

**GRANT CONTRACT 2024-R12-THF  
BETWEEN THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
THE HOUSING FUND**

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 HOUSING FUND**, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." **THE HOUSING FUND** will be developing 5 affordable housing units located at 1707 22nd Avenue N., 2018 Herman Street, 2409 Batavia Street, 74 Maury Street, and 46 Green Street utilizing American Rescue Plan Act (ARPA) funds. The recipient's budget request 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 30-year term. 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 submitted in the work scope, which is incorporated herein as Exhibit A and attached hereto, 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 American Rescue Plan Act (ARPA) funds solely for the purposes set forth in the work scope outlined in Exhibit A. These funds shall be expended consistent with the Grant Budget, included in Exhibit 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 Metro. However, in no event will the total amount of the Grant funds provided to Recipient go above the awarded Grant amount of **\$760,554**.
- 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. The Grantee will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements.

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.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **Seven hundred sixty thousand, five hundred fifty-four Dollars (\$760,554)**. The Grant Budget, attached and incorporated herein as part of Attachment A, 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.

This amount shall constitute the Grant Amount and the entire compensation to be provided to the Recipient by Metro.

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**

Before a draw can be made, there must be a physical inspection of the property by Metro or an approved designee. The inspection must confirm appropriate completion of the project.

1) **Construction Grant Draw Schedule (% based on grant amount)**

- 12.5% - upon receipt of the Building Permit (check property address and contractors name) and Builder's Risk Insurance sufficient to cover cost of construction and confirmation of acquisition (make sure Metro is listed as lien holder)
- 25% - footing framing and foundation completed (25% complete)
- 25% - roofing completed and the plumbing, electric and mechanical are roughed in and approved by local Codes (50% complete)
- 25% - cabinets, counters, drywall, trim and doors are installed (75% complete)

Balance of grant upon receipt of a Final Use & Occupancy from local Codes (100% complete).

All draw requests except for the first 12.5% draw must be inspected before funding.

The above is the preferred draw method. Metro may occasionally fund based on a true percentage of completion as noted in a Construction Inspection report or if the application requested funds for land acquisition, understanding that the initial 12.5% or acquisition draw may overfund the grant, requiring later draws to be reduced.

2) **Construction Grant Draw Process**

- Draw request is received from the Recipient. It should be requested by the contractor and approved by the Recipient.
- Complete property inspection
- Metro or approved designee approves the request.
- Payments should be made to the Recipient.

All invoices shall be sent to:

Barnes Housing Trust Fund  
Planning Department – Housing Division  
PO Box 196300  
Nashville, TN 37219  
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. 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.
- 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.9. 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. 10. 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. 11. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C. 12. 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 Grantee 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 Grantee. 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. 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. The Recipient must submit an Interim Program Report, to be received by the Metropolitan Housing Trust Commission / Barnes Housing Trust Fund, by no later than **June 1, 2025**, and a Final Program Report, to be received by the Metropolitan Housing Trust Fund Commission within 45 [forty-five] days of the end of the Grant Contract. Said reports shall detail 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) Grantee'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 Grantee 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:

For contract-related matters and inquiries regarding invoices:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund  
Planning Department – Housing Division  
PO Box 196300  
Nashville, TN 37219  
[bfpayments@nashville.gov](mailto:bfpayments@nashville.gov)

Recipient:

The Housing Fund  
Marshall E. Crawford, Jr., President & CEO  
1009 Gallatin Pike South  
Madison, TN 37115  
(615) 780-7000  
[mcrawford@thehousingfund.org](mailto:mcrawford@thehousingfund.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.

(THIS PAGE LEFT INTENTIONALLY BLANK)



# EXHIBIT A



## Barnes Housing Trust Fund Round 12 Work Scope

**Organization:** The Housing Fund

**Project:** Shared Equity Homeownership for Nashville Community Land Trust Parcels

**Grant:** ARPA Shared Equity Homeownership

**Development Type:** Homeownership

**Amount Awarded:** \$760,554

**Development Address:** 1707 22nd Avenue N., 2018 Herman Street, 2409 Batavia Street, 74 Maury Street, and 46 Green Street.

**Number of Barnes-funded Units:** 5

**Target Populations Served:** Families at or below 80% AMI

**AMI Targets:**

Below 30% AMI	31-60% AMI	61-80% AMI
		5

**Round 12 Project Timeline:**

- 60 to 90 days to work with legal counsel at Belle Meade Title to clear titles on the five parcels
- Home-build construction timeline – 9 months
- Identify and qualify shared equity buyers for homeownership opportunity at each of the five newly-constructed homes – 3 months

THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON  
COUNTY:

APPROVED AS TO PROGRAM SCOPE:

  
Peter Westerholm, Chair  
Metropolitan Housing Trust Fund  
Commission

APPROVED AS TO AVAILABILITY OF  
FUNDS:

DocuSigned by:  
  
Kevin Crumbo, Director  
Department of Finance

APPROVED AS TO FORM AND  
LEGALITY:

  
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND  
INSURANCE:

  
Director of Risk Management Services

APPROVED BY METROPOLITAN  
GOVERNMENT OF NASHVILLE AND  
DAVIDSON COUNTY:

Metropolitan Clerk

**RECIPIENT:**

The Housing Fund

By:   
Title: President & CEO

Sworn to and subscribed to before me  
a Notary Public, this \_\_\_ day  
of \_\_\_\_\_, 2024.

Notary Public

My Commission  
expires \_\_\_\_\_

**Barnes Housing Trust Fund--ARPA Round 12 Application  
THF Budget**

<b><u>Use of Funding</u></b>	<b><u>Cost</u></b>
Construction Costs (254,838 x 5 units)	\$ 1,274,190
Contingency (10% of construction)	\$ 127,419
Title Clearance (\$3,500 x 5 units)	\$ 17,500
Developer Fee (8% of construction)	\$ 102,000
	<hr/>
	\$ 1,521,109

Estimate to build at 2504 Booker St.				
1450 Sq. Ft home				
<b>Trade</b>	<b>Amount</b>			
Building permits	\$1,000.00			
surveyor flag & pin lot	\$500.00			
Turn key footer/Turn down slab foundation	\$12,000.00			
Framing materials	\$20,706.00			
<b>Gravel for porches</b>	\$800.00			
<b>scrape vegetation</b>	\$450.00			
<b>Metro Signs. Security signs. 3 sets of plans 18x24</b>	\$250.00			
Framing Labor	\$9,042.00			
Kight Lumber window install and doors.	\$1,250.00			
Builder risk Insurance	\$850.00			
Engineer letters	\$200.00			
Termite letters	\$220.00			
<b>Roofing. 11 Squares. 30 year shingle</b>	\$3,600.00			
Plumbers interior. 14 fixtures per house	\$8,200.00			
windows & Ext. Doors. Alliance windows & masonite doors	\$6,500.00			
Dumpsters (5)	\$4,200.00			
tubs and valves	\$975.00			
HVAC. York 2.5 tone electric heat pump.	\$9,200.00			
Electrician	\$9,600.00			
Drywall materials. board and mud pack 130 boards	\$4,200.00			
Drywall labor. hang and finish 130 boards	\$3,250.00			
Insulation. Foam insulation	\$5,800.00			
Cabinets	\$7,500.00			
Siding Labor & materials	\$15,400.00			
Exterior ceilings drywall	\$350.00			
<b>Front porch. concrete</b>	\$900.00			
<b>Tile labor and materials Floors</b>	\$1,900.00			
Tile labor & materials master shower	\$1,800.00			
Tile materials. tile, hardie, thin set	\$900.00			
<b>LVP Floors</b>	\$4,400.00			
Carpenter trim out	\$3,500.00			
Trim materials. doors, trim etc.	\$7,200.00			
Carpet	\$1,700.00			
Exterior paint	\$6,000.00			

Interior paint	\$6,400.00			
Countertops and sinks	\$3,400.00			
<b>Carpet steps</b>	\$350.00			
<b>Porta John</b>	\$800.00			
Appliances	\$3,400.00			
Mirrors, TP holders, towel bars, door stops	\$800.00			
Door hardware	\$525.00			
gutters	\$1,400.00			
Plumbing fixtures	\$2,300.00			
Electrical fixtures	\$1,800.00			
shower glass master	\$975.00			
<b>back porch labor</b>	\$975.00			
<b>Front porch and back porch materials</b>	\$3,400.00			
Rough clean	\$700.00			
final clean.	\$300.00			
Blower (Duct) test. 2 units	\$250.00			
water Heaters. gas. 50 g. No tankless	\$950.00			
Blinds. Labor and materials to install	\$650.00			
Utilities. water and electric	\$900.00			
Temp power	\$550.00			
General conditions. temp locks, floor covering, blue tape	\$830.00			
<b>TOTAL</b>	\$185,998.00			
<b>Exterior Plumbing and water. New Sewer ant water connections</b>	\$16,000.00			
<b>electrical service. Overhead service. no underground</b>	NA			
concrete drive on back and walkway	\$3,800.00			
<b>Tree Removl, Landscape and final grade</b>	\$3,500.00			
<b>landscapaing final grade</b>	\$4,200.00			
Erosion Control/ Temp. drive	\$600.00			
Overhead and profit for Impact Construction	\$25,000.00			
Metro water infill fee	\$440.00			
Metro Tap fees & capacity fees	\$4,800.00			
sidewalks	\$4,500.00			
Modified French Drain	NA			
paving repairs	\$2,000.00			
Privacy fence. Pressure treated. approx. 100 LF with 2 gates	\$6,500.00			

<b>TOTAL</b>	\$71,340.00			
BUILD COST	\$185,998.00			
EXTERIOR COST	\$71,340.00			
TOTAL	\$257,338.00			
Impact Construction gifting back	-\$2,500.00			
TOTAL	\$254,838.00			

THE HOUSING FUND, INC. AND SUBSIDIARIES

NASHVILLE, TENNESSEE

CONSOLIDATED FINANCIAL STATEMENTS,

ADDITIONAL INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2022 AND 2021



THE HOUSING FUND, INC. AND SUBSIDIARIES

NASHVILLE, TENNESSEE

CONSOLIDATED FINANCIAL STATEMENTS, ADDITIONAL INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2022 AND 2021

CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITOR'S REPORT</u> .....	1 - 3
 <u>FINANCIAL STATEMENTS</u>	
Consolidated Statements of Financial Position.....	4
Consolidated Statements of Activities .....	5
Consolidated Statements of Functional Expenses .....	6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements.....	8 - 29
 <u>ADDITIONAL INFORMATION</u>	
Consolidating Statement of Financial Position - 2022 .....	30
Consolidating Statement of Financial Position - 2021 .....	31
Consolidating Statement of Activities - 2022 .....	32
Consolidating Statement of Activities - 2021 .....	33



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Housing Fund, Inc. and Subsidiaries  
Nashville, Tennessee

### OPINION

We have audited the accompanying consolidated financial statements of The Housing Fund, Inc. and Subsidiaries (collectively, the "Agency") which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, 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 consolidated financial position of the Agency as of September 30, 2022 and 2021, and the changes in its net assets and its 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of the Agency 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.

### RESPONSIBILITY OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the Agency'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 RESPONSIBILITY 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 GAAS and *Government 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 judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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 the Agency'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 consolidated financial statements.
- Conclude whether, in our judgement, there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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 audits.

## OTHER INFORMATION

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities on pages 30-33 are presented for purposes of additional analysis and 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 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 information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

*Kraft CPAs PLLC*

Nashville, Tennessee  
June 30, 2023

THE HOUSING FUND, INC. AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF FINANCIAL POSITIONSEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 15,007,514	\$ 8,654,329
Cash and cash equivalents, designated for federal programs	2,631,164	2,310,913
Accounts receivable	84,291	60,793
Government grants receivable	112,597	22,158
Accrued interest on loans receivable	108,379	169,079
Loans receivable:		
Down payment assistance loans, net	8,001,487	7,669,523
Flood assistance loans, net	807,138	925,011
Development loans, net	6,543,346	10,529,302
Shared equity loans, net	2,313,666	1,619,839
Prepaid expenses and other assets	397,285	148,740
Tax, insurance and mortgage escrow reserves	353,274	378,397
Property, furniture and equipment, net	4,527,679	3,472,254
Land and improvements for the Community Land Trust Program	<u>492,614</u>	<u>636,551</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 41,380,434</u></b>	<b><u>\$ 36,596,889</u></b>
<u>LIABILITIES AND NET ASSETS</u>		
<b>LIABILITIES</b>		
Accounts payable	\$ 490,789	\$ 360,596
Accrued expenses	322,111	296,395
Grants payable	1,237,291	654,766
Mortgage loans payable - Laurel House Apartments, net	1,654,370	2,242,694
Deferred revenue	2,057,396	1,945,723
Notes payable - investment partners	<u>21,235,313</u>	<u>17,368,548</u>
<b>TOTAL LIABILITIES</b>	<b><u>26,997,270</u></b>	<b><u>22,868,722</u></b>
<b>NET ASSETS</b>		
Without donor restrictions	13,160,350	12,535,862
With donor restrictions	<u>1,222,814</u>	<u>1,192,305</u>
<b>TOTAL NET ASSETS</b>	<b><u>14,383,164</u></b>	<b><u>13,728,167</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 41,380,434</u></b>	<b><u>\$ 36,596,889</u></b>

See accompanying notes to consolidated financial statements.

THE HOUSING FUND, INC. AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF ACTIVITIESFOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND GAINS:		
Public support:		
Federal, state and local government grants	\$ 2,004,029	\$ 380,304
Grants from private institutions	705,664	575,716
Revenues:		
Service and administrative fees	309,293	336,348
Rental income - Laurel House Apartments	474,717	436,302
Interest income:		
Loans	896,511	698,943
Other	25,091	4,500
Other	<u>109,945</u>	<u>96,474</u>
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	<u>4,525,250</u>	<u>2,528,587</u>
Net assets released from restrictions:		
Expiration of time and purpose restrictions	<u>1,469,491</u>	<u>1,231,101</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>1,469,491</u>	<u>1,231,101</u>
TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>5,994,741</u>	<u>3,759,688</u>
EXPENSES		
Program services:		
Lending	2,060,144	1,114,553
Community impact	2,004,360	1,360,741
Laurel House Apartments	559,974	608,097
Supporting services:		
Management and general	<u>745,775</u>	<u>527,411</u>
TOTAL EXPENSES	<u>5,370,253</u>	<u>3,610,802</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	624,488	148,886
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Donor restricted contributions	1,500,000	2,250,000
Net assets released from restrictions	<u>(1,469,491)</u>	<u>(1,231,101)</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	30,509	1,018,899
INCREASE IN NET ASSETS	654,997	1,167,785
NET ASSETS - BEGINNING OF YEAR	<u>13,728,167</u>	<u>12,560,382</u>
NET ASSETS - END OF YEAR	<u>\$ 14,383,164</u>	<u>\$ 13,728,167</u>

See accompanying notes to consolidated financial statements.

THE HOUSING FUND, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022					2021				
	Program Services			Supporting Services		Program Services			Supporting Services	
	Community		Laurel House	Management and		Community		Laurel House	Management and	
	Lending	Impact	Apartments	General	Total	Lending	Impact	Apartments	General	Total
Payroll and related costs	\$ 796,590	\$ 279,149	\$ 40,019	\$ 512,190	\$ 1,627,948	\$ 526,023	\$ 242,822	\$ 46,517	\$ 404,076	\$ 1,219,438
Provision (recovery) for uncollectible loans	(120,231)	-	-	-	(120,231)	150,367	-	-	-	150,367
Advertising	5,566	19,713	120	29,935	55,334	5,536	12,532	82	62,986	81,136
Community impact grants	927,508	1,598,714	-	-	2,526,222	-	997,494	-	-	997,494
Depreciation and amortization	28,761	10,763	151,651	9,882	201,057	22,913	13,927	146,438	12,580	195,858
Interest	259,734	-	18,316	5,055	283,105	270,628	-	14,551	-	285,179
Occupancy	45,326	19,421	-	4,025	68,772	39,612	15,099	-	6,400	61,111
Professional fees	6,208	2,936	40,151	108,673	157,968	12,951	12,033	39,809	27,242	92,035
Servicing fees	33,449	-	-	605	34,054	16,242	905	-	-	17,147
Repairs and maintenance	-	-	105,155	-	105,155	-	-	145,590	-	145,590
Property taxes	-	-	157,224	-	157,224	-	-	174,402	-	174,402
Office expense and miscellaneous	77,233	73,664	47,338	75,410	273,645	70,281	65,929	40,708	14,127	191,045
	<u>\$ 2,060,144</u>	<u>\$ 2,004,360</u>	<u>\$ 559,974</u>	<u>\$ 745,775</u>	<u>\$ 5,370,253</u>	<u>\$ 1,114,553</u>	<u>\$ 1,360,741</u>	<u>\$ 608,097</u>	<u>\$ 527,411</u>	<u>\$ 3,610,802</u>

See accompanying notes to consolidated financial statements.



THE HOUSING FUND, INC. AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF CASH FLOWSFOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 654,997	\$ 1,167,785
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	181,084	181,191
Amortization of loan costs	19,973	14,667
Loss on sale of Community Land Trust properties	105,376	-
Accrued interest added to notes payable - investment partners	42,087	22,638
Provision for uncollectible loans	(120,231)	150,367
Non-cash contribution: forgiveness of accrued interest and note payable - investment partners	(489,914)	(417,025)
(Increase) decrease in:		
Accounts receivable	(23,498)	63,109
Accrued interest on loans receivable	60,700	(14,922)
Prepaid expenses and other assets	(248,545)	(19,112)
Tax, insurance and mortgage escrow reserves	25,123	(88,715)
(Decrease) increase in:		
Accounts payable	130,193	37,088
Accrued expenses	25,716	(38,129)
Grants payable	582,525	654,766
Deferred revenue	111,673	1,805,266
Net adjustments	311,823	2,351,189
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>966,820</u>	<u>3,518,974</u>
INVESTING ACTIVITIES		
Acquisition of property, furniture and equipment	(1,236,509)	(195,989)
Acquisition and construction paid for Community Land Trust properties	(381,439)	-
Proceeds from sales of Community Land Trust properties	420,000	-
Down payment assistance loans made	(1,532,367)	(1,735,414)
Principal repayments on down payment assistance loans	1,200,664	1,253,531
Principal repayments on flood assistance loans	172,095	209,302
Development loans made	(4,819,726)	(6,241,342)
Principal repayments on development loans	8,907,682	3,961,962
Shared equity loans made	(775,787)	(115,057)
Principal repayments on shared equity loans	45,708	46,207
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>2,000,321</u>	<u>(2,816,800)</u>
FINANCING ACTIVITIES		
Principal payments on mortgage loans payable - Laurel House Apartments	(608,297)	(65,214)
Proceeds from notes payable - investment partners	8,126,000	1,195,267
Principal payments on notes payable - investment partners	(3,811,408)	(3,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,706,295</u>	<u>1,127,053</u>
INCREASE IN CASH AND CASH EQUIVALENTS	6,673,436	1,829,227
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>10,965,242</u>	<u>9,136,015</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 17,638,678</u>	<u>\$ 10,965,242</u>
ADDITIONAL CASH FLOW INFORMATION:		
Interest paid	<u>\$ 275,000</u>	<u>\$ 307,212</u>

See accompanying notes to consolidated financial statements.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTSSEPTEMBER 30, 2022 AND 2021

## NOTE 1 - GENERAL

The Housing Fund, Inc. (“THF”) was organized in 1996 as a Tennessee not-for-profit corporation. Its stated mission is to “provide resources and creative leadership to help individuals and communities create and maintain affordable and healthy places in which low to moderate income people live.” THF is designated as a Community Development Financial Institution (“CDFI”) by the U.S. Department of Treasury.

Laurel House Apartments GP, Inc. (“Laurel House GP”) was organized in 2002 as a for-profit corporation and is a wholly owned subsidiary of THF. Laurel House GP owns 1/10 of 1% as general partner of Laurel House 2001, L.P., a limited partnership that was also organized in 2002. Laurel House 2001, L.P. acquired certain real estate for the construction and operation of Laurel House Apartments (the “Laurel House project”), a 48-apartment unit development, with parking availability, 10,000 square feet of retail space, and offices for THF. The Laurel House project was funded in part through a Tax Increment Financing loan (“TIF”), provided by THF, in the amount of \$700,000. Additional funding for the Laurel House project came from proceeds of the sale of federal low-income housing tax credits. Effective December 31, 2018, the limited partners of Laurel House 2001, L.P. transferred their 99.99% ownership interest directly to The Housing Fund, Inc. as a condition of the original partnership agreement. Effective December 31, 2018, The Housing Fund is 100% owner of Laurel House 2001, L.P. through its 1/10 of 1% ownership held by Laurel House GP and 99.99% ownership held directly.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements for the years ended September 30, 2022 and 2021, include the accounts of The Housing Fund, Inc. and its subsidiaries: Laurel House Apartments GP, Inc. and Laurel House 2001, L.P. (collectively the “Agency”). All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of presentation

The accompanying consolidated financial statements present the financial position and change in net assets of the Agency on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation (continued)

Resources are classified as net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions 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 organization. These net assets may be used at the discretion of the Agency's management and the Board of Directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Agency did not have any net assets with donor restrictions that are perpetual in nature as of September 30, 2022 or 2021.

Donor/grantor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities.

Contributions and support

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

The Agency also receives grant revenue from federal, state and local agencies. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant. Grant funds received prior to expenditure are recorded initially as deferred revenue. Deferred revenue for grant funds received but not expended amounted to \$2,057,396 at September 30, 2022 (\$1,945,723 at September 30, 2021).

The Agency reports any gifts of equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental income

Rental income from residential apartments is recognized as rent becomes due. Rental payments received in advanced are deferred until earned.

Rental income from retail leases is recognized on the straight-line basis over the life of the leases. The excess of rental income recognized over the amount received is included in accounts receivable.

Federal loan awards

Federal awards received by the Agency that include an obligation to repay loaned amounts back to the awarding agency are included in notes payable until such amounts are repaid by the Agency. Federal loan awards are considered expended when the loan disbursements are made to eligible recipients.

Cash and cash equivalents and designated cash

Cash and cash equivalents include demand deposits and money market funds with banks. Cash equivalents also include bank certificates of deposit that can be liquidated without significant penalty or restriction (including accrued interest).

Cash and cash equivalents designated for federal programs consists of discretely managed accounts maintained to comply with contractual requirements imposed by grantors and may be used only for the purpose of funding loans.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statement of Financial Position that sum to the total in the Consolidated Statement of Cash Flows as of September 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 15,007,514	\$ 8,654,329
Cash and cash equivalents, designated for federal programs	<u>2,631,164</u>	<u>2,310,913</u>
Cash, cash equivalents and restricted cash	<u>\$ 17,638,678</u>	<u>\$ 10,965,242</u>

Accounts receivable and government grants receivable

Accounts receivable and government grants receivable are deemed to be fully collectible by management. No allowance for bad debts is considered necessary.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for uncollectible loans

The allowance for uncollectible loans is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using historical loan loss experience, the nature and volume of the portfolio, information about specific borrower situations, estimated collateral values, and current economic conditions. The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired. The general component is based on historical loss experience adjusted for current factors. The entire allowance is available for any loan that, in management's judgment, should be charged off.

A loan receivable is considered impaired when, based on current information, it is probable that all amounts of principal and interest due will not be collected according to the terms of the loan agreement. The allowance for uncollectible loans is established by charges to program services expense and is maintained at an amount which management believes adequate to absorb losses on existing loans. Uncollectible loans are charged to the allowance account in the period such determination is made. Recoveries of the allowance for uncollectible loans due to repayment of loans is recorded as income in the period of recovery.

Property, furniture and equipment

Property, furniture and equipment are reported at cost at the date of purchase, or at estimated fair value at the date of gift to the Agency. The Agency's policy is to capitalize purchases with a cost of \$200 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows: 20 years or the life of the lease, if shorter, for leasehold improvements, 10-40 years for building and building improvements, 3 years for computer equipment and 5-7 years for furniture and fixtures.

Debt issuance costs

Debt issuance costs are presented on the Consolidated Statements of Financial Position as a direct reduction from the carrying amount of the related mortgage loans payable - Laurel House Apartments. Amounts are amortized on a straight-line basis over the term of the related mortgage and included in amortization expense on the Consolidated Statements of Functional Expenses. Amortization of loan costs will be \$12,612 per year for the years ending 2023 through 2024 and \$7,356 for the year ending 2025.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

THF qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

THF files a U.S. Federal Form 990 for organizations exempt from income tax and U.S. Federal Form 990-T for organizations exempt from income tax with unrelated business. Laurel House GP is a for-profit corporation and files a Federal Form 1120 and a Tennessee Franchise and Excise tax return. Laurel House 2001, L.P. is a partnership and files a Federal Form 1065. Laurel House 2001, L.P. files a certificate of exemption from Tennessee Franchise and Excise tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing THF's, Laurel House GP's and Laurel House 2001, L.P.'s income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying consolidated financial statements.

Program and supporting services

The following programs and supporting services are included in the accompanying consolidated financial statements:

Lending - includes a down payment assistance-lending program, a community development loan program and a shared equity homeownership program designed to assist low to moderate income individuals in acquiring or maintaining their primary residence and to assist not-for-profit and for-profit developers in increasing the supply of decent and affordable housing for low and moderate income individuals throughout Tennessee. The community rehabilitation efforts were designed to help preserve home ownership by assisting with repairs for homes that had become unsafe to inhabit. The community recovery initiative was designed as a response to the Nashville, TN, tornado damage and COVID-19 relief efforts.

Community impact - includes the Community Land Trust and Housing Resiliency Fund. Through the Community Land Trust program, the Agency is developing residential properties that will be sold to qualifying homeowners. The qualifying homeowner enters a land lease agreement with the Agency to reduce the initial housing prices. In 2021, THF launched the Housing Resiliency Fund. This program provides payments of property taxes on behalf of qualified residents living in certain zip codes. These payments are made directly to mortgage companies or to the local Trustee's office in Nashville (if property taxes are not escrowed) to help offset increased property taxes.

THE HOUSING FUND, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and supporting services (continued)

Laurel House Apartments - is a 48-unit apartment rental development, with low-income requirements for residents, located in Nashville, Tennessee, with parking availability and approximately 12,000 square feet of retail space.

Management and general - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program or fund-raising activity, including costs associated with providing coordination and articulation of the Agency's program strategy, business management, general recordkeeping, budgeting and related purposes.

Allocation of functional expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated amount more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

The expenses that are allocated include payroll and related costs, advertising, depreciation and amortization, occupancy, professional fees, office expense and miscellaneous and are allocated on the basis of estimated time and effort expended on those activities or programs.

Use of estimates in the preparation of consolidated financial statements

The preparation of consolidated financial statements in conformity with 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 and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on the results of activities or net assets as previously reported.



THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent authoritative accounting guidance

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases*, which makes narrow scope improvements to the standard for specific issues. In July 2018, the FASB also issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method allowing the standard to be applied at the adoption date. In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842) Codification Improvements*, which exempts entities from having to provide the interim disclosures required by Accounting Standards Codification (“ASC”) 250-10-50-3 in the fiscal year in which an organization adopts the new leases standard.

A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The Agency expects to adopt the guidance retrospectively at the beginning of the period of adoption, October 1, 2022, through a cumulative-effect adjustment, and will not apply the new standard to comparative periods presented.

The new standard provides a number of practical expedients. Upon adoption, the Agency expects to elect all the practical expedients available.

The Agency is currently evaluating the impact of the pending adoption of the new standard on its consolidated financial statements.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent authoritative accounting guidance (continued)

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial instruments. The existing incurred loss model will be replaced with a current expected credit loss (CECL) model for both originated and acquired financial instruments carried at amortized cost and off-balance sheet credit exposures, including loans, loan commitments, held-to-maturity debt securities, financial guarantees, net investment in leases and most receivables. Recognized amortization cost financial assets will be presented at the net amount expected to be collected through an allowance for credit losses. Expected credit losses on off-balance-sheet credit exposures will be recognized through a liability. Unlike current guidance, which requires certain favorable changes in expected cash flows to be accreted into interest income, both favorable and unfavorable changes in expected credit losses (and, therefore, the allowance) will be recognized through credit loss expense as they occur. With the exception of purchased financial assets with a more than insignificant amount of credit deterioration since origination, for which the initial allowance will be added to the purchase price of the assets, the initial allowance on financial assets subject to the scope (whether originated or acquired) will be recognized through credit loss expense. Expanded disclosures will also be required. The ASU is effective for fiscal years beginning after December 15, 2022. The Agency is currently evaluating the impact of adoption of the new standard on its consolidated financial statements.

In April 2019, the FASB issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. This ASU was issued to clarify and improve areas of guidance related to recently issued financial instrument standards on credit losses, hedging, recognition and measurement. The amendments related to ASC 326 are effective for annual reporting periods beginning after December 31, 2022, and the amendments related to ASC 815 are effective for annual reporting periods beginning after December 15, 2022, for the Agency. The Agency is currently evaluating the effect this guidance will have on its consolidated financial statements.

In May 2019, the FASB issued ASU 2019-05, *Credit Losses (Topic 326): Targeted Transition Relief*. This ASU provides entities that have certain instruments within the scope of Subtopic 326-20, *Financial Instruments - Credit Losses - Measured at Amortized Cost*, with an option to irrevocably elect the fair value option in Subtopic 825-10, *Financial Instruments - Overall*, applied on an instrument-by-instrument basis for eligible instruments, upon adoption of Topic 326. For entities that have not yet adopted ASU 2016-13, the ASU is effective when they implement the credit losses standard. The Agency is currently evaluating the effect that this guidance will have on its consolidated financial statements.

In November 2019, the FASB issued ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*. This ASU provides narrow-scope improvements to Topic 326. For entities that have not yet adopted ASU 2016-13 as of November 26, 2019, the effective date for ASU 2016-11 are the same as the effective dates and transition requirements in ASU 2016-13. As such, the ASU is effective for annual reporting periods after December 15, 2022 for the Agency.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Events occurring after reporting date

The Agency has evaluated events and transactions that occurred between September 30, 2022 and June 30, 2023, the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

## NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position, comprise the following as of September 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 15,007,514	\$ 8,654,329
Accounts receivable	84,291	60,793
Government grants receivable	112,597	22,158
Accrued interest on loans receivable	108,379	169,079
Current maturities on loans receivable	<u>2,389,560</u>	<u>6,674,118</u>
Total financial assets	17,702,341	15,580,477
Less amounts not available to be used within one year:		
Board designated for future lending	11,392,000	13,488,000
Security deposits held	14,600	14,800
Net assets with donor restrictions	<u>1,222,814</u>	<u>1,192,305</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,072,927</u>	<u>\$ 885,372</u>

The Housing Fund, Inc. plans to utilize unrestricted funds to support the preservation and creation of affordable housing and provide down payment assistance to low- and moderate-income communities. Lending projections for fiscal year 2023 include approximately \$7,400,000 (\$9,973,000 was projected for 2022) in development loans and \$2,427,500 (\$2,240,000 was projected for 2022) in consumer loans such as down payment assistance loans to qualifying individually and \$1,564,500 (\$1,275,000 projected in 2022) in shared equity lending.

In addition to the financial assets above, The Housing Fund, Inc. has one line of credit arrangement available with financial institutions to meet lending goals in 2023. This includes a line of credit for \$1,500,000 with interest at prime rate minus 4%.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 4 - LOANS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE LOANS

Down payment assistance loans

Down payment assistance loans, secured by a second deed of trust on the applicable properties, are made to homebuyers from unrestricted funds. These loans range from \$1,000 to \$35,000 and consist of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Interest-bearing loans with interest at rates from 2% to 8%, for terms of 5 to 30 years	\$ 4,863,600	\$4,584,353
Non-interest bearing loans that are payable upon the sale of the property	<u>3,621,194</u>	<u>3,549,621</u>
	8,484,794	8,133,974
Less: allowance for uncollectible loans	<u>(483,307)</u>	<u>(464,451)</u>
Total	<u>\$ 8,001,487</u>	<u>\$ 7,669,523</u>

Flood assistance loans

Flood assistance loans, secured by the repaired property through a second or third deed of trust, are made to homeowners through federal grants. These loans range from approximately \$1,000 to \$20,000 and consist of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Interest-bearing loans with interest rate at 4%, requiring monthly payments for terms of 5 to 25 years	\$ 42,255	\$ 50,031
Non-interest bearing loans that are payable upon the sale of the property	<u>1,014,629</u>	<u>1,198,949</u>
	1,056,884	1,248,980
Less: allowance for uncollectible loans	<u>(249,746)</u>	<u>(323,969)</u>
Total	<u>\$ 807,138</u>	<u>\$ 925,011</u>

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 4 - LOANS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE LOANS (CONTINUED)

Development loans

Development loans consist of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Loans to developers for the development of affordable housing and other community development projects, ranging from approximately \$1,000 to \$1,300,000 as of September 30, 2022, for terms of 0 to 180 months, with interest at rates from 3.50% to 9.25%; used to finance construction of single-family homes for sale and rental units in low to moderate income neighborhoods and other community development projects. Principal and interest are payable at the earlier of maturity or the date the project is sold.	\$ 6,788,059	\$ 10,878,133
Less: allowance for uncollectible loans	<u>(244,713)</u>	<u>(348,831)</u>
Total	<u>\$ 6,543,346</u>	<u>\$ 10,529,302</u>

Shared equity loans

Shared equity loans are offered through a homeownership program to provide qualified homebuyers with funds up to 25% of the home's purchase price. Shared equity loan principal plus a portion of the home's appreciation are repayable upon the sale of home by borrower; however, these loans are assumable by future buyers eligible under the shared equity program. Funds disbursed to borrowers are recorded at cost. Borrowers agree to certain restrictions on their use and resale of the property. Shared equity loans consist of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Non-interest bearing loans that are payable upon the sale of the property	\$ 2,432,873	\$ 1,702,794
Less: allowance for uncollectible loans	<u>(119,207)</u>	<u>(82,955)</u>
Total	<u>\$ 2,313,666</u>	<u>\$ 1,619,839</u>

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 4 - LOANS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE LOANS (CONTINUED)

Allowance for uncollectible loans

Activity in the allowance for uncollectible loans was as follows as of and for the year ended September 30, 2022:

	Down payment assistance	Flood assistance	Development	Shared equity
<b>Allowance for uncollectible loans:</b>				
Beginning balance	\$ 464,451	\$ 323,969	\$ 348,831	\$ 82,955
Charge-offs	(4,609)	(24,000)	-	-
Recoveries	23,726	-	(2,118)	-
Provisions for uncollectible loans	(261)	(54,223)	(102,000)	36,252
Ending balance	<u>\$ 483,307</u>	<u>\$ 245,746</u>	<u>\$ 244,713</u>	<u>\$ 119,207</u>
Ending balance: collectively evaluated for impairment	<u>\$ 483,307</u>	<u>\$ 245,746</u>	<u>\$ 244,713</u>	<u>\$ 119,207</u>
Ending balance: individually evaluated for impairment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Down payment assistance	Flood assistance	Development	Shared equity
<b>Loans:</b>				
Ending balance	<u>\$ 8,484,794</u>	<u>\$ 1,056,884</u>	<u>\$ 6,788,059</u>	<u>\$ 2,432,873</u>
Ending balance: collectively evaluated for impairment	<u>\$ 8,484,794</u>	<u>\$ 1,056,884</u>	<u>\$ 6,788,059</u>	<u>\$ 2,432,873</u>
Ending balance: individually evaluated for impairment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 4 - LOANS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE LOANS (CONTINUED)

Allowance for uncollectible loans (continued)

Activity in the allowance for uncollectible loans was as follows as of and for the year ended September 30, 2021:

**Allowance for uncollectible loans:**

Beginning balance	\$ 356,754	\$ 364,563	\$ 236,575	\$ 77,512
Charge-offs	780	-	(263)	-
Recoveries	33,951	-	-	(33)
Provisions for uncollectible loans	<u>72,966</u>	<u>(40,594)</u>	<u>112,519</u>	<u>5,476</u>
Ending balance	<u>\$ 464,451</u>	<u>\$ 323,969</u>	<u>\$ 348,831</u>	<u>\$ 82,955</u>
Ending balance: collectively evaluated for impairment	<u>\$ 464,451</u>	<u>\$ 323,969</u>	<u>\$ 348,831</u>	<u>\$ 82,955</u>
Ending balance: individually evaluated for impairment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Loans:</b>				
Ending balance	<u>\$ 8,133,974</u>	<u>\$ 1,248,980</u>	<u>\$ 10,878,133</u>	<u>\$ 1,702,794</u>
Ending balance: collectively evaluated for impairment	<u>\$ 8,133,974</u>	<u>\$ 1,248,980</u>	<u>\$ 10,878,133</u>	<u>\$ 1,702,794</u>
Ending balance: individually evaluated for impairment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Agency's policies relevant to each loan portfolio's allowance for uncollectible loans are as follows:

*Down payment assistance loans* - The Agency reserves ranged from 5% - 6.50% of the total loan portfolio during the years ended September 30, 2022 and 2021. The allowance for uncollectible loans is calculated at the end of each quarter based on outstanding loan balances.

*Flood assistance loans* - For loans to owner occupied single family homes a reserve of 25% is used for the entire portfolio of loans for the provision for loan losses.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 4 - LOANS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE LOANS (CONTINUED)

Allowance for uncollectible loans (continued)

*Development loans* - The Agency utilizes a risk rating system to monitor the credit quality of the Agency's development loan portfolio. Loans are assigned level 1-5 or X based on the following risk rating descriptions:

<b>Rating</b>	<b>Percent Reserved</b>	<b>Description</b>
1	1%	<u>At least 4 of the following:</u> <ul style="list-style-type: none"> <li>• Experienced developer, proven track record in property type</li> <li>• Strong financial sponsorship given risks</li> <li>• Successful prior business with THF</li> <li>• Collateral is a THF first mortgage and located in middle TN</li> <li>• Loan made with no exceptions to policy</li> </ul>
2	2%	<u>All of the following:</u> <ul style="list-style-type: none"> <li>• Experienced developer, proven track record in property type</li> <li>• Adequate financial sponsorship given risk</li> <li>• Collateral may be something other than THF first mortgage</li> <li>• Loan made with no more than one exception to policy</li> </ul>
3	3%	<ul style="list-style-type: none"> <li>• Developer has limited experience in property type, and/or little experience with THF</li> <li>• Experienced developer with property type, THF loan in subordinate position</li> <li>• Adequate financial strength given level of experience</li> <li>• Collateral real estate, but may be outside Middle TN</li> <li>• Loan may have an exception to policy with compensating factors</li> </ul>
4	4%	<ul style="list-style-type: none"> <li>• New developer</li> <li>• Developer with limited experience with THF having a subordinate lien position</li> </ul>
5	5%	Watchlist: Existing loan relationships that have a level of heightened risk to THF, Borrower is responsive and proactive in addressing risk(s)
X	Individually determined	Borrower is either not responsive to THF concern or ineffective in managing heightened risk. THF sets reserve based on anticipated loss



THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 4 - LOANS RECEIVABLE AND ALLOWANCE FOR UNCOLLECTIBLE LOANS (CONTINUED)

Allowance for uncollectible loans (continued)

Development loans, summarized by risk rating, are as follows:

	<u>2022</u>	<u>2021</u>
Rating 1	\$ 671,474	\$ 715,053
Rating 2	-	-
Rating 3	6,045,838	10,143,332
Rating 4	-	-
Rating 5	70,747	19,748
Rating X	<u>-</u>	<u>-</u>
	<u>\$ 6,788,059</u>	<u>\$ 10,878,133</u>

*Shared equity loans* - The Agency reserves approximately 5% of the total loan portfolio. The allowance for uncollectible loans is calculated at the end of each quarter based on outstanding loan balances.

## NOTE 5 - PROPERTY, FURNITURE AND EQUIPMENT

Property, furniture and equipment consist of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 825,000	\$ 400,000
Building and building improvements	6,483,959	5,686,714
Computer equipment	151,220	136,956
Furniture and fixtures	<u>41,671</u>	<u>41,671</u>
	7,501,850	6,265,341
Less: accumulated depreciation	<u>(2,974,171)</u>	<u>(2,793,087)</u>
Total	<u>\$ 4,527,679</u>	<u>\$ 3,472,254</u>

In 2023, the Agency is completing renovations on the Laurel House project and office space to be utilized by the Agency. Total renovation budget for both projects is approximately \$1,600,000.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 6 - COMMUNITY LAND TRUST PROGRAM

Through the Community Land Trust program, the Agency is developing residential properties that will be sold to qualifying families. The qualifying homeowner enters a land lease agreement with the Agency to reduce the initial housing prices. Land and development of the properties are recorded at cost. When the property is sold to a qualifying homeowner, the Agency sells the structure only and retains a ground lease on the property to ensure continued affordability of the property.

The Community Land Trust consists of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 485,900	\$ 485,900
Improvement costs	<u>6,714</u>	<u>150,651</u>
Total	<u>\$ 492,614</u>	<u>\$ 636,551</u>

## NOTE 7 - MORTGAGE LOANS PAYABLE - LAUREL HOUSE APARTMENTS

Mortgage loans payable - Laurel House Apartments consists of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Mortgage payable to a financial institution, payable in monthly principal payments of \$3,761, plus interest at a variable rate (2.25% at September 30, 2022) through March 2025 with a final balloon payment of \$1,574,120 due April 2025; secured by substantially all the Laurel House 2001, L.P. assets which had a net book value of approximately \$3,200,000 at September 30, 2022.	\$ 1,686,950	\$ 1,732,082
Mortgage payable to a financial institution payable in monthly principal payments of \$2,886 including interest at the rate of 2.5% per annum through March 2025 with a final balloon payment of \$488,070 due April 2025; secured by substantially all the Laurel House 2001, L.P. The Agency paid off the loan in March 2022.	<u>-</u>	<u>563,165</u>
	1,686,950	2,295,247
Less: unamortized debt issuance costs	<u>(32,580)</u>	<u>(52,553)</u>
Mortgage loans payable-Laurel House Apartments, net of unamortized debt issuance costs	<u>\$ 1,654,370</u>	<u>\$ 2,242,694</u>

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 7 - MORTGAGE LOANS PAYABLE - LAUREL HOUSE APARTMENTS (CONTINUED)

Annual principal maturities of the mortgage loans payable - Laurel House Apartments as of September 30, 2022 follows:

Year ending September 30:

2023	\$ 45,132
2024	45,132
2025	<u>1,596,686</u>
	<u>\$ 1,686,950</u>

The mortgage agreements require the maintenance of certain financial and non-financial covenants. The Agency was in compliance with all covenants as of September 30, 2022.

THE HOUSING FUND, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2022 AND 2021

NOTE 8 - NOTES PAYABLE - INVESTMENT PARTNERS

A summary of notes payable to financial institutions and other lenders as of September 30, 2022 and 2021 follows:

		2022				Amount Available To Be Drawn	2021		
		Original Issues	Principal Balance Drawn	Accrued Interest	Total Balance		Principal Balance Drawn	Accrued Interest	Total Balance
<u>Institutional Lenders</u>									
U.S. Bank	<sup>2</sup>	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
Citizens Bank		100,000	600,000	-	600,000	-	300,000	-	300,000
Regions Bank of Tennessee		3,700,000	3,200,000	-	3,200,000	500,000	3,700,000	-	3,700,000
SunTrust Bank		3,500,000	3,500,000	290,677	3,790,677	-	3,500,000	243,148	3,743,148
Pinnacle Bank		4,805,000	4,805,000	-	4,805,000	-	1,250,000	-	1,250,000
Synovus		350,000	350,000	-	350,000	-	350,000	-	350,000
F & M Bank	<sup>1</sup>	300,000	300,000	41,636	341,636	-	300,000	81,452	381,452
CapStar		1,250,000	1,250,000	-	1,250,000	-	1,250,000	-	1,250,000
First Horizon Bank		2,645,267	2,500,000	-	2,500,000	145,267	2,645,267	-	2,645,267
Truxton Trust		600,000	600,000	-	600,000	-	600,000	17,980	617,980
Renasant Bank		100,000	100,000	-	100,000	-	100,000	37,519	137,519
Cumberland Bank and Trust	<sup>1</sup>	100,000	100,000	-	100,000	-	100,000	-	100,000
First Financial Bank	<sup>1</sup>	100,000	100,000	-	100,000	-	100,000	38,182	138,182
First Farmers & Merchants Bank		500,000	500,000	-	500,000	-	500,000	-	500,000
ServisFirst Bank		100,000	100,000	-	100,000	-	100,000	-	100,000
Wilson Bank & Trust		100,000	100,000	-	100,000	-	100,000	-	100,000
PNC Bank		500,000	500,000	-	500,000	-	-	-	-
Self-Directed IRA Services and other		70,000	298,000	-	298,000	-	55,000	-	55,000
Total Notes Payable - Investment Partners			<u>\$ 20,903,000</u>	<u>\$ 332,313</u>	<u>\$ 21,235,313</u>	<u>\$ 645,267</u>	<u>\$ 16,950,267</u>	<u>\$ 418,281</u>	<u>\$ 17,368,548</u>

1 - Funding available for Clarksville/Montgomery County, Tennessee operations.

2 - Includes \$250,000 funding available for Clarksville/Montgomery County, Tennessee operations.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 8 - NOTES PAYABLE - INVESTMENT PARTNERS (CONTINUED)

Loans from various financial institutions generally mature in one to ten years (maturities range from November 2021 - June 2030 as of September 30, 2022), accrue interest at rates from 0% to 2.50% annually, and are unsecured and subordinated. Certain loans contain automatic extension provisions that can renew indefinitely. Some loans permit the accrued interest to be added to the principal balance annually; the other loans require the interest to be paid monthly, quarterly or annually. Accrued interest added to principal balances amounted to \$42,087 in 2022, and \$22,638 in 2021.

Annual principal maturities of notes payable - investment partners are as follows:

Year ending September 30:

2023	\$ 2,750,000
2024	1,988,246
2025	2,308,431
2026	3,116,636
2027	2,142,000
Thereafter	<u>8,930,000</u>
	<u>\$ 21,235,313</u>

## NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30:

	<u>2022</u>	<u>2021</u>
Housing Resiliency Program	<u>\$ 1,222,814</u>	<u>\$ 1,192,305</u>
	<u>\$ 1,222,814</u>	<u>\$ 1,192,305</u>

In November 2020, the Agency received a \$2,250,000 grant for the Housing Resiliency Program which was recognized as revenue during the September 30, 2021 fiscal year. As part of the program, the Agency provides financial support to low- and moderate-income homeowners in specific neighborhoods to mitigate increases in property taxes. During the year ended September 30, 2022, the Agency utilized \$1,192,305 for the program (\$1,057,695 in 2021).

In November 2021, the Agency received a \$1,350,000 grant for the Housing Resiliency Program which was recognized as revenue during the September 30, 2022 fiscal year. As part of the program, the Agency provides financial support to low- and moderate-income homeowners in specific neighborhoods to mitigate increases in property taxes. During the year ended September 30, 2022, the Agency utilized \$127,187 for the program with \$1,222,814 remaining in net assets with donor restrictions.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 10 - LEASES

Laurel House 2001, L.P.'s residential apartments are leased to tenants for one-year terms. On February 18, 2001, the Partnership entered into two 20-year, triple net leases for the 12,000 square feet of retail space. The Housing Fund, Inc. rents approximately 4,300 square feet of the retail space, rental income and expense between the entities is eliminated in the consolidated financial statements. The retail leases provide for scheduled rent increases every five years and include two, five-year renewal options. The lease terms began June 1, 2004. The excess of rental income recognized on a straight-line basis over the amount received is included in accounts receivable and amounted to \$22,674 at September 30, 2022 (\$34,741 at September 30, 2021).

Future minimum rental receipts to be received under the retail leases, excluding the amount from The Housing Fund, Inc., are as follows:

Year ending September 30:

2023	\$ 47,741
2024	<u>31,827</u>
	<u>\$ 79,568</u>

## NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Agency has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for any potential reimbursements to the grantor.

Laurel House 2001, L.P. is required to utilize the housing complex as low-income housing pursuant to Internal Revenue Code Section 42 until 2034.

## NOTE 12 - RELATED PARTY TRANSACTIONS

Four of the Agency's board members are senior officers with financial institutions or other lenders with which the Agency has outstanding loans totaling \$14,295,677 at September 30, 2022 (five board members totaling \$11,095,267 at September 30, 2021).

THE HOUSING FUND, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2022 AND 2021

NOTE 13 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Agency to concentrations of credit risk consist of cash and cash equivalents and loans receivable. Loans receivable are widely dispersed throughout Middle Tennessee to mitigate credit risk.

The Agency maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Agency's cash balance, from time to time, may exceed statutory limits. The Agency has not experienced any losses in such accounts and considers this to be a normal business risk.

The Agency also maintains cash and cash equivalents in an investment account at a brokerage company. This investment consists of a money market fund. Generally, the balance is not insured by the FDIC or any other governmental agency and is subject to investment risk, including the risk of loss of principal. Investors are provided limited protection by the Securities Investor Protection Corporation ("SIPC"), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000. The SIPC does not insure against market risk.

Outstanding development loans to three developers comprised 55% of the total of such loans at September 30, 2022 (four developers comprised 48% in 2021).

NOTE 14 - CONTRACTED SERVICES AND EMPLOYEE BENEFIT PLANS

Contracted services

The Housing Fund Inc.'s staff is employed under a Professional Employer Organization ("PEO") agreement with LBMC Employment Partners and reports solely to the Agency's Board of Directors. The Agency reimburses LBMC Employment Partners for the salaries and related fringe benefits, which include Social Security and Medicare taxes, insurance and employee benefit plan costs.

Laurel House 2001, L.P. contracts with a management company to manage the property. Laurel House 2001, L.P. reimburses the management company for certain employee salaries. In addition, management fees of 5% of gross revenue collected are paid to the management company.

Employee benefit plans

All staff members of The Housing Fund, Inc. are eligible to participate in the LBMC Employment Partners, LLC 401(k) Profit Sharing Plan with a match of 100% of the first 3% of contributions and 50% of the next 2% of contributions. Total contributions amounted to \$25,965 and \$23,703 for the years ended September 30, 2022 and 2021, respectively.

THE HOUSING FUND, INC. AND SUBSIDIARIESNOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)SEPTEMBER 30, 2022 AND 2021

## NOTE 15 - FLOOD CONTRACT TERMINATION

On May 20, 2010 THF entered into an agreement with MDHA to administer the “We Are Home” program. Under the agreement, THF was allowed up to \$2,300,000 in grant funds from MDHA to provide flood repair assistances to homeowners impacted by the May 2010 floods in Nashville. Termination provisions under the agreement allow for MDHA to terminate the agreement any time, at the convenience of MDHA, by a notice in writing from MDHA to THF specifying the effective day thereof, at least thirty days before the effective date of such termination. Program income provisions under the agreement allowed for THF to use loan proceeds and repayments for future eligible activities. Therefore, a liability was not recorded at the time of the original agreement. On January 13, 2015, MDHA notified THF that they elected to terminate the contract without cause effective April 30, 2015. At the time of contract termination, there was \$1,048,716 in flood assistance loans held by THF that would be returned to MDHA. A flood contract payable was recorded on the Consolidated Statement of Financial Position for the amount to be returned to MDHA. Payable to MDHA at September 30, 2022 and 2021 was \$217,520 and is included in accrued expenses on the Consolidated Statements of Financial Position.

## NOTE 16 - PAYCHECK PROTECTION PROGRAM LOAN

On April 19, 2020, THF was the recipient of a \$142,025 loan under the Paycheck Protection Program (“PPP”). The PPP, established as a part of the Coronavirus Aid, Relief and Economic Security (“CARES”) Act, provides for loans to small businesses to pay up to 24 weeks of payroll costs and benefits, interest on mortgages, rent and utilities. The funds are available in the form of a loan which is fully forgivable if at least 60% of the funds are used for payroll costs and other conditions are met. Any unforgiven funds will convert to a note with a 1.0% interest rate and payable over 24 months. The loan was forgiven on April 28, 2021 and recorded as federal grant income on the Consolidated Statements of Activities.

On February 16, 2021, THF received a second draw PPP loan in the amount of \$145,267. The loan is forgivable under similar provisions as the first PPP loan. The loan was forgiven on November 3, 2021 and recorded it as federal grant income on the Consolidated Statements of Activities.



ADDITIONAL INFORMATION

THE HOUSING FUND, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2022

	<u>The Housing Fund, Inc.</u>	<u>Laurel House Apartments GP, Inc.</u>	<u>Laurel House 2001, L.P.</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
<b>ASSETS</b>					
Cash and cash equivalents, undesignated	\$ 14,593,991	\$ -	\$ 413,523	\$ -	\$ 15,007,514
Cash and cash equivalents, designated for federal programs	2,631,164	-	-	-	2,631,164
Accounts receivable	118,838	-	26,314	(60,861)	84,291
Government grants receivable	112,597	-	-	-	112,597
Accrued interest on loans receivable	108,379	-	-	-	108,379
Loans receivable:					
Down payment assistance loans receivable, net	8,001,487	-	-	-	8,001,487
Flood assistance loans receivable, net	807,138	-	-	-	807,138
Development loans receivable, net	7,085,762	-	-	(542,416)	6,543,346
Shared equity loans receivable, net	2,313,666	-	-	-	2,313,666
Prepaid expenses and other assets	385,923	-	11,362	-	397,285
Tax, insurance and mortgage escrow reserves	-	-	353,274	-	353,274
Property, furniture and equipment, net	1,309,694	-	3,217,985	-	4,527,679
Land and improvements for the Community Land Trust Program	492,614	-	-	-	492,614
Investment in subsidiary	1,793,006	-	-	(1,793,006)	-
Investment in limited partnership	-	200,000	-	(200,000)	-
<b>TOTAL ASSETS</b>	<b>\$ 39,754,259</b>	<b>\$ 200,000</b>	<b>\$ 4,022,458</b>	<b>\$ (2,596,283)</b>	<b>\$ 41,380,434</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 324,116	\$ -	\$ 227,534	\$ (60,861)	\$ 490,789
Accrued expenses	316,979	-	5,132	-	322,111
Grants payable	1,237,291	-	-	-	1,237,291
Mortgage loans payable - Laurel House Apartments, net	-	-	2,196,786	(542,416)	1,654,370
Deferred revenue	2,057,396	-	-	-	2,057,396
Notes payable - investment partners	21,235,313	-	-	-	21,235,313
<b>TOTAL LIABILITIES</b>	<b>25,171,095</b>	<b>-</b>	<b>2,429,452</b>	<b>(603,277)</b>	<b>26,997,270</b>
<b>NET ASSETS</b>					
Without donor restrictions	13,360,350	200,000	1,593,006	(1,993,006)	13,160,350
With donor restrictions	1,222,814	-	-	-	1,222,814
<b>TOTAL NET ASSETS</b>	<b>14,583,164</b>	<b>200,000</b>	<b>1,593,006</b>	<b>(1,993,006)</b>	<b>14,383,164</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 39,754,259</b>	<b>\$ 200,000</b>	<b>\$ 4,022,458</b>	<b>\$ (2,596,283)</b>	<b>\$ 41,380,434</b>

THE HOUSING FUND, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021

	<u>The</u> <u>Housing Fund, Inc.</u>	<u>Laurel House</u> <u>Apartments GP, Inc.</u>	<u>Laurel House</u> <u>2001, L.P.</u>	<u>Consolidating</u> <u>Entries</u>	<u>Consolidated</u>
<b>ASSETS</b>					
Cash and cash equivalents, undesignated	\$ 8,383,998	\$ -	\$ 270,331	\$ -	\$ 8,654,329
Cash and cash equivalents, designated for federal programs	2,310,913	-	-	-	2,310,913
Accounts receivable	84,320	-	37,324	(60,851)	60,793
Government grants receivable	22,158	-	-	-	22,158
Accrued interest on loans receivable	169,079	-	-	-	169,079
Loans receivable:					
Down payment assistance loans receivable, net	7,669,523	-	-	-	7,669,523
Flood assistance loans receivable, net	925,011	-	-	-	925,011
Development loans receivable, net	10,529,302	-	-	-	10,529,302
Shared equity loans receivable, net	1,619,839	-	-	-	1,619,839
Prepaid expenses and other assets	145,059	-	3,681	-	148,740
Tax, insurance and mortgage escrow reserves	-	-	378,397	-	378,397
Property, furniture and equipment, net	122,591	-	3,349,663	-	3,472,254
Land and improvements for the Community Land Trust Program	636,551	-	-	-	636,551
Investment in subsidiary	1,766,641	-	-	(1,766,641)	-
Investment in limited partnership	-	200,000	-	(200,000)	-
<b>TOTAL ASSETS</b>	<u>\$ 34,384,985</u>	<u>\$ 200,000</u>	<u>\$ 4,039,396</u>	<u>\$ (2,027,492)</u>	<u>\$ 36,596,889</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 196,528	\$ -	\$ 224,929	\$ (60,861)	\$ 360,596
Accrued expenses	291,263	-	5,132	-	296,395
Grants Payable	654,766	-	-	-	654,766
Mortgage loans payable - Laurel House Apartments, net	-	-	2,242,694	-	2,242,694
Deferred revenue	1,945,723	-	-	-	1,945,723
Notes payable - investment partners	17,368,548	-	-	-	17,368,548
<b>TOTAL LIABILITIES</b>	<u>20,456,828</u>	<u>-</u>	<u>2,472,755</u>	<u>(60,861)</u>	<u>22,868,722</u>
<b>NET ASSETS</b>					
Without donor restrictions	12,735,852	200,000	1,566,641	(1,966,631)	12,535,862
With donor restrictions	1,192,305	-	-	-	1,192,305
<b>TOTAL NET ASSETS</b>	<u>13,928,157</u>	<u>200,000</u>	<u>1,566,641</u>	<u>(1,966,631)</u>	<u>13,728,167</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 34,384,985</u>	<u>\$ 200,000</u>	<u>\$ 4,039,396</u>	<u>\$ (2,027,492)</u>	<u>\$ 36,596,889</u>

THE HOUSING FUND, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>The Housing Fund, Inc.</u>	<u>Laurel House Apartments GP, Inc.</u>	<u>Laurel House 2001, L.P.</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
<b>SUPPORT AND REVENUES</b>					
Public support:					
Federal, state and local government grants	\$ 2,004,029	\$ -	\$ -	\$ -	\$ 2,004,029
Grants from private institutions	2,205,664	-	-	-	2,205,664
Revenues:					
Service and administrative fees	309,293	-	-	-	309,293
Rental income - Laurel House Apartments	-	-	536,304	(61,587)	474,717
Interest income:					
Loans	896,511	-	-	-	896,511
Other	25,091	-	-	-	25,091
Other	59,910	-	50,035	-	109,945
Gain on investment in subsidiaries	26,365	-	-	(26,365)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<u>5,526,863</u>	<u>-</u>	<u>586,339</u>	<u>(87,952)</u>	<u>6,025,250</u>
<b>EXPENSES</b>					
Program services:					
Lending	2,100,055	-	-	(39,911)	2,060,144
Community impact	2,019,576	-	-	(15,216)	2,004,360
Laurel House Apartments	-	-	559,974	-	559,974
Supporting services:					
Management and general	752,225	-	-	(6,450)	745,775
<b>TOTAL EXPENSES</b>	<u>4,871,856</u>	<u>-</u>	<u>559,974</u>	<u>(61,577)</u>	<u>5,370,253</u>
<b>CHANGE IN NET ASSETS</b>	655,007	-	26,365	(26,375)	654,997
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>13,928,157</u>	<u>200,000</u>	<u>1,566,641</u>	<u>(1,966,631)</u>	<u>13,728,167</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 14,583,164</u>	<u>\$ 200,000</u>	<u>\$ 1,593,006</u>	<u>\$ (1,993,006)</u>	<u>\$ 14,383,164</u>

THE HOUSING FUND, INC. AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>The Housing Fund, Inc.</u>	<u>Laurel House Apartments GP, Inc.</u>	<u>Laurel House 2001, L.P.</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
<b>SUPPORT AND REVENUES</b>					
Public support:					
Federal, state and local government grants	\$ 380,304	\$ -	\$ -	\$ -	\$ 380,304
Grants from private institutions	2,825,716	-	-	-	2,825,716
Revenues:					
Service and administrative fees	336,348	-	-	-	336,348
Rental income - Laurel House Apartments	-	-	497,889	(61,587)	436,302
Interest income:					
Loans	698,943	-	-	-	698,943
Other	4,500	-	-	-	4,500
Other	23,809	-	45,901	26,764	96,474
Loss on investment in subsidiaries	(64,307)	-	-	64,307	-
<b>TOTAL SUPPORT AND REVENUES</b>	<u>4,205,313</u>	<u>-</u>	<u>543,790</u>	<u>29,484</u>	<u>4,778,587</u>
<b>EXPENSES</b>					
Program services:					
Lending	1,154,474	-	-	(39,921)	1,114,553
Community impact	1,375,957	-	-	(15,216)	1,360,741
Laurel House Apartments	-	-	608,097	-	608,097
Supporting services:					
Management and general	533,861	-	-	(6,450)	527,411
<b>TOTAL EXPENSES</b>	<u>3,064,292</u>	<u>-</u>	<u>608,097</u>	<u>(61,587)</u>	<u>3,610,802</u>
<b>CHANGE IN NET ASSETS</b>	1,141,021	-	(64,307)	91,071	1,167,785
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>12,787,136</u>	<u>200,000</u>	<u>1,630,948</u>	<u>(2,057,702)</u>	<u>12,560,382</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 13,928,157</u>	<u>\$ 200,000</u>	<u>\$ 1,566,641</u>	<u>\$ (1,966,631)</u>	<u>\$ 13,728,167</u>

# Schedule of Amounts for Contract Payments

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

OMB Approval No. 2577-015;  
(exp. 1/31/2022)

No progress payments shall be made to the contractor unless a schedule of amounts for contract payments in accordance with the construction contract is received.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Construction practices and HUD administrative requirements establish the need that HAs maintain certain records or submit certain documents in conjunction with the oversight of the award of construction contracts for the construction of new low-income housing developments or modernization of existing developments. These forms are used by HAs to provide information on the construction progress schedule and schedule of amounts for contract payments. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information required does not lend itself to confidentiality.

Project Name and Location <b>Jenner Designs</b>	Project Number
Name, Address, and Zip Code of Developer <b>Impact Constructions, 311 Mosley Drive, Brentwood, TN 37027</b>	
Nature of Contract <b>Single Family Residential Construction</b>	Contract Number:
Approved by Developer Representative <b>Rick Sandoval</b>	Title <b>Owner</b>
Approved for Architect by <b>N/A</b>	Title
Approved for Owner by <b>The Housing Fund</b>	Title <b>Project Manager</b>
	Date (mm/dd/yyyy)
	Date (mm/dd/yyyy)
	Date (mm/dd/yyyy)

Item No. (1)	Description of Item (2)			Items for Contractor (6)	Items Paid by Developer	First Draw
1	Plans (Reproduction Copies)			\$ 1,480	-	
	Construction Documents* (Includes Risk Policy)			\$ 850	-	
2	Permit			\$ 1,000	-	
3	Tap Fees			\$ 4,800	-	
4	Site Preparation			\$ 3,250	-	
5	Tree Removal*			\$ 3,500	-	
6	Boundary/Topographic Survey*				-	
7	Footing Survey/Stamped Elevations			\$ 500		
8	Infill Plans*			\$ 250		
9	Temporary Service (Electrical)			\$ 550	-	
10.5	Stormwater/Grading fees			\$ 16,000	-	
11	Sidewalk In Lieu Fee*			\$ -	-	
12	Utility			\$ 800	-	
13	Appliances (Refrigerator, Stove, Dishwasher)			\$ 3,400		
14	Cabinets (Bath Vanity)			\$ 2,800		
15	Cabinets Kitchen (Allowance)			\$ 7,500		
16	Countertops (Allowance) Laminate			\$ 3,800		
17	Decorative Hardware (Mirrors, Towel, Bars, etc.)			\$ 1,225		
18	Driveways & Walkways			\$ 3,800		
19	Drywall (Labor)			\$ 3,010		
20	Drywall (Materials)			\$ 3,010		
21	Electrical Lighting & Fixtures (Removing Majority of Recessed Lighting)			\$ 1,450		
22	Electrical Rough-In (Removing Majority of Recessed Lighting)			\$ 9,600		

23	Electrical Trimout (underground)				\$	2,720		
24	Entry Doors (Materials)				\$	1,000		
25	Exterior Painting				\$	6,000		
26	Exterior Trim (Labor) Included in Exterior Wall Labor				\$	1,900		
27	Exterior Trim (Materials)				\$	2,900		
28	Exterior Wall (Materials)				\$	6,000		
29	Exterior Walls (Labor)				\$	15,400		
30	Flooring				\$	5,350		
31	Footing (Concrete)				\$	3,000		
32	Footing (Labor)				\$	1,800		
33.5	Foundation (Materials)				\$	4,000		
33	Foundation (Labor)				\$	1,000		
34	Framing (Labor) (Removing Owner Deck & French Door)				\$	7,700		
35	Framing (Materials) (Removing Owner Deck & French Door)				\$	21,000		
36	Grading/ Modified French Drains				\$	1,500		
37	Gutters				\$	1,200		
38	Hardware				\$	300		
39	Insulation				\$	5,800		
40	Interior Doors (Mat& Labor)				\$	3,900		
41	Interior Painting				\$	6,400		
42	Interior Trim (Mat & Labor)				\$	3,900		
43	Landscaping (rain gardens)tree included per code				\$	4,200		
44	Landscaping*				\$	3,500		
45	Mechanical Rough-In				\$	4,500		
46	Mechanical Trimout (Energy-Star Rated)				\$	3,000		
47	Plumbing (Sewer& Water/Street Cutting) T.B.D.				\$	3,800		
	Cleaners				\$	1,700		
48	Plumbing Fixtures				\$	2,660		
49	Plumbing-Rough-In				\$	5,460		
50	Plumbing Trimout*				\$	3,640		
51	Roofing (Labor)				\$	700		
52	Roofing Materials				\$	1,200		
	Sundecks/ Porches (included balusters & steps)				\$	3,900		
53	Tile (Walls)				\$	1,800		
54	Tile Floors				\$	2,600		
55	Trash Removal (Containers)				\$	2,250		
56	Privacy Fence				\$	6,500		
57	Windows (Materials)				\$	4,100		
58	Draw Request				\$	-		\$ -
59	Contractor's Profit and Overhead							
60	Developer Fee				\$	25,000		\$ -
Total Amount of Contract or Carried Forward					\$	255,855	-	\$ -
5% Retainer								\$ -
Net after Retainer								\$ -
							0.00%	#DIV/0!

Draw	Draw	Draw	Draw	Draw	Balance	Variance
					\$ -	\$ 1,480
					\$ -	\$ 1,000
					\$ -	\$ 4,800
					\$ -	\$ 3,250
					\$ -	\$ 3,500
					\$ -	\$ -
					\$ -	\$ 500
					\$ -	\$ 250
					\$ -	\$ 550
					\$ -	\$ -
					\$ -	\$ 800
					\$ -	\$ 3,400
					\$ -	\$ 2,800
					\$ -	\$ 7,500
					\$ -	\$ 3,800
					\$ -	\$ 1,225
					\$ -	\$ 3,800
					\$ -	\$ 3,010
					\$ -	\$ 3,010
					\$ -	\$ 1,450
					\$ -	\$ 9,600



					\$	-	\$	2,720	
					\$	-	\$	1,000	
					\$	-	\$	6,000	
					\$	-	\$	1,900	
					\$	-	\$	2,900	
					\$	-	\$	6,000	
					\$	-	\$	15,400	
					\$	-	\$	5,350	
					\$	-	\$	3,000	
					\$	-	\$	1,800	
					\$	-	\$	1,000	
					\$	-	\$	7,700	
					\$	-	\$	21,000	
					\$	-	\$	1,500	
					\$	-	\$	1,200	
					\$	-	\$	300	
					\$	-	\$	5,800	
					\$	-	\$	3,900	
					\$	-	\$	6,400	
					\$	-	\$	3,900	
					\$	-	\$	4,200	
					\$	-	\$	3,500	
					\$	-	\$	4,500	
					\$	-	\$	3,000	
					\$	-	\$	3,800	
					\$	-	\$	2,660	
					\$	-	\$	5,460	
					\$	-	\$	3,640	
					\$	-	\$	700	
					\$	-	\$	1,200	
					\$	-	\$	1,800	
					\$	-	\$	2,600	
					\$	-	\$	2,250	
					\$	-	\$	4,100	
					\$	-	\$	-	
					\$	-	\$	-	
					\$	-	\$	25,000	
\$	-	\$	-	\$	-	\$	-	\$	255,855
\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	255,855
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!					



CINCINNATI OH 45999-0038

In reply refer to: 0248144558  
Sep. 19, 2018 LTR 4168C 0  
62-1632388 000000 00  
00016238  
BODC: TE

THE HOUSING FUND INC  
% LORETTA OWENS  
305 11TH AVE S  
NASHVILLE TN 37203

3951

Employer ID number: 62-1632388  
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated Sep. 11, 2018, about your tax-exempt status.

We issued you a determination letter in June 1996, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,

0248144558  
Sep. 19, 2018 LTR 4168C 0  
62-1632388 000000 00  
00016239

THE HOUSING FUND INC  
% LORETTA OWENS  
305 11TH AVE S  
NASHVILLE TN 37203

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,



Kim A. Billups, Operations Manager  
Accounts Management Operations 1



**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

THE HOUSING FUND  
305 11TH AVE S  
NASHVILLE, TN 37203-4003

**Request Type: Certified Copies**  
Request #: 343610

Issuance Date: 12/20/2019  
Copies Requested: 1

**Document Receipt:**

Receipt #: 005159466 Filing Fee: \$20.00  
Payment-Check/MO - MARSHALL E CRAWFORD, ALPHARETTA, GA \$20.00

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that **THE HOUSING FUND, INC.**, Control # 308485 was formed or qualified to do business in the State of Tennessee on 03/05/1996. THE HOUSING FUND, INC. has a home jurisdiction of TENNESSEE and is currently in an Active status. The attached documents are true and correct copies and were filed in this office on the date(s) indicated below.

Tre Hargett  
Secretary of State

Processed By: Michelle Holloway

The attached document(s) was/were filed in this office on the date(s) indicated below:

<u>Reference #</u>	<u>Date Filed</u>	<u>Filing Description</u>
3129-1107	03/05/1996	Initial Filing
3765-1638	11/16/1999	Amended and Restated Formation Documents
5311-0511	12/30/2004	2004 Annual Report (Due 01/01/2005)
5498-0329	07/06/2005	Amended and Restated Formation Documents
A0146-0716	11/26/2012	2012 Annual Report (Due 01/01/2013)
A0205-1833	12/17/2013	2013 Annual Report (Due 01/01/2014)
B0328-4787	12/30/2016	2016 Annual Report (Due 01/01/2017)
B0735-7363	07/17/2019	Assumed Name
B0787-7829	12/10/2019	2019 Annual Report (Due 01/01/2020)

RECEIVED  
STATE OF TENNESSEE

96 MAR -5 PM 12: 14

RILEY BASHELL  
SECRETARY OF STATE

CHARTER  
OF  
NASHVILLE HOUSING FUND, INC.

The undersigned person, having capacity to contract and acting as the incorporator of a corporation under the Tennessee Nonprofit Corporation Act, as amended, adopts the following charter for such corporation:

1. The name of the corporation is Nashville Housing Fund, Inc.
2. The corporation is a public benefit corporation.
3. The street address, zip code and county of the initial registered office of the corporation in the State of Tennessee and the registered agent of the corporation, located at the registered office is as follows:

Davis H. Carr, Esq.  
414 Union Street, Suite 1600  
Nashville, Davidson County, Tennessee 37219

4. The street address and zip code of the principal office of the corporation shall be 701 South Sixth Street, Nashville, TN 37206.
5. The name, street address and zip code of the incorporator is Davis H. Carr, Esq., 414 Union Street, Suite 1600, Nashville, Davidson County, Tennessee 37219.
6. The corporation is not for profit.
7. The corporation will not have members.
8. The business affairs of this corporation shall be governed by a board of directors, the number, terms, and the members of which shall be determined by Metropolitan Development and Housing Agency ("MDHA"), a public housing authority organized pursuant to the terms of T.C.A. 13-20-101 *et seq*
9. The purposes for which the corporation is organized are as follows:
  - (a) To acquire funds from governmental entities and agencies, including but not limited to The Metropolitan Government of Nashville and Davidson County,



3-1-96 11:13

RECEIVED Tennessee ("Metro") and MDHA, and from non-governmental entities and  
STATE OF TENN individuals, through gifts, grants, loans, or otherwise;

96 MAR -5 PM 12: 14

RILEY DONNELL  
SECRETARY OF STATE

(b) To acquire, lease, or obtain easements over real property, improved or unimproved, and personal property, from governmental entities and agencies, including but not limited to Metro and MDHA, and from non-governmental entities and individuals, through gifts, grants, purchases, exchanges, or otherwise;

(c) To make loans, grants, gifts, or payments of any kind to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or (ii) developing or redeveloping neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences;

(d) To sell, lease, give or grant easements over real or personal property to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or, (ii) developing or redeveloping neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences;

(e) To own, operate or manage real property, improved or unimproved, and personal property, in order to: (i) provide decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or (ii) develop or redevelop neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences; and

(f) To effectuate such purposes as the Board of Directors may, from time to time deem appropriate.

Notwithstanding any other provision of this charter, the purposes for which this corporation is organized are exclusively religious, charitable, scientific, literary or educational within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provision of any future United States Internal Revenue law and this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501 (c)(3) of the Code or the corresponding provision of any future United States Internal Revenue law.


10. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code

3-1-1996 11:10:13

of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction, in the county in which the principal office of the corporation is then located, exclusively for such purposes.

95 MAR 23 PM 12:14

No amendment to this charter or the bylaws of the corporation shall be effective unless such amendment is made by or approved in writing by MDHA.



Davis H. Carr, Incorporator  
March 4, 1996



**FIRST AMENDED AND RESTATED CHARTER  
OF  
NASHVILLE HOUSING FUND, INC.**

Pursuant to the provisions of Section 48-60-101 and Section 48-60-106 of the Tennessee Nonprofit Corporation Act, as amended from time to time (hereinafter referred to as the "Act"), the corporation adopts and files the following Amended and Restated Charter (the "Charter") which shall supersede the original charter and all prior amendments thereto, the text of which is amended and restated as follows:

1. The name of the corporation is Nashville Housing Fund, Inc.
2. The corporation is a public benefit corporation.
3. The street address, zip code and county of the initial registered office of the corporation in the State of Tennessee and the registered agent of the corporation, located at the registered office is as follows:  
  
Davis H. Carr, Esq.  
414 Union Street, Suite 1600  
Nashville, Davidson County, Tennessee 37219
4. The street address and zip code of the principal office of the corporation shall be 806 South Sixth Street, Nashville, TN 37206.
5. The name, street address and zip code of the incorporator is Davis H. Carr, Esq., 414 Union Street, Suite 1600, Nashville, Davidson County, Tennessee 37219.
6. The corporation is not for profit.
7. The corporation will not have members.
8. The business affairs of this corporation shall be governed by a board of directors. The number of directors shall be at least three (3) but no greater than twenty-three (23). Each director shall hold office for two years and until his successor is elected and qualified, or until his earlier resignation, removal from office, or death. Election of directors shall be according to such procedures as are provided in the Bylaws of the corporation, provided that at



least one (1) director must be an individual who lives in an Investment Area served by NHF or who is a member of a Targeted Population served by NHF. "Investment Area" and "Targeted Population" shall have the meanings given to those terms in Part 1805 of Title 12 of the Code of Federal Regulations.

9. The purposes for which the corporation is organized are as follows:

(a) To acquire funds from governmental entities and agencies, including but not limited to The Metropolitan Government of Nashville and Davidson County, Tennessee ("Metro") and MDHA, and from non-governmental entities and individuals, through gifts, grants, loans, or otherwise;

(b) To acquire, lease, or obtain easements over real property, improved or unimproved, and personal property, from governmental entities and agencies, including but not limited to Metro and MDHA, and from non-governmental entities and individuals, through gifts, grants, purchases, exchanges, or otherwise;

(c) To make loans, investments, grants, gifts, or payments of any kind to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or (ii) developing or redeveloping neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences;

(d) To sell, lease, give or grant easements over real or personal property to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or, (ii) developing or redeveloping neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences;

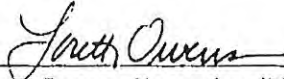
(e) To own, operate or manage real property, improved or unimproved, and personal property, in order to: (i) provide decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or (ii) develop or redevelop neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences; and

(f) To effectuate such purposes as the Board of Directors may, from time to time deem appropriate.

Notwithstanding any other provision of this charter, the purposes for which this corporation is organized are exclusively religious, charitable, scientific, literary or educational within the

meaning of section 501 (c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provision of any future United States Internal Revenue law and this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501 (c)(3) of the Code or the corresponding provision of any future United States Internal Revenue law.

10. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction, in the county in which the principal office of the corporation is then located, exclusively for such purposes.



---

Loretta Owens, Executive Director  
November 16, 1999



**CERTIFICATE OF NASHVILLE HOUSING FUND, INC.  
CONCERNING ITS AMENDED AND RESTATED CHARTER**

Pursuant to the provisions of Section 48-60-106(h) of the Tennessee Nonprofit Corporation Act, Nashville Housing Fund, Inc. (the "Corporation") certifies as follows:

1. The Amended and Restated Charter of the Corporation to which this Certificate is attached contains amendments that require the written approval of Metropolitan Development and Housing Agency, an instrumentality of the Metropolitan Government of Nashville and Davidson County, Tennessee ("MDHA"), in addition to the board of directors of the Corporation.
2. The amendments contained in the Amended and Restated Charter have been approved in writing by MDHA by means of a certified resolution dated November 15, 1999.
3. The Amended and Restated Charter was duly adopted at a meeting of the board of directors of the Corporation held on November 16, 1999.
4. The Amended and Restated Charter shall be effective when filed by the Secretary of State.

Dated this 16th day of November, 1999.

NASHVILLE HOUSING FUND, INC.

By: \_\_\_\_\_

*Loretta Owens*

Loretta Owens, Executive Director



**CORPORATION ANNUAL REPORT**

Please return completed form to:  
**TENNESSEE SECRETARY OF STATE**  
 Attn: Annual Report  
 312 Eighth Ave N, 6th Floor  
 William R. Snodgrass Tower  
 Nashville, TN 37243

**Annual Report Filing Fee Due:**

\$20, if no changes are made in block #6 to the registered agent/office, or  
 \$40, if any changes are made in block #6 to the registered agent/office

CURRENT FISCAL YEAR CLOSING MONTH: 09 IF DIFFERENT, CORRECT MONTH IS \_\_\_\_\_ THIS REPORT IS DUE ON OR BEFORE 01/01/05

(1) SECRETARY OF STATE CONTROL NUMBER: 0308485

(2A) NAME AND MAILING ADDRESS OF CORPORATION:  
**NASHVILLE HOUSING FUND, INC.**  
~~806 SOUTH SIXTH ST~~  
**NASHVILLE, TN 37206**

(2B) STATE OR COUNTRY OF INCORPORATION:  
**TENNESSEE**

(2C) ADD OR CHANGE MAILING ADDRESS:  
 → **305 11th Avenue South**  
**37203**

**D 03/05/1996 NON PROFIT**

(3) A. PRINCIPAL ADDRESS INCLUDING CITY, STATE, ZIP CODE:  
**806 SOUTH SIXTH ST, NASHVILLE, TN 37206**

B. CHANGE OF PRINCIPAL ADDRESS:  

STREET	CITY	STATE	ZIP CODE + 4
<b>305 11th Avenue South</b>	<b>Nashville</b>	<b>TN</b>	<b>37203-4003</b>

(4) NAME AND BUSINESS ADDRESS, INCLUDING ZIP CODE, OF THE PRESIDENT, SECRETARY AND OTHER PRINCIPAL OFFICERS. (ATTACH ADDITIONAL SHEET IF NECESSARY.)

TITLE	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4
PRESIDENT	<b>David Thibodeau</b>	<b>718 Greeley Drive Nashville, TN</b>	<b>37205</b>
SECRETARY	<b>Margaret Behm</b>	<b>306 Gay Street, Suite 400, Nashville, TN</b>	<b>37201</b>

(5) BOARD OF DIRECTORS (NAMES, BUSINESS ADDRESS INCLUDING ZIP CODE). (ATTACH ADDITIONAL SHEET IF NECESSARY.)  SAME AS ABOVE  NONE OR LISTED BELOW: NAME BUSINESS ADDRESS CITY, STATE, ZIP CODE + 4

*See Attached list*

(6) A. NAME OF REGISTERED AGENT AS APPEARS ON SECRETARY OF STATE RECORDS:  
**DAVIS H. CARR, ESQ.**  
 B. REGISTERED ADDRESS AS APPEARS ON SECRETARY OF STATE RECORDS:  
**414 UNION ST. 81600, SUITE 1600, NASHVILLE, TN 37219**  
 C. INDICATE BELOW ANY CHANGES TO THE REGISTERED AGENT NAME AND/OR REGISTERED OFFICE.

(D) CHANGE OF REGISTERED AGENT:  
 (E) CHANGE OF REGISTERED OFFICE:  

STREET	CITY	STATE	ZIP CODE + 4	COUNTY
		<b>TN</b>		

(7) A. THIS BOX APPLIES ONLY TO NONPROFIT CORPORATIONS. OUR RECORDS REFLECT THAT YOUR NONPROFIT CORPORATION IS A PUBLIC BENEFIT OR A MUTUAL BENEFIT CORPORATION AS INDICATED: IF BLANK OR INCORRECT, PLEASE CHECK APPROPRIATE BOX:  PUBLIC  MUTUAL  
 B. IF A TENNESSEE RELIGIOUS CORPORATION, PLEASE CHECK BOX IF BLANK  RELIGIOUS

(8) SIGNATURE *Loretta C. Owens* (9) DATE 12/29/2004

(10) TYPE PRINT NAME OF SIGNER: Loretta C. Owens (11) TITLE OF SIGNER: Executive Director

**\*\* THIS REPORT MUST BE DATED AND SIGNED \*\***



RECEIVED  
 STATE OF TENNESSEE  
 2004 DEC 30 AM 9:55  
 TELETYPE UNIT  
 SECRETARY OF STATE



## Nashville Housing Fund Board of Directors as of 12/29/04

Name and Address	Board Position, Committee	Occupation or Affiliation	Other Affiliations	Target Group Representation
David Thibodeau P.O. Box 303110 Nashville, Tennessee 37230	Chair	Retired, Executive Vice President, SunTrust Bank	Chair, Tennessee Minority Supplier Development Council	
Melvin Black 747 Work Drive Nashville, Tennessee 37207	Vice Chair, Program & Marketing Comm.	Retired, Metro teacher and coach	Past member, Metro Council	
Margaret Behm 306 Gay Street, Suite 400 Nashville, Tennessee 37201	Secretary-Treasurer, Finance & Audit Comm.	Attorney, Dodson, Parker, Dinkins and Behm	Board member, Federal Home Loan Bank of Cincinnati	
David Briley 511 Union Street, Suite 1610 Nashville, Tennessee 37219	Director, Finance & Audit Committee	Attorney, At-large Member of Metro Council		
Gerald F. Nicely 505 Doaderrick Street, Suite 700 Nashville, Tennessee 37243	Director, Finance & Audit Committee	Commissioner, Tennessee Dept. of Transportation	Board member, Frist Center for the Visual Arts	
Rick Chase 212 Woodlake Drive Gallatin, Tennessee 37211	Director, Program and Marketing Comm.	Retired Vice President Dell Computer	Board member, United Way of Middle Tennessee	
Sam Coleman 4037 Pepperwood Drive Antioch, Tennessee 37013	Director, Program and Marketing Comm.	Attorney, TN Dept of Family and Children Services, Metro Council Member		Represents growth area for affordable housing
Beth S. Courtney 114 30 <sup>th</sup> Avenue South Nashville, Tennessee 37212	Director, Program and Marketing Committee	President, Seigenhaler Public Relations	Nashville Area Chamber of Commerce	
Patricia Davis 203 Sheffield Place Nashville, Tennessee 37215	Director, Program and Marketing Committee	Development Director, YWCA	Board of Directors of the Women's Fund	
Chris Ferrell 905 Tower Place Nashville, Tennessee 37204	Director, Finance & Audit Committee	Owner of Internet marketing firm	Past member, Metro Council	
Rev. Mary K. "Kaki" Friskies-Warren 1719 Holly Street Nashville, Tennessee 37206	Director, Program and Marketing Committee	Program Officer, Middle Tennessee Community Foundation	Former Executive Director, Renewal House	
Tony Heard 150 4 <sup>th</sup> Avenue South Nashville, Tennessee 37219	Director, Finance & Audit Committee	Regional President, US Bank	Chair, Housing Committee, Nashville Area Chamber of Commerce	
Rita James 428 Star Blvd. Madison, Tennessee 37115	Director, Program & Marketing Comm.	NHIF Homeowner		Representative of target population
Jessica LeVeon 2739 Linmar Avenue Nashville, Tennessee 37215	Director, Program and Marketing Committee	Community Affairs Officer, Federal Reserve Bank	Woodbine Community Organization, Board of Directors	Representative of org. that serves target population
Linda Pflaum 9427 Centlewind Drive Brentwood, Tennessee 37207	Director, Program and Marketing Committee	Community Volunteer	President, Nashville Junior League	
Phil Ryan 701 South Sixth Street Nashville, Tennessee 37206	Director, Finance & Audit Committee	Executive Director, Metropolitan Development and Housing Agency	North Nashville Community Development Corporation, Board Member	Representative of org. that serves target population
Eugene ToSelle 2007 Linden Avenue Nashville, Tennessee 37212	Director, Program and Marketing Committee	Retired Professor, Divinity School of Vanderbilt University	Board member, Affordable Housing Resources	Representative of org. that serves target population
Steve Turner 138 2 <sup>nd</sup> Avenue North #500 Nashville, Tennessee 37201	Director, Finance & Audit Committee	Developer/owner of Butler's Run LLC	Cumberland Region Tomorrow, Board Member	
Bishop Joseph W. Walker 7594 Old Hickory Blvd. Whites Creek, TN 37189	Director, Program and Marketing Committee	Pastor, Mt. Zion Baptist Church		



15 12 13 10 13 13

STATE

2005 JUL -6 11:39

SECRETARY OF STATE

**SECOND AMENDED AND RESTATED CHARTER  
OF  
NASHVILLE HOUSING FUND, INC.**

Pursuant to the provisions of Section 48-60-101 and Section 48-60-106 of the Tennessee Nonprofit Corporation Act, as amended from time to time (hereinafter referred to as the "Act"), Nashville Housing Fund, Inc. (the "corporation") adopts and files the following Amended and Restated Charter (the "Charter") which shall supersede the original charter and all prior amendments thereto, the text of which is amended and restated as follows:

1. The name of the corporation is The Housing Fund, Inc.
2. The corporation is a public benefit corporation.
3. The street address, zip code and county of the initial registered office of the corporation in the State of Tennessee and the registered agent of the corporation, located at the registered office is as follows:  
  
Loretta Owens  
305 11<sup>th</sup> Avenue South  
Nashville, Davidson County, Tennessee 37203
4. The street address and zip code of the principal office of the corporation shall be 305 11<sup>th</sup> Avenue South, Nashville, Davidson County, Tennessee 37203.
5. The name, street address and zip code of the incorporator is Davis H. Carr, Esq., 1600 Division Street, Ste. 700, Nashville, Davidson County, Tennessee 37203.
6. The corporation is not for profit.
7. The corporation will not have members.
8. The business affairs of this corporation shall be governed by a board of directors. The number of directors shall be at least three (3) but no greater than twenty-three (23). Each director shall hold office for two years and until his successor is elected and qualified, or until his earlier resignation, removal from office, or death. Election of directors shall be according to such procedures as are provided in the Bylaws of the corporation, provided .

12-13-11  
10:13:10

that at least one (1) director must be an individual who lives in an Investment Area served by the corporation or who is a member of a Targeted Population served by the corporation. "Investment Area" and "Targeted Population" shall have the meanings given to those terms in Part 1805 of Title 12 of the Code of Federal Regulations.

9. The purposes for which the corporation is organized are as follows:

(a) To acquire funds from governmental entities and agencies and from non-governmental entities and individuals, through gifts, grants, loans, or otherwise;

(b) To acquire, lease, or obtain easements over real property, improved or unimproved, and personal property and from non-governmental entities and individuals, through gifts, grants, purchases, exchanges, or otherwise;

(c) To make loans, investments, grants, gifts, or payments of any kind to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) developing or redeveloping neighborhoods and commercial areas in order to prevent or eliminate blighting influences;

(d) To sell, lease, give or grant easements over real or personal property to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) developing or redeveloping neighborhoods and commercial areas in order to prevent or eliminate blighting influences;

(e) To own, operate or manage real property, improved or unimproved, and personal property, in order to: (i) provide decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) develop or redevelop neighborhoods and commercial areas in order to prevent or eliminate blighting influences; and

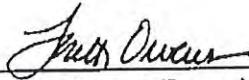
(f) To effectuate such purposes as the Board of Directors may, from time to time deem appropriate.

Notwithstanding any other provision of this charter, the purposes for which this corporation is organized are exclusively religious, charitable, scientific, literary or educational within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provision of any future United States Internal Revenue law and this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501 (c)(3) of the Code or the corresponding provision of any future United States Internal Revenue law.



5 4 20 11 12 28 07 22  
15 7 20 13 10 28 11

10. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction, in the county in which the principal office of the corporation is then located, exclusively for such purposes.



Loretta Owens, Executive Director

July 1, 2005





# Tennessee Corporation Annual Report Form

File online at: <http://TNBear.TN.gov/AR>

Due on/Before: 01/01/2013

Reporting Year: 2012

**Annual Report Filing Fee Due:**

\$20 if no changes are made in block 3 to the registered agent/office, or  
\$40 if any changes are made in block 3 to the registered agent/office

This Annual Report has been successfully paid for and filed. Please keep this report for your records.

CC Payment Ref #: 147856764

SOS Control Number: 308485

Corporation Non-Profit - Domestic

Date Formed: 03/05/1996

Formation Locale: TENNESSEE

**(1) Name and Mailing Address:**

THE HOUSING FUND, INC.  
305 11TH AVE S  
NASHVILLE, TN 37203-4003

**(2) Principal Office Address:**

305 11TH AVE S  
NASHVILLE, TN 37203-4003

**(3) Registered Agent (RA) and Registered Office (RO) Address:**

LORETTA OWENS  
305 11TH AVE S  
NASHVILLE, TN 37203-4003

Agent Changed: No  
Agent County: DAVIDSON COUNTY

Image #: A0146-0716

**(4) Name and business address (with zip code) of the President, Secretary and other principal officers.**

Title	Name	Business Address	City, State, Zip
Secretary	Jo Anne Corbitt	300 BROADWAY	NASHVILLE, TN 37201
Executive Director	Loretta Owens	305 11TH AVENUE SOUTH	NASHVILLE, TN 37203
President	Keith Miles	611 COMMERCE STREET, SUITE 2800	NASHVILLE, TN 37203

**(5) Board of Directors names and business address (with zip code). ( \_\_\_ None )**

Name	Business Address	City, State, Zip
Debbie Frank	412 SUMMIT OAKS DRIVE	NASHVILLE, TN 37221
Kelly Harter	3011 ARMORY DRIVE, STE 120	NASHVILLE, TN 37204
Latrisha Jemison	315 DEADERICK STREET	NASHVILLE, TN 37238
Ian Reynolds	213 TRUETLAND STREET	NASHVILLE, TN 37207
Jim Sauerwein	102 WOODMONT BLVD, SUITE 500	NASHVILLE, TN 37205
Jo Anne Corbitt	300 Broadway	Nashville, TN 37201
Paul Demastus	5250 Virginia Way	Brentwood, TN 37024
Ernie Felts	1214 Murfreesboro Rd, Suite 110	Franklin, TN 37604
Chris Ferrell	210 12th Avenue South #100	Nashville, TN 37203
Chris Phillips	511 Union Street, Suite 2700	Nashville, TN 37219
Jessica LeVeen Farr	301 Rosa Parks Blvd	Nashville, TN 37203
Fabian Bedne	6649 SUGAR VALLEY DRIVE	NASHVILLE, TN 37211
David Briley	511 Union Street, Suite 1600	Nashville, TN 37219
William Buchanan	1203 9th Avenue North	Nashville, TN 37208
Erik Cole	50 Vantage Way, Suite 250	Nashville, TN 37728
Ron Crutcher	1324 Adams Street	Franklin, TN 37064
Mary K Friskics-Warren	95 White Bridge Road	Nashville, TN 37205

Kelvin Jones	800 BROADWAY, SUITE 200	NASHVILLE, TN 37203
Doug Lesky	4535 Harding Road, Suite 110	Nashville, TN 37205
Keith Miles	611 Commerce Street, Suite 2800	Nashville, TN 37203
Phil Ryan	701 South 6th Street	Nashville, TN 37206

(6) This section applies to non-profit corporations ONLY.

A. Our records reflect that your non-profit corporation is a public benefit or a mutual benefit corporation as indicated.

If blank or incorrect, please check appropriately: \_\_\_ Public  Mutual

B. If a Tennessee religious corporation, please check here if blank: \_\_\_ Religious

(7) Signature: Electronic

(8) Date: 11/26/2012 4:53 PM

(9) Type/Print Name: Loretta Owens

(10) Title: Executive Director





# Tennessee Corporation Annual Report Form

File online at: <http://TNBear.TN.gov/AR>

Due on/Before: 01/01/2014

Reporting Year: 2013

AR Filing #: 03845859  
FILED: Dec 17, 2013 10:30AM  
DLN #: A0205-1833.001

This Annual Report has been successfully paid for and filed. Please keep this report for your records.

CC Payment Ref #: 153486625

## Annual Report Filing Fee Due:

\$20 if no changes are made in block 3 to the registered agent/office, or  
\$40 if any changes are made in block 3 to the registered agent/office

**SOS Control Number:** 308485

Corporation Non-Profit - Domestic

Date Formed: 03/05/1996

Formation Locale: TENNESSEE

### (1) Name and Mailing Address:

THE HOUSING FUND, INC.  
305 11TH AVE S  
NASHVILLE, TN 37203-4003

### (2) Principal Office Address:

305 11TH AVE S  
NASHVILLE, TN 37203-4003

### (3) Registered Agent (RA) and Registered Office (RO) Address:

PAUL JOHNSON  
305 11TH AVE S  
NASHVILLE, TN 37203-4003

Agent Changed: Yes

Agent County: DAVIDSON COUNTY

(4) Name and business address (with zip code) of the President, Secretary and other principal officers.

Title	Name	Business Address	City, State, Zip
Secretary	Jo Anne Corbitt	300 BROADWAY	NASHVILLE, TN 37201
President/CEO	Paul Johnson	305 11TH AVENUE SOUTH	NASHVILLE, TN 37203
President	Keith Miles	611 COMMERCE STREET, SUITE 2800	NASHVILLE, TN 37203

(5) Board of Directors names and business address (with zip code). \_\_\_ None, or listed below.

Name	Business Address	City, State, Zip
Melvin Black	747 WORK DRIVE	NASHVILLE, TN 37027
Dan Eaton	705 DREXEL ST	NASHVILLE, TN 37203
Cary Rosenblum	4521 TROUSDALE DR	NASHVILLE, TN 37204
Phillip McCutchan	315 DEADERICK ST	NASHVILLE, TN 37238
Ken McKnight	801 12TH AVENUE SOUTH	NASHVILLE, TN 37203
Debbie Frank	412 SUMMIT OAKS DRIVE	NASHVILLE, TN 37221
Kelly Harter	3011 ARMORY DRIVE, STE 120	NASHVILLE, TN 37204
Ian Reynolds	213 TRUETLAND STREET	NASHVILLE, TN 37207
Jo Anne Corbitt	300 Broadway	Nashville, TN 37201
Paul Demastus	5250 Virginia Way	Brentwood, TN 37024
Ernie Felts	1214 Murfreesboro Rd, Suite 110	Franklin, TN 37604
Chris Phillips	511 Union Street, Suite 2700	Nashville, TN 37219
Jessica LeVeen Farr	301 Rosa Parks Blvd	Nashville, TN 37203
Fabian Bedne	6649 SUGAR VALLEY DRIVE	NASHVILLE, TN 37211
David Briley	511 Union Street, Suite 1600	Nashville, TN 37219
William Buchanan	1203 9th Avenue North	Nashville, TN 37208
Ron Crutcher	1324 Adams Street	Franklin, TN 37064
Kelvin Jones	800 BROADWAY, SUITE 200	NASHVILLE, TN 37203
Doug Lesky	4535 Harding Road, Suite 110	Nashville, TN 37205
Keith Miles	611 Commerce Street, Suite 2800	Nashville, TN 37203

(6) This section applies to non-profit corporations ONLY.

A. Our records reflect that your non-profit corporation is a public benefit or a mutual benefit corporation as indicated.



# Tennessee Corporation Annual Report Form

File online at: <http://TNBear.TN.gov/AR>

Due on/Before: 01/01/2014

Reporting Year: 2013

AR Filing #: 03845859  
FILED: Dec 17, 2013 10:30AM  
DLN #: A0205-1833.002

This Annual Report has been successfully paid for and filed. Please keep this report for your records.

CC Payment Ref #: 153486625

**Annual Report Filing Fee Due:**

\$20 if no changes are made in block 3 to the registered agent/office, or  
\$40 if any changes are made in block 3 to the registered agent/office

If blank or incorrect, please check appropriately: \_\_\_ Public  Mutual

B. If a Tennessee religious corporation, please check here if blank: \_\_\_ Religious

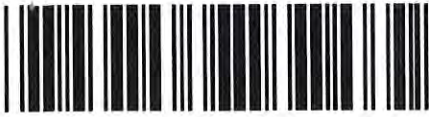
(7) Signature: Electronic

(8) Date: 12/17/2013 10:30 AM

(9) Type/Print Name: Paul Johnson

(10) Title: President/CEO





05501098

**Tennessee Corporation Annual Report Form**File online at: <http://TNBear.TN.gov/AR>

Due on/Before: 01/01/2017

Reporting Year: 2016

AR Filing #: 05501098

FILED: Dec 30, 2016 3:03PM

**Annual Report Filing Fee Due:**

\$20 if no changes are made in block 3 to the registered agent/office, or  
 \$40 if any changes are made in block 3 to the registered agent/office

This Annual Report has been successfully paid for and filed. Please keep this report for your records.

**Payment-Credit Card - State Payment Center - CC #: 3691574137**

**SOS Control Number:** 308485  
 Nonprofit Corporation - Domestic

Date Formed: 03/05/1996

Formation Locale: TENNESSEE

**(1) Name and Mailing Address:**  
 THE HOUSING FUND, INC.  
 305 11TH AVE S  
 NASHVILLE, TN 37203-4003

**(2) Principal Office Address:**  
 305 11TH AVE S  
 NASHVILLE, TN 37203-4003

**(3) Registered Agent (RA) and Registered Office (RO) Address:**  
 KATE HINSON  
 305 11TH AVE S  
 NASHVILLE, TN 37203-4003

Agent Changed: Yes  
 Agent County: DAVIDSON COUNTY

(4) Name and business address (with zip code) of the President, Secretary and other principal officers.

Title	Name	Business Address	City, State, Zip
Secretary	Hunter Nelson	305 11TH AVE S	NASHVILLE, TN 37203-4003
President	Doug Lesky	305 11TH AVE S	NASHVILLE, TN 37203-4003

(5) Board of Directors names and business address (with zip code). \_\_\_ None, or listed below.

Name	Business Address	City, State, Zip
Amy Broadwater	305 11TH AVE S	NASHVILLE, TN 37203-4003
Laini Brown	305 11TH AVE S	NASHVILLE, TN 37203-4003
Meg Underwood	305 11TH AVE S	NASHVILLE, TN 37203-4003
Regina Harvey	660 FITZHUGH BLVD, SUITE 100	SMYRNA, TN 37167
David Morales	P.O. BOX 100532	NASHVILLE, TN 37224
Hunter Nelson	118 16TH AVE SOUTH, SUITE 200	NASHVILLE, TN 37203
Tyane Powell	150 3RD AVE SOUTH	NASHVILLE, TN 37201
Melvin Black	747 WORK DRIVE	NASHVILLE, TN 37027
Philip McCutchan	315 DEADERICK ST	NASHVILLE, TN 37238
Michael Frazee	1214 MURFREESBORO RD, SUITE 110	FRANKLIN, TN 37604
Jessica LeVeen Farr	301 Rosa Parks Blvd	Nashville, TN 37203
Fabian Bedne	6649 SUGAR VALLEY DRIVE	NASHVILLE, TN 37211
Ron Crutcher	1324 Adams Street	Franklin, TN 37064
Doug Lesky	4535 Harding Road, Suite 110	Nashville, TN 37205
Keith Miles	611 Commerce Street, Suite 2800	Nashville, TN 37203

(6) This section applies to non-profit corporations ONLY.

- A. Our records reflect that your non-profit corporation is a public benefit or a mutual benefit corporation as indicated.  
 If blank or incorrect, please check appropriately: \_\_\_ Public X Mutual



# Tennessee Corporation Annual Report Form

File online at: <http://TNEar.TN.gov/AR>

Due on/Before: 01/01/2017

Reporting Year: 2016

AR Filing #: 05501098  
FILED: Dec 30, 2016 3:03PM

**Annual Report Filing Fee Due:**

\$20 if no changes are made in block 3 to the registered agent/office, or

\$40 if any changes are made in block 3 to the registered agent/office

This Annual Report has been successfully paid for and filed. Please keep this report for your records.

**Payment-Credit Card - State Payment Center - CC #: 3691574137**

B. If a Tennessee religious corporation, please check here if blank:  Religious

B0328-4788 12/30/2016 3:03 PM Received by Tennessee Secretary of State Tre Hargett

(7) Signature: Electronic

(8) Date: 12/30/2016

(9) Type/Print Name: Kate N Hinson

(10) Title: CFO





005137628

**APPLICATION FOR REGISTRATION  
OF ASSUMED NAME**

**SS-4230**



**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102  
(615) 741-2286

Filing Fee: \$20.00

*For Office Use Only*

**-FILED-**

Amendment # 005137628

Pursuant to the Tennessee Business Corporation Act, Tennessee Nonprofit Corporation Act, Tennessee Limited Liability Company Act, Tennessee Revised Limited Liability Company Act, or the Tennessee Revised Uniform Partnership Act, this application for registration of an assumed name is submitted to the Tennessee Secretary of State.

1. The Secretary of State Control Number is: 000308485  
and the true name of the business entity is:  
THE HOUSING FUND, INC.

2. The state or country of organization is:  
TENNESSEE

3. The business entity intends to transact business under an assumed name.

4. The assumed name the business entity proposes to use is:  
Community Loan Center of Middle Tennessee  
*The assumed name must satisfy the statutory requirements for that type of entity.*

07/17/2019  
Signature Date

Senior Vice President  
Signer's Capacity

Electronic  
Signature

Angela R Belcher  
Name (typed or printed)

**Note: Pursuant to T.C.A. § 10-7-503 all information on this form is public record.**

B0735-7363 07/17/2019 2:15 PM Received by Tennessee Secretary of State Tre Hargett



06895942



# Tennessee Corporation Annual Report Form

AR Filing #: 06895942

FILED: Dec 10, 2019 2:06PM

File online at: <https://TNBear.TN.gov/>

Due on/Before: 01/01/2020

Reporting Year: 2019

**Annual Report Filing Fee Due:**

\$20 if no changes are made in block 3 to the registered agent/office, or  
 \$40 if any changes are made in block 3 to the registered agent/office

This Annual Report has been successfully paid for and filed. Please keep this report for your records.

**Payment-ECheck - State Payment Center - eCheck**

**SOS Control Number:** 308485  
 Nonprofit Corporation - Domestic

Date Formed: 03/05/1996

Formation Locale: TENNESSEE

**(1) Name and Mailing Address:**  
 THE HOUSING FUND, INC.  
 305 11TH AVE S  
 NASHVILLE, TN 37203-4003

**(2) Principal Office Address:**  
 305 11TH AVE S  
 NASHVILLE, TN 37203-4003

**(3) Registered Agent (RA) and Registered Office (RO) Address:**  
 DAN EVENSON  
 305 11TH AVE S  
 NASHVILLE, TN 37203-4003

Agent Changed: Yes  
 Agent County: DAVIDSON COUNTY

(4) Name and business address (with zip code) of the President, Secretary and other principal officers.

Title	Name	Business Address	City, State, Zip
President	Philip McCutchan	305 11TH AVE S	NASHVILLE, TN 37203-4003
Secretary	Amy Broadwater	305 11TH AVE S	NASHVILLE, TN 37203-4003

(5) Board of Directors names and business address (with zip code). \_\_\_ None, or listed below.

Name	Business Address	City, State, Zip
Ashley E Propst	305 11TH AVE SOUTH	NASHVILLE, TN 37203
Donald Majors	305 11TH AVE S	NASHVILLE, TN 37203
Miguel Vega	305 11TH AVE S	NASHVILLE, TN 37203
Richard Warren	305 11TH AVE S	NASHVILLE, TN 37203
Latrisha Jemison	305 11TH AVE S	NASHVILLE, TN 37203
Amy Broadwater	305 11TH AVE S	NASHVILLE, TN 37203
Meg Underwood	305 11TH AVE S	NASHVILLE, TN 37203
Tyane Powell	305 11TH AVE S	NASHVILLE, TN 37203
Melvin Black	305 11TH AVE S	NASHVILLE, TN 37203
Philip McCutchan	305 11TH AVE S	NASHVILLE, TN 37203
Michael Frazee	305 11TH AVE S	NASHVILLE, TN 37203
Jessica LeVeen Farr	305 11TH AVE S	NASHVILLE, TN 37203
Ron Crutcher	305 11TH AVE S	NASHVILLE, TN 37203
Doug Lesky	305 11TH AVE S	NASHVILLE, TN 37203
Keith Miles	305 11TH AVE S	NASHVILLE, TN 37203

(6) This section applies to non-profit corporations ONLY.

A. Our records reflect that your non-profit corporation is a public benefit or a mutual benefit corporation as indicated.  
 If blank or incorrect, please check appropriately: \_\_\_ Public X Mutual

B0787-7829 12/10/2019 2:06 PM Received by Tennessee Secretary of State Tre Hargett





# Tennessee Corporation Annual Report Form

File online at: <https://TNBear.TN.gov/>

Due on/Before: 01/01/2020

Reporting Year: 2019

AR Filing #: 06895942  
FILED: Dec 10, 2019 2:06PM

**Annual Report Filing Fee Due:**

\$20 if no changes are made in block 3 to the registered agent/office, or  
\$40 if any changes are made in block 3 to the registered agent/office

This Annual Report has been successfully paid for and filed. Please keep this report for your records.

**Payment-ECheck - State Payment Center - eCheck**

B. If a Tennessee religious corporation, please check here if blank:  Religious

B0787-7830 12/10/2019 2:06 PM Received by Tennessee Secretary of State Tre Hargett

(7) Signature: Electronic

(8) Date: 12/10/2019

(9) Type/Print Name: Dan L Evenson

(10) Title: Accountant

**THE HOUSING FUND, INC**  
**SECOND AMENDED AND RESTATED BYLAWS**

---

WHEREAS, on November 16, 1999, the board of directors of the Corporation approved The First Amended and Restated Bylaws of the Corporation; and

WHEREAS, on April 19, 2005, the board of directors of the Corporation approved this Second Amended and Restated Bylaws of the Corporation.

NOW, THEREFORE, the Corporation adopts the following Second Amended and Restated Bylaws (the “bylaws”) which shall supersede the original bylaws and all prior amendments thereto, the text of which is amended and restated as follows:

**ARTICLE I.**

**OFFICES**

The Housing Fund, Inc. (the “Corporation”) shall maintain a principal office or offices, either within or without the State of Tennessee, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

**ARTICLE II.**

**PURPOSE AND USE OF THE CORPORATION AND ITS FUNDS**

Section 2.1. Purpose. The purposes of the Corporation are as follows:

- (a) To acquire funds from governmental entities and agencies, and from non-governmental entities and individuals, through gifts, grants, loans, or otherwise;
- (b) To acquire, lease, or obtain easements over real property, improved or unimproved, and personal property, from governmental entities and agencies, and from non-governmental entities and individuals, through gifts, grants, purchases, exchanges, or otherwise;
- (c) To make loans, investments, grants, gifts, or payments of any kind to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i)

providing decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) developing or redeveloping neighborhoods and commercial areas in order to prevent or eliminate blighting influences;

(d) To sell, lease, give or grant easements over real or personal property to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income individuals and families; or, (ii) developing or redeveloping neighborhoods and commercial areas in order to prevent or eliminate blighting influences;

(e) To own, operate or manage real property, improved or unimproved, and personal property, in order to: (i) provide decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) develop or redevelop neighborhoods and commercial areas in order to prevent or eliminate blighting influences; and

(f) To effectuate such charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as the Board of Directors may from time to time deem appropriate.

Section 2.2. Use of Funds. The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, or profits of the Corporation are distributable to, or inures to the benefit of its directors or officers or any other private person, except as provided in Section 4.11 and Section 5.8 as reimbursement for expenses or reasonable compensation for services rendered to the Corporation, and except to make payments and distributions in furtherance of the purposes of the Corporation, as set forth in the Charter and Section 2.1 above.

Section 2.3. Termination of Corporation. The Board of Directors shall have the authority to terminate the Corporation at any time that, by a unanimous vote, it deems such termination appropriate or advisable. In such event, after paying, or making provision for the payment of, all liabilities of the Corporation then outstanding and unpaid, the Board of Directors shall distribute the assets of the Corporation exclusively for its charitable purposes to one or more regularly organized and qualified charitable organization(s) to be selected by the Board of Directors. Any assets not so disposed of by the Board of Directors shall be disposed of by a court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with the distribution of assets to be made for such charitable purposes, or to such organization or organizations which are organized and operated exclusively for such purposes, within the meaning of Section 501(c)(3) of the Code, or any corresponding provision of any future federal tax laws, as such court shall determine.

### **ARTICLE III.**

#### **MEMBERS**

Section 3.1. Members. The Corporation shall not have members.

## ARTICLE IV.

### BOARD OF DIRECTORS

Section 4.1. General Powers. Subject to the provisions of Section 4.3 below, the business and affairs of the Corporation shall be supervised by its Board of Directors, which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these Bylaws. The Board of Directors, as the governing body of the Corporation, shall have the authority to receive, administer and invest property on behalf of the Corporation in accordance with the provisions set forth in these Bylaws, establish, operate and manage such facilities, programs and services as the Board of Directors deem appropriate, consistent with the purposes of the Corporation.

Section 4.2. Nominating Committee. There shall be a Nominating Committee comprised of all officers of NHF, all committee chairs of NHF, and three (3) current members of the Board of Directors.

Section 4.3. Number and Election of Directors. The number of members of the Board of Directors shall be fixed by the Board of Directors, but in no event shall the number of members of the Board of Directors be less than three (3) or greater than twenty-three (23). The members of the Board of Directors shall be elected as follows: Each year, prior to the annual meeting of the Board of Directors, the Nominating Committee (as defined in Section 4.2) shall submit to the Board of Directors a slate of candidates (the "Slate"). The Slate shall consist of that number of candidates equal to the number of directors whose terms are due to expire during the course of the year. The Board of Directors shall then vote on the Slate at its annual meeting (or, if no annual meeting is held, at the next duly called special meeting of the Board of Directors). A vote of the majority of the members of the Board of Directors shall be necessary to adopt the Slate. The Slate shall be adopted in its entirety. In the event the Slate is not adopted in its entirety, the Nominating Committee shall resubmit a Slate(s) until one such Slate is adopted and confirmed in its entirety. In selecting a Slate, the Nominating Committee must ensure that the Board of Directors will always contain two (2) members who live in an Investment Area served by the Corporation or who are members of a Targeted Population served by the Corporation. "Investment Area" and "Targeted Population" shall have the meanings given to those terms in Part 1805 of Title 12 of the Code of Federal Regulations.

Section 4.4. Limitation on Personal Liability of Directors. No person who is or was a director of the Corporation, nor such person's heirs, executors or administrators (hereinafter collectively referred to as a "director"), shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director. However, this provision shall not eliminate or limit the liability of a director (a) for any breach of a director's duty of loyalty to the Corporation, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (c) for the authorization of unlawful distributions pursuant to Section 48-58-304

of the Act. No repeal or modification of the provisions of this Section 4.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Section 4.5. Annual Meeting. The annual meeting of the Board of Directors shall be held within or without the State of Tennessee at time and date following the close of the Corporation's fiscal year as shall be determined by the President of the Corporation. The purpose of the annual meeting shall be to elect directors and officers of the Corporation, and transact such other business as may properly be brought before the meeting.

Section 4.6. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Corporation, or at the request of any director with the agreement of at least one-half (2) of the Board of Directors. The President shall fix the place, either within or without the State of Tennessee, as the place for holding any special meeting.

Section 4.7. Notices. Notice of each annual meeting shall be given at least two (2) weeks prior thereto, and notice of any special meeting shall be given at least five (5) business days prior thereto. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Directors must be specified in the notice of such meeting.

Section 4.8. Quorum and Participation in Meeting. One third of the total number of directors in office, but no less than two (2) directors, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or of such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The directors shall be promptly furnished a copy of the minutes of the meetings of the Board of Directors.

Section 4.9. Manner of Acting. Each director shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may otherwise be specifically provided by law, by the Charter, or by these Bylaws.

Section 4.10. Action Without a Meeting. Any action required or permitted to be taken at a meeting by the Board of Directors, or by any committee thereof, may be taken without a meeting if all voting members of the Board of Directors or committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the numbers of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board of Directors. The action must be evidenced by one (1) or more written consents describing

the action taken, signed in one (1) or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board of Directors or committee. A consent signed under this Section 4.10 shall have the same force and effect as a meeting vote of the Board of Directors, or any committee thereof, and may be described as such in any document.

Section 4.11. Vacancies. Any vacancy occurring in the Board of Directors, including vacancies created by the removal of directors without cause or for cause, shall be filled by the Nominating Committee (as defined in Section 4.2). A director designated to fill a vacancy shall serve for the unexpired term of his predecessor in office, or, if there is no predecessor, until the next appointment of directors.

Section 4.12. Compensation and Reimbursement of Expenses. No director shall be entitled to receive monetary compensation for services rendered to the Corporation. However, each director may be paid reasonable expenses, if any, of attendance at each meeting of the Board of Directors, after submitting substantiation of such expenses to the Corporation. This section shall not preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 4.13. Removal. Any or all of the directors may be removed for cause or without cause by vote of at least two-thirds (2/3) of the Board of Directors, exclusive of the director whose removal is at issue. Removal of a director shall also constitute removal as an officer of the Corporation and as a member of all committees of the Board of Directors.

Section 4.14. Resignation. A director may resign at any time by tendering his resignation in writing to the President or, in the case of the resignation of a director who is also President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

## **ARTICLE V.**

### **OFFICERS**

Section 5.1. Number. The Corporation shall have a President and a Secretary/Treasurer each of whom shall be elected in accordance with the provisions of this Article. The Board of Directors may also elect such other officers and assistant officers as the Board of Directors may from time to time deem necessary or appropriate. Any two or more offices may be held by the same person, except for the offices of President and Secretary, which must be held by different people.

Section 5.2. Election and Term of Office. The officers shall be elected annually by the Board of Directors at its annual meeting. Each officer shall hold office for a term of one (1) year or until his earlier death, resignation, or removal from office in the manner hereinafter provided.

Section 5.3. President. The President shall be the principal executive officer of the Corporation. The President shall, when present, preside at all meetings of the Board of Directors and shall in general perform all of the duties, and have all of the authority, incident to the office of the chief executive officer of a corporation, and such other duties as may from time to time be prescribed by the Board of Directors. The President may sign, with the Secretary/Treasurer or any other proper officer thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

Section 5.4. Secretary/Treasurer. The Secretary/Treasurer:

(a) shall keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal, if any, of the Corporation and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the Corporation under its seal; keep a register of the post office address of each member of the Board of Directors, which address shall be furnished to the Secretary/Treasurer by each director and in general perform all duties incident for the office and such other duties as may from time to time be assigned to him by the President or by the Board of Directors; and

(b) shall have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VIII of these Bylaws; disburse the funds of the Corporation in accordance with the directives of the Board of Directors, taking proper vouchers for such disbursements, and render to the Board of Directors, at its annual meeting and at such other times as may be requested by the Board of Directors, an accounting of all the transactions and of the financial condition of the Corporation; and in general perform all duties incident to the office and such other duties as may from time to time be assigned to him by the President or by the Board of Directors.

Section 5.5. Removal. Any member of the Board of Directors removed from office pursuant to Section 4.13 shall be automatically removed as an officer. The Board of Directors may, by a majority vote of all directors, remove any officer when, in its judgment, the best interests of the Corporation will be served thereby.

Section 5.6. Vacancies. A vacancy in any office may be filled by the Board of Directors

Section 5.7. Resignation. An officer may resign his office at any time by tendering his resignation in writing to the President or, in the case of the resignation of the President, to the Secretary/Treasurer. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the designated officer.

Section 5.8. Salaries and Expenses. The officers shall be entitled to reasonable compensation, as may be set by the Board of Directors from time to time, for services rendered to the Corporation. Reasonable expenses incurred by all of the officers in the course of coordinating the affairs of the Corporation shall be reimbursed by the Corporation upon proper substantiation.

## **ARTICLE VI.**

### **STANDARDS OF CONDUCT**

Section 6.1. Standards of Conduct. A director or an officer of the Corporation shall discharge his duties as a director or as an officer, including duties as a member of a committee:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner he reasonably believes to be in the best interest of the Corporation.

Section 6.2. Reliance on Third Parties. In discharging his duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- (a) one or more officers or employees of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented;
- (b) legal counsel, public accountants, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence.

Section 6.3. Bad Faith. A director or officer is not acting in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 6.2 unwarranted.

Section 6.4. No Liability. A director or officer is not liable for any action taken, or any failure to take action, as a director or officer, if he performs the duties of his office in compliance with the provisions of this Article, or if he is immune from suit under the provisions of Section 48-58-601 of the Act.



Section 6.5. Prohibition on Loans. No loans or guarantees shall be made by the Corporation to its directors or officers. Any director who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof. Notwithstanding the preceding two sentences, nothing in this Section 6.5 shall be interpreted to prohibit any loans or guarantees made pursuant to any public benefit program administered by the Corporation and approved in accordance with T.C.A. ' 48-58-302.

## **ARTICLE VII.**

### **CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS**

Section 7.1. Contracts and Employment of Agents. The Board of Directors may authorize any director, officer, or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board of Directors shall be specifically authorized, subject to the provisions of Section 4.3 hereto, to employ and to pay the compensation of such agents, accountants, custodians, experts, scholarship consultants and other counsel, legal, investment or otherwise, as the Board of Directors shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities. Such authority may be general or confined to specific instances.

Section 7.2. Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 7.3. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

Section 7.4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositories as the Board of Directors may from time to time select.

Section 7.5. Investment Authority. The Board of Directors shall be authorized to retain assets distributed to it, even though such assets may constitute an over-concentration in one or more similar investments. Further, the Board of Directors shall have the authority to make investments in unproductive property, or to hold unproductive property to the extent necessary until it can be converted into productive property at an appropriate time, provided the retention of such property is in the best interest of the Corporation and does not in any way jeopardize the tax-exempt status of the Corporation.

## ARTICLE VIII.

### INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 8.1. Mandatory Indemnification of Directors and Officers. To the maximum extent permitted by the provisions of Sections 48-58-501, et seq., of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a director or officer of the Corporation, or to such person's heirs, executors, administrators and legal representatives, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

(a) The Proceeding was instituted by reason of the fact that such person is or was a director or officer of the Corporation; and

(b) The director or officer conducted himself in good faith, and he reasonably believed (i) in the case of conduct in his official capacity with the Corporation, that his conduct was in its best interest; (ii) in all other cases, that his conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, that he or had no reasonable cause to believe his conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct herein described.

Section 8.2. Permissive Indemnification of Employees and Agents. The Corporation may, to the maximum extent permitted by the provisions of Section 48-58-501, et seq., of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 8.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation and met the standards of conduct set forth in Subsection 8.1(b) above. The Corporation may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by the Charter, by these Bylaws, by contract, or by general or specific action of the Board of Directors.

Section 8.3. Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in Sections. 8.1 and 8.2 above are contractual between the Corporation and the person being indemnified, and his heirs, executors, administrators and legal representatives, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Charter, by a resolution of the Board of Directors, by these Bylaws, by the purchase and maintenance by the Corporation of insurance on behalf of a director, officer, employee or agent of the Corporation, or by an agreement with the Corporation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.

Section 8.4. Non-Limiting Application. The provisions of this Article VIII shall not limit the power of the Corporation to pay or reimburse expenses incurred by a director, officer, employee, or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when he has not been made a named defendant or respondent to the Proceeding.

Section 8.5. Prohibited Indemnification. Notwithstanding any other provision of this Article VIII, the Corporation shall not indemnify or advance expenses to or on behalf of any director, officer, employee, or agent of the Corporation, or such person's heirs, executors, administrators or legal representatives:

(a) If a judgment or other final adjudication adverse to such person establishes his liability for any breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under Section 48-58-304 of the Act; or

(b) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or

(c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

Section 8.6. Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article VIII, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

## **ARTICLE IX.**

### **NOTICES AND WAIVER OF NOTICE**

The notices provided for in these Bylaws shall be communicated in person, by telephone, telegraph, teletype, or by mail or private carrier. Written notice is effective at the earliest of (i) receipt, (ii) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first-class postage affixed thereon, (iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee, or (iv) twenty (20) days after its deposit in the United States mail, if mailed correctly addressed, and with other than first-class, registered, or certified postage affixed. Whenever any notice is required to be given to any director, officer or committee member of the Corporation under the provisions of these Bylaws, the Charter, or the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## **ARTICLE X.**

### **AMENDMENTS**

These Bylaws and the Charter may be altered, amended, or repealed, and a new Charter or Bylaws adopted, provided that no such alteration, amendment or repeal shall be inconsistent with Article XI hereof.

## **ARTICLE XI.**

### **EXEMPT STATUS**

The Corporation has been organized and will be operated exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Code and, as such, will be exempt from taxation under Section 501(a) of the Code. The Corporation intends to apply for recognition of its exempt status by filing Internal Revenue Service Form 1023 within the time prescribed under Section 508 of the Code and Treasury Regulation Section 1.508-1(a)(2). Any provision of these Bylaws or of the Charter which would in any manner adversely affect the Corporation's tax exempt status shall be void and shall be deleted or modified as necessary to comply with all applicable federal and state requirements for the maintenance of the Corporation's tax exempt status.