------------------|-------------------------|------------------|----------------------|
| <b>Site Costs</b>                   |                         |                  |                      |
| 017.150 Repairs During Construction | \$ -                    | \$ -             | \$ -                 |
| <b>TOTAL BUILDING COSTS</b>         | <b>\$ 11,249,532.00</b> | <b>\$ 119.22</b> | <b>\$ 144,224.77</b> |

**TOTAL SITE & BUILDING COSTS - SUBTOTAL \$ 14,211,014.00 \$ 150.61 \$ 182,192.49**

| CONTRACTOR GENERAL REQUIREMENTS        | Amount               | Per S.F.       | Per Unit           |
|--|----------------------|----------------|--------------------|
| 050.130 Signage (Construction)         | \$ -                 | \$ -           | \$ -               |
| 050.120 Project Management             | \$ -                 | \$ -           | \$ -               |
| 050.100 Superintendent                 | \$ -                 | \$ -           | \$ -               |
| 050.135 Site Security                  | \$ -                 | \$ -           | \$ -               |
| 050.110 Field Office Expense           | \$ -                 | \$ -           | \$ -               |
| 050.131 Temporary Bldgs/Toilets        | \$ -                 | \$ -           | \$ -               |
| 050.133 Temporary Utilities            | \$ -                 | \$ -           | \$ -               |
| 050.134 Off Load/Storage               | \$ -                 | \$ -           | \$ -               |
| 050.136 Safety Inspections/Life Safety | \$ -                 | \$ -           | \$ -               |
| 050.137 Scheduling                     | \$ -                 | \$ -           | \$ -               |
| 050.138 Winter Conditions              | \$ -                 | \$ -           | \$ -               |
| 050.139 Temp Heat/Buildings            | \$ -                 | \$ -           | \$ -               |
| 050.150 Legal Fees                     | \$ -                 | \$ -           | \$ -               |
| 050.132 Rubbish Removal/Dumpster       | \$ -                 | \$ -           | \$ -               |
| 050.190 Other                          | \$ -                 | \$ -           | \$ -               |
| <b>TOTAL GENERAL REQUIREMENTS</b>      | <b>\$ 764,861.00</b> | <b>\$ 8.11</b> | <b>\$ 9,805.91</b> |

| OTHER FEES PAID BY GENERAL CONTRACTOR | Amount | Per S.F. | Per Unit |
|---------------------------------------|--------|----------|----------|
| 060.021 Permits                       | \$ -   | \$ -     | \$ -     |

UNITS: 78  
 SQUARE FOOTAGE: 94,359

| COST CODE DESCRIPTION                              | Amount      | Per S.F.    | Per Unit    |
|--|-------------|-------------|-------------|
| <b>Site Costs</b>                                  |             |             |             |
| <b>Onsite Costs</b>                                |             |             |             |
| 060.022 Tap in Fees                                | \$ -        | \$ -        | \$ -        |
| 060.025 Insurance                                  | \$ -        | \$ -        | \$ -        |
| 060.026 Bond                                       | \$ -        | \$ -        | \$ -        |
| 060.027 Tenant Relocation Fees                     | \$ -        | \$ -        | \$ -        |
| 060.028 Cost Certification Fees                    | \$ -        | \$ -        | \$ -        |
| <b>TOTAL OTHER FEES PAID BY GENERAL CONTRACTOR</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> |

|                           |                         |                  |                      |
|---------------------------|-------------------------|------------------|----------------------|
| Net Construction Cost     | \$ 14,975,875.00        | \$ 158.71        | \$ 191,998.40        |
| General Overhead          | \$ 299,415.00           | \$ 3.17          | \$ 3,838.65          |
| Profit                    | \$ 764,861.00           | \$ 8.11          | \$ 9,805.91          |
| Total Overhead and Profit | \$ 1,064,276.00         | \$ 11.28         | \$ 13,644.56         |
| <b>GRAND TOTAL</b>        | <b>\$ 16,040,151.00</b> | <b>\$ 169.99</b> | <b>\$ 205,642.96</b> |



**Sources and Uses of Funds**  
**Peaks of Knox**  
**6/4/2025**

| Sources of Funds                              | Rate   | Term (yrs) | Amort (yrs) | Amount                  | Per Unit             | %           |
|---|--------|------------|-------------|-------------------------|----------------------|-------------|
| Investor Equity (Net of Bridge Loan Interest) |        |            |             |                         | \$ -                 |             |
| Investor Equity (Bridge Loan Interest)        |        |            |             | \$ -                    | \$ -                 |             |
| Total Investor Equity                         |        |            |             | \$ -                    | \$ -                 |             |
| Permanent First Mortgage                      | 6.80%  | 216        | 40          | \$ 5,700,000.00         | \$ 73,076.92         | 1%          |
| Permanent Second Mortgage                     |        |            |             |                         | \$ -                 | #DIV/0!     |
| Permanent Third Mortgage                      |        |            |             | \$ -                    | \$ -                 | 0%          |
| First Soft Debt Mortgage                      | 2.5    | 216        | 40          | \$ 700,000.00           | \$ 8,974.36          | 0%          |
| Second Soft Debt Mortgage                     |        |            |             | \$ -                    | \$ -                 | 0%          |
| <i>Deferred Developer Fee</i>                 |        |            |             | \$ 2,511,639.00         | \$ 32,200.50         | 1%          |
| <i>Federal Housing Credit Equity</i>          |        |            |             | \$ 13,755,793.00        | \$ 176,356.32        | 1%          |
| <i>Describe Source</i>                        |        |            |             | \$ -                    | \$ -                 | 0%          |
| <i>Describe Source</i>                        |        |            |             | \$ -                    | \$ -                 |             |
| <i>General Partner Contribution</i>           |        |            |             | \$ -                    | \$ -                 |             |
| Deferred Developer Fee                        | 98.00% |            | 10 years    | \$ -                    | \$ -                 |             |
| <b>Total Sources:</b>                         |        |            |             | <b>\$ 22,667,432.00</b> | <b>\$ 290,608.10</b> | <b>100%</b> |

| Uses of Funds        | Amount                  | Per Unit    | %           |
|----------------------|-------------------------|-------------|-------------|
| Land                 | \$ 800,000.00           | \$ -        |             |
| Building Acquisition | \$ -                    | \$ -        |             |
| Construction         | \$ 17,390,254.00        | \$ -        |             |
| Soft Costs           | \$ 1,535,089.00         | \$ -        |             |
| Developer Fees       | \$ 2,559,000.00         | \$ -        |             |
| Reserves             | \$ 383,089.00           | \$ -        |             |
| <b>Total Uses:</b>   | <b>\$ 22,667,432.00</b> | <b>\$ -</b> | <b>100%</b> |

Percent of Cash Flow After Hard Debt  
Service Dedicated to Soft Debt

|                           |   |
|---------------------------|---|
| First Soft Debt Mortgage  | % |
| Second Soft Debt Mortgage | % |

| Construction Sources                 | Rate | Term      | Amort | Amount                  | Const. Period Interest |
|--------------------------------------|------|-----------|-------|-------------------------|------------------------|
| Investor Equity                      |      |           |       | \$ -                    | \$ -                   |
| Construction Loan                    | 3.5  | 24 months |       | \$ 15,200,000.00        | \$ -                   |
| Construction Loan II                 | 0    | 24 months |       | \$ 700,000.00           | \$ -                   |
| Permanent Second Mortgage            | %    | months    |       | \$ -                    | \$ -                   |
| Permanent Third Mortgage             | %    | months    |       | \$ -                    | \$ -                   |
| First Soft Debt Mortgage             |      |           |       | \$ -                    | \$ -                   |
| Second Soft Debt Mortgage            |      |           |       | \$ -                    | \$ -                   |
| <i>Federal Housing Credit Equity</i> |      | months    |       | \$ 9,351,425.00         | \$ -                   |
| <i>Describe Source</i>               |      | months    |       | \$ -                    | \$ -                   |
| <i>Describe Source</i>               |      | months    |       | \$ -                    | \$ -                   |
| <i>Describe Source</i>               |      | months    |       | \$ -                    | \$ -                   |
| Deferred Fees                        |      |           |       | \$ -                    | \$ -                   |
| <b>Total Construction Sources:</b>   |      |           |       | <b>\$ 25,251,425.00</b> |                        |

**Uses of Funds Detail  
Peaks of Knox**

| Description                                |                  | LIHTC 9%      |               | LIHTC NC or |                |
|--|------------------|---------------|---------------|-------------|----------------|
|  |                  | Total Project | Basis         | Rehab Basis | Historic Basis |
| On-Site Improvements                       |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Off-Site Improvements                      |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Demolition                                 |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Hard Construction (Residential)            |                  | \$ 13,878,367 | \$ 13,878,367 | \$ -        | \$ -           |
| Hard Construction (Commercial)             |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| General Requirements                       | % of hard costs  | \$ 764,861    | \$ 764,861    | \$ -        | \$ -           |
| Builders' Risk Insurance                   |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Tap Fees                                   |                  | \$ 237,000    | \$ 237,000    | \$ -        | \$ -           |
| Permits                                    |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>P and P Bond</i>                        |                  | \$ 95,647     | \$ 95,647     | \$ -        | \$ -           |
| Contractor Overhead                        | % of hard costs  | \$ 299,415    | \$ 299,415    | \$ -        | \$ -           |
| Contractor Profit                          | % of hard costs  | \$ 764,861    | \$ 764,861    | \$ -        | \$ -           |
| <b>Total Construction Costs</b>            |                  | \$ 16,040,151 | \$ 16,040,151 | \$ -        | \$ -           |
| Construction Contingency                   | % of const costs | \$ 792,875    | \$ 792,875    | \$ -        | \$ -           |
| <i>Other (in Const. Contract)</i>          |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Land                                       |                  | \$ 800,000    | \$ -          | \$ -        | \$ -           |
| Land Broker Fees                           |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Building/Acquisition                       |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Architectural Fees                         |                  | \$ 275,027    | \$ 275,027    | \$ -        | \$ -           |
| Survey Costs                               |                  | \$ 35,200     | \$ 35,200     | \$ -        | \$ -           |
| Engineering Fees                           |                  | \$ 75,000     | \$ 75,000     | \$ -        | \$ -           |
| Construction Insurance                     |                  | \$ 50,000     | \$ 50,000     | \$ -        | \$ -           |
| Construction Interest                      |                  | \$ 573,610    | \$ 317,672    | \$ -        | \$ -           |
| Additional Construction Interest           |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Construction Loan Fees                     | points           | \$ 152,000    | \$ 152,000    | \$ -        | \$ -           |
| Construction LOC Fees                      | points           | \$ -          | \$ -          | \$ -        | \$ -           |
| State Housing Agency Loan Fees             |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Construction Guaranty Fee                  | points           | \$ -          | \$ -          | \$ -        | \$ -           |
| Permanent Loan Fees (1st)                  | points           | \$ 57,000     | \$ -          | \$ -        | \$ -           |
| <i>Inspection Fees</i>                     |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>Lender Legal</i>                        |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Taxes during construction                  |                  | \$ 38,100     | \$ 38,100     | \$ -        | \$ -           |
| Appraisal                                  |                  | \$ 10,000     | \$ 10,000     | \$ -        | \$ -           |
| Market Study                               |                  | \$ 10,000     | \$ 10,000     | \$ -        | \$ -           |
| Environmental                              |                  | \$ 30,000     | \$ 30,000     | \$ -        | \$ -           |
| Relocation                                 |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Housing Credit Application Fee             |                  | \$ 2,210      | \$ -          | \$ -        | \$ -           |
| Housing Credit Reservation Fee             |                  | \$ 102,370    | \$ -          | \$ -        | \$ -           |
| Compliance Monitoring Fees                 |                  | \$ 46,800     | \$ -          | \$ -        | \$ -           |
| Marketing Costs                            |                  | \$ 20,000     | \$ -          | \$ -        | \$ -           |
| Title Insurance & Recording                |                  | \$ 84,000     | \$ 64,000     | \$ -        | \$ -           |
| Legal Fees (not syndication related)       |                  | \$ 160,000    | \$ 120,000    | \$ -        | \$ -           |
| Accounting (Cost Cert.) Fees               |                  | \$ 40,000     | \$ 40,000     | \$ -        | \$ -           |
| Asset Management Fees                      |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Organizational Cost                        |                  | \$ 5,000      | \$ -          | \$ -        | \$ -           |
| <i>Freddie App/Processing Fee</i>          |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>Third Party Reports</i>                 |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Soil Borings                               |                  | \$ 22,000     | \$ 22,000     | \$ -        | \$ -           |
| Construction Period Inspections            |                  | \$ 24,000     | \$ 24,000     | \$ -        | \$ -           |
| <i>Describe</i>                            |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>Cost Segregation Study</i>              |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>Furnishings</i>                         |                  | \$ 70,000     | \$ 70,001     | \$ -        | \$ -           |
| <i>Contributions In Aid</i>                |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>Permits</i>                             |                  | \$ 150,000    | \$ 150,000    | \$ -        | \$ -           |
| <i>Taps</i>                                |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>Soft Cost Contingency</i>               |                  | \$ 50,000     | \$ 50,000     | \$ -        | \$ -           |
| <i>Green Building Consultant/Cert Fees</i> |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>Co-Developer Fee</i>                    |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Developer's Fee                            |                  | \$ 2,559,000  | \$ 2,559,000  | \$ -        | \$ -           |
| Lease Up Reserve                           |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Operating Reserve                          |                  | \$ 383,089    | \$ -          | \$ -        | \$ -           |
| Replacement Reserve                        |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| Taxes and Insurance Escrow                 |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <i>USDA RD 90/90 Reserve</i>               |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| ADA Compliance                             |                  | \$ 10,000     | \$ 10,000     | \$ -        | \$ -           |
| <b>Subtotal:</b>                           |                  | \$ 22,667,432 | \$ 20,935,026 | \$ -        | \$ -           |
| Bridge Loan Interest                       |                  | \$ -          | \$ -          | \$ -        | \$ -           |
| <b>Total Uses:</b>                         |                  | \$ 22,667,432 | \$ 20,935,026 | \$ -        | \$ -           |

**Square Footages & Costs**

**Peaks of Knox**

6/4/2025

|                                  |               | <b>Construction<br/>Cost Per Sqaure<br/>Foot</b> | <b>Total<br/>Development<br/>Cost Per<br/>Square Foot</b> |
|----------------------------------|---------------|--|---|
| Residential Gross Square Footage | 80,642        |  | \$ -  |
| Clubhouse Community Space        | 3,400         | \$ -   | \$ -  |
| Clubhouse Other                  |               | \$ -   | \$ -  |
| Common Space                     | 10,317        | \$ -   | \$ -  |
| Hallways, Circulation            |               | \$ -   | \$ -  |
| Maintenance Garage               |               | \$ -   | \$ -  |
| <i>Other Describe</i>            |               | \$ -   | \$ -  |
| <i>Other Describe</i>            |               | \$ -   | \$ -  |
| <i>Other Describe</i>            |               | \$ -   | \$ -  |
| <i>Other Describe</i>            |               | \$ -   | \$ -  |
| <i>Other Describe</i>            |               | \$ -   | \$ -  |
| <b>Total</b>                     | <b>94,359</b> | <b>\$ 150.61</b>                                 | <b>\$ 175.64</b>  |

|                                 | <b>Per Unit</b>         | <b>Per Total SF</b> |
|---------------------------------|-------------------------|---------------------|
| On-Site Improvements            | \$ -                    | \$ -                |
| Off-Site Improvements           | \$ -                    | \$ -                |
| Demolition                      | \$ -                    | \$ -                |
| Hard Construction (Residential) | \$ 14,211,014.00        | \$ 150.61           |
| Hard Construction (Commercial)  | \$ -                    | \$ -                |
| General Requirements            | \$ 764,861.00           | \$ 8.11             |
| Builders' Risk Insurance        | \$ 50,000.00            | \$ 0.53             |
| Tap Fees                        | \$ 237,000.00           | \$ 2.51             |
| Permits                         | \$ 150,000.00           | \$ 1.59             |
| P and P Bond                    | \$ 95,647.00            | \$ 1.01             |
| Contractor Overhead             | \$ 299,415.00           | \$ 3.17             |
| Contractor Profit               | \$ 764,861.00           | \$ 8.11             |
| <b>Total</b>                    | <b>\$ 16,572,798.00</b> | <b>\$ 175.64</b>    |