

**GRANT CONTRACT 2025-R15-PC
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,
TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
PARK CENTER, INC.**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and Park Center, Inc., hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient will be developing **15** Barnes Fund affordable housing units located at **1002 Douglas Ave.**, hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a **40-year term** ("Affordability Period"). Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$2,000,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.
- A.5. During the term of the Contract and the Affordability Period, Recipient or another qualified nonprofit must maintain 51% ownership in the Project or in the general partner of the Project.

A.6. Requirements for Rental Projects:

- a. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
- b. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances, and tenant incomes. The Recipient shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the Affordability Period.
- c. The Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and project for compliance with Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations, and utility allowances.
- d. The Affordability Period applicable to both tenant income and maximum rents shall commence on the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the Affordability Period will begin on the date of recordation of the notice of completion for the project.
- e. Recipient shall not increase rents during the lease term. Such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.
- f. During the Affordability Period, Recipient shall submit to Metro no later than July 15 of each year, an eviction report that includes the number of people evicted and the reason for the eviction for the prior fiscal year (July 1-June 30).
- g. Recipient shall post information on Fair Housing rights in the leasing office and make information on Fair Housing rights available to tenants at least annually. Recipients should endeavor to make information available to persons with Limited English Proficiency.
- h. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.

A.7. Property Standards

- a. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
- b. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
- c. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

B. GRANT CONTRACT TERM:

- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.
- B.2. Contract Extensions. Recipient must notify Barnes Fund staff at least ninety (90) days prior to contract expiration of its request to extend the contract term. Each additional contract term cannot exceed twelve (12) months. Contract extensions must be approved by the Metropolitan Trust Fund Commission and the Metro Council.
- B.3. Contract Completion: The Contract Completion date is the date in which Metro has paid the final invoice.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **Two Million Dollars (\$2,000,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.
- C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.
- C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. Grant Draws**1) Construction Grant Draw Schedule**

- Recipient shall submit draw requests in accordance with the Draw Schedule provided in Attachment C. Changes to the Draw Schedule shall require an amendment to the Grant Contract.
- Before a draw can be made, there must be a physical inspection of the Project by Metro or an approved designee unless otherwise specified in the Draw Schedule. The inspection must confirm appropriate completion of the Project.

2) Construction Grant Draw Process

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.
 - All invoices shall be sent BFPayments@nashville.gov.
 - Said payment shall not exceed the maximum liability of this Grant Contract.
 - Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement unless a contract extension has been approved by the Metro Council. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.
- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of project completion in conjunction with the submission of the final draw on the award. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization. It should detail the outcomes of the activities funded under this Grant Contract.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- C.9. Procurement. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all

estimates, amendments to scope of work, and all work performed by a contractor prior to payment.

- C.10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C.11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

*This project is funded in part by the Barnes Affordable Housing Trust Fund of the Metropolitan Government of Nashville & Davidson County.
Metropolitan Housing Trust Fund Commission
Freddie O'Connell, Mayor
Metropolitan Council of Nashville and Davidson County*

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. Subcontracting. The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient shall be considered the prime Recipient and shall be responsible for all work performed.
- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or

consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

- D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.

Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of

Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.

- D.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the activities funded under this Grant Contract.
- D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
- a. Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
 - b. Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
 - c. Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.

- d. Recipient's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D.22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D.23. Inspection. The Recipient agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D.24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent

to the attention of the Metro Department of Finance.

- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
PO Box 196300
Nashville, TN 37219
BarnesFund@nashville.gov

Recipient:

David Langgle-Martin
1935 21st Ave. S.
Nashville, TN 37212
615-887-8460
David.langgle-martin@parkcenternashville.org

- D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.
- D.28. Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract shall be effective as of the date first written above.

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THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY:

APPROVED AS TO PROGRAM SCOPE:

Peter Westerholm

Peter Westerholm, Chair
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Jenneen Reed/mjr

Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

Macy Amos

Assistant Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:

Balaqun Cobb

Director of Risk Management Services

APPROVED BY METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

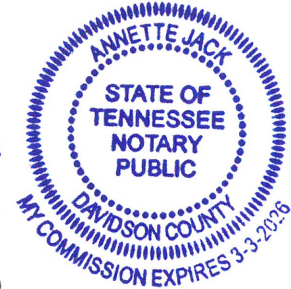
Park Center, Inc.

By: Amanda Bractte

Title: President and CEO

Sworn to and subscribed to before me a
Notary Public, this 3 day of 2025
2025.

[Notary Public seal]



Notary Public

My Commission expires 3/3/2026



Barnes Housing Trust Fund Scope of Work

Contract Number: 2025-R15-PC

Funding Round Number: 15

Organization Name: Park Center, Inc.

Project Location: 1002 Douglas Ave.

Project Type: Rental New Construction

Grant Award: \$2,000,000

Metro Property Award: N/A

Total Number of Units in Development: 15

Total Number of Barnes Fund Units by Income Target:

≤ 30% AMI	31-60% AMI	61-80% AMI	Total
13	2	N/A	15

Deeply Affordable Housing: Recipient’s commitment to make 13 units available to households with incomes ≤ 30% AMI is not contingent upon the award of project-based vouchers.

Permanent Supportive Housing: Recipient will designate 4 units for Permanent Supportive Housing (PSH) and agrees to accept referrals from the Coordinated Entry System (CES) and to utilize the Housing First approach as defined by the Office of Homeless Services. Recipient’s commitment to PSH is not contingent upon the award of project-based vouchers or upon the award of funding for supportive services. Recipient will provide supportive services substantially in the form and manner as described in its Round 15 application.

Project Summary: Park Center will develop 15 new fully furnished efficiency units through the demolition of a deteriorated, vacant three-bedroom home and the subdivision of the existing parcel into two lots. One lot will accommodate a six-unit and a single-unit structure, while the second lot will support the construction of an eight-unit structure. This project is designed to provide high-quality, deeply affordable housing for individuals living with mental health and substance use disorders, many of whom have experienced homelessness. Residents will be served through Park Center’s Permanent Supportive Housing (PSH) program, which offers intensive, long-term support to promote housing stability and overall well-being. Each efficiency unit will feature a bedroom, private bathroom, and kitchenette equipped with a refrigerator, induction cooktop, microwave, and sink. Units will also include a mini-split HVAC system for individualized climate control and be fully furnished with essential household furnishings. Shared common areas will offer additional kitchen amenities—including a range, dishwasher, and full refrigerator—along with private, lockable pantries with chest freezers, laundry facilities, and furnished living space. The design prioritizes energy efficiency, sustainability, accessibility, and trauma-informed principles. Outdoor porches, secure on-site storage, and owner-paid utilities will further enhance the living experience. This innovative development advances Park Center’s mission to provide stable, supportive housing for Nashville’s most vulnerable residents.

ATTACHMENT B



Barnes Housing Trust Fund Grant Budget

Sources of Funds	Amount	Percentage of Total	Status (Secured/Pending)
Barnes Housing Trust Fund	\$ 2,000,000	% 43.0	Pending
Developer Equity	\$ 406,900	% 8.8	Secured
Private Lender	\$ 1,641,515	% 35.3	Secured
Low-Income Housing Tax Credits (LIHTC)/etc.	\$ 0	% 0	n/a
Federal Home Loan Bank/etc.	\$ 0	% 0	n/a
Other Local/State Grants	\$ 600,000	% 12.9	Pending
Total Sources	\$ 4,648,415	100%	
Uses of Funds	Amount	Percentage of Total	
Acquisition Costs	\$ 401,900	% 8.6	
Construction Costs	\$ 3,793,900	% 81.6	Barnes - \$1,710,000; 85.5%
- Site Work	\$ 111,585	% 2.4	Barnes - \$50,294; 2.5%
- Vertical Construction	\$ 3,337,415	% 71.8	Barnes - \$1,504,251; 75.2%
- Contingency	\$ 344,900	% 7.4	Barnes - \$155,455; 7.8%
Soft Costs	\$ 198,550	% 4.3	Barnes - \$90,000; 4.5%
- Architecture & Engineering	\$ 75,000	% 1.6	
- Legal and Permitting	\$ 24,000	% 0.5	
- Developer Fee	\$ 254,065	% (Max 20% of Barnes)	Barnes - \$200,000; 10.0%
Reserves (Operating/Replacement)	\$ 0	% 0	
Total Uses	\$ 4,648,415	% 100	

ATTACHMENT C**Barnes Housing Trust Fund Draw Schedule**

The following percentages are based on the Barnes Fund grant award.

Draw #	% of Grant	Milestone
1	12.5%	Upon receipt of the building permit, proof of builder's risk insurance with Metro Nashville listed as a lien holder
2*	25%	Footing, framing, and foundation complete
3*	25%	Plumbing, electrical, and mechanical roughed-in, inspected, and passed by Metro Codes; roofing complete
4*	25%	Doors, cabinets, countertops, drywall, trim installed
5*	12.5%	Receipt of Final Use & Occupancy letter from Metro Codes

***Note:** Draw requests 2-6 must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.

ATTACHMENT D



Required Documents

The following are required items pursuant to Metropolitan Code 5.04.070:

1. A copy of the nonprofit's corporate charter or other articles, constitution, bylaws, or instruments of organization;
2. A copy of a letter from the Internal Revenue Service evidencing the fact that the organization is a nonprofit, tax-exempt organization under the Internal Revenue Code of 1986, as amended;
3. A statement of the nature and extent of the organization's program that serves the residents of the metropolitan government;
4. The proposed use of the funds to be provided by the metropolitan government (Provided in Attachment A);
5. The proposed budget of the organization, indicating all sources of funds and a line-item identification of the proposed expenditure of metropolitan government funds (Provided in Attachment B);
6. A copy of the nonprofit's annual audit or other required financial documentation described in Metro Code subsection 5.04.070(E).

RECEIVED
STATE OF TENNESSEE
90 JUN -6 AM 11:35
BRYAN D. LADD
SECRETARY OF STATE

ARTICLES OF AMENDMENT TO THE CHARTER
OF

HOUSE OF FRIENDSHIP / PARK CENTER Association

Pursuant to the provisions of Section 48-60-105 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is HOUSE OF FRIENDSHIP / PARK CENTER Association

2. The text of each amendment adopted is:

THE NAME OF THE CORPORATION
SHALL BE CHANGED TO PARK CENTER.

3. The corporation is a nonprofit corporation.

4. The manner (if not set forth in the amendment) for implementation of any exchange, reclassification, or cancellation of memberships is as follows:

N/A

5. The amendment was duly adopted on SEPT. 19, 1989 (must be month, day, and year) by

- ☐ the incorporators without members' approval, as such was not required.
- ☐ the board of directors without members' approval, as such was not required.
- ☒ the members.

[NOTE: Please mark the applicable box in #5.]

6. Indicate which of the following statements applies by marking the applicable box:

- ☒ Additional approval for the amendment (as permitted by Section 48-60-301 of the Tennessee Nonprofit Corporation Act) was not required.
- ☐ Additional approval for the amendment was required by the charter and was obtained.

7. If the amendment is not to be effective when these articles are filed by the Secretary of State, the date/time it will be effective is _____, 19____ (date) _____ (time).

[NOTE: The delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

5/21/90
Signature Date
EXECUTIVE DIRECTOR
Signer's Capacity

PARK CENTER
Name of Corporation
JACK HOLLIS
Signature
JACK HOLLIS
Name (typed or printed)

SECRET
1987 MAY 21 PM 2:42CHARTER
OF

BOOK 7265 PAGE 808

HOUSE OF FRIENDSHIP/PARK CENTER ASSOCIATION, INC.

The undersigned natural persons, having capacity to contract and acting as the incorporators of a corporation under the Tennessee General Corporation Act, adopt the following charter for such corporation.

1. The name of the corporation is House of Friendship/Park Center Association, Inc.
2. The duration of the corporation is perpetual.
3. The address of the principal office of the corporation in the State of Tennessee shall be 801 12th Avenue, South, Nashville, Tennessee, County of Davidson.
4. The corporation is not for profit.
5. The corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1954, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Such purposes include providing a social rehabilitation center for adults who have emotional problems, which center shall sponsor, organize, and maintain programs including, but not exclusively, social clubs and day care programs. The corporation shall also provide a comprehensive program of rehabilitation through vocational and social skill training which will serve young adults in Davidson County and Middle Tennessee who have been previously diagnosed as having a psychiatric disorder.

6. The corporation is not to have members.
7. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its' directors or officers, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. No substantial part of the

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 SECRETARY OF STATE
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 activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in any political campaign on behalf of any candidate for public office.

BOOK 7265 PAGE 809

Notwithstanding any other provision of these articles, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from Federal Income tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), or (b) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

8. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation, exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes, as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine.

Dated 5/19, 1987.

Daniel B. Egan
Joy M. Egan



Bylaws

ARTICLE I. Name and Address

The name of this organization shall be Park Center, Inc., hereafter referred to as the "Agency". It is a private not-for-profit corporation. The principal office shall be located at 1935 21st Avenue South, Nashville, TN, 37212. The Agency may also have other offices at such other locations as the purpose of the Agency requires.

ARTICLE II. Objective

The Agency empowers people with mental illness and substance use disorders to live and work in their communities. The Agency provides support through programs including, but not limited to, outpatient treatment, permanent supportive housing, supported housing, day programs, and employment services.

ARTICLE III. Membership

Members of the Board of Directors shall constitute membership of the Agency.

ARTICLE IV. Board of Directors

A. Composition of the Board of Directors. The Board of Directors shall consist of up to 23 selected individuals and at no time shall the number of elected directors be less than 15. Directors shall be selected with due respect for diversity including, geographic, racial identity, gender, lived experience of mental illness, substance use, and homelessness, and a variety of professions and areas of interest. At least two-thirds (2/3) of Directors shall at all times consist of people not professionally engaged in the mental health field. The Board Governance Committee shall make an analysis of the Board's composition and ensure that there is a cross-section of community representation.

B. Election. Candidates for the Board shall be selected from among those nominated by the Board Governance Committee at least thirty

days (30) prior to the Annual Meeting. Additional candidates for the Board may be nominated by any member of the Board at the Annual Meeting. Board members shall be elected by a majority vote of Board members at the Annual Meeting.

C. Terms. Directors will be eligible to serve two consecutive three (3) year terms. At the end of a Director's second term, they will not be eligible for reelection for a period of at least one (1) year. If a Director is elected to serve as a board officer, then the Director's term shall be extended automatically by the additional number of years required for the director to fully serve their term as an officer.

D. Vacancies. Any vacancies among the Board of Directors by reason of death, resignation, the inability to act, or any other circumstance, may be filled for the unexpired portion of the term by a majority vote of the Board at any meeting of the Board of Directors. If a person is elected to fill a vacancy on the Board, the remainder of the term the person serves shall not count toward the term limit section forth in Article IV(C).

E. General Powers. The Board of Directors shall constitute the governing body of the Agency. The Board shall have power to control, conduct and manage the property and affairs and business of the Agency, and all Agency power shall be vested in said Board except such power as the Board may delegate to the officers of the Agency and to the professional staff in carrying out their professional functions.

F. Meetings. Meetings of the Board of Directors shall be held every other month starting in July of each fiscal year. The Chairperson (subsequently referred to as "Chair") of the Board may call additional meeting dates upon notice in person, by letter, by telephone, or e-mail. Meetings of the Board may also be called upon at the written request of five (5) members of the Board of Directors. Said request is to be given to the Chair in person, by email, or by letter delivered by U.S. Mail.

G. Annual Meeting. A specific meeting during the year shall be designated as the "Annual Meeting". New members of the Board of Directors shall be elected and other formal annual business shall be conducted at the Annual Meeting. Notice of the Annual Meeting shall be given at least thirty (30) days prior to the meeting.

H. Quorum. A quorum shall be one-third (1/3) of the Directors. Attendance by teleconference, through a proxy vote, or by using a virtual platform shall count as attendance for purposes of determining if a

quorum is present. Unless otherwise specified in these Bylaws, any vote by the Board of Directors requires that a quorum be present.

I. Voting. Except as otherwise provided in these By-Laws, all matters shall be decided by a majority vote of members of the Board of Directors present. Proxy voting may be allowed if the Director sends notice to the President/CEO or Chair at least twenty-four hours prior to the vote in question.

J. Compensation. No Board member, or officer shall be paid for any services rendered to this Agency and no funds of the Agency shall be loaned to any Board member, Advisory Board member, or officer.

K. Remaining Active. If a board member is unable to attend a minimum of three board meetings or actively participate on at least one board committee during a fiscal year, and the board member has taken no affirmative steps to discuss or remedy the situation with the Chair, then the board member will be considered to have voluntarily resigned from the board and be so notified in writing from the Chair. Reinstatement or future service on the board shall be at the discretion of the board.

ARTICLE V. Committees

A. Standing committees of the Agency shall be the Executive Committee, the Human Resources Committee, Risk Management Committee, Finance Committee, Program Committee, and the Board Governance Committee. The Board of Directors may authorize and appoint other committees it deems necessary to help carry out its functions. Only directors may be members of the Executive and Board Governance Committees. Members of other committees may or may not be directors.

B. Executive Committee. The Executive Committee shall consist of the Officers of the Board, the immediate past Chair and two additional members of the Board, appointed by the Chair and subject to Board approval. Between meetings of the Board of Directors, the Executive Committee shall have and may exercise in the absence of specific direction by the Board of Directors, all powers of the Board and shall regularly report its actions to the Board. The Executive Committee shall convene as needed in person, telephonically, or virtually. All matters shall be decided by a majority vote of members participating in person, telephonically, virtually, or by a called vote via email. The Chair and/or Executive Committee is responsible for sharing an annual performance

review, that was conducted in coordination with the Human Resources Committee, with the President/CEO.

C. Human Resources Committee. The Human Resources Committee shall provide oversight, guidance and assistance to the President/CEO and Human Resources Director in establishing, reviewing, and developing human resources policies and procedures, positions, compensation and benefits, performance reviews and other human resource matters as needed. The Human Resources Committee will work with the Executive Committee to ensure that the performance of the Chief Executive is formally evaluated on a regular basis. The Human Resources Committee may be assigned other responsibilities related to governance of the organization from time to time by the Board.

D. Finance Committee shall assist and advise the CFO on matters of financial significance to the organization. The Treasurer shall serve as the chair of the Finance Committee. The Finance Committee serves as the Audit Committee for the organization and is responsible for providing oversight to the audit process and approving the annual audit and tax return. The committee also serves as the Investment Committee for the organization and is responsible for selecting and evaluating an investment manager, making recommendations on investment policy for board approval, and ensuring the policy is followed. The committee recommends for board approval the annual operating and capital budgets, internal financial reports, and reserve policies for the organization. The Finance committee may be assigned other responsibilities related to financial oversight of the organization from time to time by the Board.

E. Board Governance Committee. The Board Governance Committee shall consist of five to seven (5-7) Board members, elected by the Board. The Board Vice-Chair shall serve as chairperson of the Board Governance Committee. They may demur and ask another board member to chair the Governance Committee. The Board Governance Committee shall make an analysis annually of the Board's composition and ensure that there is a cross-section of skill sets, network & community representation. The Board Governance Committee is responsible for identifying and nominating new board members, leading an annual Board self-evaluation and ensuring the organization operates in compliance with the bylaws, revisiting them when necessary.

F. The Program Committee: The Program Committee is comprised of board members and non-board members who are most familiar with the

approaches and operations of the agency's programs. The Committee's responsibilities are to oversee new program development, monitor and assess existing programs, initiate and guide program evaluations, and facilitate discussions about program priorities for the agency.

ARTICLE VI. Strategic Advisory Board

- A. All former board members in good standing will be invited to participate in the Strategic Advisory Board upon completion of their term.
- B. The membership will elect a leader from the Strategic Advisory Board to be the non-voting liaison to the Park Center board and formal connection to organizational management.
- C. The Strategic Advisory Board shall meet twice annually to accomplish the following:
 - 1. Review annual work plans and other strategic planning documents and;
 - 2. give input and recommendations for continuous improvement.
 - 3. Stay updated on Park Center programs and activities.
 - 4. Plan one social event annually to engage former and current board members as well as management.

ARTICLE VII. Officers

- A. Officers. The officers of the Board shall be a Chair, Vice Chair, Immediate Past Chair, Secretary and Treasurer and may include such other officers as deemed necessary by the Board of Directors.
- B. Duties of Officers.
 - 1. The Chair shall preside at all meetings of the Board and Executive Committee. The Chair shall sign all certificates, contracts and other instruments of the Agency as authorized by the Board of Directors. The Chair shall make regular reports to the Board and shall perform whatever duties the Board may from time-to-time assign. The Chair may act as a non-voting member of all committees. The immediate past Chair shall be a member of the Executive Committee for a period of two (2) years following expiration of their term of office.
 - 2. The Vice-Chair shall perform the duties of the Chair in the event of their absence, inability to perform duties, or resignation. The Vice-Chair shall perform such other duties as the Board may from time-to-time assign.

3. The Secretary shall be responsible for the minutes and records of the meeting of the Board of Directors and the Executive Committee and shall perform such other duties as prescribed by the Board. The Secretary will also have oversight for the preparation of correspondence written on behalf of the Board of Directors and the Executive Committee. The Secretary shall perform such other duties as the Board may assign.
 4. The Treasurer shall serve as a consultant to the President/CEO and CFO in matters of financial significance. The Treasurer shall serve as the principal liaison between the Finance Committee and the Board and oversee the activities of the Finance Committee. The Treasurer is responsible for 1) ensuring timely presentation of financial reports to the board, 2) presenting results from the annual audit to the board, 3) regular reporting to the Board on investment performance and compliance with investment policy, 4) ensuring timely reporting to the Board of all other matters of financial significance.
- C. Terms. The term of office for officers shall be for a period of two years, or until a successor is elected or until his or her death, resignation, or removal. No officer may serve more than two terms in a given office during a single uninterrupted period of service except for the Treasurer who may serve multiple terms as needed.
- D. Vacancies. Vacancies among the officers shall be filled for the unexpired term by the Board of Directors at any regular meeting by a majority vote except that the Chair of the Board of Directors may appoint members to fill any vacancies in the Executive Committee, which appointment must later be approved by the Board by a majority vote at any meeting of the Board.

ARTICLE VIII. Management of Agency

A. President/CEO. The President/CEO is responsible for the daily operations of the Agency. The President/CEO shall be chosen and employed by the Board of Directors from among applicants screened and recommended by the Human Resource Committee. The President/CEO shall hire such other employees as the Board of Directors deems advisable; shall have the power to remove all employees subject to the Personnel Policies of the agency; and shall coordinate, supervise, and have charge of all of the programs and business administration of the organization, subject to specific action by the Board of Directors. The President/CEO shall meet with and advise the Board, the Executive

Committee, and all committees as necessary. The President/CEO shall not be a member nor have a vote in these bodies. If for any reason the President/CEO is unable to perform President/CEO functions, the COO, shall act as interim President/CEO. In the event the COO is unable to act in this role, the role of interim President/CEO shall be determined by the Board of Directors based upon the recommendations of the Human Resource Committee.

B. Notwithstanding anything to the contrary in these Bylaws, the President/CEO is required to obtain the prior written approval of the Board before taking any of the following actions:

1. Doing any other act which would make it impossible to carry on the ordinary activities of the Agency;
2. Settling any potential legal action on behalf of the Agency;
3. Selling, leasing, exchanging or otherwise disposing of all or substantially all of the assets or any goodwill of the Agency, or entering into any agreement to do the same, in any single transaction or series of related transactions;
4. Selling, leasing, exchanging or otherwise disposing of any real estate owned by the Agency;
5. Borrowing money or incurring indebtedness or other liabilities on behalf of the Agency, or executing any mortgage, bond or deed of trust, or becoming endorser of surety for any person, or knowingly causing or suffering to be done anything whereby Agency property may be seized, attached or taken on execution on behalf of the Agency;
6. Lending any Agency funds or property to any person;
7. Commingling funds of the Agency with the funds of any other Person;
8. Entering into or agreeing to enter into any other transaction outside the ordinary course of business of the Agency, or otherwise altering the primary purpose of the Agency;
9. The dissolution of the Agency;
10. Taking any steps to allow a voluntary or involuntary bankruptcy petition to be filed on behalf of, or against the Agency, or to allow any other legal proceeding similar to a bankruptcy or receivership action to be instituted involving the Agency.

To avoid any confusion, the Executive Committee authority described in Article V(B) regarding the ability to take action between Board meetings does not supersede this section. To the contrary, at all times, prior written approval of the Board is needed to take any of the actions described in this Article VIII(B).

C. Hiring Policies. Hiring shall be conducted in full compliance with the Agency's anti-discrimination policy.

ARTICLE IX. Finances

A. Fiscal Year. The Board shall establish the Agency's fiscal year.

B. Funds. All funds received by the Agency shall be credited to the Agency and placed in depositories approved by the Board of Directors. All checks drawn by the Agency shall be signed by the President/CEO, COO, or Director of Permanent Supportive Housing, in accordance with the agency's signature card on file with banking institutions. Any check over \$2500 shall require two of the signatures noted above. The Board of Directors must approve any borrowed funds and at that time will authorize the President/CEO to sign for those borrowed funds. Additionally, the Board of Directors must approve any expenditures in connection with the items listed in Article VIII(B) as requiring Board approval.

C. The accounts of the Agency shall be audited annually after the close of the fiscal year.

ARTICLE X. Parliamentary Procedures

Robert's Rules of Order shall govern the meetings of the Board of Directors and the committees of the Agency in all cases in which they are applicable and in which they are not inconsistent with these By-Laws.

ARTICLE XI. Amendments of the By-Laws

The By-Laws of the Agency may be altered or changed at any regular or special meeting of the Board of Directors by a two-thirds (2/3) vote of the Board of Directors of record. All proposed amendments shall be submitted in writing to the Board of Directors at least thirty (30) days prior to the regular or special meeting at which these proposals are to be considered.

ARTICLE XII. Disposal of Assets in Event of Dissolution

Should the Agency for any reason cease to operate, all assets at that time shall be donated to a not-for-profit, charitable organization qualifying for exemption purposes specified in Section 501 (c) of the Internal Revenue

Code. Preference shall be given to agencies working in the field of mental health during the selection of such an agency. The choice of such an agency shall be determined by a majority vote of the Board members of record at the time of such dissolution.

Exhibit A

Internal Revenue Service

Department of the Treasury

**P. O. Box 2508
Cincinnati, OH 45201**

Date: May 13, 2002

**Park Center
801 12th Ave. S
Nashville, TN 37203**

Person to Contact:
Andrea Switser 31-00972
Customer Service Specialist
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
62-1336640

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in September 1989 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

-2-

Park Center
62-1336640

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services



Proudly serving the Nashville-Davidson County community since 1984

Mission Statement: Park Center empowers people who have mental illness and substance use disorders to live and work in their communities.

Programs:

Permanent Supportive Housing – affordable housing with ongoing, flexible, and voluntary supportive services designed to promote housing stability, health, and community integration following the evidence-based Housing First model

Homeless Outreach – street outreach, street medicine, housing navigation, and expedited access to disability benefits

Addiction Treatment – Intensive Outpatient and Outpatient recovery groups and individual counseling

Supported Employment – intensive support with obtaining and maintaining a job using the evidence-based Individual Placement and Supports model

Psychosocial Rehabilitation – day program focused on building social, recovery, and life skills

Supported Housing – transitional housing offering 24/7 on-site staff support with a focus on building independent living and recovery skills

July 9, 2025



www.parkcenternashville.org

Board of Directors

Anne Andress, Chair
Phil Suiter, Vice Chair & Treasurer
Joanna Hall, Secretary
Amy Thompson, Immediate Past
Chair
Laura Bermudez
Helen Gaye Brewster
Webb Campbell
Barbara Daane
Judy Daniels
Dr. Frank Drummond
Benaias Esayias
April Jones
Keith Maune
Ben Roberts
Caroline Simmons
Lisa Talbot
Diane Titus
Eric Werner
Bill Young
Amanda Bracht, CEO

Agency Phone 615.242.3576

Park Center

1935 21st Ave. S.
Nashville, TN 37212

Administration

Addiction Recovery Services
Residential Services
Supported Employment

Park Center East

948 Woodland Street
Nashville, TN 37206

Emerging Adults Services
Homeless Outreach
Psychiatric Rehabilitation
Operations

Catherine M. Middlebrooks, MS
Barnes Trust Fund Manager
Housing Division, Metro Nashville Planning Department
catherine.middlebrooks@nashville.gov
800 President Ronald Reagan Way, Nashville, TN 37210

Dear Catherine:

Since 1984, Park Center has provided a welcoming community of hope and support for individuals in the Metropolitan Government of Nashville-Davidson County facing mental health and substance use issues. We offer pathways to independence through comprehensive services including psychiatric rehabilitation, outpatient treatment, homeless outreach, supported housing, and employment services.

Park Center serves more than 1,000 Davidson County residents each year through individualized, community-based care. From two main service locations and over 25 housing properties throughout Nashville, our team of 100+ staff supports people in reclaiming hope, living, and working in the heart of their communities. Our programs are rooted in evidence-based practices and driven by a deep commitment to housing stability, recovery, and inclusion for individuals with complex needs.

Park Center's work aligns with the mission of the Barnes Affordable Housing Trust Fund by expanding deeply affordable, service-enriched housing options that address the unique barriers faced by people with serious mental illness, substance use disorders, and histories of homelessness. We are proud to be part of the solution to Nashville's housing crisis and remain committed to building a more equitable and compassionate city.

Sincerely,

David Langgle-Martin, MSW, CPRP
Chief Housing Officer

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2024 and 2023
And Report of Independent Auditor

PARK CENTER, INC. AND AFFILIATE
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Consolidating Statement of Activities (Non-GAAP) – Year Ended June 30, 202421

Consolidating Statement of Financial Position – June 30, 202322

Consolidating Statement of Activities (Non-GAAP) – Year Ended June 30, 202323



Report of Independent Auditor

To the Board of Directors
Park Center Inc. and Affiliate
Nashville, Tennessee

Opinion

We have audited the accompanying consolidated financial statements of Park Center, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Park Center, Inc. and Affiliate as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Park Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Park Center, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Park Center, Inc. and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Park Center, Inc. and Affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 20 through 23 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Cherry Bekaert LLP

Nashville, Tennessee
January 23, 2025

Exhibit A

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 123,960	\$ 838,232
Accounts receivable	233,142	118,613
Grants and contracts receivable	1,593,152	1,372,619
Prepaid expenses	3,741	46,083
Total Current Assets	1,953,995	2,375,547
Investments	17,961,404	17,157,771
Property and equipment, net	15,645,361	13,141,673
Total Assets	\$ 35,560,760	\$ 32,674,991
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 787,863	\$ 996,307
Current portion of note payable	13,335	12,813
Total Current Liabilities	801,198	1,009,120
Note payable, net of current portion	29,565	44,181
Line of credit	2,000,000	-
Total Liabilities	2,830,763	1,053,301
Net Assets:		
Without Donor Restrictions:		
Undesignated	11,429,684	12,040,018
Board designated	17,961,404	17,157,771
Total Without Donor Restrictions	29,391,088	29,197,789
With donor restrictions	3,338,909	2,423,901
Total Net Assets	32,729,997	31,621,690
Total Liabilities and Net Assets	\$ 35,560,760	\$ 32,674,991

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

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Public Support:			
Grants and contracts	\$ 7,803,545	\$ 1,009,352	\$ 8,812,897
Contributions	350,054	-	350,054
Total Public Support	8,153,599	1,009,352	9,162,951
Revenue:			
Rental income	966,664	-	966,664
Investment return, net	1,586,642	-	1,586,642
Other	4,041	-	4,041
Total Revenue	2,557,347	-	2,557,347
Net assets released from restrictions	94,344	(94,344)	-
Total Public Support, Revenue, and Gain	10,805,290	915,008	11,720,298
Expenses:			
Program services	8,685,229	-	8,685,229
Supporting Services:			
Management and general	1,683,879	-	1,683,879
Fundraising	242,883	-	242,883
Total Supporting Services	1,926,762	-	1,926,762
Total Expenses	10,611,991	-	10,611,991
Change in net assets	193,299	915,008	1,108,307
Net assets, beginning of year	29,197,789	2,423,901	31,621,690
Net assets, end of year	\$ 29,391,088	\$ 3,338,909	\$ 32,729,997

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

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Public Support:			
Grants and contracts	\$ 6,637,050	\$ -	\$ 6,637,050
Contributions	350,032	-	350,032
Total Public Support	6,987,082	-	6,987,082
Revenue:			
Rental income	953,223	-	953,223
Investment return, net	954,164	-	954,164
Other	88	-	88
Total Revenue	1,907,475	-	1,907,475
Net assets released from restrictions	280,113	(280,113)	-
Loss on disposal of property and equipment	(59,453)	-	(59,453)
Total Public Support, Revenue, and Gain	9,115,217	(280,113)	8,835,104
Expenses:			
Program services	7,786,062	-	7,786,062
Supporting Services:			
Management and general	1,570,566	-	1,570,566
Fundraising	260,449	-	260,449
Total Supporting Services	1,831,015	-	1,831,015
Total Expenses	9,617,077	-	9,617,077
Change in net assets	(501,860)	(280,113)	(781,973)
Net assets, beginning of year	29,699,649	2,704,014	32,403,663
Net assets, end of year	\$ 29,197,789	\$ 2,423,901	\$ 31,621,690

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

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Personnel services	\$ 5,008,655	\$ 653,625	\$ 131,676	\$ 5,793,956
Fringe benefits	568,671	52,868	9,170	630,709
Payroll taxes	415,989	57,460	10,433	483,882
Total Personnel Costs	5,993,315	763,953	151,279	6,908,547
Professional fees	341,005	277,623	6,278	624,906
Program services	430,817	38,503	19,726	489,046
Utilities	291,098	75,867	2,168	369,133
Rental and maintenance	281,254	52,819	3,161	337,234
Travel	240,014	10,243	4,367	254,624
Rent	228,035	94	-	228,129
Insurance	100,776	119,423	564	220,763
Member expenses	145,805	-	-	145,805
Program supplies	87,552	12,214	5,499	105,265
Telephone	71,018	28,980	1,546	101,544
Food and beverage	82,532	521	348	83,401
Contract services	34,117	753	-	34,870
Special events	-	-	31,625	31,625
Small equipment purchases	21,420	7,624	149	29,193
Miscellaneous	8,729	3,047	6,550	18,326
Taxes and licenses	9,874	8,250	-	18,124
Certifications and accreditations	12,051	2,910	1,968	16,929
Office supplies	11,956	3,831	789	16,576
Janitorial supplies	12,119	2,916	107	15,142
Printing and publications	1,170	127	5,664	6,961
Vehicle expense	5,389	1,250	-	6,639
Postage and shipping	1,450	443	1,095	2,988
Interest	2,576	-	-	2,576
Medical supplies	650	72	-	722
Total Expense Before Depreciation	8,414,722	1,411,463	242,883	10,069,068
Depreciation	270,507	272,416	-	542,923
Total Expenses	<u>\$ 8,685,229</u>	<u>\$ 1,683,879</u>	<u>\$ 242,883</u>	<u>\$ 10,611,991</u>

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

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Personnel services	\$ 4,609,777	\$ 608,349	\$ 149,107	\$ 5,367,233
Fringe benefits	502,213	38,817	16,768	557,798
Payroll taxes	337,804	44,787	11,525	394,116
Total Personnel Costs	5,449,794	691,953	177,400	6,319,147
Rental and maintenance	397,777	98,762	3,807	500,346
Professional fees	277,107	156,479	12,652	446,238
Utilities	254,398	98,407	1,669	354,474
Program services	284,496	25,908	13,645	324,049
Travel	184,749	13,612	1,753	200,114
Insurance	56,767	125,280	824	182,871
Member expenses	161,349	-	-	161,349
Rent	126,441	-	-	126,441
Telephone	72,629	23,763	2,256	98,648
Food and beverage	79,770	434	452	80,656
Taxes and licenses	18,761	59,116	-	77,877
Small equipment purchases	52,910	17,149	301	70,360
Program supplies	63,121	2,164	3,191	68,476
Special events	-	-	31,672	31,672
Certifications and accreditations	5,326	23,290	2,390	31,006
Office supplies	15,428	2,873	1,100	19,401
Contract services	9,920	8,447	-	18,367
Miscellaneous	4,646	11,880	1,447	17,973
Janitorial supplies	15,747	2,010	23	17,780
Vehicle expense	12,021	2,901	-	14,922
Printing and publications	1,364	1,104	4,275	6,743
Postage and shipping	819	797	1,592	3,208
Interest	2,627	-	-	2,627
Medical supplies	949	92	-	1,041
Total Expense Before Depreciation	7,548,916	1,366,421	260,449	9,175,786
Depreciation	237,146	204,145	-	441,291
Total Expenses	<u>\$ 7,786,062</u>	<u>\$ 1,570,566</u>	<u>\$ 260,449</u>	<u>\$ 9,617,077</u>

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

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 1,108,307	\$ (781,973)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	542,923	441,291
Net realized and unrealized gain on investments	(1,017,891)	(315,659)
Loss on disposal of property and equipment	-	59,453
Changes in operating assets and liabilities:		
Accounts receivable	(114,529)	228,124
Grants and fees receivable	(220,533)	(288,920)
Prepaid expenses	42,342	17,026
Accounts payable and accrued expenses	(208,444)	465,511
Net cash flows from operating activities	<u>132,175</u>	<u>(175,147)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	23,720,711	36,562,449
Purchases of investments	(23,506,453)	(34,913,779)
Purchases of property and equipment	<u>(3,046,611)</u>	<u>(1,707,665)</u>
Net cash flows from investing activities	<u>(2,832,353)</u>	<u>(58,995)</u>
Cash flows from financing activities:		
Advances on line of credit	2,000,000	-
Payments on long-term debt	<u>(14,094)</u>	<u>(12,231)</u>
Net cash flows from financing activities	<u>1,985,906</u>	<u>(12,231)</u>
Change in cash and cash equivalents	(714,272)	(246,373)
Cash and cash equivalents, beginning of year	<u>838,232</u>	<u>1,084,605</u>
Cash and cash equivalents, end of year	<u>\$ 123,960</u>	<u>\$ 838,232</u>
Supplemental disclosure:		
Interest paid	<u>\$ 2,576</u>	<u>\$ 2,627</u>

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

PARK CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Nature of organization and significant accounting policies

General – Park Center, Inc. (the “Organization”) is a nonprofit organization that provides psychosocial and vocational rehabilitation services and housing to emotionally and mentally ill individuals in Davidson County, Tennessee. The Organization offers food service, clerical, environmental, and vocational rehabilitation and operates a continuous mental health facility. Additionally, the Organization offers housing and housing support programs at several locations. The Organization’s major sources of revenue are government grants and contracts with behavioral health organizations.

The Organization sponsored the establishment of Haley’s Park, Inc. (“Haley’s Park”), a separate nonprofit corporation, that was established in order to construct a facility to provide chronically mentally ill persons with housing and other services under guidelines of the U.S. Department of Housing and Urban Development (“HUD”), Section 811. The facility was completed in 2008 and includes 14 one-bedroom units and one two-bedroom unit for a resident counselor, as well as office space. Haley’s Park is operated under Section 202 of the National Housing Act and regulated by HUD with respect to rental charges and operating methods. The Organization provides management services for Haley’s Park and the Organization’s Board of Directors maintains the ability to approve the directors of Haley’s Park.

Principles of Consolidation – The consolidated financial statements include the accounts of the Organization and its affiliated organization, Haley’s Park (collectively, the “Center”). All significant inter-entity transactions and balances have been eliminated in consolidation.

Basis of Presentation – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Financial statement presentation is in accordance with standards of accounting and financial reporting prescribed for nonprofit organizations within the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center’s management and the Board of Directors. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors. Presently, net assets designated by the board are for operating reserves, capital reserves and long-term investment.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions represent amounts available for specified projects.

Cash and Cash Equivalents – The Center considers all highly liquid investments available for current use with a maturity of three months or less when purchased to be cash equivalents.

PARK CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Nature of organization and significant accounting policies (continued)

Investments – The Center accounts for investments in accordance with U.S. GAAP. Under this guidance, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities as revenue or expenses without donor restrictions, unless specified by the donor.

Fair Values – The Center has an established process for determining fair values in accordance with FASB ASC guidance. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data and third party information. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. U.S. GAAP has a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels are explained as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Accounts Receivable, Grants and Contracts – See Note 2 for discussion of revenue recognition.

Contributions – Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restrictions are reported as increases in net assets with donor restrictions based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Periodically, the Center receives contributed nonfinancial assets. Generally, the Center recognizes contributions of this type at market value and maintains them for use in the Center. There have been no significant contributed nonfinancial assets during the years ended June 30, 2024 and 2023.

Donated Services – Amounts are reported in the consolidated financial statements for voluntary donations of services only when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills, which would typically be purchased if not provided by donation. Volunteers donate significant amounts of their time in the Center's program services and its fundraising efforts that have not been reported in the accompanying consolidated financial statements because the services do not create or enhance nonfinancial assets and no objective basis is available to measure the value of such volunteer time.

PARK CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 1—Nature of organization and significant accounting policies (continued)

Functional Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Center.

Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – Park Center, Inc. and Haley's Park, Inc. are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and are not private foundations as defined in Section 509(a) of the Internal Revenue Code. Management believes Park Center, Inc. and Haley's Park, Inc. continue to satisfy the requirements of a tax-exempt organization as of June 30, 2024.

Unemployment Claims – Rather than providing for future unemployment claims by paying the state unemployment insurance tax, the Center has elected to be a reimbursing employer. Reimbursing employers pay actual approved claims as they occur, plus an administrative fee. The Center is not currently aware of any pending claims.

Leases – The Center follows ASU 2016-02, *Leases* ("Topic 842"). The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases are to be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard does not change the accounting for leases where the Organization is the lessor. Since the Center's leases (where they are the lessee) subject to ASC 842 are deemed immaterial, this standard has not impacted the Center's 2024 financial statements.

Adoption of New Accounting Pronouncement – In 2016, FASB issued ASC Topic 326: *Financial Instruments – Credit Losses*. This ASU was intended to improve financial reporting by requiring earlier recognition of credit losses on loans and other financial assets carried at amortized cost, which includes trade receivables. The Center adopted this standard effective July 1, 2023, using the modified retrospective approach. Since the Center does not have material receivables subject to ASC Topic 326 as of June 30, 2024, adoption of the new standard did not significantly impact the Center's financial statements.

Note 2—Revenue recognition

The Center follows Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606) which stipulates that revenue is recognized when the Center performs services for a customer in an amount that reflects consideration that is expected to be received for those services.

Performance Obligations and Revenue Recognition – A performance obligation is a contract to transfer a distinct good or service to the customer and is the unit of account under Topic 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue, when or as, the performance obligation is satisfied. The contract obligation for treatment services reimbursed through certain fee for service grants and managed care income is recognized at the time these services are provided to the customer.

PARK CENTER, INC. AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 2—Revenue recognition (continued)

Grants and Contracts – A portion of the Center's revenue is derived by providing treatment services to eligible individuals under grant agreements and insurance fee agreements. Due to the nature of these transactions, there is no variable consideration and only one performance obligation. Such revenue is conditioned upon meeting a certain performance obligation, and amounts received are recognized once the requirement has been met. Once the service is performed, the performance obligation is considered to have been met. Those transactions are considered contracts with customers as they have commercial substance through the transaction of cash payment in return for the service purchased.

Allowance for Credit Losses – The allowance for credit losses is based on the Center's assessment of the collectability of government contract receivables. In accordance with ASC Topic 326: *Financial Instruments - Credit Losses*, the Center makes ongoing estimates relating to the collectability of government contract receivables and records an allowance for estimated losses expected from the inability of the entity to make required payments. The Center establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect an entity's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. As of June 30, 2024 and 2023, the allowance for credit losses was not material.

Disaggregation of Revenue – See the accompanying consolidated statements of activities.

Note 3—Liquidity and availability of resources

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use within one year of the consolidated statements of financial position comprise the following at June 30:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 123,960	\$ 838,232
Accounts receivable	233,142	118,613
Grants receivable	1,593,152	1,372,619
Investments	17,961,404	17,157,771
Total financial assets	19,911,658	19,487,235
Less amounts not available to be used for general expenditures within one year:		
Net assets subject to Board designations	17,961,404	17,157,771
Net assets subject to donor restrictions	357,858	445,393
Total amounts not available to be used for general expenditures within one year	18,319,262	17,603,164
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,592,396</u>	<u>\$ 1,884,071</u>

Although the Center has designated net assets for certain purposes (as described in Notes 10 and 11), these amounts could be made available if necessary. As described in Note 7, the Center also has a line of credit that is available for general operating needs.

PARK CENTER, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 4—Investments

Investments are stated at fair value with fair value determined based on active markets (Level 1) and consist of the following at June 30:

	2024	2023
Short-term investments	\$ 3,571,187	\$ 3,860,925
Mutual funds:		
Alternative strategies funds	423,210	271,443
Foreign large blend funds	688,617	605,580
Foreign large growth funds	1,045,071	221,302
Foreign large value funds	144,791	-
Intermediate-term bond funds	4,538,853	5,654,539
Large blend funds	4,887,858	2,396,134
Large growth funds	819,648	794,411
Large value funds	328,700	1,656,259
Long-short equity funds	838,395	577,594
Mid-cap growth funds	453,107	469,033
Mid-cap value funds	-	93,683
Small-cap growth funds	29,874	-
Small blend funds	192,093	556,868
Total	<u>\$ 17,961,404</u>	<u>\$ 17,157,771</u>

The following schedule summarizes investment income in the consolidated statements of activities for the years ended June 30:

	2024	2023
Interest and dividend income (including interest on cash and cash equivalents)	\$ 568,751	\$ 638,505
Net unrealized and realized gain on investments	<u>1,017,891</u>	<u>315,659</u>
Total	<u>\$ 1,586,642</u>	<u>\$ 954,164</u>

Note 5—Property and equipment

Property and equipment are recorded at cost at the date of purchase or fair value at date of gift. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets (ranging from three to forty years) on a straight-line basis. The Center generally capitalizes an asset if its life is estimated to be one year or greater and the cost is \$1,000 or greater.

Depreciation expense amounted to \$542,923 and \$441,291, respectively, for the years ended June 30, 2024 and 2023.

PARK CENTER, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 5—Property and equipment (continued)

The balances of the major classes of property and equipment are as follows at June 30:

	2024	2023
Land and land improvements	\$ 2,407,691	\$ 2,407,691
Buildings and building improvements	15,283,286	12,753,480
Equipment and furniture	843,769	638,088
Vehicles	221,368	221,368
Construction in progress	1,444,849	1,133,723
	20,200,963	17,154,350
Less accumulated depreciation	(4,555,602)	(4,012,677)
Property and equipment, net	<u>\$ 15,645,361</u>	<u>\$ 13,141,673</u>

In January 1989, the Organization entered into an agreement with the Metropolitan Development and Housing Agency, the Tennessee Department of Mental Health and Substance Abuse Services, the Tennessee Department of Human Services, and HUD, whereby funds were made available to the Organization by those governmental agencies to purchase and renovate four houses to be used by the Organization to provide housing for the homeless mentally ill. Under the agreement, the Organization is committed to operate the housing program for 20 to 30 years or be liable for repaying the prorated amounts of the original funds to the governmental agencies which provided them. Management currently plans to operate the program for the specified terms of the agreement.

In April 2010, the Organization entered into an agreement with the Metropolitan Development and Housing Agency to purchase two properties for the Organization to use to house mentally ill individuals. Under the agreement, the Organization is committed to operate the housing program for 20 years. A similar arrangement was entered into during 2013 under which the Organization is committed to operate the housing program for 15 years. Management currently plans to operate the programs for the specified terms of the agreements.

In July 2023, the Organization entered into an agreement with the Tennessee Housing and Development Agency to construct two buildings on existing properties for the Organization to use to house mentally ill individuals. Under the agreement, the Organization is committed to operate the housing program for 15 years. Management currently plans to operate the programs for the specified terms of the agreements.

The net asset value of the buildings, building improvements, and land acquired under these agreements in the amount of \$1,412,851 and \$410,308 at June 30, 2024 and 2023, respectively, is included as net assets with donor restrictions.

The Haley's Park buildings and improvements are located on five acres of land leased by the Organization from the state of Tennessee through the year 2078 for a minimal fee. The use of this land is restricted for a residential facility for the mentally ill. Fair value of the lease has not been reflected in the accompanying financial statements because objective valuation information is not available due to the restrictions placed on the use of the land. Accordingly, no contribution or rental expense has been recorded in the financial statements. Further, the Organization does not charge rent to Haley's Park.

Note 6—Accrued expenses

Employees of the Center are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation, but not for accumulated sick leave. Accordingly, vacation pay is accrued and recognized as an expense in the period earned by employees. Accrued vacation pay included in accounts payable and accrued expenses was \$231,071 at June 30, 2024 and 2023.

PARK CENTER, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 7—Short-term financing arrangement

The Center maintains a revolving line of credit in the amount of \$500,000 from a financial institution. The note stipulates interest at the financial institution's Base Rate (8.50% at June 30, 2024), payable monthly. The note is secured by all deposits and investments of the Center and matured June 2024. In August 2024, this line of credit was renewed with all the same terms and a maturity date in September 2026. There were no borrowings outstanding under this arrangement at June 30, 2024 and 2023.

Note 8—Long-term debt

During the year ended June 30, 2024, the Center obtained a revolving line of credit from its primary financial institution allowing for maximum borrowings of \$2,000,000 for certain capital projects. This arrangement bears interest at a variable rate (4.50% at June 30, 2024) and matures in July 2025 when all outstanding principal and accrued unpaid interest is due. Borrowings of \$2,000,000 were outstanding under this arrangement at June 30, 2024.

In addition to the line of credit arrangement, the Center has an outstanding note payable as follows at June 30:

	<u>2024</u>	<u>2023</u>
Mortgage note payable to an organization in monthly principal and interest installments of \$1,320, secured by land, interest at 5.0%, maturing September 2028.	\$ 42,900	\$ 56,994
	42,900	56,994
Less amount shown as current portion	<u>(13,335)</u>	<u>(12,813)</u>
Note payable, noncurrent portion	<u>\$ 29,565</u>	<u>\$ 44,181</u>

Annual principal maturities of the above obligation is as follows:

Years Ending June 30,

2025	\$ 13,335
2026	13,878
2027	14,443
2028	<u>1,244</u>
Total	<u>\$ 42,900</u>

Note 9—Capital advance

During the year ended June 20, 2008, Haley's Park received a capital advance from HUD in order to fund the construction of the multi-family housing apartments in the amount of \$1,568,200. Haley's Park is not required to make repayments of this capital advance so long as the housing remains available for very low-income persons with disabilities. The capital advance bears no interest. However, failure of Haley's Park to keep the facility available for disabled persons would result in HUD's billing Haley's Park for the entire capital advance outstanding plus interest since the date of the first advance. Haley's Park recorded the advance as a contribution with donor restrictions. The restriction will not be released prior to the maturity in September 2047 of the capital advance mortgage note agreement.

PARK CENTER, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Net assets

Net assets with donor restrictions are available for the following purposes or periods at June 30:

	2024	2023
Housing for individuals with disabilities – Haley’s Park	\$ 1,568,200	\$ 1,568,200
Property for housing program	1,412,851	410,308
Contributions restricted for programs	357,858	445,393
Total	<u>\$ 3,338,909</u>	<u>\$ 2,423,901</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors, as follows, during the years ended June 30:

	2024	2023
Satisfaction of equipment acquisition restrictions	\$ 6,810	\$ 156,770
Satisfaction of program restrictions	87,534	123,343
Total	<u>\$ 94,344</u>	<u>\$ 280,113</u>

Board designated net assets of the Center are available for the following purposes at June 30:

	2024	2023
Operating reserve	\$ 3,808,070	\$ 3,932,079
Capital reserve	2,716,199	2,594,160
Endowment	11,437,135	10,631,532
Total	<u>\$ 17,961,404</u>	<u>\$ 17,157,771</u>

Note 11—Board designated endowment

During 2023, the Board designed the long-term investment to be an endowment. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	<u>\$ 11,437,135</u>	<u>\$ -</u>	<u>\$ 11,437,135</u>

Endowment net asset composition by type of fund as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	<u>\$ 10,631,532</u>	<u>\$ -</u>	<u>\$ 10,631,532</u>

PARK CENTER, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 11—Board designated endowment (continued)

Changes in endowment net assets for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 10,631,532	\$ -	\$ 10,631,532
Investment return:			
Net appreciation (realized and unrealized)	1,222,352	-	1,222,352
Other changes:			
Release of board designation	(416,749)	-	(416,749)
Endowment net assets, end of year	<u>\$ 11,437,135</u>	<u>\$ -</u>	<u>\$ 11,437,135</u>

Changes in endowment net assets for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Board designation	10,000,000	-	10,000,000
Investment return:			
Net appreciation (realized and unrealized)	672,258	-	672,258
Other changes:			
Release of board designation	(40,726)	-	(40,726)
Endowment net assets, end of year	<u>\$ 10,631,532</u>	<u>\$ -</u>	<u>\$ 10,631,532</u>

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are to be invested primarily in equities, fixed income investments, non-traditional and cash securities.

To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Board has approved a spending cap of 5% of the portfolio. At June 30, 2024 and 2023, there were no underwater endowments.

Note 12—Pension plan

The Center has a non-contributory pension and retirement plan covering substantially all of its employees. The plan is a tax-deferred annuity plan with its participants owning all amounts held in their individual accounts. Pension expense for the years ended June 30, 2024 and 2023 was \$171,301 and \$141,585, respectively, and is included in fringe benefits in the consolidated statements of functional expenses.

PARK CENTER, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 13—Concentrations of credit risk

The Center receives a substantial amount of its support from government grants and contracts. In the event of a significant reduction in the level of this support, the Center's programs and activities could be adversely affected.

The Center maintains its cash and cash equivalents in financial institutions at balances, which, at times, may exceed federally insured limits. At June 30, 2024 and 2023, the Center had approximately \$56,000 and \$584,000, respectively, in excess of federally insured limits. The Center has not experienced any losses in such accounts. In management's opinion, risk relating to these deposits is minimal based on the credit ratings of its depositories.

The Center maintains investments in mutual funds and short-term investments. Investment securities are exposed to various risks, such as interest rates, market, and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could adversely affect the Center's financial results.

Note 14—Operating leases (company as lessor)

The real estate and tenant improvements owned by the Center are leased to various tenants under noncancelable arrangements. Total rental and related revenue was \$966,664 and \$953,223 for the years ended June 30, 2024 and 2023, respectively. ASC 842 requires lessors to account for leases using an approach that is substantially equivalent to ASC 840 for sales-type leases, direct financing leases, and operating leases. As the Center elected the package of practical expedients, the Center's existing leases as of July 1, 2023 continue to be accounted for as operating leases.

Upon adoption of ASC 842, the Center elected the practical expedient permitting lessors to elect by class of underlying asset to not separate non-lease components (for example, maintenance services, including common area maintenance) from associated lease components (the "non-separation practical expedient") if both of the following criteria are met: (1) the timing and pattern of transfer of the lease and non-lease component(s) are the same and (2) the lease component would be classified as an operating lease if it were accounted for separately. If both criteria are met, the combined component is accounted for in accordance with ASC 842 if the lease component is the predominant component of the combined component; otherwise, the combined component is accounted for in accordance with the revenue recognition standard. The Center assessed the criteria above with respect to the Center's operating leases and determined they qualify for the non-separation practical expedient. As a result, the Center accounted for and presented all rental income earned pursuant to operating leases, including property expense recovery, as a single line item, "Rental income," in the consolidated statement of activities for all periods presented.

The following table summarizes components of the Center's rental income for the years ended June 30:

	2024	2023
Rental and related revenue	\$ 966,664	\$ 953,223

Under ASC 842, lessors are required to record revenues and expenses on a gross basis for lessor costs (which include real estate taxes) when these costs are reimbursed by a lessee. Conversely, lessors are required to record revenues and expenses on a net basis for lessor costs when they are paid by a lessee directly to a third party on behalf of the lessor.

Future minimum rentals to be received under existing noncancelable operating leases, excluding reimbursable expenses, at June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	
2025	\$ 107,382

PARK CENTER, INC. AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 15—Subsequent events

The Center evaluated subsequent events through January 23, 2025, when these consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

	Park Center	Haley's Park	Consolidating Entries	Consolidated
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 39,700	\$ 84,260	\$ -	\$ 123,960
Accounts receivable	304,799	22,384	(94,041)	233,142
Grants and contracts receivable	1,593,152	-	-	1,593,152
Prepaid expenses	3,741	-	-	3,741
Total Current Assets	1,941,392	106,644	(94,041)	1,953,995
Investments	17,961,404	-	-	17,961,404
Property and equipment, net	14,647,892	997,469	-	15,645,361
Total Assets	\$ 34,550,688	\$ 1,104,113	\$ (94,041)	\$ 35,560,760
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 739,244	\$ 142,660	\$ (94,041)	\$ 787,863
Current portion of long-term debt	13,335	-	-	13,335
Total Current Liabilities	752,579	142,660	(94,041)	801,198
Long-term debt, net of current portion	29,565	-	-	29,565
Line of credit	2,000,000	-	-	2,000,000
Total Liabilities	2,782,144	142,660	(94,041)	2,830,763
Net Assets:				
Without Donor Restrictions:				
Undesignated	12,036,431	(606,747)	-	11,429,684
Board designated	17,961,404	-	-	17,961,404
Total Without Donor Restrictions	29,997,835	(606,747)	-	29,391,088
With Donor Restrictions	1,770,709	1,568,200	-	3,338,909
Total Net Assets	31,768,544	961,453	-	32,729,997
Total Liabilities and Net Assets	\$ 34,550,688	\$ 1,104,113	\$ (94,041)	\$ 35,560,760

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES (NON-GAAP)

YEAR ENDED JUNE 30, 2024

	Park Center	Haley's Park	Consolidating Entries	Consolidated
Public Support and Revenues:				
Public Support:				
Grants and contracts	\$ 8,768,034	\$ 44,863	\$ -	\$ 8,812,897
Contributions	350,054	-	-	350,054
Total Public Support	9,118,088	44,863	-	9,162,951
Revenues:				
Rental income	906,197	60,467	-	966,664
Investment and interest income, net	1,586,630	12	-	1,586,642
Other	4,041	-	-	4,041
Total Revenues	2,496,868	60,479	-	2,557,347
Total Public Support, Revenues, and Gains	11,614,956	105,342	-	11,720,298
Expenses:				
Program services	8,539,142	146,087	-	8,685,229
Supporting Services:				
Management and general	1,649,017	34,862	-	1,683,879
Fundraising	242,883	-	-	242,883
Total Supporting Services	1,891,900	34,862	-	1,926,762
Total Expenses	10,431,042	180,949	-	10,611,991
Change in net assets	1,183,914	(75,607)	-	1,108,307
Net assets, beginning of year	30,584,630	1,037,060	-	31,621,690
Net assets, end of year	\$ 31,768,544	\$ 961,453	\$ -	\$ 32,729,997

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

	Park Center	Haley's Park	Consolidating Entries	Consolidated
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 725,945	\$ 112,287	\$ -	\$ 838,232
Accounts receivable	190,165	9,616	(81,168)	118,613
Grants and contracts receivable	1,372,619	-	-	1,372,619
Prepaid expenses	46,083	-	-	46,083
Total Current Assets	2,334,812	121,903	(81,168)	2,375,547
Investments	17,157,771	-	-	17,157,771
Property and equipment, net	12,099,866	1,041,807	-	13,141,673
Total Assets	\$ 31,592,449	\$ 1,163,710	\$ (81,168)	\$ 32,674,991
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 950,825	\$ 126,650	\$ (81,168)	\$ 996,307
Current portion of long-term debt	12,813	-	-	12,813
Total Current Liabilities	963,638	126,650	(81,168)	1,009,120
Long-term debt, net of current portion	44,181	-	-	44,181
Total Liabilities	1,007,819	126,650	(81,168)	1,053,301
Net Assets:				
Without Donor Restrictions:				
Undesignated	12,571,158	(531,140)	-	12,040,018
Board designated	17,157,771	-	-	17,157,771
Total Without Donor Restrictions	29,728,929	(531,140)	-	29,197,789
With Donor Restrictions	855,701	1,568,200	-	2,423,901
Total Net Assets	30,584,630	1,037,060	-	31,621,690
Total Liabilities and Net Assets	\$ 31,592,449	\$ 1,163,710	\$ (81,168)	\$ 32,674,991

PARK CENTER, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES (NON-GAAP)

YEAR ENDED JUNE 30, 2023

	Park Center	Haley's Park	Consolidating Entries	Consolidated
Public Support and Revenues:				
Public Support:				
Grants and contracts	\$ 6,569,741	\$ 67,309	\$ -	\$ 6,637,050
Contributions	350,032	-	-	350,032
Total Public Support	6,919,773	67,309	-	6,987,082
Revenues:				
Rental income	916,924	36,299	-	953,223
Investment and interest income, net	954,155	9	-	954,164
Other	88	-	-	88
Total Revenues	1,871,167	36,308	-	1,907,475
Loss on disposal of property and equipment	(59,453)	-	-	(59,453)
Total Public Support and Revenues	8,731,487	103,617	-	8,835,104
Expenses:				
Program services	7,640,681	145,381	-	7,786,062
Supporting Services:				
Management and general	1,532,726	37,840	-	1,570,566
Fundraising	260,449	-	-	260,449
Total Supporting Services	1,793,175	37,840	-	1,831,015
Total Expenses	9,433,856	183,221	-	9,617,077
Change in net assets	(702,369)	(79,604)	-	(781,973)
Net assets, beginning of year	31,286,999	1,116,664	-	32,403,663
Net assets, end of year	\$ 30,584,630	\$ 1,037,060	\$ -	\$ 31,621,690

GRANT CONTRACT 2025-R15-WFBCDC-AM
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
THE WILLIAM FRANKLIN BUCHANAN COMMUNITY DEVELOPMENT CORPORATION

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and The William Franklin Buchanan Community Development Corporation, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient will be developing **88** Barnes Fund affordable housing units located at **300 Kate St., Madison, TN 37115**, hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a **99-year term** ("Affordability Period"). The Affordability Period shall commence on the Conversation Date, which is defined in A.6.a. Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$4,500,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.
- A.5. Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and Project for compliance Barnes program requirements during the term of the contract and throughout the Affordability Period.

A.6. Requirements for Cooperative Housing Projects:

- a. Recipient shall create the Limited Equity Cooperative entity ("LEC Entity") and convert the project to a Limited Equity Cooperative on or before **December 31, 2026** (such date of conversion, the "Cooperative Conversion Date").
- b. After the Cooperative Conversion Date, units in the project may be rented only to Rental Tenants. "Rental Tenants" are those legal tenants in the Project at the time of Conversion who are not Qualified Households or who choose not to purchase their unit and any offered shares in the LEC Entity. Upon expiration of a lease with a Rental Tenant, the LEC Entity shall offer renewal leases to Rental Tenants.
- c. Upon vacancy of a unit by a Rental Tenant, the LEC Entity must sell the unit and any associated shares in the LEC Entity to a qualified, income-eligible household in accordance with the targeted income ranges provided in Attachment A. Annual income qualification is based on actual family size as determined by the most recent Area Median Income (AMI) guidelines that are published annually by HUD ("Qualified Household").
- d. Cooperative shares plus all associated fees, including HOA fees, must be affordable to households with incomes at 60% and 80% AMI, respectively, adjusted for household size.
- e. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.
- f. Recipient must provide pre- and post-purchase counseling as specified in the Recipient's grant application, which is incorporated herein.
- g. At least annually during the Affordability Period, Recipient shall remind owners of the LEC requirements.

A.7. Property Standards

- a. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
- b. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
- c. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

B. GRANT CONTRACT TERM:

- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized

to rescind the contract and to reclaim previously appropriated funds from the organization.

B.2. Contract Extensions. Recipient must notify Barnes Fund staff at least ninety (90) days prior to contract expiration of its request to extend the contract term. Each additional contract term cannot exceed twelve (12) months. Contract extensions must be approved by the Metropolitan Trust Fund Commission and the Metro Council.

B.3. Contract Completion: The Contract Completion date is the date in which Metro has paid the final invoice.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **Four Million Five Hundred Thousand Dollars (\$4,500,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.

C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

1) **Grant Draw Schedule**

- Recipient shall submit draw requests in accordance with the Draw Schedule provided in Attachment C. Changes to the Draw Schedule shall require an amendment to the Grant Contract.
- Before a draw can be made, there must be a physical inspection of the property by Metro or an approved designee unless otherwise specified in the Draw Schedule. The inspection must confirm appropriate completion of the project.

2) **Construction Grant Draw Process**

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.
- All invoices shall be sent BFPayments@nashville.gov.

- Said payment shall not exceed the maximum liability of this Grant Contract.
 - Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement unless a contract extension has been approved by the Metro Council. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.
- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of project completion in conjunction with the submission of the final draw on the award. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization. It should detail the outcomes of the activities funded under this Grant Contract.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- C.9. Procurement. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.
- C.10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C.11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

*This project funded in part by the Barnes Affordable Housing Trust Fund of the
Metropolitan Government of Nashville & Davidson County.*

Metropolitan Housing Trust Fund Commission

Freddie O'Connell, Mayor

Metropolitan Council of Nashville and Davidson County

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. Subcontracting. The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient shall be considered the prime Recipient and shall be responsible for all work performed.
- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter. Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro

Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

- D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.
- Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the activities funded under this Grant Contract.

- D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
- a. Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
 - b. Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
 - c. Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
 - d. Recipient's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.

- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D.22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D.23. Inspection. The Recipient agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D.24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or

to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.

- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
PO Box 196300
Nashville, TN 37219
BarnesFund@nashville.gov
Recipient:

The William Franklin Buchanan Community Development Corporation
Carlina Bell, Executive Director
4121 Clarksville Pike, Suite 9
Nashville, TN 37218
615-414-7490
carlina@wfbcdc.org

- D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

- D.28 Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract shall be effective as of the date first written above.

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**THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY:**

APPROVED AS TO PROGRAM SCOPE:

Peter Westerholm

Peter Westerholm, Chair
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Jenneen Reed/mjw

Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:

Macy Amos

Assistant Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:

DocuSigned by:

Balagun Cobb

Director of Risk Management Services

APPROVED BY METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

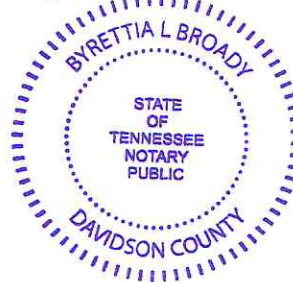
The William Franklin Buchanan
Community Development Corporation

By: *Carlina B. Bell* *Carlina B. Bell*

Title: *Executive Director*

Sworn to and subscribed to before me a
Notary Public, this 2 day of October
2025.

[Notary Public seal]



Notary Public

Byrettia L. Broady

My Commission expires 7-6-26

ATTACHMENT A



Barnes Housing Trust Fund Scope of Work

Contract Number: 2025-R15-WFBCDC-AM

Funding Round Number: 15

Organization Name: The William Franklin Buchanan Community Development Corporation

Project Location: 300 Kate St., Madison, TN 37115

Project Type: Limited Equity Cooperative Acquisition, Rehab, Conversion

Grant Award: \$4,500,000

Metro Property Award: N/A

Total Number of Units in Development: 88

Total Number of Barnes Fund Units by Income Target:

≤ 30% AMI	31-60% AMI	61-80% AMI	Total
	18	70	88

Project Summary: Amalie Meadows will be a transformative apartment-to-cooperative conversion project aimed at expanding permanently affordable housing opportunities for Nashville families. This initiative will establish a limited equity housing cooperative, serving households earning between 60% and 80% of the Area Median Income (AMI). Through the acquisition of an already completed residential building, the project will preserve existing housing stock while introducing an innovative ownership model. A 99-year ground lease structure, in partnership with a community land trust, will ensure long-term affordability and community stewardship.



Barnes Housing Trust Fund Grant Budget

Sources and Uses Statement

Sources of Funds	Amount	Percentage of Total	Status (Secured/Pending)
Barnes Housing Trust Fund	\$4,500,000	32.3%	Pending
Developer Equity		0.0%	
Private Lender (Bridge Loan)		0.0%	
Low-Income Housing Tax Credits (LIHTC)/etc.		0.0%	
Federal Home Loan Bank/etc.		0.0%	
Other Local/State Grants		0.0%	
The Catalyst Fund	\$9,321,826	67.0%	Secured
Cash From Operations	\$45,445	0.3%	Pending
RED Academy / Amazon Grant	\$50,000	0.4%	Secured
		0.0%	
		0.0%	
		0.0%	
Total Sources	\$13,917,271	100.0%	
Uses of Funds	Amount	Percentage of Total	
Acquisition Costs	\$11,368,000	81.7%	
Construction Costs	\$0	0.0%	
- Site Work	\$0	0.0%	
- Vertical Construction	\$704,000	5.1%	
- Contingency	\$35,200	0.3%	
Soft Costs	\$0	0.0%	
- Architecture & Engineering	\$0	0.0%	
- Legal and Permitting	\$50,000	0.4%	
- Developer Fee	\$275,000	2.0%	
Financing Costs	\$535,403	3.8%	
PCR, Appraisal, Inspections, Survey	\$20,500	0.1%	
Cooperative Training	\$125,000	0.9%	
Marketing	\$15,000	0.1%	
Construction Management	\$72,000	0.5%	
Capitalized Tax Payments	\$69,000	0.5%	
		0.0%	
		0.0%	
		0.0%	
Reserves (Operating/Replacement)	\$648,168	4.7%	
Total Uses	\$13,917,271	100.0%	

ATTACHMENT C**Barnes Housing Trust Fund Draw Schedule**

The following percentages are based on the Barnes Fund grant award.

Draw #	% of Grant	Milestone	Eligible Expenses
1	50%	Submittal of approved and fully executed Escrow Agreement and Closing Statement	Acquisition costs
2	25%	Execution of project assessment and scope of work	Eligible predevelopment costs*; construction costs**; marketing & training costs; developer fee***
3	12.5%	Completion of renovation	Construction costs**; marketing & training costs; developer fee***; operating costs
4	12.5%	Cooperative Conversion	Construction costs**; marketing & training costs; developer fee***; operating costs

All draw requests except acquisition costs must be supported by documentation of actual costs incurred and are paid on a reimbursable basis.

*Eligible predevelopment costs include feasibility studies, design and engineering expenses, permitting and approvals, site surveys and soil testing, utility and infrastructure assessment, project financing costs, demolition and site preparation; costs are capped at 25% of the grant.

**Draw requests for construction costs must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds.

***Total developer fee is capped at \$275,000.

ATTACHMENT D



Required Documents

The following are required items pursuant to Metropolitan Code 5.04.070:

1. A copy of the nonprofit's corporate charter or other articles, constitution, bylaws, or instruments of organization;
2. A copy of a letter from the Internal Revenue Service evidencing the fact that the organization is a nonprofit, tax-exempt organization under the Internal Revenue Code of 1986, as amended;
3. A statement of the nature and extent of the organization's program that serves the residents of the metropolitan government;
4. The proposed use of the funds to be provided by the metropolitan government (Provided in Attachment A);
5. The proposed budget of the organization, indicating all sources of funds and a line-item identification of the proposed expenditure of metropolitan government funds (Provided in Attachment B);
6. A copy of the nonprofit's annual audit or other required financial documentation described in Metro Code subsection 5.04.070(E).

**AMENDED AND RESTATED
BYLAWS
OF
THE WILLIAM FRANKLIN BUCHANAN
COMMUNITY DEVELOPMENT CORPORATION**

As amended and restated September 24, 2020

ARTICLE 1

NAME AND LOCATION

Section 1: The name of this corporation shall be The William Franklin Buchanan Community Development Corporation.

Section 2: The Corporation is incorporated under the laws of the State of Tennessee, as set forth in T.C.A. 48-51-101 et seq.; and its registered office shall be in Nashville, Tennessee.

ARTICLE 11

PURPOSE

The purposes and objectives of the Corporation shall be those set forth in its Charter of Incorporation, as such Charter now exist and as it may be amended from time to time.

ARTICLE 111

MEMBERSHIP

The Corporation shall not have members within the meaning of the General Corporation Laws of Tennessee for the purpose of voting.

ARTICLE IV

BOARD OF DIRECTORS

Section 1: General Powers. The Board of Directors shall constitute the governing body of this corporation. It shall manage, control, and direct the affairs and property of the corporation, subject to these By-Laws, and it shall have all powers necessary to carry out the purposes of the corporation as set forth in Article II. The Board may accept, on behalf of the corporation, any contribution, bequest, or devise for the support of the corporation.

Section 2: Composition.

(a) The Board of Directors shall consist of not less than five (5) nor more than twenty-five (25) members. In the event that Board membership should fall below the specified minimum of five (5), the affairs of the corporation may be transacted for a period of ninety (90) days by a number of Board members equal to the number comprising the Executive Committee.

(b) The Board of Directors shall be composed of individuals approved as set forth herein. Directors shall serve for a term of three (3) years each. Directors may be re-elected for consecutive terms. At least one third (1/3) of the Board makeup shall be either residents of low-income neighborhoods or members/representatives of groups representing such neighborhoods. To calculate compositional requirements, a Director may be considered to satisfy multiple categories.

(c) The immediate past Chairperson of the Board of Directors (the "Chairperson") shall serve as an ex officio non-voting member of the Board of Directors for the year after their replacement.

Section 3: Vacancies. A vacancy on the board due to death, resignation, or any other reason, may be filled at any meeting of the board of which notice of proposed filling of the vacancy has been given, upon nomination, and a vote of a majority of the voting members of the Board present at the meeting. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board of Directors for any reason, including the removal of the directors, may be filled by a vote of a majority of the directors then in office, although less than a quorum exists.

Section 4: Termination.

(a) Any member of the Board may resign at any time by giving written notice to the Chairperson of the Board. Any such resignation shall take effect at the time specified therein, or, if no time is specified, then upon its acceptance by the Board of Directors.

(b) A Board member may be removed, with cause, by a majority vote of the entire board. Failure of regular attendance at Board meetings may be a cause for removal.

Section 5: Annual Meeting. An annual meeting shall be held at such time and place as established by The Board of Directors. The election of officers shall be conducted at the annual meeting.

Section 6: Regular Meetings

(a) The Board shall meet at least quarterly at such time and place as is determined by the Chairperson. The Secretary shall send written notice of all regular meetings at least ten (10) days in advance.

(b) A quorum shall consist of not less than a majority of the members of the Board of Directors and majority vote of those present shall decide all questions.

Section 7: Special Meetings. Special meetings of the Board may be called by the Chair or upon the written request to the Chair by three (3) Directors. Upon receipt of written notice for a special meeting signed by the Chair or any three (3) Directors, the Secretary shall send notice of the meeting to the Board. The notice shall include the reason for which the meeting is called in addition to the time and place of the meeting. No business other than that specified in the notice can be transacted at the meeting.

Section 8: Non-Board Attendance. Board meetings shall be open to attendance by non-board members.

Section 9: Executive Session. The Board of Directors may go into Executive Session at any time during a meeting, on the introduction, seconding and passing of a motion to that effect.

Section 10: Adjourned Meetings. A simple majority of those Directors present and eligible to vote may by resolution adjourn the meeting from time to time for a period not exceeding fourteen (14) days in any one case. At any duly adjourned meeting at which a quorum is present, any business may be transacted which might have been at the meeting originally called.

Section 11: Waiver of Notice. Notice need not be given to any person who attends a meeting in person without protesting prior thereto, or by proxy, or to any person who submits a signed waiver of notice either before or after a meeting.

Section 12: Voting. At all meetings of the Board of Directors, except as otherwise expressly required by these By-Laws, all matters shall be decided by the vote of a simple majority of the Directors eligible to vote in person, by proxy or by e-mail. The Chairperson shall cast the deciding vote in the event of a tie.

Section 13: Action Without Meetings. Whenever members or directors are required or permitted to take any action by vote, such action may be taken without a meeting on written consent. Any resolution in writing by a Director, signed by a majority of all of the Directors, shall be and constitute action by such Directors to the effect therein expressed with the same force and effect as if the same had been duly passed by a vote at a duly called meeting of the Directors and such resolution so signed shall be inserted in the Minute Book of the Corporation under its proper date.

Section 14: Telephone Meetings. Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other, and participation in such a meeting shall constitute presence in person at such meeting. All directors shall be promptly furnished a copy of the minutes of such a meeting.

Section 15: Books and Records. The Board of Directors shall cause to be kept correct and complete books and records of account of the corporation, minutes of the proceedings of the members, the Board, and any committee of the Board, and records of its members, giving the names and addresses of all members. All records of the minutes of the Board and its Committee shall be held by the secretary of the board for a minimum of seven (7) years.

Section 16: Executive Director. The Board may hire an Executive Director for the corporation, whose duties and job description may be determined by the Board or a committee of its choosing.

ARTICLE V

COMMITTEES OF THE BOARD

Section 1: Standing Committees. Standing committees shall be the following:

(a) Executive. Executive authority in the organization; delegates responsibilities to the executive director; evaluates the executive director and determines how he or she will be compensated; determines what the board's meeting agenda will be; discusses issues and reports its actions to the board of directors.

(b) Finance. Review budgets prepared by staff; report to the board any financial irregularities, concerns, opportunities; advise executive director on financial priorities and information systems.

(c) Program Development. Monitor and assess existing programs and oversee new program development; initiate and guide program evaluations; and, facilitate discussions about program priorities for the organization.

(d) Governance. Prepare priorities for board composition; meet with prospective board members and recommend candidates to the board; recommend a slate of officers to the board; conduct orientation sessions for new board members and organize training sessions for the entire board; and, suggest new, non-boards individuals for committee membership.

Section 2: Appointment. The Chairperson shall appoint chairpersons of each committee (each a “Committee Chair”). Each Committee Chair shall select the members of the committee in consultation with the Chairperson. Committee Chairs shall be chosen from the elected members of the Board of Directors. The Chairperson shall be an ex-officio member with voting authority on all committees except the Governance Committee. Each committee may have non-voting, non-board members in addition to those set forth below.

Section 3: The Executive Committee.

(a) The Executive Committee shall consist of not less than the officers of the Board of Directors, the Committee Chairs, the Chairperson, and the immediate past-Chairperson (if willing to serve). For this committee, a majority of its members constitutes a quorum.

(b) The Executive Committee shall have the responsibility to provide the Board with an annual, written evaluation of the Executive Director's work performance.

(c) The Executive Committee shall have authority to implement the operational policies of the Corporation, including the creation of appropriate subcommittees to which it shall have the power to delegate authority as it deems appropriate. The Executive Committee shall inform the Board at each Board meeting of its activities.

(d) The Executive Committee shall have the authority to perform such business other than developing and implementing the operational policies of the corporation as cannot wait

for the regular meeting of the Board, and shall present its action on other such business to the Board at its next meeting for ratification.

(e) The Executive Committee and each member thereof shall serve at the pleasure of the Board of Directors.

(f) So far as applicable, the provisions of Article IV relating to the conduct of meetings of the Board of Directors shall govern meetings of the Executive Committee.

(g) The Executive Committee shall make a record of all its proceedings, and this record shall be kept by or under the direction of the Secretary.

(h) The Executive Committee shall report at the next meeting of the Board of Director all action that the executive committee has taken since the last meeting of the Board.

Section 4: Other Committees. The Board of Directors may, by resolution adopted by a majority of the entire Board, designate such other Committees as it sees fit and delegate to such Committees such authority as it deems desirable. Each such Committee shall consist of two (2) or more persons, who may or may not be Directors. The provisions of Article IV of these By-laws shall be applicable to any such Committee as well as to the Executive Committee, whether or not there be an Executive Committee.

ARTICLE VI

OFFICERS

Section 1: Titles and Qualifications. The Officers of the Corporation shall be elected at the annual meeting and shall include a Chairperson, a Vice-Chairperson, a Secretary, a Treasurer, and such other Officers, including one or more Assistant Treasurers, Secretaries, as may from time to time be appointed by the Board of Directors or pursuant to a delegation of

power in accordance with the provisions hereof, such Officers to have the authority and to perform the duties prescribed, from time to time, by the Board of Directors.

Section 2: Election of Officers.

(a) The officers shall be members of the board of directors elected by a majority of the board at the Annual Meeting upon nomination of the Governance Committee. They shall take office immediately. This slate shall be included with the notice of the annual meeting.

(b) Officers shall serve a one (1) year term or until their successors are elected, and may fill the same office for consecutive terms.

Section 3: Duties.

(a) The Chairperson of the Corporation shall be the Chief Executive Officer of the Corporation and shall serve as Chair of the Board and preside as Chair at all meetings of the Board and the Executive Committee. He/She shall appoint all Committee Chairs. Together with the Executive Director, he/she shall sign deeds, bonds, mortgages, contracts, and other instruments, and enter into agreements with the approval of the Executive Committee, which are necessary to carry out the purposes of the Corporation, except where the Board or these By-laws require the signature of some other officer or agent of the Corporation.

(b) The Vice Chairperson shall perform all the duties of the Chairperson in the event of his or her absence or inability to act, or in the event of a vacancy in that office. The Vice-Chairperson shall succeed as Chairperson.

(c) The Secretary shall keep a record of proceedings of all meetings of the Executive Committee, the Board of Directors and the Annual meeting, and shall see that such

minutes are distributed to the Executive Committee or the Board of Directors prior to the next scheduled meeting of those respective groups.

(d) The Treasurer shall be the financial officer and shall have the custody and control of all funds, and furnish an annual audited statement of all receipts and disbursements of the corporation.

Section 4: Election and Term of Office Each officer shall be elected or appointed annually thereafter by the Board of Directors at its annual meetings. Each such Officer shall hold office until the close of the election of Officers at the annual meeting of the Board of Directors next held after his or her election or appointment, and thereafter until his or her successor shall have been elected or appointed and shall qualify, or until his or her death, resignation, or removal.

Section 5: Resignations. Any officer may resign at any time by delivering a written resignation to the Chair, either the Vice-Chairperson or the Secretary. The acceptance of any such resignation, unless required by the terms thereof, shall not be necessary to make the same effective.

Section 6: Removal. Any officer may be removed at any time, either for or without cause, by a vote of a majority of Directors then in office at a meeting, the notice of waiver of notice of which shall have specified the proposed removal.

Section 7: Vacancies. The vacancy in an office may be filled for the unexpired portion of the term of the Board of Directors or, in the case of subordinate Officers, by any committee, Officer or agent to whom the power to fill such vacancy has been delegated by the Board.

ARTICLE VII

DEPOSITS, CHECKS LOANS, CONTRACTS, ETC.

Section 1: Deposit of Funds. All funds of the Corporation not otherwise employed shall be deposited in such banks, trust companies or other reliable depositories as the Board of Directors from time to time may determine.

Section 2: Checks etc. All checks, drafts, endorsements, notes and evidences of indebtedness of the corporation, and all endorsement for deposits to the credit of the Corporation, shall be signed by such Officer or Officers, agents or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. The names of the endorers will be registered with the bank annually.

ARTICLE VIII

IMMUNITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

Any Director or Officer, or his executor or administrator, shall be (a) immune from personal liability to the fullest extent permitted pursuant to T.C.A. 48-58-601 et seq. as in effect as of the date hereof, the provisions of which are incorporated herein by reference, and (b) entitled to indemnification to the fullest extent permitted pursuant to T.C.A. 48-58-501 et seq. as in effect as of the date hereof, the provisions of which are incorporated herein by reference.

ARTICLE IX

AMENDMENT OF BY-LAWS

Section 1: Amendments of By-Laws. Except as otherwise provided herein, these Bylaws may be amended or repealed and a new By-law may be enacted by a majority of the voting Directors of the Board of Directors present at any meeting of the Board of Directors where a quorum exists, or where there is a waiver of the notice which shall have specified or summarized the changes proposed to be made, provided that a notice of the proposed amendment shall have been presented to every Director at least seven (7) days prior to the meeting at which the proposed amendment or appeal is acted upon, subject to the power of the Directors to change or repeal By-laws.

ARTICLE X

MISCELLANEOUS

Section 1: Housing Projects.

(a) Any housing project undertaken by this organization shall include a formal process (the “Development Process”), by which input from intended beneficiaries, low income residents of the proposed area, and other community members (collectively, the “Input Parties”) is gathered. The Development Process:

1. may, in each case for the limited purpose of matters pertaining to the housing project include (A) temporarily expanding the Board of Directors to include some or all Input Parties, (B) the creation of an ad hoc committee of some or all Input Parties, or (C) inclusion of some or all Input Parties on a formal committee pursuant to authority given in Article V of the By-Laws;

2. shall include all Directors and Input Parties who will be involved in the development of the housing project regarding design, location, development and management;

3. shall educate and inform each Director or Input Party included pursuant to Section 1(a)(2) above, of (A) the Federal, State, and Local government regulations for the building of housing, (B) the process of obtaining project funding, (C) the permits and inspections required for the project, (C) the ordering of materials and supplies, (E) the request and evaluation of bids from contractors and subcontractors, (F) contract management and tracking progress of the project; and

4. shall consider (A) the cost of the property, (B) the size of the home or project that can be built, (C) the cost of the home or units in the project, (D) the possible vandalism and theft during construction, as well as general security and safety of the project.

(b) If required, the corporation shall certify and maintain CHDO (Community Housing Development Organization) status.

Section 2: Inspection of Corporate Records. The financial I records, membership list, and all other corporate records, and the minutes of all meetings (a) of the Board of Directors, (b) of the Executive Committee, and (c) of all other committees of the Corporation shall be kept at the principal office of the Corporation and shall be open to inspection upon the written request of any Director, at reasonable time, and for a purpose reasonably related to his or her interest as a Director of the Corporation. Such inspection may be made either in person or by an agent authorized to act on his or her behalf by a writing executed by such Directors, and shall include the right to make extracts. A request to inspect to the records of the Corporation shall be delivered

in writing to the Chairperson, Secretary or any other Officer designated by the Board of Directors at the Principal office of the Corporation not less than fourteen (14) days before the date specified in such written request for the inspection of such corporate records.

Section 3: Dissolution. Upon winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of , or provision for payment of, all debts and liabilities of the Corporation, shall be distributed to an organization(s) and used exclusively to accomplish the general purpose for which this Cooperation is organized.

ARTICLE XI

WAIVER OF NOTICE

Whenever, under the Tennessee General Corporation Act or the Charter or these By-laws, the members, the Board of Directors or any committee thereof is authorize to take action after notice to any person or persons or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of such period of time, if at any time before or after such actions is completed the person or persons entitled to such notice or entitled to participant in the action to be taken, or in the case of a member, his attorney-in-fact or proxy holder, submits a signed waiver of notice of such requirement.

ARTICLE XII

EXEMPT ACTIVITIES

Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of the corporation shall take any actions or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section

501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may be amended, or by an organization's contribution to which are deductible under section 170(c)(2) of such code and regulations as they now exist or as they may be amended.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of The William Franklin Buchanan Community Development Corporation, a Tennessee, non-profit corporation, and that the foregoing Amended and Restated By-laws, as amended, constitute the By-laws of said Corporation as duly adopted in a meeting of the Board of Director thereof held on the 24th day of September, 2020.

IN WITNESS WHEREOF, I have hereunto signed my name this 24th day of September, 2020.



Name:

(SEAL)

INTERNAL REVENUE SERVICE
P. O. BOX 3508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **SEP 29 2003**

FIFTEENTH AVENUE BAPTIST COMMUNITY
DEVELOPMENT CORPORATION
930 SCOVEL ST
NASHVILLE, TN 37208

Employer Identification Number:
62-1776427
DLN:
17053235720013
Contact Person:
ERIC J BERTELSEN ID# 31323
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated August 1999, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity during an advance ruling period.

Based on our records and on the information you submitted, we are pleased to inform you that our letter dated August 18, 2003 in which you were presumed to be a private foundation is hereby superseded. You are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements



Vision Statement

“Transforming Communities through Transformed Lives”

Mission Statement

“To connect vulnerable individuals to opportunities and services so they can overcome adversity, experience an improved quality of life and participate in the revitalization of their community.”

Sylvia Johnson, Certified Public Accountant

862 Rodney Dr
Nashville, TN 37205

Independent Auditor's Report

June 30, 2025

To the Board of Directors
The William Franklin Buchanan Community Development Corporation

Opinion

I have audited the accompanying consolidated financial statements of The William Franklin Buchanan Community Development Corporation, (a nonprofit organization) and affiliates Drakes Creek LEC, LLC (a wholly owned subsidiary), which comprise the consolidated statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The William Franklin Buchanan Community Development Corporation and affiliates as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The William Franklin Buchanan Community Development Corporation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The William Franklin Buchanan Community Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Sylvia Johnson, Certified Public Accountant

862 Rodney Dr
Nashville, TN 37205

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The William Franklin Buchanan Community Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The William Franklin Buchanan Community Development Corporation's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



Sylvia Johnson
Certified Public Accountant

William Franklin Buchanan Community Development Corporation**Exhibit B****Statement of Financial Position****December 31, 2024****ASSETS****Current Assets****Total Cash and Cash Equivalents** \$ 483,584**Total Grants Receivable** 41,853**Total Other Investments** 9,087,624**Total Current Assets** 9,613,061**Fixed Assets****Total Fixed Assets** 923,321**Accumulated Depreciation** (319,755)**Total Fixed Assets** 603,566**Other Asset - Loan Receivable** 613,941**TOTAL ASSETS** \$ 10,830,568**LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable** \$ 4,400**Loans Payable** 8,459**Escrow Payable** 3,422**Trust Holdings** 48,500**Property Taxes Payable** 20,807**Total Current Liabilities** 85,588**Long-Term Liabilities****NCB Loan - Drakes Creek** 2,481,596**Total Long-Term Liabilities** 2,481,596**Total Liabilities** 2,567,184**Equity****Unrestricted Assets** 1,659,035**Restricted Assets** 6,604,349**Total Equity** 8,263,384**TOTAL LIABILITIES & EQUITY** \$ 10,830,568

See Independent Auditor's Report

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

William Franklin Buchanan Community Development Corporation **Exhibit B**

Statement of Activities

For the Fiscal Year Ended December 31, 2024

CHANGES IN UNRESTRICTED NET ASSETS

Revenue and Support

Grant	\$ 7,283,000
Program Income	364,990
Public and Board Donations	3,500
Interest Income	18

Total Revenue and Support	7,651,508
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Expenses

Program Services	694,176
Fundraising	-
Management and General	64,679

Total Expenses	758,855
-----------------------	----------------

Change in Net Assets

Restricted Assets	6,604,349
Unrestricted Assets	288,305

Total Change in Net Assets	6,892,654
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Net Asset at Beginning of Year	1,370,730
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Net Assets at End of Year	\$ 8,263,384
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See Independent Auditor's Report

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

William Franklin Buchanan Community Development Corporation **Exhibit B**

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2024

OPERATING ACTIVITIES

Net Income \$ 6,892,654

**Adjustments to reconcile Net Income to Net Cash
provided by operations:**

Depreciation 19,867

Accounts Receivable 292,969

P/R Taxes Withheld and Other Payables (15,880)

Net cash provided by operating activities 7,189,610

INVESTING ACTIVITIES

Drakes Creek (9,085,945)

1026 scovel St (329,672)

Net cash provided by investing activities (9,415,617)

FINANCING ACTIVITIES

NBC Loan - Drakes Creek 2,481,596

Net cash provided by financing activities 2,481,596

Net cash increase for period 255,589

Cash at beginning of period 227,995

Cash at end of period \$ 483,584

See Independent Auditor's Report

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

William Franklin Buchanan Community Development Corporation Exhibit B**Statement of Functional Expenses
For the Fiscal Year Ended December 31, 2024**

	Program Services	General and Admin	Fundraising	Total
Depreciation	\$ 19,867			\$ 19,867
Employee Benefits	559	\$ 559		\$ 1,118
Insurance		915		\$ 915
Interest	93,015	1,375		\$ 94,390
Meeting and Conference Expense		1,507		\$ 1,507
Miscellaneous Expenses		1,364		\$ 1,364
Office Expense		10,867		\$ 10,867
Payroll Processing Fees		2,645		\$ 2,645
Payroll Tax Expenses	2,418	2,418		\$ 4,836
Professional Services	204,245	6,400		\$ 210,645
Property Development	85,535			\$ 85,535
Property Management & Maintenance	206,548			\$ 206,548
Property Taxes	45,359			\$ 45,359
Rent	3,000	3,000		\$ 6,000
Salaries and Wages	31,610	31,610		\$ 63,220
Travel & Ent	2,020	2,019		\$ 4,039
	<u>\$ 694,176</u>	<u>\$ 64,679</u>	<u>\$ -</u>	<u>\$ 758,855</u>

See Independent Auditor's Report

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

William Franklin Buchanan Community Development Corporation
Notes to Financial Statement
For the Period Ending December 31, 2024

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

William Franklin Buchanan Community Development Corporation (WFBCDC) is a non-profit organization that supports community needs by connecting vulnerable individuals to opportunities and services so they can overcome adversity, experience an improved quality of life and participate in the revitalization of their community.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, “Not-for-Profit Organizations.”

Cash and Cash equivalents

For purposes of the Statement of Financial Position, the company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. This consists of cash held in checking and savings accounts.

Fixed Assets

Fixed assets and other property are recorded at historical cost or at the estimated fair market value as determined by management. Fixed assets are recorded at cost and depreciated over their estimated useful lives using the straight-line-method.

Revenue and Expense Recognition

The primary source of support is from grants, rental income and contributions. Funds received are recorded as unrestricted or restricted support depending on the existence or nature of purpose collected or the donor’s restriction. When a donor’s stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Therefore, there are no provisions for income taxes.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through June 30, 2025, the date the financial statements were available to be issued. The subsequent events occurring in the immediate period following the review date that have any material effect on the organization or financial statements have been noted in the related section.

Note 2 – Other Investments

WFBCDC was awarded a \$7,000,000 grant to purchase property at 204 Safe Harbor Dr. and create a limited equity housing cooperative opportunity for Nashville residents, providing stability in uncertain housing markets. The Drakes Creek Cooperative is the first publicly funded cooperative housing development in Davidson County. With improvements, the investment as of December 31, 2024, is \$9,087,624.

Note 3 - Fixed Assets

Furniture and equipment purchased for \$5000 or less are expenses rather than capitalized.

Description of Property	Date Placed in Service	Cost Basis	2024 Accumulated Depreciation	2024 Book Value
Rental Properties	7/29/2011	\$523,000	\$255,732	\$267,268
Leasehold improvements	4/30/2015	8,624	6,482	2,142
HVAC	11/12/2021	2,500	2,500	0
HVAC 1917	5/5/2022	4,500	4,500	0
Furniture & Equipment	4/30/2015	19,843	19,843	0
Furniture	4/30/2015	15,633	15,633	0
Heat Pump	11/8/2022	4,050	4,050	0
1026 Scovel St and Improvements	6/21/2005	345,171	11,015	334,156
Balance		\$923,321	\$319,755	\$603,566

The appraised value of these properties per the Davidson County Assessor of Property is \$3,587,400. Depreciation expense for the year ending December 31, 2024 was \$19,867.

Note 3 – Long-term Liability

Drakes Creek LEC, LLC has a \$4,000,000 line of credit with National Cooperative Bank, 8.5% interest only, maturing March 2026. As of December 31, 2024, \$2,481,5976 has been used for improvements to the property. At maturity, the cooperative will secure a loan to pay off the line.

ATTACHMENT E



ESCROW AGREEMENT TEMPLATE

Prior to the release of funds for acquisition costs, Recipient shall submit a fully executed escrow agreement substantially in the form attached for approval by the Metro Housing Division Director and Metro Legal as well as a copy of the Closing Statement.

AGREEMENT REGARDING ESCROW AND DISBURSEMENTS

This **AGREEMENT REGARDING ESCROW AND DISBURSEMENTS**, dated as of the ____ day of _____, 2025 (the "Escrow Agreement"), is made by and among **THE WILLIAM FRANKLIN BUCHANAN COMMUNITY DEVELOPMENT CORPORATION**, a Tennessee nonprofit corporation ("Sponsor"); _____, a Tennessee nonprofit limited liability company whose sole member is Sponsor ("Owner"); and **GATEHOUSE TITLE AGENCY, LLC** ("Escrow Agent").

WITNESSETH:

WHEREAS, pursuant to a Purchase and Sale Agreement by and between Sponsor as Buyer _____, a _____ ("Seller"), as Seller, dated as of _____, 2025 (as amended, the "Purchase Agreement"), Sponsor has contracted to purchase a ____-unit apartment complex located at _____ (the "Project") for purposes of establishing a limited equity cooperative; and

WHEREAS, pursuant to an Assignment and Assumption of Purchase and Sale Agreement by and between Sponsor as Assignor and Owner as Assignee, Sponsor has assigned its rights and obligations under the Purchase Agreement to Owner; and

WHEREAS, pursuant to a Grant Contract between The Metropolitan Government of Nashville and Davidson County, Tennessee by and through The Metropolitan Housing Trust Fund Commission ("Metro") and The William Franklin Buchanan Community Development Corporation dated as of _____, 2025 (the "Grant Contract"), Sponsor has received a \$ _____ grant (the "Grant") to facilitate acquisition of the Project and conversion into a limited equity cooperative, which Sponsor intends to loan to Owner to facilitate Owner's acquisition of the Project (the "Sponsor Loan"); and

WHEREAS, Owner is obtaining a first priority mortgage loan from _____, a _____ ("Lender") in the amount of \$ _____ to facilitate Owner's acquisition and rehabilitation of the Project (the "Mortgage Loan"), with Owner's acquisition of the Project, the Sponsor Loan, and the Mortgage Loan to close simultaneously in a single closing (the "Closing Date"); and

WHEREAS, on the Closing Date (or at such later time as directed by Metro), Owner will execute and record a Declaration of Restrictive Covenants (the "Affordability Covenants") in connection with its receipt of the Sponsor Loan from Sponsor in order to establish long-term affordability covenants on the Project; and

WHEREAS, provided the applicable closing conditions of Sponsor, Seller, and Lender are satisfied, Escrow Agent will be authorized and agrees to release and deliver the funds, documents and instruments described below upon receipt of notice from Sponsor pursuant to the terms hereof and Seller and Lender pursuant to separate escrow instructions, if any, provided by Seller and/or Lender, as applicable (any such instructions, the "Third Party Instructions").

NOW, THEREFORE, in consideration of the promises herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby mutually covenant and agree as follows:

1. **Definitions.** Each and every of the definitions set forth in the foregoing “introduction” and “whereas clauses” are hereby incorporated into this Escrow Agreement by reference.

2. **Appointment of Escrow Agent.** The parties hereto hereby appoint Escrow Agent as escrow agent to act under and in accordance with the terms and conditions of this Escrow Agreement and Escrow Agent hereby accepts such appointment, subject to the terms and conditions hereof. Escrow Agent has also been engaged by Sponsor and Owner to serve as counsel in the transactions outlined herein; this Escrow Agreement is intended to formalize the closing process and satisfy requirements of the Metro, which will be relying on this Escrow Agreement in releasing the Grant proceeds to Sponsor for use in making the Sponsor Loan and facilitating Owner’s acquisition of the Project.

3. **Deposit into Escrow and Related Matters.**

(a) Documents. On or before 5:00 p.m. Nashville, Tennessee time on the date hereof, full PDF copies and the execution counterparts of the following original documents (unless otherwise agreed to) shall be delivered to Escrow Agent (such documents, together with the monies described in Section 3(b) hereof, being sometimes referred to herein as the “Escrow Items”):

(i) Execution counterparts of the documents listed on Schedule I hereto (collectively, the “Transaction Documents”);

(ii) (A) those documents the parties require Escrow Agent to record in the Official Records for Davidson County, State of Tennessee or file with the Secretary of State of Tennessee, as applicable, which documents are listed on Schedule II hereto (collectively, the “Recordable Documents”), and (B) and any and all other documents necessary for the issuance of the Title Policy (as defined below) in accordance with the provisions of this Agreement (together with the Transaction Documents and the Recordable Documents, the “Documents”).

(b) On or before 11:00 a.m. Nashville, Tennessee time on the Closing Date, Owner shall deposit or cause to be deposited with Escrow Agent (according to the wire instructions set forth on Schedule III attached hereto (the “Escrow Agent Wire Instructions”), (1) proceeds from the Grant in the amount of \$_____ to be used in funding the Sponsor Loan, and (2) proceeds from the Mortgage Loan in the amount sufficient to fund other closing costs, all to be deposited with the Escrow Agent pursuant to the Escrow Agent Wire Instructions.

4. **Delivery of Policy.** Escrow Agent hereby agrees, as agent for Old Republic National Title Insurance Company, to issue in favor of Owner upon satisfaction of the conditions precedent in Section 5 hereof, an owner’s policy of title insurance (the “Title Policy”) in the form

and substance of the proforma policy and endorsements attached at Schedule IV hereto (the “Proforma Policy”).

5. **Closing Conditions.** The parties hereto hereby agree that the following conditions (collectively, the “Closing Conditions”) must be satisfied prior to Sponsor, Owner, and Escrow Agent completing the Closing:

(i) Receipt by Escrow Agent of the Documents and the amounts required to be wired pursuant to Section 3(b) (the “Funds”);

(ii) Escrow Agent shall have provided confirmation to all parties hereto, on or before 2:00 p.m., central time, on the Closing Date, that its requirements for issuance of the Title Policy in the form of the Proforma Policy upon recordation of the Recordable Documents have been met and that upon satisfaction of the Closing Duties set forth in Section 7, it is ready to record and file the respective Recordable Documents, disburse funds in accordance with the Settlement Statement attached hereto as Schedule V, and close; and

(iii) On or before 2:00 p.m., central time, on the Closing Date, Sponsor, Owner, Seller (or Seller’s counsel), and Lender (or Lender’s counsel), shall have provided oral or email confirmation to the other parties that they are ready to close (including authorization to close pursuant to any Third Party Instructions).

6. **Termination of Agreement.** Notwithstanding anything herein to the contrary, all parties hereto agree that the Closing Conditions must be satisfied no later than 5:00 p.m., central time on _____, 20__ (the “Escrow Termination Date”), or else this Agreement shall terminate and Escrow Agent shall return all Escrow Items, except to the extent authorized in writing by the parties and any Third Party Instructions to extend the Escrow Termination Date and retain the Documents and Funds for an extended time.

7. **Closing Duties of Escrow Agent and other Parties.** The parties hereto hereby agree that:

(a) Upon satisfaction of the Closing Conditions, the following documents and/or funds shall be released, delivered and/or disbursed in accordance with the following procedure:

(i) Escrow Agent shall proceed to (A) complete any blank dates in the Recordable Documents, (B) properly complete or cause to be completed, prior to filing or recording by the applicable filing or recording office, as applicable, the blanks in each of the Recordable Documents, and (C) properly file and record the Recordable Documents in the official records of Davidson County, Tennessee and with the Tennessee Secretary of State, as applicable, in the order set forth on Schedule II; and

- (ii) Escrow Agent shall pay the closing costs, disbursements and other expenses set forth on the Settlement Statement attached hereto as Schedule V.

(b) Promptly following the completion of the procedure set forth in Section 7(a), (i) Escrow Agent shall deliver, or cause to be delivered, to the other parties hereto fully executed copies of the Documents, and (ii) Escrow Agent, upon receipt from the recording office of confirmation of recording of the applicable Recordable Documents in the official records of Davidson County, Tennessee, shall notify the other parties hereto that such Recordable Documents have been recorded and provide copies of the recorded Recordable Documents to the parties.

(c) Until receipt of confirmation of recording from Escrow Agent pursuant to Section 7(b)(ii) above, Owner shall not authorize or permit the commencement of any work, the supplying of any materials, or any other event that would give rise to any lien or encumbrance that would be entitled to priority over the Mortgage recorded to secure the Loan.

8. Satisfaction and Termination.

(a) Notwithstanding any provision of this Escrow Agreement to the contrary, satisfaction of the Closing Conditions set forth in Section 5 hereof must occur prior to the Escrow Termination Date, unless extended pursuant to the provisions of Section 5(iii).

(b) If the Closing Conditions set forth in Section 5 hereof do not occur prior to the Escrow Termination Date (unless extended pursuant to Section 5(iii)), then the Escrow Agent shall immediately return the Escrow Items to the parties from which they were received.

(c) Notwithstanding the foregoing, this Escrow Agreement shall terminate upon the release, delivery and/or disbursement by the appropriate parties of all documents and/or funds held by them in accordance with the provisions hereof.

9. Amendments. This Escrow Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by all of the parties hereto.

10. Counterparts; Facsimile Execution. This Escrow Agreement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original. A manual signature of this Escrow Agreement which is transmitted in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an email message shall constitute an original signature for all purposes.

11. No Third-Party Beneficiary. Other than Metro pursuant to the provisions of Section 2 above, there shall be no beneficiary of any rights, duties and obligations hereunder other than the parties hereto.

12. **Further Assurances.** The parties hereto hereby agree to execute and deliver, or cause to be executed and delivered, all such other documents, agreements and instruments as may reasonably be requested by any other party to further evidence the terms and provisions, and more fully carry out the purposes and intents, of this Agreement.

13. **Release and Indemnification of Escrow Agent.** The parties hereto hereby release the Escrow Agent from and, in addition, Sponsor and Owner agree to defend and hold the Escrow Agent harmless from and against, any and all claims, suits, costs, expenses, liabilities, damages or losses (including, without limitation, reasonable attorneys' fees and expenses through all investigations and proceedings) (collectively, the "Liabilities and Costs") arising hereunder or in connection herewith (except for Liabilities and Costs occasioned by the Escrow Agent's gross negligence or willful misconduct, as applicable). Sponsor and Owner hereby agree to reimburse the Escrow Agent and its directors, officers, employees, agents and attorneys for any Liabilities and Costs incurred by any of them arising hereunder or in connection herewith, except for such Liabilities and Costs occasioned by their gross negligence or willful misconduct. Escrow Agent is serving as counsel to Sponsor and Owner in connection with the transactions contemplated hereby, and, accordingly, the provisions of this Section 13 apply only to the performance by Escrow Agent of its responsibilities pursuant to this Escrow Agreement.

14. **Commingling of Funds.** The parties hereto hereby agree that any and all moneys deposited and/or held under this Escrow Agreement shall be held by the Escrow Agent in its trust account.

15. **Disputes.** If there are any disputes as to whether Escrow Agent is obligated to deliver any of the moneys or documents delivered to it pursuant hereto, Escrow Agent shall not be obligated to make any delivery, but in such event, may hold the same until receipt by Escrow Agent of an authorization in writing signed by all the parties having an interest in such dispute, directing the disposition of same. If such written authorization is not given, or if proceedings for such determination are not commenced and diligently continued, Escrow Agent may, but is not required to, bring an appropriate proceeding for leave to deposit said moneys and/or documents in the registry of a court having jurisdiction in the State of Tennessee pending such determination. Escrow Agent shall be reimbursed by Sponsor and Owner for all costs and expenses incurred in connection with any such action or proceeding, including, without limitation, reasonable attorneys' fees and disbursements through all investigations and proceedings. In the event Escrow Agent places the moneys and/or documents it holds in the registry of a court pursuant to this Section 15 and files an action of interpleader naming the parties having an interest in such dispute, Escrow Agent shall be released and relieved from any and all further obligation and liability hereunder or in connection herewith.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth above.

SPONSOR:

**THE WILLIAM FRANKLIN BUCHANAN
COMMUNITY DEVELOPMENT
CORPORATION,**
a Tennessee nonprofit corporation

By: _____
Carlina B. Bell, Executive Director

OWNER:

_____, a Tennessee nonprofit
limited liability company

By: The William Franklin Buchanan Community
Development Corporation,
a Tennessee nonprofit corporation,
its Sole Member

By: _____
Carlina B. Bell, Executive Director

ESCROW AGENT:

GATEHOUSE TITLE AGENCY, LLC

By: Reno & Cavanaugh, PLLC, its Sole Member

By: _____
Name: _____
Its: _____

SCHEDULE I

TRANSACTION DOCUMENTS

[NOTE: TO BE REVISED/FINALIZED AT CLOSING]

1. Loan Agreement (Barnes Fund)
2. Promissory Note (Barnes Fund)
3. Declaration of Restrictive Covenants (Barnes Fund) [to be recorded post-closing]
4. Deed of Trust, Assignment of Rents and Leases and Security Agreement (Sponsor Loan)
5. Special Warranty Deed
6. Assignment and Assumption of Purchase and Sale Agreement
7. Affidavit Regarding Title Held by Sanctioned Nonresident Alien (Entity)
8. Bill of Sale
9. Certificate of Non-Foreign Status (FIRPTA)
10. IRS 1099 Information Form
11. [Insert Mortgage Loan Documents]

SCHEDULE II

RECORDABLE DOCUMENTS

RECORDING ORDER

[NOTE: TO BE REVISED/FINALIZED AT CLOSING]

(All to be filed in the official real estate records for Davidson County, Tennessee unless otherwise indicated below)

1. Special Warranty Deed from Seller
2. Deed of Trust, Assignment of Leases and Rents and Security Agreement (Mortgage Loan)
3. Assignment of Leases and Rents (Mortgage Loan)
4. Deed of Trust, Assignment of Rents and Leases and Security Agreement (Sponsor Loan)
5. Subordination and Standstill Agreement

SCHEDULE III
ESCROW AGENT WIRE INSTRUCTIONS

ATTACHED

SCHEDULE IV
PROFORMA POLICY

ATTACHED

SCHEDULE V
SETTLEMENT STATEMENT

ATTACHED

GRANT CONTRACT 2025-R15-WFBCDC-CP
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
THE WILLIAM FRANKLIN BUCHANAN COMMUNITY DEVELOPMENT CORPORATION

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and The William Franklin Buchanan Community Development Corporation, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient will be developing **50 Barnes Fund** affordable housing units located at **816 Old Hickory Blvd., Madison, TN 37115**, hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a **99-year term** ("Affordability Period"). The Affordability Period shall commence on the Conversation Date, which is defined in A.6.a. Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$4,300,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.
- A.5. Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and Project for compliance Barnes program requirements during the term of the contract and throughout the Affordability Period.

A.6. Requirements for Cooperative Housing Projects:

- a. Recipient shall create the Limited Equity Cooperative entity ("LEC Entity") and convert the project to a Limited Equity Cooperative on or before **December 31, 2026** (such date of conversion, the "Cooperative Conversion Date").
- b. After the Cooperative Conversion Date, units in the project may be rented only to Rental Tenants. "Rental Tenants" are those legal tenants in the Project at the time of Conversion who are not Qualified Households or who choose not to purchase their unit and any offered shares in the LEC Entity. Upon expiration of a lease with a Rental Tenant, the LEC Entity shall offer renewal leases to Rental Tenants.
- c. Upon vacancy of a unit by a Rental Tenant, the LEC Entity must sell the unit and any associated shares in the LEC Entity to a qualified, income-eligible household in accordance with the targeted income ranges provided in Attachment A. Annual income qualification is based on actual family size as determined by the most recent Area Median Income (AMI) guidelines that are published annually by HUD ("Qualified Household").
- d. Cooperative shares plus all associated fees, including HOA fees, must be affordable to households with incomes at 60% and 80% AMI, respectively, adjusted for household size.
- e. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.
- f. Recipient must provide pre- and post-purchase counseling as specified in the Recipient's grant application, which is incorporated herein.
- g. At least annually during the Affordability Period, Recipient shall remind owners of the LEC requirements.

A.7. Property Standards

- a. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
- b. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
- c. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

B. GRANT CONTRACT TERM:

- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the

organization.

B.2. Contract Extensions. Recipient must notify Barnes Fund staff at least ninety (90) days prior to contract expiration of its request to extend the contract term. Each additional contract term cannot exceed twelve (12) months. Contract extensions must be approved by the Metropolitan Trust Fund Commission and the Metro Council.

B.3. Contract Completion: The Contract Completion date is the date in which Metro has paid the final invoice.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **Four Million Three Hundred Thousand Dollars (\$4,300,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.

C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

1) **Grant Draw Schedule**

- Recipient shall submit draw requests in accordance with the Draw Schedule provided in Attachment C. Changes to the Draw Schedule shall require an amendment to the Grant Contract.
- Before a draw can be made, there must be a physical inspection of the property by Metro or an approved designee unless otherwise specified in the Draw Schedule. The inspection must confirm appropriate completion of the project.

2) **Construction Grant Draw Process**

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.
- All invoices shall be sent BFPayments@nashville.gov.

- Said payment shall not exceed the maximum liability of this Grant Contract.
 - Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement unless a contract extension has been approved by the Metro Council. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.
- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of project completion in conjunction with the submission of the final draw on the award. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization. It should detail the outcomes of the activities funded under this Grant Contract.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- C.9. Procurement. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.
- C.10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.

- C.11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

*This project funded in part by the Barnes Affordable Housing Trust Fund of the Metropolitan Government of Nashville & Davidson County.
Metropolitan Housing Trust Fund Commission
Freddie O'Connell, Mayor
Metropolitan Council of Nashville and Davidson County*

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. Subcontracting. The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient shall be considered the prime Recipient and shall be responsible for all work performed.
- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant

assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter.

Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

- D.6. Nondiscrimination. The Recipient hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.7. Records. All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.
- Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by

Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the activities funded under this Grant Contract.

- D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
- a. Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
 - b. Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
 - c. Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
 - d. Recipient's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D.22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D.23. Inspection. The Recipient agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D.24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any

proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.

- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
PO Box 196300
Nashville, TN 37219
BarnesFund@nashville.gov

Recipient:

The William Franklin Buchanan Community Development Corporation
Carlina Bell, Executive Director
4121 Clarksville Pike, Suite 9
Nashville, TN 37218
615-414-7490
carlina@wfbcdc.org

- D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

D.28 Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract shall be effective as of the date first written above.

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**THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY:**

APPROVED AS TO PROGRAM SCOPE:

Peter Westerholm

Peter Westerholm, Chair
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Jenneen Reed/mjr

Jenneen Reed, Director
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

Macy Amos

Assistant Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:

Balagun Cobb

Director of Risk Management Services

APPROVED BY METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

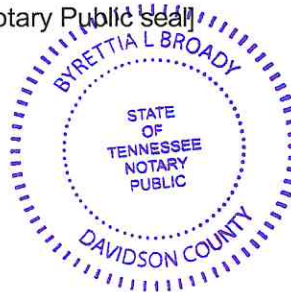
**The William Franklin Buchanan
Community Development Corporation**

By: Carlina B. Bell *Carlina B. Bell*

Title: Executive Director

Sworn to and subscribed to before me a
Notary Public, this 2 day of October,
2025.

[Notary Public seal]



Notary Public

Byrettia Broady

My Commission expires 7-6-26

ATTACHMENT A



Barnes Housing Trust Fund Scope of Work

Contract Number: 2025-R15-WFBCDC-CP

Funding Round Number: 15

Organization Name: The William Franklin Buchanan Community Development Corporation

Project Location: 816 Old Hickory Blvd., Madison, TN 37115

Project Type: Limited Equity Cooperative Acquisition, Rehab, Conversion

Grant Award: \$4,300,000

Metro Property Award: N/A

Total Number of Units in Development: 50

Total Number of Barnes Fund Units by Income Target:

≤ 30% AMI	31-60% AMI	61-80% AMI	Total
	10	40	50

Project Summary: Cedar Place will be a transformative apartment-to-cooperative conversion project aimed at expanding permanently affordable housing opportunities for Nashville families. This is a unique opportunity to acquire a property that is facing foreclosure at an incredibly favorable cost basis, after it was purchased by an out of state real estate syndicator who acquired the property during the pandemic. The property has a history of incredibly poor management, with residents complaining of mold, rats, cockroaches, and even trash piling up to the point of fires starting – all while their rents have steadily increased.

This initiative will establish a limited equity housing cooperative, serving households earning between 60% and 80% of the Area Median Income (AMI). Through the acquisition of an already completed residential building, the project will preserve existing housing stock while introducing an innovative ownership model as well as providing much needed renovations. A 99-year ground lease structure, in partnership with a community land trust, will ensure long-term affordability and community stewardship.



Barnes Housing Trust Fund Grant Budget

Sources of Funds	Amount	Percentage of Total	Status (Secured/Pending)
Barnes Housing Trust Fund	\$4,300,000	48.8%	Pending
Developer Equity		0.0%	
Private Lender (Bridge Loan)		0.0%	
Low-Income Housing Tax Credits (LIHTC)/etc.		0.0%	
Federal Home Loan Bank/etc.		0.0%	
Other Local/State Grants		0.0%	
The Catalyst Fund	\$4,444,752	50.5%	Secured
Cash From Operations	\$15,042	0.2%	Pending
RED Academy / Amazon Grant	\$50,000	0.6%	Secured
		0.0%	
		0.0%	
		0.0%	
Total Sources	\$8,809,794	100.0%	
Uses of Funds	Amount	Percentage of Total	
Acquisition Costs	\$6,550,000	74.3%	
Construction Costs	\$0	0.0%	
- Site Work	\$0	0.0%	
- Vertical Construction	\$775,000	8.8%	
- Contingency	\$38,750	0.4%	
Soft Costs	\$0	0.0%	
- Architecture & Engineering	\$0	0.0%	
- Legal and Permitting	\$50,000	0.6%	
- Developer Fee	\$400,000	4.5%	
Financing Costs	\$246,420	2.8%	
PCR, Appraisal, Inspections, Survey	\$20,500	0.2%	
Cooperative Training	\$125,000	1.4%	
Marketing	\$15,000	0.2%	
Construction Management	\$72,000	0.8%	
Capitalized Tax Payments	\$55,391	0.6%	
Closing Costs	\$135,625	1.5%	
		0.0%	
		0.0%	
Reserves (Operating/Replacement)	\$326,108	3.7%	
Total Uses	\$8,809,794	100.0%	

ATTACHMENT C**Barnes Housing Trust Fund Draw Schedule**

The following percentages are based on the Barnes Fund grant award.

Draw #	% of Grant	Milestone	Eligible Expenses
1	50%	Submittal of approved and fully executed Escrow Agreement and Closing Statement	Acquisition costs
2	25%	Execution of project assessment and scope of work	Eligible predevelopment costs*; construction costs**; marketing & training costs; developer fee***
3	12.5%	Completion of renovation	Construction costs**; marketing & training costs; developer fee***; operating costs
4	12.5%	Cooperative Conversion	Construction costs**; marketing & training costs; developer fee***; operating costs

All draw requests except acquisition costs must be supported by documentation of actual costs incurred and are paid on a reimbursable basis.

*Eligible predevelopment costs include feasibility studies, design and engineering expenses, permitting and approvals, site surveys and soil testing, utility and infrastructure assessment, project financing costs, demolition and site preparation; costs are capped at 25% of the grant.

**Draw requests for construction costs must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds.

***Total developer fee is capped at \$400,000.

ATTACHMENT D



Required Documents

The following are required items pursuant to Metropolitan Code 5.04.070:

1. A copy of the nonprofit's corporate charter or other articles, constitution, bylaws, or instruments of organization;
2. A copy of a letter from the Internal Revenue Service evidencing the fact that the organization is a nonprofit, tax-exempt organization under the Internal Revenue Code of 1986, as amended;
3. A statement of the nature and extent of the organization's program that serves the residents of the metropolitan government;
4. The proposed use of the funds to be provided by the metropolitan government (Provided in Attachment A);
5. The proposed budget of the organization, indicating all sources of funds and a line-item identification of the proposed expenditure of metropolitan government funds (Provided in Attachment B);
6. A copy of the nonprofit's annual audit or other required financial documentation described in Metro Code subsection 5.04.070(E).

**AMENDED AND RESTATED
BYLAWS
OF
THE WILLIAM FRANKLIN BUCHANAN
COMMUNITY DEVELOPMENT CORPORATION**

As amended and restated September 24, 2020

ARTICLE 1

NAME AND LOCATION

Section 1: The name of this corporation shall be The William Franklin Buchanan Community Development Corporation.

Section 2: The Corporation is incorporated under the laws of the State of Tennessee, as set forth in T.C.A. 48-51-101 et seq.; and its registered office shall be in Nashville, Tennessee.

ARTICLE 11

PURPOSE

The purposes and objectives of the Corporation shall be those set forth in its Charter of Incorporation, as such Charter now exist and as it may be amended from time to time.

ARTICLE 111

MEMBERSHIP

The Corporation shall not have members within the meaning of the General Corporation Laws of Tennessee for the purpose of voting.

ARTICLE IV

BOARD OF DIRECTORS

Section 1: General Powers. The Board of Directors shall constitute the governing body of this corporation. It shall manage, control, and direct the affairs and property of the corporation, subject to these By-Laws, and it shall have all powers necessary to carry out the purposes of the corporation as set forth in Article II. The Board may accept, on behalf of the corporation, any contribution, bequest, or devise for the support of the corporation.

Section 2: Composition.

(a) The Board of Directors shall consist of not less than five (5) nor more than twenty-five (25) members. In the event that Board membership should fall below the specified minimum of five (5), the affairs of the corporation may be transacted for a period of ninety (90) days by a number of Board members equal to the number comprising the Executive Committee.

(b) The Board of Directors shall be composed of individuals approved as set forth herein. Directors shall serve for a term of three (3) years each. Directors may be re-elected for consecutive terms. At least one third (1/3) of the Board makeup shall be either residents of low-income neighborhoods or members/representatives of groups representing such neighborhoods. To calculate compositional requirements, a Director may be considered to satisfy multiple categories.

(c) The immediate past Chairperson of the Board of Directors (the "Chairperson") shall serve as an ex officio non-voting member of the Board of Directors for the year after their replacement.

Section 3: Vacancies. A vacancy on the board due to death, resignation, or any other reason, may be filled at any meeting of the board of which notice of proposed filling of the vacancy has been given, upon nomination, and a vote of a majority of the voting members of the Board present at the meeting. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board of Directors for any reason, including the removal of the directors, may be filled by a vote of a majority of the directors then in office, although less than a quorum exists.

Section 4: Termination.

(a) Any member of the Board may resign at any time by giving written notice to the Chairperson of the Board. Any such resignation shall take effect at the time specified therein, or, if no time is specified, then upon its acceptance by the Board of Directors.

(b) A Board member may be removed, with cause, by a majority vote of the entire board. Failure of regular attendance at Board meetings may be a cause for removal.

Section 5: Annual Meeting. An annual meeting shall be held at such time and place as established by The Board of Directors. The election of officers shall be conducted at the annual meeting.

Section 6: Regular Meetings

(a) The Board shall meet at least quarterly at such time and place as is determined by the Chairperson. The Secretary shall send written notice of all regular meetings at least ten (10) days in advance.

(b) A quorum shall consist of not less than a majority of the members of the Board of Directors and majority vote of those present shall decide all questions.

Section 7: Special Meetings. Special meetings of the Board may be called by the Chair or upon the written request to the Chair by three (3) Directors. Upon receipt of written notice for a special meeting signed by the Chair or any three (3) Directors, the Secretary shall send notice of the meeting to the Board. The notice shall include the reason for which the meeting is called in addition to the time and place of the meeting. No business other than that specified in the notice can be transacted at the meeting.

Section 8: Non-Board Attendance. Board meetings shall be open to attendance by non-board members.

Section 9: Executive Session. The Board of Directors may go into Executive Session at any time during a meeting, on the introduction, seconding and passing of a motion to that effect.

Section 10: Adjourned Meetings. A simple majority of those Directors present and eligible to vote may by resolution adjourn the meeting from time to time for a period not exceeding fourteen (14) days in any one case. At any duly adjourned meeting at which a quorum is present, any business may be transacted which might have been at the meeting originally called.

Section 11: Waiver of Notice. Notice need not be given to any person who attends a meeting in person without protesting prior thereto, or by proxy, or to any person who submits a signed waiver of notice either before or after a meeting.

Section 12: Voting. At all meetings of the Board of Directors, except as otherwise expressly required by these By-Laws, all matters shall be decided by the vote of a simple majority of the Directors eligible to vote in person, by proxy or by e-mail. The Chairperson shall cast the deciding vote in the event of a tie.

Section 13: Action Without Meetings. Whenever members or directors are required or permitted to take any action by vote, such action may be taken without a meeting on written consent. Any resolution in writing by a Director, signed by a majority of all of the Directors, shall be and constitute action by such Directors to the effect therein expressed with the same force and effect as if the same had been duly passed by a vote at a duly called meeting of the Directors and such resolution so signed shall be inserted in the Minute Book of the Corporation under its proper date.

Section 14: Telephone Meetings. Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other, and participation in such a meeting shall constitute presence in person at such meeting. All directors shall be promptly furnished a copy of the minutes of such a meeting.

Section 15: Books and Records. The Board of Directors shall cause to be kept correct and complete books and records of account of the corporation, minutes of the proceedings of the members, the Board, and any committee of the Board, and records of its members, giving the names and addresses of all members. All records of the minutes of the Board and its Committee shall be held by the secretary of the board for a minimum of seven (7) years.

Section 16: Executive Director. The Board may hire an Executive Director for the corporation, whose duties and job description may be determined by the Board or a committee of its choosing.

ARTICLE V

COMMITTEES OF THE BOARD

Section 1: Standing Committees. Standing committees shall be the following:

(a) Executive. Executive authority in the organization; delegates responsibilities to the executive director; evaluates the executive director and determines how he or she will be compensated; determines what the board's meeting agenda will be; discusses issues and reports its actions to the board of directors.

(b) Finance. Review budgets prepared by staff; report to the board any financial irregularities, concerns, opportunities; advise executive director on financial priorities and information systems.

(c) Program Development. Monitor and assess existing programs and oversee new program development; initiate and guide program evaluations; and, facilitate discussions about program priorities for the organization.

(d) Governance. Prepare priorities for board composition; meet with prospective board members and recommend candidates to the board; recommend a slate of officers to the board; conduct orientation sessions for new board members and organize training sessions for the entire board; and, suggest new, non-boards individuals for committee membership.

Section 2: Appointment. The Chairperson shall appoint chairpersons of each committee (each a “Committee Chair”). Each Committee Chair shall select the members of the committee in consultation with the Chairperson. Committee Chairs shall be chosen from the elected members of the Board of Directors. The Chairperson shall be an ex-officio member with voting authority on all committees except the Governance Committee. Each committee may have non-voting, non-board members in addition to those set forth below.

Section 3: The Executive Committee.

(a) The Executive Committee shall consist of not less than the officers of the Board of Directors, the Committee Chairs, the Chairperson, and the immediate past-Chairperson (if willing to serve). For this committee, a majority of its members constitutes a quorum.

(b) The Executive Committee shall have the responsibility to provide the Board with an annual, written evaluation of the Executive Director's work performance.

(c) The Executive Committee shall have authority to implement the operational policies of the Corporation, including the creation of appropriate subcommittees to which it shall have the power to delegate authority as it deems appropriate. The Executive Committee shall inform the Board at each Board meeting of its activities.

(d) The Executive Committee shall have the authority to perform such business other than developing and implementing the operational policies of the corporation as cannot wait

for the regular meeting of the Board, and shall present its action on other such business to the Board at its next meeting for ratification.

(e) The Executive Committee and each member thereof shall serve at the pleasure of the Board of Directors.

(f) So far as applicable, the provisions of Article IV relating to the conduct of meetings of the Board of Directors shall govern meetings of the Executive Committee.

(g) The Executive Committee shall make a record of all its proceedings, and this record shall be kept by or under the direction of the Secretary.

(h) The Executive Committee shall report at the next meeting of the Board of Director all action that the executive committee has taken since the last meeting of the Board.

Section 4: Other Committees. The Board of Directors may, by resolution adopted by a majority of the entire Board, designate such other Committees as it sees fit and delegate to such Committees such authority as it deems desirable. Each such Committee shall consist of two (2) or more persons, who may or may not be Directors. The provisions of Article IV of these By-laws shall be applicable to any such Committee as well as to the Executive Committee, whether or not there be an Executive Committee.

ARTICLE VI

OFFICERS

Section 1: Titles and Qualifications. The Officers of the Corporation shall be elected at the annual meeting and shall include a Chairperson, a Vice-Chairperson, a Secretary, a Treasurer, and such other Officers, including one or more Assistant Treasurers, Secretaries, as may from time to time be appointed by the Board of Directors or pursuant to a delegation of

power in accordance with the provisions hereof, such Officers to have the authority and to perform the duties prescribed, from time to time, by the Board of Directors.

Section 2: Election of Officers.

(a) The officers shall be members of the board of directors elected by a majority of the board at the Annual Meeting upon nomination of the Governance Committee. They shall take office immediately. This slate shall be included with the notice of the annual meeting.

(b) Officers shall serve a one (1) year term or until their successors are elected, and may fill the same office for consecutive terms.

Section 3: Duties.

(a) The Chairperson of the Corporation shall be the Chief Executive Officer of the Corporation and shall serve as Chair of the Board and preside as Chair at all meetings of the Board and the Executive Committee. He/She shall appoint all Committee Chairs. Together with the Executive Director, he/she shall sign deeds, bonds, mortgages, contracts, and other instruments, and enter into agreements with the approval of the Executive Committee, which are necessary to carry out the purposes of the Corporation, except where the Board or these By-laws require the signature of some other officer or agent of the Corporation.

(b) The Vice Chairperson shall perform all the duties of the Chairperson in the event of his or her absence or inability to act, or in the event of a vacancy in that office. The Vice-Chairperson shall succeed as Chairperson.

(c) The Secretary shall keep a record of proceedings of all meetings of the Executive Committee, the Board of Directors and the Annual meeting, and shall see that such

minutes are distributed to the Executive Committee or the Board of Directors prior to the next scheduled meeting of those respective groups.

(d) The Treasurer shall be the financial officer and shall have the custody and control of all funds, and furnish an annual audited statement of all receipts and disbursements of the corporation.

Section 4: Election and Term of Office Each officer shall be elected or appointed annually thereafter by the Board of Directors at its annual meetings. Each such Officer shall hold office until the close of the election of Officers at the annual meeting of the Board of Directors next held after his or her election or appointment, and thereafter until his or her successor shall have been elected or appointed and shall qualify, or until his or her death, resignation, or removal.

Section 5: Resignations. Any officer may resign at any time by delivering a written resignation to the Chair, either the Vice-Chairperson or the Secretary. The acceptance of any such resignation, unless required by the terms thereof, shall not be necessary to make the same effective.

Section 6: Removal. Any officer may be removed at any time, either for or without cause, by a vote of a majority of Directors then in office at a meeting, the notice of waiver of notice of which shall have specified the proposed removal.

Section 7: Vacancies. The vacancy in an office may be filled for the unexpired portion of the term of the Board of Directors or, in the case of subordinate Officers, by any committee, Officer or agent to whom the power to fill such vacancy has been delegated by the Board.

ARTICLE VII

DEPOSITS, CHECKS LOANS, CONTRACTS, ETC.

Section 1: Deposit of Funds. All funds of the Corporation not otherwise employed shall be deposited in such banks, trust companies or other reliable depositories as the Board of Directors from time to time may determine.

Section 2: Checks etc. All checks, drafts, endorsements, notes and evidences of indebtedness of the corporation, and all endorsement for deposits to the credit of the Corporation, shall be signed by such Officer or Officers, agents or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. The names of the endorsers will be registered with the bank annually.

ARTICLE VIII

IMMUNITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

Any Director or Officer, or his executor or administrator, shall be (a) immune from personal liability to the fullest extent permitted pursuant to T.C.A. 48-58-601 et seq. as in effect as of the date hereof, the provisions of which are incorporated herein by reference, and (b) entitled to indemnification to the fullest extent permitted pursuant to T.C.A. 48-58-501 et seq. as in effect as of the date hereof, the provisions of which are incorporated herein by reference.

ARTICLE IX

AMENDMENT OF BY-LAWS

Section 1: Amendments of By-Laws. Except as otherwise provided herein, these Bylaws may be amended or repealed and a new By-law may be enacted by a majority of the voting Directors of the Board of Directors present at any meeting of the Board of Directors where a quorum exists, or where there is a waiver of the notice which shall have specified or summarized the changes proposed to be made, provided that a notice of the proposed amendment shall have been presented to every Director at least seven (7) days prior to the meeting at which the proposed amendment or appeal is acted upon, subject to the power of the Directors to change or repeal By-laws.

ARTICLE X

MISCELLANEOUS

Section 1: Housing Projects.

(a) Any housing project undertaken by this organization shall include a formal process (the “Development Process”), by which input from intended beneficiaries, low income residents of the proposed area, and other community members (collectively, the “Input Parties”) is gathered. The Development Process:

1. may, in each case for the limited purpose of matters pertaining to the housing project include (A) temporarily expanding the Board of Directors to include some or all Input Parties, (B) the creation of an ad hoc committee of some or all Input Parties, or (C) inclusion of some or all Input Parties on a formal committee pursuant to authority given in Article V of the By-Laws;

2. shall include all Directors and Input Parties who will be involved in the development of the housing project regarding design, location, development and management;

3. shall educate and inform each Director or Input Party included pursuant to Section 1(a)(2) above, of (A) the Federal, State, and Local government regulations for the building of housing, (B) the process of obtaining project funding, (C) the permits and inspections required for the project, (C) the ordering of materials and supplies, (E) the request and evaluation of bids from contractors and subcontractors, (F) contract management and tracking progress of the project; and

4. shall consider (A) the cost of the property, (B) the size of the home or project that can be built, (C) the cost of the home or units in the project, (D) the possible vandalism and theft during construction, as well as general security and safety of the project.

(b) If required, the corporation shall certify and maintain CHDO (Community Housing Development Organization) status.

Section 2: Inspection of Corporate Records. The financial I records, membership list, and all other corporate records, and the minutes of all meetings (a) of the Board of Directors, (b) of the Executive Committee, and (c) of all other committees of the Corporation shall be kept at the principal office of the Corporation and shall be open to inspection upon the written request of any Director, at reasonable time, and for a purpose reasonably related to his or her interest as a Director of the Corporation. Such inspection may be made either in person or by an agent authorized to act on his or her behalf by a writing executed by such Directors, and shall include the right to make extracts. A request to inspect to the records of the Corporation shall be delivered

in writing to the Chairperson, Secretary or any other Officer designated by the Board of Directors at the Principal office of the Corporation not less than fourteen (14) days before the date specified in such written request for the inspection of such corporate records.

Section 3: Dissolution. Upon winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of , or provision for payment of, all debts and liabilities of the Corporation, shall be distributed to an organization(s) and used exclusively to accomplish the general purpose for which this Cooperation is organized.

ARTICLE XI

WAIVER OF NOTICE

Whenever, under the Tennessee General Corporation Act or the Charter or these By-laws, the members, the Board of Directors or any committee thereof is authorize to take action after notice to any person or persons or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of such period of time, if at any time before or after such actions is completed the person or persons entitled to such notice or entitled to participant in the action to be taken, or in the case of a member, his attorney-in-fact or proxy holder, submits a signed waiver of notice of such requirement.

ARTICLE XII

EXEMPT ACTIVITIES

Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of the corporation shall take any actions or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section

501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may be amended, or by an organization's contribution to which are deductible under section 170(c)(2) of such code and regulations as they now exist or as they may be amended.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of The William Franklin Buchanan Community Development Corporation, a Tennessee, non-profit corporation, and that the foregoing Amended and Restated By-laws, as amended, constitute the By-laws of said Corporation as duly adopted in a meeting of the Board of Directors thereof held on the 24th day of September, 2020.

IN WITNESS WHEREOF, I have hereunto signed my name this 24th day of September, 2020.



Name:

(SEAL)

INTERNAL REVENUE SERVICE
P. O. BOX 3508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **SEP 29 2003**

FIFTEENTH AVENUE BAPTIST COMMUNITY
DEVELOPMENT CORPORATION
930 SCOVEL ST
NASHVILLE, TN 37208

Employer Identification Number:
62-1776427
DLN:
17053235720013
Contact Person:
ERIC J BERTELSEN ID# 31323
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated August 1999, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity during an advance ruling period.

Based on our records and on the information you submitted, we are pleased to inform you that our letter dated August 18, 2003 in which you were presumed to be a private foundation is hereby superseded. You are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements



Vision Statement

“Transforming Communities through Transformed Lives”

Mission Statement

“To connect vulnerable individuals to opportunities and services so they can overcome adversity, experience an improved quality of life and participate in the revitalization of their community.”

Sylvia Johnson, Certified Public Accountant

862 Rodney Dr
Nashville, TN 37205

Independent Auditor's Report

June 30, 2025

To the Board of Directors
The William Franklin Buchanan Community Development Corporation

Opinion

I have audited the accompanying consolidated financial statements of The William Franklin Buchanan Community Development Corporation, (a nonprofit organization) and affiliates Drakes Creek LEC, LLC (a wholly owned subsidiary), which comprise the consolidated statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The William Franklin Buchanan Community Development Corporation and affiliates as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The William Franklin Buchanan Community Development Corporation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The William Franklin Buchanan Community Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Sylvia Johnson, Certified Public Accountant

862 Rodney Dr
Nashville, TN 37205

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The William Franklin Buchanan Community Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The William Franklin Buchanan Community Development Corporation's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



Sylvia Johnson
Certified Public Accountant

William Franklin Buchanan Community Development Corporation**Exhibit C****Statement of Financial Position****December 31, 2024****ASSETS****Current Assets**

Total Cash and Cash Equivalents	\$ 483,584
Total Grants Receivable	41,853
Total Other Investments	9,087,624
Total Current Assets	<u>9,613,061</u>

Fixed Assets

Total Fixed Assets	923,321
Accumulated Depreciation	(319,755)
Total Fixed Assets	<u>603,566</u>

Other Asset - Loan Receivable

613,941

TOTAL ASSETS\$ 10,830,568**LIABILITIES & EQUITY****Liabilities****Current Liabilities**

Accounts Payable	\$ 4,400
Loans Payable	8,459
Escrow Payable	3,422
Trust Holdings	48,500
Property Taxes Payable	20,807
Total Current Liabilities	<u>85,588</u>

Long-Term Liabilities

NCB Loan - Drakes Creek	2,481,596
Total Long-Term Liabilities	<u>2,481,596</u>
Total Liabilities	<u>2,567,184</u>

Equity

Unrestricted Assets	1,659,035
Restricted Assets	6,604,349
Total Equity	<u>8,263,384</u>

TOTAL LIABILITIES & EQUITY\$ 10,830,568

See Independent Auditor's Report

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

William Franklin Buchanan Community Development Corporation **Exhibit C**

Statement of Activities

For the Fiscal Year Ended December 31, 2024

CHANGES IN UNRESTRICTED NET ASSETS

Revenue and Support

Grant	\$ 7,283,000
Program Income	364,990
Public and Board Donations	3,500
Interest Income	18

Total Revenue and Support	7,651,508
----------------------------------	------------------

Expenses

Program Services	694,176
Fundraising	-
Management and General	64,679

Total Expenses	758,855
-----------------------	----------------

Change in Net Assets

Restricted Assets	6,604,349
Unrestricted Assets	288,305

Total Change in Net Assets	6,892,654
-----------------------------------	------------------

Net Asset at Beginning of Year	1,370,730
---------------------------------------	------------------

Net Assets at End of Year	\$ 8,263,384
----------------------------------	---------------------

See Independent Auditor's Report

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

William Franklin Buchanan Community Development Corporation **Exhibit C**

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2024

OPERATING ACTIVITIES

Net Income \$ 6,892,654

**Adjustments to reconcile Net Income to Net Cash
provided by operations:**

Depreciation 19,867

Accounts Receivable 292,969

P/R Taxes Withheld and Other Payables (15,880)

Net cash provided by operating activities 7,189,610

INVESTING ACTIVITIES

Drakes Creek (9,085,945)

1026 scovel St (329,672)

Net cash provided by investing activities (9,415,617)

FINANCING ACTIVITIES

NBC Loan - Drakes Creek 2,481,596

Net cash provided by financing activities 2,481,596

Net cash increase for period 255,589

Cash at beginning of period 227,995

Cash at end of period \$ 483,584

See Independent Auditor's Report

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

William Franklin Buchanan Community Development Corporation Exhibit C**Statement of Functional Expenses
For the Fiscal Year Ended December 31, 2024**

	Program Services	General and Admin	Fundraising	Total
Depreciation	\$ 19,867			\$ 19,867
Employee Benefits	559	\$ 559		\$ 1,118
Insurance		915		\$ 915
Interest	93,015	1,375		\$ 94,390
Meeting and Conference Expense		1,507		\$ 1,507
Miscellaneous Expenses		1,364		\$ 1,364
Office Expense		10,867		\$ 10,867
Payroll Processing Fees		2,645		\$ 2,645
Payroll Tax Expenses	2,418	2,418		\$ 4,836
Professional Services	204,245	6,400		\$ 210,645
Property Development	85,535			\$ 85,535
Property Management & Maintenance	206,548			\$ 206,548
Property Taxes	45,359			\$ 45,359
Rent	3,000	3,000		\$ 6,000
Salaries and Wages	31,610	31,610		\$ 63,220
Travel & Ent	2,020	2,019		\$ 4,039
	<u>\$ 694,176</u>	<u>\$ 64,679</u>	<u>\$ -</u>	<u>\$ 758,855</u>

See Independent Auditor's Report

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

**William Franklin Buchanan Community Development Corporation
Notes to Financial Statement
For the Period Ending December 31, 2024**

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

William Franklin Buchanan Community Development Corporation (WFBCDC) is a non-profit organization that supports community needs by connecting vulnerable individuals to opportunities and services so they can overcome adversity, experience an improved quality of life and participate in the revitalization of their community.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, “Not-for-Profit Organizations.”

Cash and Cash equivalents

For purposes of the Statement of Financial Position, the company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. This consists of cash held in checking and savings accounts.

Fixed Assets

Fixed assets and other property are recorded at historical cost or at the estimated fair market value as determined by management. Fixed assets are recorded at cost and depreciated over their estimated useful lives using the straight-line-method.

Revenue and Expense Recognition

The primary source of support is from grants, rental income and contributions. Funds received are recorded as unrestricted or restricted support depending on the existence or nature of purpose collected or the donor’s restriction. When a donor’s stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Therefore, there are no provisions for income taxes.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through June 30, 2025, the date the financial statements were available to be issued. The subsequent events occurring in the immediate period following the review date that have any material effect on the organization or financial statements have been noted in the related section.

Note 2 – Other Investments

WFBCDC was awarded a \$7,000,000 grant to purchase property at 204 Safe Harbor Dr. and create a limited equity housing cooperative opportunity for Nashville residents, providing stability in uncertain housing markets. The Drakes Creek Cooperative is the first publicly funded cooperative housing development in Davidson County. With improvements, the investment as of December 31, 2024, is \$9,087,624.

Note 3 - Fixed Assets

Furniture and equipment purchased for \$5000 or less are expenses rather than capitalized.

Description of Property	Date Placed in Service	Cost Basis	2024 Accumulated Depreciation	2024 Book Value
Rental Properties	7/29/2011	\$523,000	\$255,732	\$267,268
Leasehold improvements	4/30/2015	8,624	6,482	2,142
HVAC	11/12/2021	2,500	2,500	0
HVAC 1917	5/5/2022	4,500	4,500	0
Furniture & Equipment	4/30/2015	19,843	19,843	0
Furniture	4/30/2015	15,633	15,633	0
Heat Pump	11/8/2022	4,050	4,050	0
1026 Scovel St and Improvements	6/21/2005	345,171	11,015	334,156
Balance		\$923,321	\$319,755	\$603,566

The appraised value of these properties per the Davidson County Assessor of Property is \$3,587,400. Depreciation expense for the year ending December 31, 2024 was \$19,867.

Note 3 – Long-term Liability

Drakes Creek LEC, LLC has a \$4,000,000 line of credit with National Cooperative Bank, 8.5% interest only, maturing March 2026. As of December 31, 2024, \$2,481,5976 has been used for improvements to the property. At maturity, the cooperative will secure a loan to pay off the line.

ATTACHMENT E



ESCROW AGREEMENT TEMPLATE

Prior to the release of funds for acquisition costs, Recipient shall submit a fully executed escrow agreement substantially in the form attached for approval by the Metro Housing Division Director and Metro Legal as well as a copy of the Closing Statement.

AGREEMENT REGARDING ESCROW AND DISBURSEMENTS

This **AGREEMENT REGARDING ESCROW AND DISBURSEMENTS**, dated as of the ____ day of _____, 2025 (the “Escrow Agreement”), is made by and among **THE WILLIAM FRANKLIN BUCHANAN COMMUNITY DEVELOPMENT CORPORATION**, a Tennessee nonprofit corporation (“Sponsor”); _____, a Tennessee nonprofit limited liability company whose sole member is Sponsor (“Owner”); and **GATEHOUSE TITLE AGENCY, LLC** (“Escrow Agent”).

WITNESSETH:

WHEREAS, pursuant to a Purchase and Sale Agreement by and between Sponsor as Buyer _____, a _____ (“Seller”), as Seller, dated as of _____, 2025 (as amended, the “Purchase Agreement”), Sponsor has contracted to purchase a ____-unit apartment complex located at _____ (the “Project”) for purposes of establishing a limited equity cooperative; and

WHEREAS, pursuant to an Assignment and Assumption of Purchase and Sale Agreement by and between Sponsor as Assignor and Owner as Assignee, Sponsor has assigned its rights and obligations under the Purchase Agreement to Owner; and

WHEREAS, pursuant to a Grant Contract between The Metropolitan Government of Nashville and Davidson County, Tennessee by and through The Metropolitan Housing Trust Fund Commission (“Metro”) and The William Franklin Buchanan Community Development Corporation dated as of _____, 2025 (the “Grant Contract”), Sponsor has received a \$ _____ grant (the “Grant”) to facilitate acquisition of the Project and conversion into a limited equity cooperative, which Sponsor intends to loan to Owner to facilitate Owner’s acquisition of the Project (the “Sponsor Loan”); and

WHEREAS, Owner is obtaining a first priority mortgage loan from _____, a _____ (“Lender”) in the amount of \$ _____ to facilitate Owner’s acquisition and rehabilitation of the Project (the “Mortgage Loan”), with Owner’s acquisition of the Project, the Sponsor Loan, and the Mortgage Loan to close simultaneously in a single closing (the “Closing Date”); and

WHEREAS, on the Closing Date (or at such later time as directed by Metro), Owner will execute and record a Declaration of Restrictive Covenants (the “Affordability Covenants”) in connection with its receipt of the Sponsor Loan from Sponsor in order to establish long-term affordability covenants on the Project; and

WHEREAS, provided the applicable closing conditions of Sponsor, Seller, and Lender are satisfied, Escrow Agent will be authorized and agrees to release and deliver the funds, documents and instruments described below upon receipt of notice from Sponsor pursuant to the terms hereof and Seller and Lender pursuant to separate escrow instructions, if any, provided by Seller and/or Lender, as applicable (any such instructions, the “Third Party Instructions”).

NOW, THEREFORE, in consideration of the promises herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby mutually covenant and agree as follows:

1. **Definitions.** Each and every of the definitions set forth in the foregoing “introduction” and “whereas clauses” are hereby incorporated into this Escrow Agreement by reference.

2. **Appointment of Escrow Agent.** The parties hereto hereby appoint Escrow Agent as escrow agent to act under and in accordance with the terms and conditions of this Escrow Agreement and Escrow Agent hereby accepts such appointment, subject to the terms and conditions hereof. Escrow Agent has also been engaged by Sponsor and Owner to serve as counsel in the transactions outlined herein; this Escrow Agreement is intended to formalize the closing process and satisfy requirements of the Metro, which will be relying on this Escrow Agreement in releasing the Grant proceeds to Sponsor for use in making the Sponsor Loan and facilitating Owner’s acquisition of the Project.

3. **Deposit into Escrow and Related Matters.**

(a) Documents. On or before 5:00 p.m. Nashville, Tennessee time on the date hereof, full PDF copies and the execution counterparts of the following original documents (unless otherwise agreed to) shall be delivered to Escrow Agent (such documents, together with the monies described in Section 3(b) hereof, being sometimes referred to herein as the “Escrow Items”):

(i) Execution counterparts of the documents listed on Schedule I hereto (collectively, the “Transaction Documents”);

(ii) (A) those documents the parties require Escrow Agent to record in the Official Records for Davidson County, State of Tennessee or file with the Secretary of State of Tennessee, as applicable, which documents are listed on Schedule II hereto (collectively, the “Recordable Documents”), and (B) and any and all other documents necessary for the issuance of the Title Policy (as defined below) in accordance with the provisions of this Agreement (together with the Transaction Documents and the Recordable Documents, the “Documents”).

(b) On or before 11:00 a.m. Nashville, Tennessee time on the Closing Date, Owner shall deposit or cause to be deposited with Escrow Agent (according to the wire instructions set forth on Schedule III attached hereto (the “Escrow Agent Wire Instructions”), (1) proceeds from the Grant in the amount of \$_____ to be used in funding the Sponsor Loan, and (2) proceeds from the Mortgage Loan in the amount sufficient to fund other closing costs, all to be deposited with the Escrow Agent pursuant to the Escrow Agent Wire Instructions.

4. **Delivery of Policy.** Escrow Agent hereby agrees, as agent for Old Republic National Title Insurance Company, to issue in favor of Owner upon satisfaction of the conditions precedent in Section 5 hereof, an owner’s policy of title insurance (the “Title Policy”) in the form

and substance of the proforma policy and endorsements attached at Schedule IV hereto (the “Proforma Policy”).

5. **Closing Conditions.** The parties hereto hereby agree that the following conditions (collectively, the “Closing Conditions”) must be satisfied prior to Sponsor, Owner, and Escrow Agent completing the Closing:

(i) Receipt by Escrow Agent of the Documents and the amounts required to be wired pursuant to Section 3(b) (the “Funds”);

(ii) Escrow Agent shall have provided confirmation to all parties hereto, on or before 2:00 p.m., central time, on the Closing Date, that its requirements for issuance of the Title Policy in the form of the Proforma Policy upon recordation of the Recordable Documents have been met and that upon satisfaction of the Closing Duties set forth in Section 7, it is ready to record and file the respective Recordable Documents, disburse funds in accordance with the Settlement Statement attached hereto as Schedule V, and close; and

(iii) On or before 2:00 p.m., central time, on the Closing Date, Sponsor, Owner, Seller (or Seller’s counsel), and Lender (or Lender’s counsel), shall have provided oral or email confirmation to the other parties that they are ready to close (including authorization to close pursuant to any Third Party Instructions).

6. **Termination of Agreement.** Notwithstanding anything herein to the contrary, all parties hereto agree that the Closing Conditions must be satisfied no later than 5:00 p.m., central time on _____, 20__ (the “Escrow Termination Date”), or else this Agreement shall terminate and Escrow Agent shall return all Escrow Items, except to the extent authorized in writing by the parties and any Third Party Instructions to extend the Escrow Termination Date and retain the Documents and Funds for an extended time.

7. **Closing Duties of Escrow Agent and other Parties.** The parties hereto hereby agree that:

(a) Upon satisfaction of the Closing Conditions, the following documents and/or funds shall be released, delivered and/or disbursed in accordance with the following procedure:

(i) Escrow Agent shall proceed to (A) complete any blank dates in the Recordable Documents, (B) properly complete or cause to be completed, prior to filing or recording by the applicable filing or recording office, as applicable, the blanks in each of the Recordable Documents, and (C) properly file and record the Recordable Documents in the official records of Davidson County, Tennessee and with the Tennessee Secretary of State, as applicable, in the order set forth on Schedule II; and

- (ii) Escrow Agent shall pay the closing costs, disbursements and other expenses set forth on the Settlement Statement attached hereto as Schedule V.

(b) Promptly following the completion of the procedure set forth in Section 7(a), (i) Escrow Agent shall deliver, or cause to be delivered, to the other parties hereto fully executed copies of the Documents, and (ii) Escrow Agent, upon receipt from the recording office of confirmation of recording of the applicable Recordable Documents in the official records of Davidson County, Tennessee, shall notify the other parties hereto that such Recordable Documents have been recorded and provide copies of the recorded Recordable Documents to the parties.

(c) Until receipt of confirmation of recording from Escrow Agent pursuant to Section 7(b)(ii) above, Owner shall not authorize or permit the commencement of any work, the supplying of any materials, or any other event that would give rise to any lien or encumbrance that would be entitled to priority over the Mortgage recorded to secure the Loan.

8. Satisfaction and Termination.

(a) Notwithstanding any provision of this Escrow Agreement to the contrary, satisfaction of the Closing Conditions set forth in Section 5 hereof must occur prior to the Escrow Termination Date, unless extended pursuant to the provisions of Section 5(iii).

(b) If the Closing Conditions set forth in Section 5 hereof do not occur prior to the Escrow Termination Date (unless extended pursuant to Section 5(iii)), then the Escrow Agent shall immediately return the Escrow Items to the parties from which they were received.

(c) Notwithstanding the foregoing, this Escrow Agreement shall terminate upon the release, delivery and/or disbursement by the appropriate parties of all documents and/or funds held by them in accordance with the provisions hereof.

9. **Amendments.** This Escrow Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by all of the parties hereto.

10. **Counterparts; Facsimile Execution.** This Escrow Agreement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original. A manual signature of this Escrow Agreement which is transmitted in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an email message shall constitute an original signature for all purposes.

11. **No Third-Party Beneficiary.** Other than Metro pursuant to the provisions of Section 2 above, there shall be no beneficiary of any rights, duties and obligations hereunder other than the parties hereto.

12. **Further Assurances.** The parties hereto hereby agree to execute and deliver, or cause to be executed and delivered, all such other documents, agreements and instruments as may reasonably be requested by any other party to further evidence the terms and provisions, and more fully carry out the purposes and intents, of this Agreement.

13. **Release and Indemnification of Escrow Agent.** The parties hereto hereby release the Escrow Agent from and, in addition, Sponsor and Owner agree to defend and hold the Escrow Agent harmless from and against, any and all claims, suits, costs, expenses, liabilities, damages or losses (including, without limitation, reasonable attorneys' fees and expenses through all investigations and proceedings) (collectively, the "Liabilities and Costs") arising hereunder or in connection herewith (except for Liabilities and Costs occasioned by the Escrow Agent's gross negligence or willful misconduct, as applicable). Sponsor and Owner hereby agree to reimburse the Escrow Agent and its directors, officers, employees, agents and attorneys for any Liabilities and Costs incurred by any of them arising hereunder or in connection herewith, except for such Liabilities and Costs occasioned by their gross negligence or willful misconduct. Escrow Agent is serving as counsel to Sponsor and Owner in connection with the transactions contemplated hereby, and, accordingly, the provisions of this Section 13 apply only to the performance by Escrow Agent of its responsibilities pursuant to this Escrow Agreement.

14. **Commingling of Funds.** The parties hereto hereby agree that any and all moneys deposited and/or held under this Escrow Agreement shall be held by the Escrow Agent in its trust account.

15. **Disputes.** If there are any disputes as to whether Escrow Agent is obligated to deliver any of the moneys or documents delivered to it pursuant hereto, Escrow Agent shall not be obligated to make any delivery, but in such event, may hold the same until receipt by Escrow Agent of an authorization in writing signed by all the parties having an interest in such dispute, directing the disposition of same. If such written authorization is not given, or if proceedings for such determination are not commenced and diligently continued, Escrow Agent may, but is not required to, bring an appropriate proceeding for leave to deposit said moneys and/or documents in the registry of a court having jurisdiction in the State of Tennessee pending such determination. Escrow Agent shall be reimbursed by Sponsor and Owner for all costs and expenses incurred in connection with any such action or proceeding, including, without limitation, reasonable attorneys' fees and disbursements through all investigations and proceedings. In the event Escrow Agent places the moneys and/or documents it holds in the registry of a court pursuant to this Section 15 and files an action of interpleader naming the parties having an interest in such dispute, Escrow Agent shall be released and relieved from any and all further obligation and liability hereunder or in connection herewith.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth above.

SPONSOR:

**THE WILLIAM FRANKLIN BUCHANAN
COMMUNITY DEVELOPMENT
CORPORATION,**
a Tennessee nonprofit corporation

By: _____
Carlina B. Bell, Executive Director

OWNER:

_____, a Tennessee nonprofit
limited liability company

By: The William Franklin Buchanan Community
Development Corporation,
a Tennessee nonprofit corporation,
its Sole Member

By: _____
Carlina B. Bell, Executive Director

ESCROW AGENT:

GATEHOUSE TITLE AGENCY, LLC

By: Reno & Cavanaugh, PLLC, its Sole Member

By: _____
Name: _____
Its: _____

SCHEDULE I

TRANSACTION DOCUMENTS

[NOTE: TO BE REVISED/FINALIZED AT CLOSING]

1. Loan Agreement (Barnes Fund)
2. Promissory Note (Barnes Fund)
3. Declaration of Restrictive Covenants (Barnes Fund) [to be recorded post-closing]
4. Deed of Trust, Assignment of Rents and Leases and Security Agreement (Sponsor Loan)
5. Special Warranty Deed
6. Assignment and Assumption of Purchase and Sale Agreement
7. Affidavit Regarding Title Held by Sanctioned Nonresident Alien (Entity)
8. Bill of Sale
9. Certificate of Non-Foreign Status (FIRPTA)
10. IRS 1099 Information Form
11. [Insert Mortgage Loan Documents]

SCHEDULE II

RECORDABLE DOCUMENTS

RECORDING ORDER

[NOTE: TO BE REVISED/FINALIZED AT CLOSING]

(All to be filed in the official real estate records for Davidson County, Tennessee unless otherwise indicated below)

1. Special Warranty Deed from Seller
2. Deed of Trust, Assignment of Leases and Rents and Security Agreement (Mortgage Loan)
3. Assignment of Leases and Rents (Mortgage Loan)
4. Deed of Trust, Assignment of Rents and Leases and Security Agreement (Sponsor Loan)
5. Subordination and Standstill Agreement

SCHEDULE III
ESCROW AGENT WIRE INSTRUCTIONS

ATTACHED

SCHEDULE IV
PROFORMA POLICY

ATTACHED

SCHEDULE V
SETTLEMENT STATEMENT

ATTACHED