

PILOT AGREEMENT

THIS PILOT AGREEMENT (the “**PILOT Agreement**”) is made and entered into as of the 21 day of April, 2025, by and between the METROPOLITAN DEVELOPMENT AND HOUSING AGENCY (“**MDHA**”) and Autumn Lake Apartments, LP (the “**Owner**”).

WITNESSETH:

WHEREAS, MDHA is a public body and a body corporate and politic organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. §13-20-101, et seq., (the “**Act**”);

WHEREAS, §13-20-104(f) of the Act provides that a metropolitan government may delegate to a housing authority the authority to negotiate and accept in lieu of ad valorem taxes (“**In Lieu of Tax Payments**”) from a party that operates a low income housing tax credit (“**LIHTC**”) property, as such term is defined in the Act (a “**LIHTC Property**”) on property leased by such party from a housing authority;

WHEREAS, MDHA is the housing authority, as defined in the Act, for the Metropolitan Government of Nashville and Davidson County, Tennessee (the “**Metropolitan Government**”);

WHEREAS, by Ordinance No. BL2015-1281 as amended by Ordinance No. BL2016-334 (collectively, the “**PILOT Ordinance**”), the Metropolitan Government (i) authorized MDHA to negotiate and accept In Lieu of Tax Payments from lessees of LIHTC Property owned by MDHA, and (ii) approved MDHA’s program for determining qualifications and eligibility for such In Lieu of Tax Payments (the “**PILOT Program**”);

WHEREAS, Owner has acquired land located at 2920 Hamilton Church Road, and more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “**Project Site**”);

WHEREAS, Owner intends to redevelop a 68 unit apartment project, known as Autumn Lake Apartments, on the Project Site and operate it as a LIHTC Property (the “**Project**”);

WHEREAS, MDHA is authorized by law and has deemed it necessary and desirable to acquire the Project Site for the purpose of facilitating the Project in accordance with the PILOT Program, the PILOT Ordinance and the Act;

WHEREAS, the Board of Commissioners of MDHA approved MDHA's purchase of the Project Site and authorized the Executive Director of MDHA to take all actions on behalf of MDHA to undertake the following:

- (A) acquire the Project Site;
- (B) enter into a lease with Owner pursuant to which Owner will (i) lease the Project Site and the Project from MDHA with MDHA having the right to cause Owner to purchase the Project Site and the Project from MDHA upon expiration of the tenth (10th) Tax Year, (ii) rehabilitate the Project on the Project Site, and (iii) by recorded agreement, commit to operate the Project as a LIHTC Property in accordance with the requirements of the Internal Revenue Code and the Tennessee Housing Development Agency ("THDA") for a minimum period of fifteen (15) years after the Project is complete (the "**Project Lease**");
- (C) enter into this PILOT Agreement;
- (D) submit this PILOT Agreement to the Metropolitan Planning Commission to obtain a recommendation of approval or disapproval, as envisioned by the PILOT Ordinance;
- (E) submit this PILOT Agreement to the Metropolitan Council of the Metropolitan Government (the "**Metropolitan Council**") for approval as required by the PILOT Ordinance; and
- (F) take such other action and execute such other documents as the Executive Director deems necessary or desirable to facilitate rehabilitation of the Project and the transactions described above consistent with this PILOT Agreement, the Act, the Project Lease, the Metropolitan Ordinance and the PILOT Program (including MDHA's application and policies and procedures related thereto).

WHEREAS, MDHA intends to acquire the Project Site from Owner and will concurrently enter into the Project Lease; and

WHEREAS, Owner has agreed to make In Lieu of Tax Payments with respect to the Project as described herein.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, and as an inducement to Owner to rehabilitate the Project and operate the Project as LIHTC Property, MDHA and Owner agree as follows:

1. With respect to Project Site and the real property component of the

Project, Owner shall make In Lieu of Tax payments to MDHA who will then remit the payment to the Metropolitan Government, as follows:

(a) The In Lieu of Tax Payments shall be equal to the Applicable Ad Valorem Taxes, as defined below, through and including the calendar year in which the rehabilitation of the Project is completed.

(b) Commencing on January 1st of the calendar year following the year in which the Project is placed into service (“**Tax Year 1**”) and each tax year subsequent to the Tax Year 1 (Tax Year 1 and each subsequent tax year being referred to herein as a “**Tax Year**”) through the tenth (10th) Tax Year, in Lieu of Tax Payments shall be as follows:

1	\$15,000
2	\$15,450
3	\$15,914
4	\$16,391
5	\$16,883
6	\$17,389
7	\$17,911
8	\$18,448
9	\$19,002
10	\$19,572

Subject to Section 1(e) below, the In Lieu of Tax Payments shall be fixed and shall not fluctuate with the amount of the assessment for the Project Site or the Project or the tax rate in effect for any Tax Year. The amount of the In Lieu of Tax Payment is approximately equal to \$221 per unit in year 1 of the PILOT term. In Lieu of Tax Payments for each Tax Year shall be paid when due but in any event not later than the date on which the Applicable Ad Valorem Taxes would become delinquent.

(c) After the tenth Tax Year, this Agreement shall expire and Owner shall pay 100% of the Applicable Ad Valorem Taxes.

(d) The term “**Applicable Ad Valorem Taxes**” shall mean any real property ad valorem taxes that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project

Site and the Project.

(e) Notwithstanding anything contained herein to the contrary, if THDA or the IRS determines that the Project is not in compliance with LIHTC requirements and is therefore not operated as a LIHTC Property at any time during a Tax Year, and Owner has failed to cure such default within any specified cure period, Owner shall pay 100% of the Applicable Ad Valorem Taxes with respect to such Tax Year.

(f) Notwithstanding anything contained herein to the contrary, Owner shall pay 100% of the Applicable Ad Valorem Taxes for the periods before Tax Year 1 and after Tax Year 10, if the Project Lease is in effect during such periods.

2. Commencing in Tax Year 1 and in each Tax Year subsequent through the (10th) Tax Year, Owner shall provide to MDHA an annual report not later than September 1st of each Tax Year containing the following information:

- (a) The value of the Project, as estimated by the Owner;
- (b) The date and remaining term of the Project Lease;
- (c) The amount of In Lieu of Tax Payments payable in such Tax Year;
- (d) The date in which the Project is scheduled to return to the regular tax rolls and be eligible to pay 100% of the Applicable Ad Valorem Taxes following the tenth (10th) Tax Year;
- (e) A calculation of the Applicable Ad Valorem Taxes for such Tax Year that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project;
- (f) A copy of the Owner's most recent Annual Certification as submitted to THDA, certifying compliance with LIHTC requirements; and
- (g) A copy of any monitoring or compliance reports provided by THDA to the Owner during such Tax Year.

3. Commencing with Tax Year 1 and each Tax Year thereafter, Owner shall pay to MDHA a monitoring and reporting fee to be set by MDHA but not to exceed five percent (5%) of the amount In Lieu of Tax Payment due with respect to such Tax Year (the "Annual MDHA Fee"). The Annual MDHA Fee shall be paid not later than fifteenth (15) day of such Tax Year. Unpaid amounts shall bear interest at the rate of four percent (4%) in excess of the

average prime rate of interest published from time to time by the Federal Reserve or similar commonly accepted reporting organization if the Federal Reserve ceased to publish such information. Owner's failure to pay the Annual MDHA Fee within thirty (30) days after written notice from MDHA shall constitute a default under this PILOT Agreement in which event Owner shall pay 100% of the Applicable Tax Rate for such Tax Year instead of the In Lieu of Tax Payment set forth above.

4. Owner's payment of the In Lieu of Tax Payments shall satisfy the requirement in Tenn. Code Ann. § 67-5-206(a) that MDHA pay the Metropolitan Government for services, improvements or facilities furnished by the Metropolitan Government for the benefit of the Project.

5. This PILOT Agreement may not be assigned to any party other than the assignee of the lessee's interest under the PILOT Lease pursuant to an assignment that is made in accordance with the PILOT Lease, including MDHA consent requirements, if any, specified therein. Each permitted assignee shall assume Owner's obligations under this PILOT Agreement concurrent with the assignment of the PILOT Lease.

6. This PILOT Agreement shall be construed in accordance with the laws of the State of Tennessee, and if any one or more of the provisions of this PILOT Agreement shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, legality or unenforceability shall not affect any other provision hereof, but this PILOT Agreement shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein. This PILOT Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

7. This PILOT Agreement is subject to and conditioned upon (i) approval of this PILOT Agreement by the Metropolitan Council as required by the PILOT Ordinance, (ii) Owner's satisfaction of all conditions and requirements imposed by MDHA in connection this PILOT Agreement or the transaction contemplated herein, (iii) MDHA taking title to the Property and entering into a mutually acceptable Project Lease, and (iv) THDA's approval of the Project and allocation of low income housing tax credits, to the extent such approval or allocation has not been received as of the date of this PILOT Agreement.

8. MDHA shall remit all In Lieu of Tax Payments received in connection with the Project and/or the Project Lease to the Metropolitan Government within fifteen (15) days of receipt.

9. Notwithstanding anything to the contrary contained here, MDHA shall provide copies of any notices sent to Owner to the Tax Credit investor, name TBD, (the "**Investor**"). Investor shall have the right, but not the obligation, to cure any default on behalf of Owner, and MDHA shall accept or reject such cure as if tendered by Owner.

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

METROPOLITAN DEVELOPMENT AND
HOUSING AGENCY

By: Signed by: Troy D. White
1CA327FEFF2844E...

Title: President and CEO

Autumn Lake Apartments, L.P., a Tennessee
limited partnership

By: PL Autumn Lake, Inc., a Tennessee
corporation, its General Partner

By: Clint Gwin
Clint Gwin, President

FILED WITH THE METROPOLITAN CLERK

Austin Kyle

Date

EXHIBIT A

Being a parcel of land in Nashville, First Civil District of 29th Councilmanic District, Davidson County, Tennessee, located generally in the northwest quadrant of the intersection of Zelida Avenue and Hamilton Church Road, said parcel being a portion of Lot 3 of the Hickory Highlands Master Plat, as of record in Record Book 6900, page 562, Register's Office for said County, and being more particularly described as follows:

Being at a point in the westerly right-of-way line of Hamilton Church Road, said point being located N 01 deg. 41' 44" E, 389.98 feet from the northerly terminus of the curve return to Zelida Avenue and Hamilton Church Road; thence leaving said right-of-way of Hamilton Church Road with a severance line, the following calls: N 88 deg. 18' 16" W, 105.08 feet to a point; N 41 deg. 21' 42" W, 556.92 feet to a point in the easterly property line of Southeast Acquisitions, as of record in Book 8105, page 356, Register's Office of said County; thence with said easterly line of Southeast Acquisitions, the following calls: N 45 deg. 58' 31" E, 41.60 feet to a set iron pin, N 38 deg. 54' 33" E, 127.31 feet to a set iron pin; thence leaving said easterly property line of Southeast Acquisitions and following the easterly property line of CM Property Management, of record in Book 8455, page 381, Register's Office for said County, N 44 deg. 31' 50" E, 664.32 feet to a set iron pin, thence S 02 deg. 28' 26" W, 273.66 feet to a set iron pin in the westerly property line of Commerce Union Bank, of record in Book 6654, page 905, Register's Office for said County, said pin also being a point in the westerly right-of-way of Hamilton Church Road; thence with said right-of-way line along a curve to the left 373.00 feet to a set iron pin, said curve having a central angle to the left 373.00 feet to a set iron pin, said curve having a central angle of 21 deg. 22' 16" , a radius of 1,000.00 feet, a tangent of 188.69 feet and a chord of S 12 deg. 22' 52" W, 370.84 feet; thence continuing with said right-of-way line, S 01 deg. 41' 44" W, 387.59 feet to the point of beginning, and containing 278,771 square feet or 6.40 acres more or less.

Said property is also known as Lot 2, on the plan of Hickory Manor Apartments of record in Book 9700, page 103, said Register's Office.

Being a parcel of land in Nashville, First Civil District of 29th Councilmanic District, Davidson County, Tennessee, located generally in the northwest quadrant of the intersection of Zelida Avenue and Hamilton Church Road, said parcel being a portion of Lot 3 of the Hickory Highlands Master Plat, as of record in Book 6900, page 562, Register's Office for said County, and being more particularly described as follows:

Being at a point in the westerly right-of-way line of Hamilton Church Road, said point being located N 01 deg. 41' 44" E, 389.98 feet from the northerly terminus of the curve return to Zelida Avenue and Hamilton Church Road; thence leaving said right-of-way of Hamilton Church Road with a severance line, the following calls: N 88 deg. 18' 16" W, 105.08 feet to a point; N 41 deg. 21' 42" W, 556.92 feet to a point in the easterly property line of Southeast Acquisitions, as of record in Book 8105, page 356, Register's Office of said County; thence with said easterly line of Southeast Acquisitions, the following calls: N 45 deg. 58' 31" E, 41.60 feet to a set iron pin, N 38 deg. 54' 33" E, 127.31 feet to a set iron pin; thence leaving said easterly property line of Southeast Acquisitions and following the easterly property line of CM Property Management, of record I book 8455, page 381, Register's Office for said County, N 44 deg. 31' 50" E, 664.32 feet to a set iron pin, thence S 02 deg. 28' 26" W, 273.66 feet to a set iron pin in the westerly property line of Commerce Union Bank, of record in Book 6654, page 905, Register's Office for said County, said pin also being a point in the westerly right-of-way of Hamilton Church Road; thence with said right-of-way line along a curve to the left 373.00 feet to a set iron pin, said curve having a central angle of 21 deg. 22' 16" , a radius of 1,000.00 feet, a tangent of 188.69 feet and a chord of S 12 deg. 22' 52" W, 370.84 feet; thence continuing with said right-of-way line, S 01 deg. 41' 44" W, 387.59 feet to the point of beginning, and containing 278,771 square feet or 6.40 acres more or less.

Said property is also known as Lot 2, on the plan of Hickory Manor Apartments of record in Book 9700, page 103, said Register's Office.

INCLUDED IN THE ABOVE DESCRIPTION BUT EXCLUDED HEREFROM
IS THE FOLLOWING DESCRIBED PROPERTY:

Being a certain Tract or Parcel of land lying and being in the 1st Civil District, 29th Councilmanic District of Davidson County, Tennessee, being a portion of the Howard Lee Spain, Jr. property, as recorded in Instrument #20100929.0077439, in the Register's Office of Davidson County, Tennessee, Tax Map 136, Parcel 012800, and is more particularly described as follows:

Beginning at a Set Iron Pin on the West Right-of-way of Hamilton Church Road, and being the Southeast corner of Lot 2, the Property of Howard Lee Spain, Jr., as recorded in Instruction Number 20100929.0077439, R.O.D.C., and also being the Northeast corner of Lot 1, Hickory Manor Apartments, as recorded in Deed book 9542, page 728, Plat Book 9700, page 103, R.O.D.C., Tax Map 163, Parcel 036500, and also being the Southeast corner of the herein described property; thence along the North property line of the afore said Hickory Manor Apartments, Lot 1, N 88 deg. 18' 16" W, 105.08 feet to a Punch Mark in the existing sidewalk; thence following the common line of Lot 1 and Lot 2, Plat book 9700, page 103, R.O.D.C., N 41 deg. 21' 42" W, 21.74 feet to a set iron pin; thence leaving said common line on a new line severing the aforesaid Hickory Manor, Ltd., Property, N 59 deg. 37' 28" E, 44.63 feet to a set iron pin; thence S 82 deg. 32' 27" E, 82.53 feet to a set iron pin in the west right-of-way of Hamilton Church Road; thence along said Right-of-way S 01 deg. 41' 44" W, 31.29 feet to a set iron pin, said pin being the Point of Beginning, containing 0.09 acres or 3840.55 square feet, more or less.

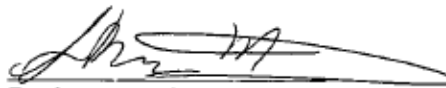
Easement for Overhead Electric:

Commencing at a set iron point on the west right-of-way of Hamilton Church Road, sand being the Southeast corner of Lot 2, the Property of Howard Lee Spain, Jr., as recorded in Instrument Number 20100929.0077439, R.O.D.C., and also being the Northeast corner of Lot 1, Hickory Manor Apartments, as recorded in Deed Book 9542, Page 28, Plat book 9700, page 103, R.O.D.C., Tax Map 163, Parcel 036500; thence along said right-of-way of Hamilton Church Road, N 01 deg. 41' 44" E, 31.29 feet to a set iron pin; thence, leaving said right-of-way, N 82 deg. 32' 27" W, 66.51 feet to the centerline of a 20 foot wide easement, and Point of

Beginning; thence N 33 deg. 20' 52" E, 126.10 feet along the said centerline of a 20 foot wide easement for Overhead Electric, to the west right-of-way of Hamilton Church Road, Said Overhead Electric Easement being 10 feet in width, along either side of the herein described centerline, for a total width of 20 feet.

Being the same property conveyed to Fred Hegwood III, single by Deed from Howard Lee Spain, Jr., (unmarried) of record in Instrument #20111012-0079115, Register's Office of Davidson County, Tennessee.

WITNESS my hand this the 10th day of January, 2013.


Fred Hegwood III

Certification of Consistency with the Consolidated Plan

U.S. Department of Housing
and Urban Development

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Consolidated Plan.
(Type or clearly print the following information:)

Applicant Name: _____

Project Name: _____

Location of the Project: _____

Name of the Federal
Program to which the
applicant is applying: _____

Name of
Certifying Jurisdiction: _____

Certifying Official
of the Jurisdiction
Name: _____

Title: _____

Signature: _____

Date: _____



Memo

To: MDHA
From: Metropolitan Nashville Planning Department
Date: April 22, 2025
Re: Planning Commission Recommendation for PILOT Agreement

This memo fulfills the Planning Commission obligations as outlined in the MDHA Housing Tax Credit PILOT Program General Program Description which was attached as Exhibit A to BL2025-XXX. The memo consists of two parts: the staff recommendation and a map

PART I: RECOMMENDATION ON GENERAL PLAN CONSISTENCY

Project: **Autumn Lake Apartments, LP (163000128000, 2920 Hamilton Church Road)**
68 multi-family units
Units targeting 50 % to 60% of the Area Median Income (AMI)

Zoning:

One and Two Family Residential (R15) requires a minimum 15,000 square foot lot and is intended for single-family dwellings and duplexes at an overall density of 3.09 dwelling units per acre including 25 percent duplex lots

Planned Unit Development Overlay District (PUD) is an alternative zoning process that allows for the development of land in a well-planned and coordinated manner, providing opportunities for more efficient utilization of land than would otherwise be permitted by the conventional zoning provisions of Title 17. The PUD district may permit a greater mixing of land uses not easily accomplished by the application of conventional zoning district boundaries, or a framework for coordinating the development of land with the provision of an adequate roadway system or essential utilities and services. In return, the PUD district provisions require a high standard for the protection and preservation of environmentally sensitive lands, well-planned living, working and shopping environments, and an assurance of adequate and timely provision of essential utilities and streets.

Policy:**ANTIOCH PRIEST LAKE COMMUNITY PLAN**

T3 Suburban Residential Corridor (T3 RC) is intended to maintain, enhance, and create suburban residential corridors. T3 RC areas are located along prominent arterial-boulevard or collector-avenue corridors that are served by multiple modes of transportation and are designed and operated to enable safe, attractive and comfortable access and travel for all users. T3 RC areas provide high access management and are served by moderately connected street networks, sidewalks, and existing or planned mass transit.

Conservation (CO) is intended to preserve environmentally sensitive land features through protection and remediation. CO policy applies in all Transect Categories except T1 Natural, T5 Center, and T6 Downtown. CO policy identifies land with sensitive environmental features including, but not limited to, steep slopes, floodway/floodplains, rare or special plant or animal habitats, wetlands, and unstable or problem soils. The guidance for preserving or enhancing these features varies with what Transect they are in and whether or not they have already been disturbed.

Project Details:

This site is part of a Planned Unit Development (PUD), case 28-79-G, that encompasses approximately 102 acres and permits over 2,000 residential units, including 360 multi-family (MF) units. Over the years, various portions of the project have been built. This parcel and a 3.68-acre parcel to the northwest are the only undeveloped parcels remaining in the Planned Unit Development. A final site plan showing 68 multi-family units was approved on December 12, 2002. The site is located along Hamilton Church Road, a collector avenue, and east of Bell Road. The proposal includes three separate buildings for apartments, each with a height of 44 feet. Additionally, a single-story clubhouse is planned. Surface-level parking will be provided in the center of the parcel, while the two larger apartment buildings will face Hamilton Church Road providing screening for the parking area. On the eastern boundary of the property the tree line will be preserved.

Planning Department Analysis:

The plan is consistent with the Suburban Residential Corridor and Conservation policies.

Consistence with Suburban Residential Corridor

The intent of the policy is to maintain, enhance, and create suburban residential corridors that support predominately residential land uses; are compatible with the general character of suburban neighborhoods in terms of their development pattern, building form, land use and associated public realm, and move vehicular traffic efficiently while accommodating sidewalks, bikeways, and existing or planned mass transit. The Suburban Residential Corridor plans for multi-family development with moderate lot coverage and density. The proposed plan features moderate lot coverage, preserving areas of trees and open space. The density is at the highest level suitable for the area, however similar density is located in the general area. The project includes three-story buildings, which align with the recommended heights outlined in the policy. Additionally, the policy supports surface-level parking that is not accessed from the main corridor; instead, it will be located behind the buildings and screened from view.

Consistence with Conservation

The CO policy is intended to preserve environmentally sensitive land features through protection and remediation. CO policy applies to the floodplain/stream buffers and the areas of steep slope on the property in excess of 25%. There is a small area of slopes ranging from 20 to 25 percent along the southwest property line. A retaining wall is proposed, and the slope will be maintained.

Planning Determination: The proposed development is consistent with the NashvilleNext adopted general plan and the Community Character Policies.

PART II: LIST OF FEDERALLY SUBSIDIZED MULTI-FAMILY PROPERTIES WITHIN THE CENSUS TRACT

See attached map.