



**METROPOLITAN GOVERNMENT OF NASHVILLE  
AND DAVIDSON COUNTY**

Metro Office Building  
800 President Ronald Reagan Way  
P.O. Box 196300  
Nashville, TN 37219-6300

May 31, 2023

To: Ronald Colter Nashville Department of Finance

**Re: BARNES FUND SURPLUS PROPERTIES**  
**Planning Commission Mandatory Referral 2023M-006PR-001**  
**Council District #13 Russ Bradford, Council Member**  
**Council District #19 Freddie O'Connell, Council Member**  
**Council District #21 Brandon Taylor, Council Member**  
**Council District #28 Tanaka Vercher, Council Member**

On behalf of the Metropolitan Planning Commission, the following item, referred to the Commission as required by the Metro Charter, has been recommended for *approval* to the Metropolitan Council:

*A resolution declaring surplus and authorizing the conveyance of real property to certain nonprofit organizations, and authorizing grants not exceeding \$634,000.00 from the Barnes Fund for Affordable Housing to certain nonprofit organizations selected for the express purpose of constructing affordable or workforce housing. (Proposal No. 2023M-006PR-001).*

The relevant Metro agencies (Metro Parks, Metro Public Works, Metro Water Services, Metro Emergency Communications, the Nashville Electric Service, Metro Finance – Public Property and the Metro Historical Commission) have reviewed the proposal and concur in the recommendation for approval. This request must be approved by the Metro Council to become effective.

**Conditions that apply to this approval: none**

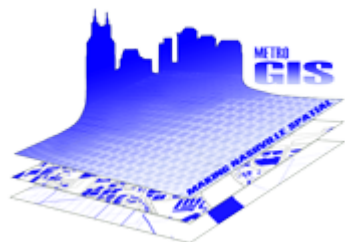
This recommendation for approval is given as set forth in the Metropolitan Planning Commission Rules and Procedures. If you have any questions about this matter, please contact Delilah Rhodes at [delilah.rhodes@nashville.gov](mailto:delilah.rhodes@nashville.gov) or 615-862-7208.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lisa Milligan'.

Lisa Milligan  
Land Development Manager  
Metro Planning Department  
cc: Metro Clerk

# Exhibit A



Nashville Planning Department

800 2nd Ave S

P.O. Box 196300

Nashville, TN 37219-6300

[maps.nashville.gov](http://maps.nashville.gov)

Parcel Details	
<b>Parcel ID:</b>	09206019500
<b>Parcel Address:</b>	908 28TH AVE N NASHVILLE, TN 37208
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE
<b>Acquired Date:</b>	1/29/1990
<b>Sale Price:</b>	\$ 504.00
<b>Sale Instrument:</b>	DB-00008153 0000527
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219
<b>Legal Description:</b>	E/S 28TH AVE NO N OF HERMAN ST PT BLK 21 HEFFERMAN PLACE
<b>Acreage:</b>	0.07
<b>Frontage Dimension:</b>	36
<b>Side Dimension:</b>	78
<b>Parcel Instrument:</b>	DB-00002495 0000401
<b>Parcel Instrument Date:</b>	3/4/1956
<b>Census Tract:</b>	37014300
<b>Tax District:</b>	USD
<b>Council District:</b>	21
<b>Land Use Description:</b>	VACANT RESIDENTIAL LAND

Zoning	
<b>Zone Code</b>	OV-UZO
<b>Zone Description</b>	
<b>Effective Date</b>	7/25/2007

# Exhibit B

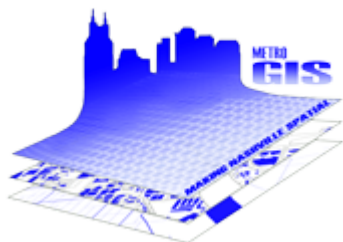
Nashville Planning Department

800 2nd Ave S

P.O. Box 196300

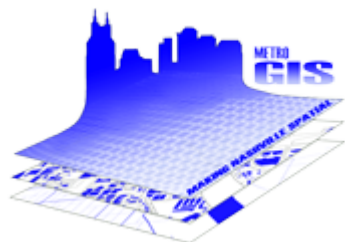
Nashville, TN 37219-6300

[maps.nashville.gov](https://maps.nashville.gov)



<b>Parcel Details</b>			
<b>Parcel ID:</b>	08111027000		
<b>Parcel Address:</b>	1601 WHELESS ST NASHVILLE, TN 37208		
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE		
<b>Acquired Date:</b>	1/10/1995		
<b>Sale Price:</b>	\$ 382.00		
<b>Sale Instrument:</b>	DB-00009814 0000302		
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219		
<b>Legal Description:</b>	PT LOT 370 D T MCGAVOCK ADDN		
<b>Acreage:</b>	0.04		
<b>Frontage Dimension:</b>	25		
<b>Side Dimension:</b>	90		
<b>Parcel Instrument:</b>	DB-00004392 0000106		
<b>Parcel Instrument Date:</b>	1/14/1970		
<b>Census Tract:</b>	37013900		
<b>Tax District:</b>	USD		
<b>Council District:</b>	21		
<b>Land Use Description:</b>	VACANT RESIDENTIAL LAND		
<b>Zoning</b>			<a href="#">Hide</a>
<b>Zone Code</b>	OV-DDU		
<b>Zone Description</b>	THE DADU OVERLAY DISTRICT PROVIDES ADDITIONAL HOUSING OPTIONS IN THE URBAN ZONING OVERLAY.		
<b>Effective Date</b>	11/25/2021		

# Exhibit C



Nashville Planning Department

800 2nd Ave S

P.O. Box 196300

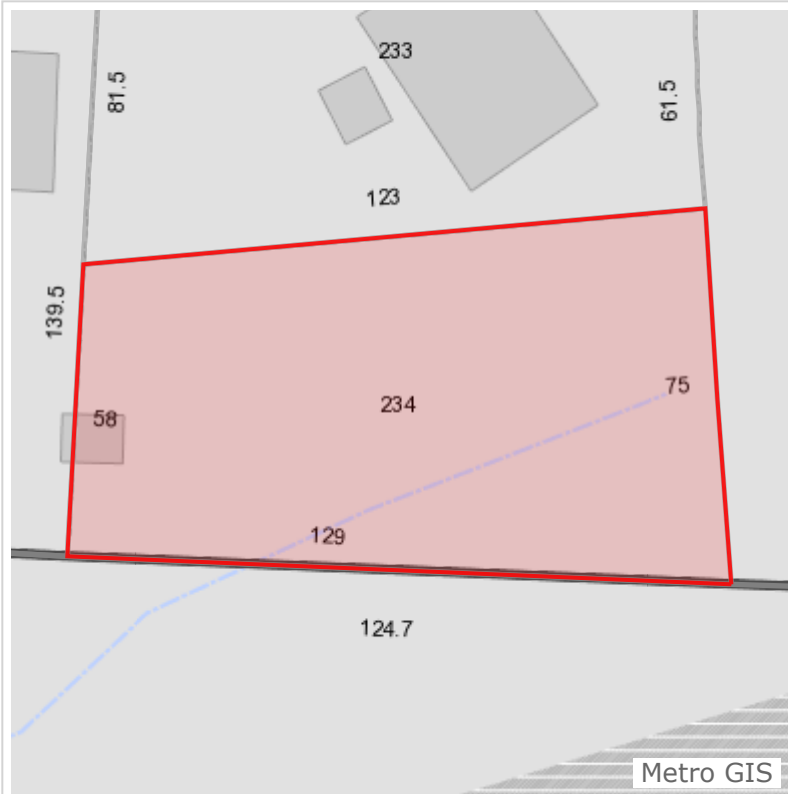
Nashville, TN 37219-6300

[maps.nashville.gov](http://maps.nashville.gov)

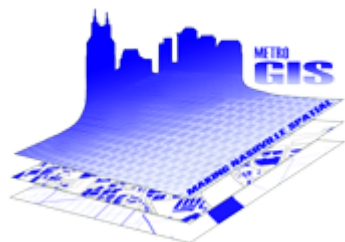
Parcel Details	
<b>Parcel ID:</b>	10705025600
<b>Parcel Address:</b>	0 DABBS AVE NASHVILLE, TN 37217
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE
<b>Acquired Date:</b>	4/20/1977
<b>Sale Price:</b>	\$ 501.00
<b>Sale Instrument:</b>	DB-00005413 0000910
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219
<b>Legal Description:</b>	LOT 234 SEC 2 BEL AIR
<b>Acreage:</b>	0.19
<b>Frontage Dimension:</b>	75
<b>Side Dimension:</b>	129
<b>Parcel Instrument:</b>	DB-00003101 0000474
<b>Parcel Instrument Date:</b>	7/25/1960
<b>Census Tract:</b>	37015804
<b>Tax District:</b>	USD
<b>Council District:</b>	13
<b>Land Use Description:</b>	VACANT RESIDENTIAL LAND

Zoning	<a href="#">Hide</a>
<b>Zone Code</b>	OV-AIR
<b>Zone Description</b>	
<b>Effective Date</b>	1/1/1998
<b>Ordinance</b>	O96-555



# Exhibit D



Nashville Planning Department

800 2nd Ave S

P.O. Box 196300

Nashville, TN 37219-6300

[maps.nashville.gov](http://maps.nashville.gov)

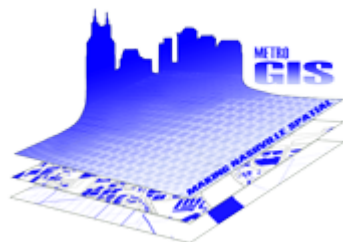
Parcel Details	
<b>Parcel ID:</b>	09316002900
<b>Parcel Address:</b>	8 CANNON ST NASHVILLE, TN 37210
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE
<b>Acquired Date:</b>	1/14/2002
<b>Sale Price:</b>	\$ 6,427.00
<b>Sale Instrument:</b>	DB-20020313 0031562
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219
<b>Legal Description:</b>	PT LOTS 197 198 & 199, MAURY & CLAIBORNE ADDN
<b>Acreage:</b>	0.08
<b>Frontage Dimension:</b>	33
<b>Side Dimension:</b>	105
<b>Parcel Instrument:</b>	DB-00004821 0000689
<b>Parcel Instrument Date:</b>	5/30/1974
<b>Census Tract:</b>	37014800
<b>Tax District:</b>	USD
<b>Council District:</b>	19
<b>Land Use Description:</b>	VACANT RESIDENTIAL LAND

Metro GIS

Zoning	<a href="#">Hide</a>
<b>Zone Code</b>	OV-UZO
<b>Zone Description</b>	
<b>Effective Date</b>	7/25/2007

# Exhibit E



Nashville Planning Department

800 2nd Ave S

P.O. Box 196300

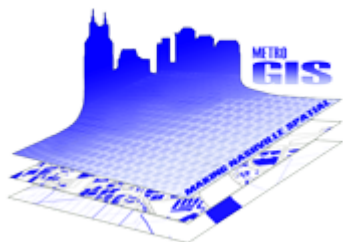
Nashville, TN 37219-6300

[maps.nashville.gov](http://maps.nashville.gov)

Parcel Details	
<b>Parcel ID:</b>	14802011400
<b>Parcel Address:</b>	0 EZELL RD NASHVILLE, TN 37211
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE
<b>Acquired Date:</b>	12/8/2009
<b>Sale Price:</b>	\$ 773.00
<b>Sale Instrument:</b>	CR-20100913 0072826
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219
<b>Legal Description:</b>	S/S EZELL RD E OF BAKERTOWN RD
<b>Acreage:</b>	0.14
<b>Frontage Dimension:</b>	50
<b>Side Dimension:</b>	128
<b>Parcel Instrument:</b>	QC-00009476 0000465
<b>Parcel Instrument Date:</b>	9/26/1994
<b>Census Tract:</b>	37015613
<b>Tax District:</b>	USD
<b>Council District:</b>	28
<b>Land Use Description:</b>	VACANT RESIDENTIAL LAND

Zoning	
<b>Zone Code</b>	OV-AIR
<b>Zone Description</b>	
<b>Effective Date</b>	12/23/1974
<b>Ordinance</b>	O73-650



# Exhibit F

Nashville Planning Department

800 2nd Ave S

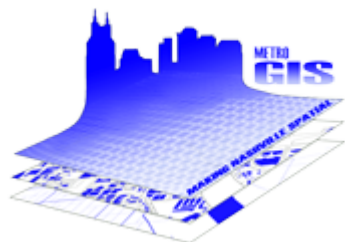
P.O. Box 196300

Nashville, TN 37219-6300

[maps.nashville.gov](http://maps.nashville.gov)

<b>Parcel Details</b>		
<b>Parcel ID:</b>	09312009100	
<b>Parcel Address:</b>	169 OLD HERMITAGE AVE NASHVILLE, TN 37210	
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE	
<b>Acquired Date:</b>	12/14/2010	
<b>Sale Price:</b>	\$ 2,234.00	
<b>Sale Instrument:</b>	CR-20110419 0030277	
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219	
<b>Legal Description:</b>	LOT 38 MAURY & CLAIRBORNE ADDN	
<b>Acreage:</b>	0.14	
<b>Frontage Dimension:</b>	35	
<b>Side Dimension:</b>	165	
<b>Parcel Instrument:</b>	DB-00001906 0000405	
<b>Parcel Instrument Date:</b>	10/9/1950	
<b>Census Tract:</b>	37014800	
<b>Tax District:</b>	USD	
<b>Council District:</b>	19	
<b>Land Use Description:</b>	VACANT COMMERCIAL LAND	
<b>Zoning</b>		<a href="#">Hide</a>
<b>Zone Code</b>	CS	
<b>Zone Description</b>	COMMERCIAL SERVICE IS INTENDED FOR RETAIL, CONSUMER SERVICE, FINANCIAL, RESTAURANT, OFFICE, NEW AUTO SALES, SELF-STORAGE, LIGHT MANUFACTURING AND	

# Exhibit G



Nashville Planning Department

800 2nd Ave S

P.O. Box 196300

Nashville, TN 37219-6300

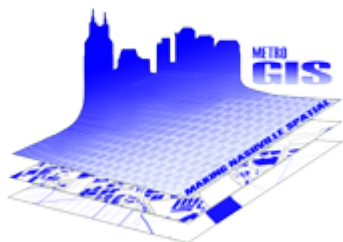
[maps.nashville.gov](http://maps.nashville.gov)

Parcel Details	
<b>Parcel ID:</b>	09316036000
<b>Parcel Address:</b>	85 DONELSON ST NASHVILLE, TN 37210
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE
<b>Acquired Date:</b>	1/14/2002
<b>Sale Price:</b>	\$ 9,559.00
<b>Sale Instrument:</b>	DB-20020313 0031565
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219
<b>Legal Description:</b>	PT LOT 8 BLK C HERMITAGE ADDN
<b>Acreage:</b>	0.09
<b>Frontage Dimension:</b>	25
<b>Side Dimension:</b>	150
<b>Parcel Instrument:</b>	DB-00001248 0000473
<b>Parcel Instrument Date:</b>	6/13/1943
<b>Census Tract:</b>	37014800
<b>Tax District:</b>	USD
<b>Council District:</b>	19
<b>Land Use Description:</b>	VACANT RESIDENTIAL LAND

Zoning	
<b>Zone Code</b>	OV-UZO
<b>Zone Description</b>	
<b>Effective Date</b>	7/25/2007
<b>Ordinance</b>	BL2007-1426





Nashville Planning Department

800 2nd Ave S

P.O. Box 196300

Nashville, TN 37219-6300

[maps.nashville.gov](http://maps.nashville.gov)

# Exhibit H

<b>Parcel Details</b>			
<b>Parcel ID:</b>	08111054300		
<b>Parcel Address:</b>	1626 12TH AVE N NASHVILLE, TN 37208		
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE		
<b>Acquired Date:</b>	9/18/2012		
<b>Sale Price:</b>	\$ 1,587.00		
<b>Sale Instrument:</b>	CR-20131022 0110202		
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219		
<b>Legal Description:</b>	PT LOT 125 D T MCGAVOCK & OTHERS ADDN		
<b>Acreage:</b>	0.09		
<b>Frontage Dimension:</b>	25		
<b>Side Dimension:</b>	154		
<b>Parcel Instrument:</b>	DB-00001915 0000358		
<b>Parcel Instrument Date:</b>	12/17/1950		
<b>Census Tract:</b>	37013900		
<b>Tax District:</b>	USD		
<b>Council District:</b>	21		
<b>Land Use Description:</b>	VACANT RESIDENTIAL LAND		
<b>Zoning</b>			<a href="#">Hide</a>
<b>Zone Code</b>	OV-DDU		
<b>Zone Description</b>	THE DADU OVERLAY DISTRICT PROVIDES ADDITIONAL HOUSING OPTIONS IN THE URBAN ZONING OVERLAY.		

# Exhibit I

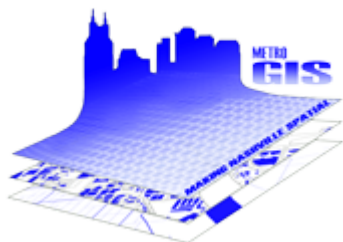
Nashville Planning Department

800 2nd Ave S

P.O. Box 196300

Nashville, TN 37219-6300

[maps.nashville.gov](http://maps.nashville.gov)



<b>Parcel Details</b>		
<b>Parcel ID:</b>	08116002700	
<b>Parcel Address:</b>	1514 14TH AVE N NASHVILLE, TN 37208	
<b>Owner:</b>	METRO GOV'T BT BACK TAX SALE	
<b>Acquired Date:</b>	10/9/2000	
<b>Sale Price:</b>	\$ 0.00	
<b>Sale Instrument:</b>	DB-20001101 0108185	
<b>Mailing Address:</b>	P O BOX 196300 NASHVILLE, TN 37219	
<b>Legal Description:</b>	PT LOT 220 D T MCGAVOCK AND OTHERS ADDN	
<b>Acreage:</b>	0.07	
<b>Frontage Dimension:</b>	18	
<b>Side Dimension:</b>	170	
<b>Parcel Instrument:</b>	DB-00002038 0000562	
<b>Parcel Instrument Date:</b>	3/6/1952	
<b>Census Tract:</b>	37013900	
<b>Tax District:</b>	USD	
<b>Council District:</b>	21	
<b>Land Use Description:</b>	VACANT RESIDENTIAL LAND	
<b>Zoning</b>		<a href="#">Hide</a>
<b>Zone Code</b>	OV-DDU	
<b>Zone Description</b>	THE DADU OVERLAY DISTRICT PROVIDES ADDITIONAL HOUSING OPTIONS IN THE URBAN ZONING OVERLAY.	

**GRANT CONTRACT  
BETWEEN THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
LIVING DEVELOPMENT CONCEPTS, INC.**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and Living Development Concepts, Inc., hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing units as further defined in the "SCOPE OF PROGRAM." Living Development Concepts, Inc. will be adding 6 affordable housing units located at 1601 Wheless Street, Nashville, TN 37208; 908 28<sup>th</sup> Avenue North, Nashville, TN 37208; 0 Dabbs Avenue, Nashville, TN 37217; 8 Cannon Street, Nashville, TN 37210; 0 Ezell Road, Nashville, TN 37211; and 169 Old Hermitage Avenue, Nashville, TN 37210. 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 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 \$275,000.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.

**Additional Conditions for Rental Properties:**

1. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
2. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances and tenant incomes. The Grantee shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the compliance period.

3. The Grantee will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations and utility allowances.
4. Compliance restrictions on both tenant income and maximum rents shall apply for thirty (30) years from the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project.
5. Recipient shall not increase rents during the initial lease term, but such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.

**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 Two Hundred Seventy-Five Thousand Dollars (\$275,000). 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  
800 2<sup>nd</sup> Avenue South  
Nashville, TN 37210  
(615) 862-7190  
rasheedah.pardue@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

John Cooper, 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 July 1, 2024 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 enquiries regarding invoices:  
Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund  
Planning Department – Housing Division  
800 2<sup>nd</sup> Avenue South  
Nashville, TN 37210  
(615) 862-7190

Rasheedah.Pardue@Nashville.Gov

Recipient:

Living Development Concepts, Inc.  
c/o Henry Miller  
3250 Dickerson Pike, Ste. 212  
Nashville, TN 37207  
615-578-6590  
hmiller@ldc-nashville.com

- 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)

THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON  
COUNTY:

APPROVED AS TO PROGRAM SCOPE:

  
\_\_\_\_\_  
Jim Schimtz, Chair,  
Metropolitan Housing Trust Fund  
Commission

APPROVED AS TO AVAILABILITY OF  
FUNDS:

  
\_\_\_\_\_  
Kelly Flannery, 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

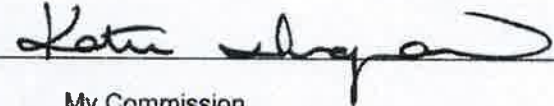
**RECIPIENT:**

Living Development Concepts, Inc.

By:   
Title: Executive Director

Sworn to and subscribed to before me a  
Notary Public, this 25<sup>th</sup> day  
of April, 2023.

Notary Public

  
\_\_\_\_\_  
My Commission  
expires 9/8/2025





February 15, 2023

Living Development Concepts, Inc.  
Attn: Henry Miller  
3250 Dickerson Pike, Suite 212  
Nashville, TN 37207

RE: Letter of Interest

Dear Mr. Miller:

The Housing Fund would like to work with Living Development Concepts, Inc. in offering financing up to \$900,00 for a construction/bridge loan for an affordable housing project located at 908 28<sup>th</sup> Ave N., 1601 Wheless St., 2937 A & B Brick Church Pk., and 2939 A & B Brick Church Pk.

Final approval is contingent upon, but not limited to, any finding of substantial deterioration in Living Development Concepts, Inc. financial strength, satisfactory appraisal, clear title, and final underwriting.

Sincerely,

A handwritten signature in black ink that reads 'Alisha Haddock'. The signature is fluid and cursive, with the first name 'Alisha' being more prominent than the last name 'Haddock'.

Alisha Haddock  
Senior Vice President  
Director of Community and Economic Development



## Barnes Housing Trust Fund Round 11 Work Scope

**Organization:** Living Development Concepts, Inc.

**Development Type:** Homeowner

**Development Address:** 908 28<sup>th</sup> Ave N, Nashville, TN 37208; 1601 Wheless St, Nashville, TN 37208

**Metro Donated Property:**

Parcel Number	Address
09206019500	908 28th Ave N
08111027000	1601 Wheless St

**Amount Awarded:** \$275,000

**Number of Barnes-funded Units:** 2

**Target Populations Served:** All income-eligible homebuyers

**AMI Targets:**

Below 30% AMI	31-60% AMI	61-80% AMI
		2

### Homeowner and Rehab Proceeds Policy

#### **How will any proceeds from sales or repayment of liens be reported and repurposed?**

Since we only build new construction homebuyer projects, the proceeds from any of our home sales will be reported on our final closeout report to the Housing Trust Fund Commission. This information helps staff and the commission understand the development process and provides updated information for the Division of Housing's reporting. These proceeds will be **repurposed** in other Barnes-funded activities.

All liens will be paid off at closing by our title company. This will provide a free and clear title for the homebuyer.

Blank Sheet

To

Project #1

Address: 908 28<sup>th</sup> Ave. N

Nashville, TN 37208

## Proforma for Project #1

Address: 908 28<sup>th</sup> Ave. North  
Nashville, TN 37208

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Unit Address	908 28th Ave. North	BARNES	THE HOUSING FUND		
Development Type	Single Family Detached				
Accessible Bus Line Routes	19 Herman & 77 Thompson-Wedgewood				
Number of Bedrooms	3				
Number of Bathrooms	2				
Square Feet	1307+				
Number of Stories	2				
Acquisition Costs					
Vacant Land	0	0	0		
Land with Structure					
Title & Recording					
Legal					
<b>Total</b>	0	0	0		
Predevelopment Costs					
Appraisal	550		550		
Survey	500	250	250		
Relocation (if applicable)					
Insurance	1570	785	785		
Architect	1900	950	950		
Engineering	11,000	5,500	5,500		
Planning/Zoning	470	235	235		
Other	9,550	6,276	3274		
<b>Total</b>	25,540	13,996	11,544		
Construction Costs					
Structure					
Footer/Foundation	15,000	7,500	7,500		
Framing	30,000	2,501	27,499		
Electrical	7,000	3,500	3,500		
Plumbing	15,000	7,500	7,500		



BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Roofing		12,000	6,000	6,000			
HVAC		7,000	3,500	3,500			
Drywall/Insulation		6,300	3,150	3,150			
Paint/Stain		5,200	2,600	2,600			
Windows/Doors		10,303	5,151	5,152			
Floor Coverings		<b>18,298</b>	9,149	9,149			
Cabinets		13,000	6,500	6,500			
Brick/Siding		11,000	5,500	5,500			
<b>Sub-Total</b>		<b>150,101</b>	<b>62,551</b>	<b>87,550</b>			
<b>Other</b>							
Site Work		<b>15,000</b>	7,500	7,500			
Appliances		10,875	5,437	5,438			
Decks/Porches		6,800	3,400	3,400			
Side Walks/Driveways		6,844	3,422	3,422			
Landscaping		<b>3,500</b>	525	2,975			
Utility Hookups		<b>5,500</b>	2,750	2,750			
Building Permits/Fees		2,500	1,250	1,250			
Demolition							
Fees		2,050	1,025	1,025			
Materials and Labor Market Contingency Cost Overrun							
<b>Sub-Total</b>		<b>53,069</b>	<b>25,309</b>	<b>27,760</b>			
Construction Contingency		22,871	11,435	11,436			
Profit (if organization has own construction crew)							
<b>Sub-Total</b>		<b>22,871</b>	<b>11,435</b>	<b>11,436</b>			
<b>Total Construction Cost</b>		<b>251,581</b>	<b>113,291</b>	<b>138,290</b>			
<b>Cost per Unit</b>		<b>251,581</b>	<b>113,291</b>	<b>138,290</b>			

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Developer's Fee (capped at 20%)	23,419	11,709	11,710		
Total Cost/Unit	275,000	125,000	150,000		
Total Debt Service					
Debt Coverage Ratio				1.37	
Operating Reserve				75,000.00	

<b>Unit Address</b>	<b>908 28th Ave. N</b>	
<b>Plan Type</b>	Single Family Detached	
<b>Number of Bedrooms</b>	3	
<b>Number of Bathrooms</b>	2	
<b>Square Feet</b>	1307+	
<b>Number of Stories</b>	2	
<b>Total Cost/Unit</b>	\$275,000	
<b>As Built Appraisal Value</b>	\$350,000	
<b>Selling Price</b>	\$250,000	
<b>Anticipated Subsidy</b>	\$100,000	

Blank Sheet

To

Project #2

Address: 1601 Wheless Street  
Nashville, TN 37208

Proforma for Project #2

Address: 1601 Wheless Street  
Nashville, TN 37208

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Unit Address	1601 Wheless St.	BARNES	THE HOUSING FUND		
Development Type	Single Family Detached				
Accessible Bus Line Routes	75 Midtown, 22 Bordeaux, 42 Cecilia- Cumberland				
Number of Bedrooms	3				
Number of Bathrooms	2				
Square Feet	1307+				
Number of Stories	2				
Acquisition Costs					
Vacant Land	0	0	0		
Land with Structure					
Title & Recording					
Legal					
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Predevelopment Costs					
Appraisal	550		550		
Survey	500	250	250		
Relocation (if applicable)					
Insurance	1570	785	785		
Architect	1900	950	950		
Engineering	11,000	5,500	5,500		
Planning/Zoning	470	235	235		
Other	9,550	6,276	3274		
<b>Total</b>	<b>25,540</b>	<b>13,996</b>	<b>11,544</b>		
Construction Costs					
Structure					
Footer/Foundation	15,000	7,500	7,500		
Framing	30,000	2,501	27,499		
Electrical	7,000	3,500	3,500		
Plumbing	15,000	7,500	7,500		

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

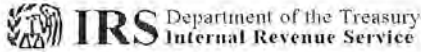
Roofing		12,000	6,000	6,000			
HVAC		7,000	3,500	3,500			
Drywall/Insulation		6,300	3,150	3,150			
Paint/Stain		5,200	2,600	2,600			
Windows/Doors		10,303	5,151	5,152			
Floor Coverings		<b>18,298</b>	9,149	9,149			
Cabinets		13,000	6,500	6,500			
Brick/Siding		11,000	5,500	5,500			
<b>Sub-Total</b>		150,101	62,551	87,550			
<b>Other</b>							
Site Work		<b>15,000</b>	7,500	7,500			
Appliances		10,875	5,437	5,438			
Decks/Porches		6,800	3,400	3,400			
Side Walks/Driveways		6,844	3,422	3,422			
Landscaping		<b>3,500</b>	525	2,975			
Utility Hookups		<b>5,500</b>	2,750	2,750			
Building Permits/Fees		2,500	1,250	1,250			
Demolition							
Fees		2,050	1,025	1,025			
Materials and Labor Market Contingency Cost Overrun							
<b>Sub-Total</b>		53,069	25,309	27,760			
Construction Contingency		22,871	11,435	11,436			
Profit (if organization has own construction crew)							
<b>Sub-Total</b>		22,871	11,435	11,436			
<b>Total Construction Cost</b>		251,581	113,291	138,290			
<b>Cost per Unit</b>		251,581	113,291	138,290			

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Developer's Fee (capped at 20%)	23,419	11,709	11,710	
Total Cost/Unit	275,000	125,000	150,000	
<b>Total Debt Service</b>				
Debt Coverage Ratio				1.37
Operating Reserve				75,000.00



<b>Unit Address</b>	1601 Wheless St.	
<b>Plan Type</b>	Single Family Detached	
<b>Number of Bedrooms</b>	3	
<b>Number of Bathrooms</b>	2	
<b>Square Feet</b>	1307+	
<b>Number of Stories</b>	2	
<b>Total Cost/Unit</b>	\$275,000	
<b>As Built Appraisal Value</b>	\$350,000	
<b>Selling Price</b>	\$250,000	
<b>Anticipated Subsidy</b>	\$100,000	



CINCINNATI OH 45999-0038

In reply refer to: 0248188044  
Mar. 13, 2017 LTR 4168C 0  
62-1855943 000000 00  
00021913  
BODC: TE

LIVING DEVELOPMENT CONCEPTS INC  
% HENRY MILLER  
3250 DICKERSON PIKE STE 212  
NASHVILLE TN 37207



045273

Employer ID Number: 62-1855943  
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Mar. 02, 2017, regarding your tax-exempt status.

We issued you a determination letter in May 2002, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

Our records also indicate 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 a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

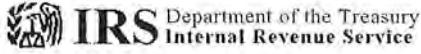
0248188044  
Mar. 13, 2017 LTR 4168C 0  
62-1855943 000000 00  
00021914

LIVING DEVELOPMENT CONCEPTS INC  
% HENRY MILLER  
3250 DICKERSON PIKE STE 212  
NASHVILLE TN 37207

Sincerely yours,



Kim A. Billups, Operations Manager  
Accounts Management Operations 1



CINCINNATI OH 45999-0038

045273.740259.137295.9804 1 AB 0.403 530



LIVING DEVELOPMENT CONCEPTS INC  
% HENRY MILLER  
3250 DICKERSON PIKE STE 212  
NASHVILLE TN 37207



045273

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT,  
EVEN IF YOU ALSO HAVE AN INQUIRY.



The IRS address must appear in the window.

Use for payments

BODCD-TE

0248188044

Letter Number: LTR4168C  
Letter Date : 2017-03-13  
Tax Period : 000000

INTERNAL REVENUE SERVICE

CINCINNATI OH 45999-0038



\*621855943\*

LIVING DEVELOPMENT CONCEPTS INC  
% HENRY MILLER  
3250 DICKERSON PIKE STE 212  
NASHVILLE TN 37207

621855943 RN LIVI 00 2 000000 670 000000000000

4 1 1 3 5 4 2 5 4

**FILED**

RECEIVED  
STATE OF TENNESSEE

01 MAY 11 PM 2:33

**CHARTER  
OF**

RILEY DARNELL  
SECRETARY OF STATE **LIVING DEVELOPMENT CONCEPTS, I N C .**

The undersigned person(s) under the Tennessee Nonprofit Corporation Act adopt(s) the following charter of the above listed corporation:

1. The name of the corporation is Living Development Concepts, Inc.
2. The corporation is a public benefit corporation.
3. The corporation is not a religious corporation.
4. (a) The complete address of the corporation's registered office at 2404 Ramblewood Drive, Murfreesboro, Tennessee is County of RUTHERFORD  
 (b) The name of the initial registered agent, to be located at the address listed in 4(a), is HENRY MILLER.
5. The name and complete address of each incorporator is:  
Henry O. Miller, 2404 Ramblewood Drive, Murfreesboro, TN. 37129  
Lula B. Miller, 306 Jackson St., Murfreesboro, TN. 37130  
Henry I. Miller 306 Jackson St., Murfreesboro, TN 37130
6. The complete address of the corporation's principal office is:  
2404 Ramblewood Drive, Murfreesboro, TN ~~37130~~ 37129
7. The corporation is a nonprofit corporation.
8. The corporation will not have members.
9. Upon dissolution of this corporation assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code., i.e. charitable, educational, religious or scientific, or corresponding section of any future federal tax code, to relieve any and all indebtedness and as applicable, shall be distributed to the Federal government, or to a state or local government for a public purpose.

4-11-85 3:12:35

**10. Living Development Concepts, Inc. is organized exclusively for charitable and educational purposes as may qualify if as exempt from federal income tax under section 501(e)(3) or provision of any future United States Internal Revenue Law, such purposes include, but are not limited to:**

**(a) Living Development Concepts, Inc. is nonprofit corporation organized and incorporated in the state of Tennessee which is established to design and develop economic and human development programs that serve to improve the quality of life and prosperity for participants in programs, workshops, seminars, housing and services offered.**

- **Develop, design and implement programs for historic restoration and cultural development, special needs, at risk, disenfranchised and low income populations, including infants, toddlers, children, youth, young adults, adults and seniors;**

- **Design of training programs for cultural and human development, saving persons from personal financial tragedies, housing support and placement, homeless programs, job development and re-establishment, new initiatives, special programs, medical support initiatives, educational initiatives and development of prosperity programs for new income sources and survival support networks, housing initiatives and historic preservation initiatives;**

- **To publish tapes and printed materials that serve to develop self esteem and personal growth, cultural expansion, historical recordation and information that will support seminars and presentations in the public arena;**

- **Conduct of studies and the development of an information base to serve to support network of the advancement of programs that will meet the critical appropriate personal, business, environmental, medical, human developmental needs of constituents and at risk populations;**

- **Develop programs for support of youth development, counseling and teen pregnancy prevention;**

- **Development of programs relating to career development and development of housing subdivisions and transitional housing and at risk populations to promote care, upkeep, and longevity of new life styles for safer and better living and the housing facilities;**

- **Development and management of food banks, clothing banks, job banks, housing acquisition and finance networks to support the basic needs of constituents.**

**(b) Living Development Concepts, Inc. seeks to bring together resources that support the implementation of these and other related initiatives through the**

4-1-13 3:12:36

solicitation of grants from the private foundation community and the solicitation of government grants. The government supported initiatives will be initiated through the programs available through the federal, state and local government programs as well.

(c) This is a nonstock corporation.

(d) The number of directors of the corporations shall be no less than 3 which number may be increased pursuant to the by-laws of the corporation.

(e) To host conferences, conventions and other such information gathering and distribution events geared toward advancing human and social causes; inclusive but not limited to educational and spiritual advancement of deprived, disenfranchised and at risk individuals.

(f) To acquire all or any part of the good will, rights, property and business of any person, firm, association or corporation heretofore and hereafter engaged in any activity similar to or in furtherance of any purposes which the corporation has the power to conduct, and to hold utilize, enjoy, and in any manner dispose of the whole or any part of the rights property, and business so acquired, and to assume in connection therewith any liabilities of any such person, firm, association or corporation.

(g) Officers and directors shall be indemnified against expenses incurred in defense of any suit or proceeding, civil or criminal, in which he is made party by reason of being a director of officer, except in relation to matters as to which he is adjudged liable for negligence or misconduct in the performance of his duties to the corporation.

(h) Living Development Concepts, Inc. will work with government jurisdictions around the area to insure their ability to support initiatives ratified by the jurisdictions to assist in private public partnerships to improve the available facilities in a timely matter which will increase the program availability for sites for at risk populations and underserved populations within the metropolitan and county community and service area.

(I) To carry out all or any of the foregoing objects as principal, factor, agent, contractor, or otherwise, either alone through, or in conjunction with any carrying on of its purposes for the purpose of attaining or furthering any of its objects and purposes, to make and perform any contracts and to do any acts and things, and to exercise any powers suitable, and convenient or proper for the accomplishment of any of the objects and purposes herein enumerated or incidental to the powers herein specified, or which at any time may appear conducive to or expedient for the accomplishment of any such objects and purposes.

(j) No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to its members, trustees, directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of Section 501(c)(3) purposes. No substantial part of

4 1 13 15 . 3 12 3 1

the activities of the corporation shall be the carrying of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

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

(l) All fiduciary responsibilities will be carried out according to the provisions set forth in the by-laws.

(m) To carry out all or any part of the aforesaid objects and purposes, and to conduct its activities in all or any part of its branches, in any or all states, territories, districts, and possessions of the United States of America and in foreign countries, and any and all provisions set forth in the by-laws as adopted by the directors and to maintain offices and agencies in the aforesaid jurisdictions.

5-11-2001 \_\_\_\_\_ Henry O. Miller  
Signature Date Incorporator's Signature

Henry O. Miller \_\_\_\_\_  
Incorporator's Name ( typed or printed)

Jennifer M Gerhart, Register  
Rutherford County Tennessee  
Rec #: 257711 Instrument 1060651  
Rec'd: 5.50 NBK: 60 Pg 166  
State: 0.00  
Clerk: 0.00 Recorded  
EDP: 2.00 5/15/2001 at 9:00 am  
Total: 7.50 in Record Book  
67 Pages 1672-1677



**By Laws**

**Of**

**Living Development**

**Concepts, Inc.**

## ARTICLE I

### Living Development Concepts, Inc.

The name of the Corporation is Living Development Concepts, Inc. It is intended that the Corporation shall have the status of Corporation which is exempt from federal income taxation under Section 501 (a) of the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future federal tax laws not for profit, as an organization described in Section 501 (c) (3) of the Code.

## ARTICLE II

### OFFICES

**Section 2.1 Corporate Office.** The principal office of the Corporation shall be located at 3250 Dickerson Pike, Suite 212, Nashville, Tennessee, 37207. In addition to its registered and principal offices the corporation may have other offices and/or facilities at such other places as the Board of Trustees may from time to time determine and as the business of the Corporation may require. The address of the principal office may be changed by the Board of Trustees by amendment to the Corporation's Charter.

**Section 2.2 Registered Office.** The registered office of the Corporation required to be maintained in the State of Tennessee Nonprofit Corporation Act, as amended from time to time may, but need not, be identical with the principal office in the State of Tennessee; and the address of the registered office may be changed from time to time by Board of Trustees.

## ARTICLE III

### PURPOSE AND USE OF FUNDS

**Section 3.1 Purposes.** The purpose of the Corporation is to provide training and education to young men and women in the construction industry as well as assist with finding employment. The Corporation is to build homes including affordable homes for low income families. The Corporation is organized exclusively for religious, charitable, scientific, literary, and educational purposes within the meaning of Section 501 (c)(3) of the Code, including the receipt and acceptance of property, whether real, personal, or mixed, by gift or bequest from any person or entity; the retention, administration and investment of such property in accordance with the terms of the Corporation's Charter and these By-Laws; and the distribution of such property for the Charitable Purposes as herein delineated and/or (a) one or more organizations described in Section 501 (c)(3) of the Code and either Section 509 (a) (1) or Section 509 (a)(2) of the Code, Contributions to which are deductible under Section 170 (c)(2) , Section 2055(a) and Section 2522 (a) of the Code, or (b) A State, a possession of the United States, or any political subdivision of any of the forgoing, or the United States or the District of Columbia, contribution to which are deductible under Section 170 (c)(1), Section 2055 (a) and Section 2522 (a) gift or bequest of property be received or accepted in such a manner as to require the disposition of its income or principal to any person, governmental unit or organization, other than a Qualified Beneficiary or for other than Charitable Purposes.

**Section 3.2 Use of Funds.** In making distribution to effectuate the religious, charitable, scientific, literacy and educational purposes of the Corporation, as delineated in Section 3.1 above, the Board of Trustees shall have the authority to make distributions if both income and principal in such promotions and amounts as the Board of Trustees, in its discretion, determines advisable, provided that all such distributions are consistent with all applicable federal tax laws and regulations as herein provide. The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, nonprofits of the Corporation shall be distributable to, or inure to; the benefit of its trustees or officers or any other private person, except as provided in Section 5.11, Section 6.10 and Article XI as reimbursement for expenses or reasonable compensation for services rendered to the Corporation, as set forth in the Charter and Section 3.1 above. No substantial part of the activities of the Corporation shall be the carrying on of the propaganda, or be the participation in, or intervention in (including the publishing or distribution of statement), any political campaign on behalf of (or in opposition to) any candidate for public office.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 3.3 Administration of Funds.** In the event the Corporation is a private foundation within the meaning of Section 509 of the Code for a taxable year, the Corporation (a) tax on undistributed its income for each tax year in such manner so that it will not become subject to the tax on undistributed income for each tax year, in such a manner so that it will not become subject to the self-dealing, as defined in Section 4941 (d) of the Code (c) shall not retain any excess business holdings, as defined in Section 4943 (c) of the Code; (d) shall not make any investments in a manner expenditures, as defined in Section 4945 (d) of the Code. In order to fully effectuate the provisions of these Sections the Corporation shall adopt such procedures, and shall otherwise adhere to such administrative requirements as may from time to time be necessary, in order to fully comply with all applicable federal tax laws and regulations.

**Section 3.4 Termination of Corporation.** The Board of Trustees 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 exclusively for Charitable Purposes, any assets not so distributed shall be distributed to one or more Qualified Beneficiaries, as the Board of Trustees shall determine. Any assets not so disposed of by the Board of Trustees shall be disposed of by the 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 Qualified Beneficiaries, as such court shall determine.

**ARTICLE IV**

**MEMBERS**

**Section 4.1 Non-Members.** The Corporation shall have members with no voting rights, no meeting requirements, and no compensations. Memberships are given to donors who contribute between \$500.00 and more to the organization. Recognition of membership will be distributed in publication.

By Laws  
Of  
Living Development Concepts, Inc.

ARTICLE V

BOARD OF TRUSTEES

**Section 5.1 General Powers.** The business and affairs of the Corporation shall be supervised by its Board of Trustees, which shall exercise in the name of and behalf of the Corporation all of the rights and privileged legally exercisable by the Corporation as a corporate entity, except as many otherwise be provided by law, the Charter, or these By-laws. The Board of Trustees, as the governing body of the corporation, shall have the authority to receive, administer, invest and distribute property on behalf of the Corporation in accordance with the provisions set forth in these By-laws. May serve as committee members and give advice or make recommendations.

**Section 5.2 Number, Tenure and Qualifications.** The number of the members of the Board of Trustees shall be not less than three (3) not more than nine (9). However, the number of trustees may be increased or decreased from time to time by the Board of Trustees by amendment of these By-laws, but no decrease shall have the effect of shortening the term of an incumbent trustee or reducing the number of trustees below three (3). The initial members of the Board of Trustees shall be appointed by the Incorporate(s) for staggered terms of approximately one, two and three years, in order properly to stagger the terms thereafter and permit expiration of terms immediately following the annual meeting.

In the event additional members are added to the Board of Trustees, the initial terms of office of such additional trustees shall be staggered in such a manner to assure that the terms of office of not more than one-half (1/2) of all of the trustees will expire in any one year. The initial members of the Boards of Trustees shall be appointed by the Incorporate(s) to serve until after the first annual meeting of the Board of Trustees and until his or her successor shall have been elected and qualified. At its annual meeting, the Board of Trustees shall elect individuals to serve on the Board of Trustees for a term that does not exceed a period of five (5) years. Each trustee shall hold office until his or her term shall have expired and his or her successor shall have been elected and qualified, or until his or her earlier resignation, removal from office, or death. A retiring trustee may succeed himself or herself. Trustees shall be natural persons who have attained the age of twenty-one (21) years, but need not be residents of the State of Tennessee.

**Section 5.3 Advisor Members.** The Board of Trustees may elect advisory members from time to time, who may attend, without vote, all meetings of the Board of Trustees. Advisory members shall serve at the pleasure of Board of Trustees and shall advise and counsel the Board of Trustees on appropriate matters.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 5.4 Annual Meeting.** The annual meeting of the Board of Trustees shall be held within or without the State of Tennessee on the last business day of the fifth (5th) month following the close of the Corporation's fiscal year, or at such other time and date prior thereto and following the close of the Corporation's fiscal year as shall be determined by the Board of Trustees. The purpose of the annual meeting shall be to elect trustees and officers and transact such other business as may properly be brought before the meeting. If the election of trustees and officers shall not be held on the day herein designated for any annual meeting of the Board of Trustees, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Board of Trustees as soon thereafter as may be convenient.

**Section 5.5 Special Meetings.** Special meetings of the Board of Trustees may be called by the President, or at the request of any trustee. The President shall fix the time and place, either within or without the State of Tennessee, of any special meeting.

**Section 5.6 Notices.** Notice of any special meeting shall be given at least five (5) business days prior thereto. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except where a trustee 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 Trustees must be specified in the notice of such meeting and no other business shall be transacted at that meeting.

**Section 5.7 Quorum.** A majority of the total number of Trustees in office shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

**Section 5.8 Participation in Meetings.** Each Trustee other than an advisory member shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Trustees. The affirmative vote of a majority of the Trustees present at the meeting at which a quorum is present shall be the act of the Board of Trustees, except as may otherwise be specifically provided by law, by the Charter, or by these By-laws. Members of the Board of Trustees absent from any meetings shall be permitted to vote at such meeting by written proxies. The members of the Board of Trustees or any committee designated by the Board of Trustees, may participate in a meeting of the Board of Trustees, 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 in person at such meeting. The Trustees shall be promptly furnished a copy of the minutes of the meetings of the Board of Trustees.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 5.9 Actions Without A Meeting.** Any action required or permitted to be taken at a meeting by the Board of Trustees, or by any 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 number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board of Trustees. The action must be evidenced by the one (1) or more counterparts signed 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 Trustees or committee.

A consent signed under the Section shall have the same force and effect as a meeting vote of the Board of Trustees, or any committee thereof, and may be described as such in any document.

**Section 5.10 Vacancies.** Any vacancy occurring in the Board of Trustees including vacancies created by the removal of trustees without cause or for cause may be filled by the affirmative vote of a majority of the remaining trustees in office, so long as the requirements of Section 5.2 are satisfied. A Trustee elected to fill a vacancy shall serve for the unexpired term of his or her predecessor in office, or if there is no predecessor until the next election of Trustees. If a vacancy is not filled within ninety (90) days of the event which resulted in there being fewer Trustees than required by the Charter of By-laws, any Trustee may apply to a court having equity jurisdiction in the county in which the Corporation has its principal office to have such court appoint a sufficient number of Trustees so that the corporation will have the number of Trustees required by its Charter or By-laws, whichever number is greater. Any trusteeship to be filled by reason of an increase in the number of trustees may be filled by election by the Board of Trustees for a term of office continuing only until the next election of trustees.

**Section 5.11 Compensation and Reimbursement of Expenses.** Each trustee shall be entitled to receive reasonable compensation, as may from time to time be set by the Board of Trustees for services rendered to the Corporation. In addition, each trustee may be paid his or her reasonable expenses incurred by the trustee directly related to the affairs of the Corporation upon prior approval by the Board of Trustees and proper substantiation of such expenses. No such payments shall preclude any trustee from serving the corporation in any capacity and receiving compensation therefore.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 5.12 Presumption of Assent.** A trustee of the corporation who is present at a meeting of the Board of Trustees at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless his or her dissent shall be presumed to have assented to the action taken, unless his or dissent shall be entered in the minutes of the meeting, or unless he or shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.

**Section 5.13 Resignation.** A trustee may resign his or her membership at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the 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 VI**

**OFFICERS**

**Section 6.1 Number.** There shall be a resident and a Secretary of the Corporation, each of whom shall be elected in accordance with the provisions of this Article. The Board of Trustees may also elect one (1) or more Vice-Presidents, a Treasurer, and such other assistant officers, as the Board of Trustees may from time to time deem necessary or appropriate. Any two or more offices may be held by the same person, except for the office of President and Secretary.

**Section 6.2 Election and Term of Office.** The initial officers of the corporation shall be elected by the incorporator(s) for a term of office expiring immediately following the first annual meeting of the Corporation. The Board of Trustees at its annual meeting shall elect the officers of the Corporation annually. If the election of the officers shall not be held at such meeting, such election shall be held, as soon thereafter as may be convenient. Each officer shall hold office for a term of one (1) year expiring immediately following the annual meeting at which he or she was elected and until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation, or removal from office in the manner hereinafter provided. A retiring officer may not succeed himself or herself in office, but may be eligible for election to another office or to the Board of Trustees.



**LIVING DEVELOPMENT CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

housing units.

The remaining loan commitment was \$115,500 dated August 4, 2021 with a floating interest rate based on the floating rate for the period of the loan. The maturity date of the loan is February 2, 2023. The balance of the loan as of December 31, 2021 was \$43,438.

**NOTE 5—OFFICE RENT**

LDC rents space in the building known as The Ellwood, located at 3250 Dickerson Pike. The monthly rental expense is \$400 monthly. Additional operational costs are \$281. Total monthly rent expense is \$681. Total rental expense as of December 31, 2021 was \$8,257.

**NOTE 6—CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject LDC to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At December 31, 2021, LDC had \$177,101 in excess of the FDIC insured limit.

**NOTE 7—PRIOR PERIOD ADJUSTMENT**

The following adjustments were made to correct prior year transactions:

Correction of Accounts Payable	\$ 35,280
Correction of Credit Card Liability	<u>6,272</u>
<b>Total</b>	<u>\$ 42,552</u>

**NOTE 8—SUBSEQUENT EVENTS**

In May 2022, the remaining loan balance was repaid to the Housing Fund. The final balance repaid was \$113,614 and the investment property was sold.

There were no other subsequent events requiring disclosure as of November 7, 2022 the date management evaluated such events. November 7, 2022 is the date the financial statements were available to be issued.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 5.12 Presumption of Assent.** A trustee of the corporation who is present at a meeting of the Board of Trustees at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless his or her dissent shall be presumed to have assented to the action taken, unless his or dissent shall be entered in the minutes of the meeting, or unless he or shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.

**Section 5.13 Resignation.** A trustee may resign his or her membership at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the 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 VI  
OFFICERS**

**Section 6.1 Number.** There shall be a resident and a Secretary of the Corporation, each of whom shall be elected in accordance with the provisions of this Article. The Board of Trustees may also elect one (1) or more Vice-Presidents, a Treasurer, and such other assistant officers, as the Board of Trustees may from time to time deem necessary or appropriate. Any two or more offices may be held by the same person, except for the office of President and Secretary.

**Section 6.2 Election and Term of Office.** The initial officers of the corporation shall be elected by the incorporator(s) for a term of office expiring immediately following the first annual meeting of the Corporation. The Board of Trustees at its annual meeting shall elect the officers of the Corporation annually. If the election of the officers shall not be held at such meeting, such election shall be held, as soon thereafter as may be convenient. Each officer shall hold office for a term of one (1) year expiring immediately following the annual meeting at which he or she was elected and until his or her successor shall have been duly elected and qualified, or until his or her earlier death, resignation, or removal from office in the manner hereinafter provided. A retiring officer may not succeed himself or herself in office, but may be eligible for election to another office or to the Board of Trustees.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 6.3 President.** The President shall be the principal executive officer of the Corporation. He or she shall, when present, preside at all meetings of the Board of Trustees and the Executive Committee, 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 be prescribed by the Board of Trustees. The President may sign, with the Secretary or any other proper officer thereunto authorized by the Board of Trustees deeds, mortgages, bonds, contracts, or other instruments which the Board of Trustees has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Trustees or these By-Laws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed or executed.

**Section 6.4 Vice-President.** In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice President in the order designated at the time of the election) shall perform the duties of the President (pending election, if necessary, of a successor pursuant to Section 6.8 below) and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. Any vice-President shall perform such duties as may from time to time be assigned to him or her by the Board of Trustees.

**Section 6.5 Secretary.** The Secretary will keep the minutes of the proceedings of the Board of Trustees in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as requires by the law; be custodians 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 address shall be furnished to the Secretary by each Trustee; and in general perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned to him or her by the President of the Board of Trustees.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 6.6 Treasurer.** The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of all the Corporations; 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 select in accordance with the provisions of Article VIII of these By-laws; disburse the funds of the Corporation in accordance with the directives of the Board of Trustees, taking proper vouchers for such disbursements, and render to the Board of Trustees, and accounting for all the transactions of the Treasurer and of the financial conditions of the Corporation; and in general perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the President or other Board of Trustees.

**Section 6.7 Removal.** Any member of the Board of Trustees removed from office pursuant to Section 513 shall be automatically removed as an officer, the Board of Trustees may by a two-thirds (2/3) vote remove any officer when in its judgment, the best interest of the Corporation will be served thereby. Chairperson serves 5 years a 2/3 vote must carry for two consecutive meeting for the removal.

**Section 6.8 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the affirmative vote of a majority of the Board of Trustees for the un-expired portion of the term.

**Section 6.9 Resignations.** An officer may resign his or her office at any time by tendering his or her resignation in writing to the President, or in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such written notice, or if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

**Section 6.10 Salaries and Expenses.** The officers of the Corporation shall be entitled to reasonable compensation, as may be set by the Board of Trustees from time to time for services rendered to the Corporation. Reasonable expenses incurred by all of the officers of the Board of Trustees in the course of coordination shall be reimbursed by the Corporation upon proper substantiation. No officer shall be prevented from receiving reasonable compensation by reason of the fact that he also is a member of the Board of Trustees.

By Laws  
Of  
Living Development Concepts, Inc.

ARTICLE VII

**EXECUTIVE COMMITTEE AND OTHER COMMITTEES**

**Section 7.1 Appointment of Executive Committee.** The Board of Trustees by resolution adopted by a majority of its voting members, may designate three (3) or more of its members to constitute an executive Committee and shall hold office until the next annual meeting of the Board of Trustees following his or her designation and until his or her successor has been appointed and qualified. The designation of the Executive Committee and the delegation of authority thereto shall not operate to relieve the Board of Trustees, or any member thereto, of any responsibility by law.

**Section 7.2 Authority of Executive Committee.** The Executive Committee, when the Board of Trustees is not in session, shall have and may exercise all the authority of the Board of Trustees except to the extent, if any that such authority shall be limited by the resolution appointing to the Executive Committee or by these By-laws. All action taken by the Executive Committee shall be subject to ratification by the Board of Trustees. However, the Executive Committee shall not have the authority of the Board of Trustees with respect to filling any vacancy on the Board of Trustees; amending or repealing any resolution of the Board of Trustees which by its express terms is not so amendable or repealable; amending or repealing the Charter or the By-laws of the corporation; adopting a plan of merger or consolidation, selling, leasing, or otherwise disposing of all or substantially all the property and assets of the corporation other than in the usual and regular course of its business; or voluntarily dissolving the Corporation or revoking a voluntary dissolution.

**Section 7.3 Meeting of Executive Committee.** Regular meeting of the Executive Committee may be held at such times and places as the Executive Committee may from time to time fix by resolution. Special meetings of the Executive Committee may be called by any member upon concurrence of a majority of the members of the Executive Committee upon not less than three (3) business days' notice prior thereto. The notices provided for in this Section shall state the place, date, and hour of the meeting, and the business proposed to be transacted at the meeting.

**Section 7.4 Quorum of Executive Committee.** A majority of the voting members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof. Action of the Executive Committee must be authorized by the affirmative vote of a majority of all voting members present at a meeting at which a quorum is present.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 7.5 Action of Executive Committee.** *Without a meeting.* Any action required or permitted to be taken by the Executive Committee without a meeting may be taken without a meeting in accordance with the revisions of Section 5.9 of these By-laws.

**Section 7.6 Executive Committee Procedures.** The Executive Committee shall fix its own rules of procedure, provided such rules are not inconsistent with these By-laws. The Executive Committee shall keep regular minutes of its proceedings and report its proceedings to the Board of Trustees for its information at the next meeting of the Board of Trustees held after such proceedings.

**Section 7.7 Vacancies, Resignations and Removal.** Any vacancy in the Executive Committee may be filled by a resolution adopted by a majority of the voting members of the Board of Trustees. Any member of the Executive Committee may be removed at any time with or without cause by resolution adopted by a majority of the voting members of the Board of Trustees. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the President or Secretary of the Corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 7.8 Standing Committees.** The Board of Trustees may maintain such standing committees as it may determine from time to time to be necessary or desirable for its proper functioning. Such committees shall consist of three (3) or more members, shall be under the control and serve at the pleasure of the Board of Trustees of these By-laws shall maintain a permanent record of actions and proceedings and shall regularly submit a report of their actions to the Boards of Trustees which shall ratify the actions of each committee. The President, or his or her designee, shall serve on each Committee as an ex-officio member. Such standing committees shall have such authority as the Board of Trustees may stipulate, except that no committee shall have the authority of the Board of Trustees with respect to those matters delineated in Section 5.2 above.

**Section 7.9 Ad Hoc Committee.** The President, with the approval of the Board of Trustees as evidenced by resolution, may from time to time create such ad hoc committees, as the President believes necessary or desirable to investigate matters or advise the Board of Trustees. Ad Hoc Committees shall limit their activities to the accomplishment of the tasks for which created and shall have no power to act except as specifically conferred by resolution of the Board of Trustees. Such committees shall operate until their tasks have been accomplished or until discharged by the Board of Trustees.

By Laws  
Of  
Living Development Concepts, Inc.

**ARTICLE VIII**  
**CONTRACTS, LOANS, CHECKS, DEPOSITS,**  
**INVESTMENTS**

**Section 8.1 Contracts and Employment of Agents.** The Board of Trustees may authorize any trustee, 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 Trustees shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, consultants, and other counsel, legal, investment, or otherwise, as the Board of Trustees 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 8.2 Loans.** No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its names, unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances.

**Section 8.3 Checks, Drafts, and 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 Trustees.

**Section 8.4 Deposits.** All funds of the Corporation or otherwise employed shall be deposited from time to time to the credits of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositories as the Board of Trustees may from time to time select.

**Section 8.5 Investment Authority.** The Board of Trustees shall be authorized to retain assets distributed to the Corporation, even though such assets may constitute an over concentration in one or more similar investments. Further, the Board of Trustees 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.

By Laws  
Of  
Living Development Concepts, Inc.

ARTICLE IX

STANDARDS OF CONDUCT

**Section 9.1 Standards of Conduct.** A trustee or an officer of the Corporation shall discharge his or her duties as a trustee or as an officer, including duties as a member of a committee:

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

**Section 9.2 Reliance on Third Parties.** In discharging his or her duties, a trustee 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 Trustee or officer reasonably believes to be reliable and competent in the matters presented;
- b) Legal counsel, public accountants and other persons as matters the trustees or officer reasonably believes are within the persons professional or expert competence; or
- c) With respect to a trustee, a committee of the Board or Boards of which the trustee is not a member, as to matters within its jurisdiction, if the trustee or officer reasonably believes the committee merits confidence.

**Section 9.3 Bad Faith.** A trustee or officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 9.2 unwarranted.

**Section 9.4 No Liability.** A trustee or officer is not liable for any action taken, or any failure to take action, as a trustee or officer, if he or she performs the duties of his or her office in compliance with the provisions of this Article, or if he or she is immune from suit under the provisions of Section 48-58-601 of the Act. No repeal or modification of the provisions of this Section 9.4, 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 such repeal or modification.



By Laws  
Of  
Living Development Concepts, Inc.

**Section 9.5 No Fiduciary.** No trustee or officer shall be deemed to be a fiduciary with respect to the Corporation or with respect to any property held or administrated by the Corporation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

**Section 9.6 Prohibition on Loans.** No loans or guarantees shall be made by the Corporation to its trustees or officers. Any trustees who assents to or participates in the make of such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

ARTICLE X  
CONFLICTS OF INTEREST

**Section 10.1 General.** A conflict of interest transaction is a transaction with the corporation which a trustee or officer of the Corporation has a direct or indirect interest. A trustee or officer of the Corporation has an indirect interest in a transaction if, but not only if, a party to the transaction is another entity in which the trustee or officer has a material interest, or of which the trustee or officer is a general partner, director, officer, or trustee. A conflict of interest transaction is not voidable, or the basis for imposing liability on the trustee or officer, if the transaction was fair at the time it was entered into, or if the transaction is approved as provided in Section 10.2.

**Section 10.2 Manner of Approval.** A transaction in which a trustee or officer of the Corporation has a conflict of interest may be approved if:

- a) The material facts of the transaction and the interest of the Trustee or Officer were disclosed or known to the Board of Trustees or to committee consisting entirely of members of the Board of Trustees, and the Board of Trustees or such committee authorized, approved, or ratified the transaction; or
- b) Approval is obtained from the Attorney General of the State of Tennessee, or from a court of record having equity jurisdiction in an action in which the Attorney General is joined as a party.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 10.3 Quorum Requirements.** For purposes of Section 10.2, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of majority of the members of the Board of Trustees, or of a committee consisting entirely of members of the Board of Trustees, who have no direct or indirect interest in the transaction; but a transaction may not be authorized, approved, or ratified under this Article by a single trustee. A quorum is present for the purpose of taking action under this article if a majority of the members of the Board of Trustees who have no direct or indirect interest in the transaction vote, authorized, approved, or ratify the transaction. The presence of, or vote cast by, a trustee with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection 10.2 (a) if the transaction is otherwise approved as provided in Section 10.2.

**ARTICLE XI**

**INDEMNIFICATION AND ADVANCEMENT OF  
EXPENSES**

**Section 11.1 Mandatory Indemnification of Trustees and Officers.** To the maximum extent permitted by the provision 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 the 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 trustee 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:

**By Laws  
Of  
Living Development Concepts, Inc.**

- a) The proceeding was instituted by reason of the fact that such person is or was a trustee of the Corporation; and
- b) The trustee or officer conducted himself or herself in good faith, and he or she reasonably believed (i) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interest; (ii) in all other cases, that his or her 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 she had no reasonable cause to believe his or her 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 trustee or officer did not meet the standard of conduct herein described.

**Section 11.2 Permissive Indemnification Of Employee 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 restrict 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, heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 11.1 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 to the extent, consistent with public policy, as may be provided by the Charter, by these By-laws, by contract, or by general or specific action of the Board of Trustees.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 11.3 Non-Exclusive Application.** The rights to indemnification and advancement of expenses set forth in Sections 11.1 and 11.2 above are contractual between the Corporation and the person being indemnified, and his or her 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 Trustees, by these By-Laws, by the purchase and maintenance by the Corporation of insurance on behalf of a trustee, officer, employee, or agent of the Corporation, or by an agreement with the Corporation providing such indemnification all of which means of indemnification and advancement of expenses are hereby specifically authorized.

**Section 11.4 Non-Limiting Application.** The provision of this Article XI shall not limit the power of the Corporation to pay or reimburse expenses incurred by a trustee, 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 or she has not been made a named defendant or respondent to the Proceeding.

**Section 11.5 Prohibited Indemnification.** Notwithstanding any other provision of this Article XI. The Corporation shall not indemnify or advance expenses to or on behalf of any trustee, officer, employee, or agent of the Corporation, or such person's heir, executors, administrators or legal representatives:

- a) If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Corporation for act 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 or her official capacity, in which he or she was adjudged liable on the basis that personal benefit, was improperly received by him or her.

**By Laws  
Of  
Living Development Concepts, Inc.**

**Section 11.6 Repeal or Modification Not Retroactive.** No Repeal or modification of the provisions of this Article XI, 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 XII**

**NOTICES AND WAIVER OF NOTICE**

The notices provided for in these By-Laws shall be communicated in person, telegraph, teletype, or by mail (including e-mail) or private carrier. Written notice is effective at the earliest of (a) receipt; (b) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first class postage affixed hereon; (c) on the date shown on the return receipt. If sent by registered mail, return receipt requested, and the receipt signed by or on behalf of the addressee; or (d) twenty (20) days after its deposit in the United States mail, if mail correctly, addressed, and with other than first class, registered, or committee member of the Corporation under the Provisions of the Charter, these By-laws, 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 XIII**

**FISCAL YEAR**

The fiscal year of the Corporation shall end on the last day of December, or on such other dates as may be fixed from time to time by the Board of Trustees.

**ARTICLE XIV**

**PROCESS FOR LOW-INCOME BENEFICIARIES**

Low income beneficiaries, including committee members and most of our applicants will be involved in the advisement regarding the design, location, development and management of our affordable housing rental program. We will elect a committee for each planned rental housing project. Each committee member will be educated and informed of the Federal, State and Local government regulations to rehabilitating and/or building housing. Consideration includes:

**By Laws  
Of  
Living Development Concepts, Inc.**

- a) The cost of the rehabilitation and/or property
- b) The size of the rental housing property
- c) The cost of the affordable housing
- d) The possibility of vandalism and/or theft during the process, as well as security and safety.

**Development of projects is discussed during committee meetings.**

All projects will be managed by CHDO Board Members, as well as the low income committee members will be educated about:

- The process of obtaining project funding.
- Obtaining permits.
- Ordering materials.
- Contract management and project/job tracking.

Our organization will make every attempt to include all potential affordable housing rental applicants from the beginning of the rehabilitation and/or construction phase to its completion.

**ARTICLE XV**

**AMENDMENTS**

These By-laws and the Charter may be altered, amended, or repealed, and a new Charter or By-laws adopted, upon the affirmative vote of two-thirds (2/3) of the Board of Trustees at any annual or special meeting, except to the extent that such alteration, amendment, or repeal is inconsistent with Article XV hereof.

By Laws  
Of  
Living Development Concepts, Inc.

ARTICLE XVI

EXEMPT STATUS

The Corporation has been organized and will be operated exclusively for exempt from federal income tax under Section 501 (a) of the Internal Revenue code as an organization described in Section 501 (c) (3).

These By-laws are adopted and shall be effective this 15<sup>th</sup> day of August, 2009.

Henry O. Miller

Suanna Murphy-Miller  
Incorporator



“FOCUSING ON THE COMMUNITY”

3250 Dickerson Pike, Suite 212  
Nashville, TN 37207  
(615) 823-1931

**Mission Statement:**

Our mission is to provide reliable housing services in the development of safe, decent and affordable housing for low and very low income individuals. To provide community service opportunities through our staff volunteer program to further this mission. Our purpose is to operate as an advocate for housing acquisition opportunities within this community through awareness of resources.



**LIVING DEVELOPMENT CONCEPTS, INC.**

**INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**

**LIVING DEVELOPMENT CONCEPTS, INC.  
INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS**

**Table of Contents**

---

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1-2</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>5</b>
<b>SATEMENT OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>7-10</b>



To the Board of Directors of  
Living Development Concepts, Inc.  
3250 Dickerson Pike, Suite 212  
Nashville, TN 37207

We have audited the financial statements of Living Development Concepts, Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Living Development Concepts, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Living

SPD CPA Firm, 4121 Clarksville Pike, Nashville, TN 37218

Bus (615) 891-3012. Fax (615) 678-5454

*"A Socially Responsible, Professionally Driven CPA Firm"*

[www.spdcpafirm.com](http://www.spdcpafirm.com)

Development Concepts, Inc.' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

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



SPD CPA Firm  
Nashville, TN  
November 7, 2022

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

---

**Assets**

## Current assets

Cash	\$ 427,101
Investment Property	76,780
Total current assets	<u>503,881</u>

## Fixed Assets

Property	178,770
Furniture and Equipment	8,100
Accumulated Depreciation	(65,490)
Total fixed assets	<u>121,380</u>

**Total assets** \$ 625,261

**Liabilities and net assets**

## Current liabilities

Rental Security Deposits	\$ 1,660
Note Payable	43,438
Total current liabilities	<u>45,098</u>

## Net Assets

Without Donor Restrictions	401,393
With Donor Restriction	178,770
Total net assets	<u>580,163</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 625,261</u></u>

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

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Gross tenant rent potential	\$ 19,920	\$ -	\$ 19,920
Less: Vacancy	-	-	-
Net tenant rent potential	<u>19,920</u>	<u>-</u>	<u>19,920</u>
Grant Revenue	143,125	-	143,125
Contributions	318,085	-	318,085
Other Income	14,992	-	14,992
Total Operating Revenue	<u>496,122</u>	<u>-</u>	<u>496,122</u>
Expenses			
Affordable Housing	287,232	-	287,232
General and Administrative	27,307	-	27,307
Total Expenses	<u>314,539</u>	<u>-</u>	<u>314,539</u>
Change in Net Assets	181,583	-	181,583
Net Assets, Beginning of Year	219,810	178,770	398,580
Net Assets, End of Year	<u>\$ 401,393</u>	<u>\$ 178,770</u>	<u>\$ 580,163</u>

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**Cash flows from operating activities**

Increase in net assets	\$ 181,583
Adjustments to reconcile change used in net assets to used net cash provided by (used in) operating activities:	
Depreciation	6,686
Prior period adjustment	41,552
Decrease in accounts payable	(35,280)
Increase in accrued liabilities	706
Net cash provided by operating activities	<u>195,247</u>

**Cash flows from investing activities**

Donation of fixed assets	(7,500)
Net cash provided by investing activities	<u>(7,500)</u>

**Cash flows from financing activities**

Draws on Housing Fund Note	141,503
Payments on Housing Fund Note	(115,164)
Net cash provided by financing activities	<u>26,339</u>

Net increase in cash and cash equivalents	214,086
Cash and cash equivalents, beginning of year	213,015
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 427,101</u></b>

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

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Affordable Housing</b>	<b>General and Administrative</b>	<b>Total</b>
Bank Service Charges	\$ -	\$ 5,351	\$ 5,351
Business Licenses and Permits	-	221	221
Charitable Contributions	-	2,236	2,236
Computer and Internet Expenses	-	2,479	2,479
Contract Labor	-	256	256
Insurance Expense	2,611	2,024	4,635
Interest Expense	275	-	275
Miscellaneous Expense	18,385	-	18,385
Office Supplies	-	220	220
Payroll Expenses	7,324	-	7,324
Printing and Reproduction	1,170	-	1,170
Professional Fees	219,344	4,664	224,008
Rent Expense	-	8,257	8,257
Repairs and Maintenance	10,962	-	10,962
Settlement Charges	15,981	-	15,981
Small Tools and Equipment	615	-	615
Taxes - Property	3,759	-	3,759
Telephone Expense	-	1,599	1,599
Utilities	120	-	120
Depreciation	6,686	-	6,686
<b>Total Expenses</b>	<b>\$ 287,232</b>	<b>\$ 27,307</b>	<b>\$ 314,539</b>

The accompanying notes are an integral part of these financial statements



**LIVING DEVELOPMENT CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

**NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY  
OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of the Organization

Living Development Concepts, Inc. ("LDC"), is a Tennessee Not-For-Profit corporation. LDC is a Community Housing Development Organization established to transform communities by innovative partnership and initiatives that revitalizes neighborhoods by creating affordable housing for eligible populations.

Programs

***ABC's of Home Ownership Program- Education:***

LDC develops housing solutions for qualified first-time buyers earning low-to-moderate incomes. LDC provides free workshops and one-on-one sessions to help individuals understand what is required and to navigate through the home buying process.

***Affordable Housing Program:***

LDC's mission is to promote home ownership through education and development. We build, renovate, sell, and rent affordable housing for veterans, seniors, families and individuals that are at or below eighty percent of the area medium income.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and accordingly revenue is recognized when earned, support and promises to give are recognized when received and expenses are recorded when incurred.

The financial statements presentation follows the recommendations of the Financial Accounting Standard Board's Accounting Standard Codification (FASB ASC 958), Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958, LDC is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets Without Donor Restrictions — Net assets that are not restricted by purpose or time either temporarily or permanently by explicit donor stipulations or by law. Board designation does not constitute a donor restriction.

Net Assets With Donor Restrictions — Net assets that are restricted by purpose or time either temporarily or permanently by explicit donor stipulations or by law.

At December 31, 2021, The Organization had \$178,770 in assets with donor restrictions.

**LIVING DEVELOPMENT CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

Revenue, Support, and Expenses

LDC receives contributions from corporations and individual donors and recognizes revenue when cash or a firm promise to give is obtained.

Contributions received are measured at their fair value and are reported as an increase in net assets. LDC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In-Kind Donations

LDC follows the recommendations of the Financial Accounting Standard Board's Accounting Standard Codification (FASB ASC 958), Financial Statements of Not-for-profit Organizations regarding contributions received and contributions made. These standards require recording the value of donated goods or services that create or enhance non-financial assets require specialized skills. Subject matter experts lend their time and talents at no charge to spare the organization the cash outlay for such goods and services rendered. All in-kind donations are captured and reported appropriately in the Organization's financial records.

LDC records donated goods at fair value.

Cash and Cash Equivalents

For purposes of the statement of cash flows, LDC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Taxes

LDC is a tax-exempt entity under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income tax is considered necessary.

Fixed Assets

Disbursements for property and equipment are capitalized and reflected in the statement of financial position at cost. Expenditures for additions and major improvements are capitalized while those for maintenance and repairs are charged to expenses as incurred. Depreciation, which is reflected as an expense in the statement of activities, is computed on the straight-line method over the following estimated useful lives:

**LIVING DEVELOPMENT CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

	<u>Years</u>
Furniture and equipment	3—10
Buildings	20—39

**NOTE 2—LIQUIDITY AND AVAILABILITY**

LDC has \$427,101 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures.

**NOTE 3—ASSETS WITH DONOR RESTRICTIONS**

LDC entered into an agreement with the Metropolitan Development and Housing Agency (MDHA) in accordance with the Neighborhood Stabilization Program 2 (NSP2):

1. 1611 21 <sup>st</sup> Avenue North	\$ 100,000
2. 1102 Clay Street	<u>78,770</u>
Total	<u>\$ 178,770</u>

In consideration for the funds received, the following restrictions are placed on the property:

1. For the entire Affordability Period, the property shall be occupied only by households whose incomes meet the requirements described below.
2. The property must be set aside for households that that qualify as middle-income households, which select households must have annual incomes that do not exceed 50 to 120 percent of the area median income, as determined by HUD and in accordance with the NSP2 Requirements, as may be amended from time to time.
3. The foregoing income and rent restrictions (the Affordability Restrictions) shall begin at Project Completion, which is defined as the date on which all necessary title transfer requirements and construction work have been performed, and MDHA has entered the project completion information into the disbursement and information system established by HUD. The Affordability Restrictions shall continue for a period of 20 years beginning on the date of Project Completion (the Affordability Period). The Property must remain affordable for the entire Affordability Period.
4. The Affordability Restrictions may be released in writing by MDHA in its sole discretion, prior to the end of the Affordability Period. A sale by foreclosure or transfer in lieu of foreclosure under a deed of trust encumbering the Property that has priority shall terminate the Affordability Period and the Affordability Restrictions, to the extent permitted by HUD.

**NOTE 4—NOTE PAYABLE**

In December 2019, LDC received a loan commitment in the amount of \$231,000 from the Housing Fund for the development of two affordable housing units.

In July 2021, \$114,217 was repaid to The Housing Fund with the sale of one of the affordable

**LIVING DEVELOPMENT CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

housing units.

The remaining loan commitment was \$115,500 dated August 4, 2021 with a floating interest rate based on the floating rate for the period of the loan. The maturity date of the loan is February 2, 2023. The balance of the loan as of December 31, 2021 was \$43,438.

**NOTE 5—OFFICE RENT**

LDC rents space in the building known as The Ellwood, located at 3250 Dickerson Pike. The monthly rental expense is \$400 monthly. Additional operational costs are \$281. Total monthly rent expense is \$681. Total rental expense as of December 31, 2021 was \$8,257.

**NOTE 6—CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject LDC to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At December 31, 2021, LDC had \$177,101 in excess of the FDIC insured limit.

**NOTE 7—PRIOR PERIOD ADJUSTMENT**

The following adjustments were made to correct prior year transactions:

Correction of Accounts Payable	\$ 35,280
Correction of Credit Card Liability	<u>6,272</u>
<b>Total</b>	<u>\$ 42,552</u>

**NOTE 8—SUBSEQUENT EVENTS**

In May 2022, the remaining loan balance was repaid to the Housing Fund. The final balance repaid was \$113,614 and the investment property was sold.

There were no other subsequent events requiring disclosure as of November 7, 2022 the date management evaluated such events. November 7, 2022 is the date the financial statements were available to be issued.

**GRANT CONTRACT  
BETWEEN THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
AFFORDABLE HOUSING RESOURCES**

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 Affordable Housing Resources, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing units as further defined in the "SCOPE OF PROGRAM." Affordable Housing Resources will be adding 3 affordable housing units located at 85 Donelson Street, Nashville, TN 37210; 1626 12<sup>th</sup> Avenue North, Nashville, TN 37208; and 1514 14<sup>th</sup> Avenue North, Nashville, TN 37208. 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 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 \$359,000.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.

**Additional Conditions for Rental Properties:**

1. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
2. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances and tenant incomes. The Grantee shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the compliance period.

3. The Grantee will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations and utility allowances.
4. Compliance restrictions on both tenant income and maximum rents shall apply for thirty (30) years from the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project.
5. Recipient shall not increase rents during the initial lease term, but such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.

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 Three Hundred Fifty-Nine Thousand Dollars (\$359,000). 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  
800 2<sup>nd</sup> Avenue South  
Nashville, TN 37210  
(615) 862-7190  
rasheedah.pardue@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

John Cooper, 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 July 1, 2024 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 enquiries regarding invoices:  
Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund  
Planning Department – Housing Division  
800 2<sup>nd</sup> Avenue South  
Nashville, TN 37210  
(615) 862-7190

Rasheedah.Pardue@Nashville.Gov

Recipient:

Affordable Housing Resources  
c/o Eddie Latimer  
50 Vantage Way, Ste. 107  
Nashville, TN 37228  
615-251-0025 ext. 0  
elatimer@ahrhousing.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)

THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON  
COUNTY:

APPROVED AS TO PROGRAM SCOPE:

  
\_\_\_\_\_  
Jim Schimtz, Chair,  
Metropolitan Housing Trust Fund  
Commission

APPROVED AS TO AVAILABILITY OF  
FUNDS:

  
\_\_\_\_\_  
Kelly Flannery, 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:**

Affordable Housing Resources

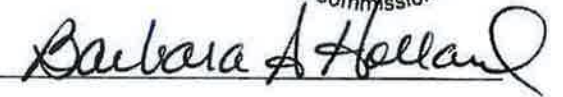
By: 

Title: Executive Director

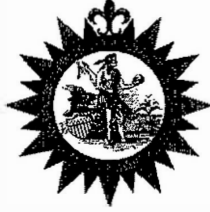
Sworn to and subscribed to before me a  
Notary Public, this 26 day  
of April, 2023.

Notary Public



  
\_\_\_\_\_  
Barbara A. Holland

My Commission  
expires 7 May 2024



## Barnes Housing Trust Fund Round 11 Work Scope

**Organization:** Affordable Housing Resources

**Development Type:** Homeowner

**Development Address:** 85 Donelson St, Nashville, TN 37210 ; 1626 12<sup>th</sup> Ave N, Nashville, TN 37208 ; 1514 14<sup>th</sup> Ave N, Nashville, TN 37208

**Metro Donated Property:**

Parcel Number	Address
09316036000	85 Donelson St
08111054300	1626 12th Avenue N
08116002700	1514 14th Avenue N

**Amount Awarded:** \$359,000

**Number of Barnes-funded Units:** 3

**Target Populations Served:** All income-eligible homebuyers

**AMI Targets:**

Below 30% AMI	31-60% AMI	61-80% AMI
		3

### Homeowner and Rehab Proceeds Policy

**How will any proceeds from sales or repayment of liens be reported and repurposed?**

AHR will collect a developer fee of up to 15% for the projects and any additional proceeds will be used to cover future pre-development and/or development costs for other affordable housing developments produced by the organization.

## BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

<b>Unit Address</b>	Multiple Scattered Lots		
<b>Development Type</b>	Single Family Detached		
<b>Accessible Bus Line Routes</b>	Yes		
<b>Number of Bedrooms</b>	3		
<b>Number of Bathrooms</b>	2		
<b>Square Feet</b>	1400		
<b>Number of Stories</b>	2		
<b>Number of Units</b>	4		
<b>Acquisition Costs</b>			
Land with Structure			
Title & Recording	10,000		
Legal			
<b>Total</b>	10,000		
<b>Predevelopment Costs</b>			
<b>Appraisal</b>	2,100		
<b>Survey</b>	7,500		
<b>Relocation (if applicable)</b>			
<b>Insurance</b>	1,800		
<b>Architect</b>			
<b>Engineering</b>			
<b>Planning/Zoning</b>			
<b>Construction Financing</b>	3,000		
<b>Construction Interest</b>	30,000		
<b>Other</b>			
<b>Total</b>	44,400		
<b>Site and Infrastructure Costs</b>			
<b>Water and Sewer Fees</b>			
<b>Equipmet Mobilizaton</b>			
<b>Clearing and Grubbing</b>			
<b>Survey/Layout</b>			

## BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

<b>Erosion Control ESPC</b>			
<b>Mass Grading</b>			
<b>Blasting</b>			
<b>Retaining Wall</b>			
<b>Sewer</b>			
<b>Storm Water</b>			
<b>Water</b>			
<b>Electric</b>			
<b>Paving</b>			
<b>Sidewalk</b>			
<b>Curb &amp; Gutter</b>			
<b>Contingency</b>			
<b>Total</b>			
<b>Construction Costs</b>			
<b>Structure</b>			
Footer/Foundation/Slab	36,000		
Framing	150,000		
Electrical	42,000		
Plumbing including taps	60,000		
Roofing	18,000		
HVAC	33,000		
Drywall/Insulation	24,000		
Paint/Stain	33,000		
Windows/Doors	30,000		
Floor Coverings	18,000		
Cabinets	36,000		
Brick/Siding	30,000		
<b>Sub-Total</b>	510,000		
<b>Other</b>			
Dumpsters	4,200		
Site Work	13,500		
Appliances	10,500		
Decks/Porches	9,000		



## BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Side Walks/Driveways	13,500		
Landscaping	7,500		
Utility Hookups - Temp elect	3,000		
Building Permits/Fees	3,300		
Demolition	-		
Gutters/Splashblocks	3,000		
Mirrors/Shelving	3,300		
Final Punch	6,000		
Utility expenses	3,000		
Fees - Water and Sewer	13,500		
Materials and Labor Market Contingency Cost Overrun	15,000		
<b>Sub-Total</b>	108,300		
Construction Contingency	45,000		
Profit (if organization has own construction crew)	-		
<b>Sub-Total</b>	45,000		
<b>Total Construction Cost</b>	717,700		
<b>Cost per Unit</b>	239,233		
<b>Developer's Fee (capped at 20%)</b>	28,708		
<b>Total Cost/Unit</b>	267,941		
<b>Total Debt Service</b>	NA		
Debt Coverage Ratio	NA		
Operating Reserve	NA		

**Affordable Housing Resources  
Documents for 2022 Recertification  
HUD Secondary Financing**

**1. IRS Tax Exempt Status.**

a. IRS Letter of Determination

b. EIN


58-1857324

c. Certification

I certify that:

- Affordable Housing Resources approval for tax exemption has not been modified or revoked by the IRS
- The program activities that Affordable Housing Resources seeks FHA approval to participate in are consistent with the activities and purposes for which the IRS granted tax exempt status.
- There have been no substantial or material changes.

**"WARNING: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)."**

  
\_\_\_\_\_

E. D. Latimer  
CEO of AHR

Date

7/19/22



Affordable Housing Resources  
**Documents for 2018 Recertification**  
**HUD Secondary Financing**

**1. IRS Tax Exempt Status.**

a. IRS Letter of Determination

b. EIN

58-1857324

c. Certification

I certify that:

- Affordable Housing Resources approval for tax exemption has not been modified or revoked by the IRS
- The program activities that Affordable Housing Resources seeks FHA approval to participate in are consistent with the activities and purposes for which the IRS granted tax exempt status.
- There have been no substantial or material changes.

**"WARNING: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)."**

E. D. Latimer  
CEO of AHR

Date

**Internal Revenue Service  
District Director**

**Department of the Treasury**

C - 1130  
ATLANTA, GA 30301

Date: **OCT 27 1989**

**AFFORDABLE HOUSING OF NASHVILLE INC  
172 SECOND AVENUE NORTH  
NASHVILLE, TN 37219**

Employer Identification Number:  
58-1857324

Contact Person:  
ROBERTA VAN METER

Contact Telephone Number:  
(404) 331-4989

Accounting Period Ending:  
December 31

Foundation Status Classification:  
509(a)(1)

Advance Ruling Period Begins:  
June 15, 1989

Advance Ruling Period Ends:  
December 31, 1993

Addendum Applies:  
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and contributors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until the Service makes a final determination of your foundation status.

Letter 1045(DO/CG)

-2-

## AFFORDABLE HOUSING OF NASHVILLE INC

If notice that you will no longer be treated as a publicly supported organization is published in the Internal Revenue Bulletin, grantors and contributors may not rely on this determination after the date of such publication. In addition, if you lose your status as a publicly supported organization and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that the Service had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date such knowledge was acquired.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

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

Contributions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If are not required to file, simply attach the label provided, check the box in the heading

Letter 1045(DO/CG)

-3-

AFFORDABLE HOUSING OF NASHVILLE INC

to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

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

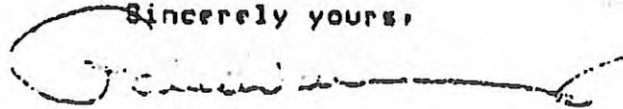
You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Paul Williams  
District Director

Enclosure(s):  
Form 872-C

Letter 1045(DO/CG)



INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
401 W. PEACHTREE ST. NW  
ATLANTA, GA 30365

DEPARTMENT OF THE TREASURY

Date: MAY 09 1994

AFFORDABLE HOUSING OF NASHVILLE,  
INC.  
212 CAPITOL BLVD  
NASHVILLE, TN 37219

Employer Identification Number:  
58-1857324  
Case Number:  
584089110  
Contact Person:  
LORETTA HAMILTON  
Contact Telephone Number:  
(404) 331-0927  
Our Letter Dated:  
October 27, 1989  
Addendum Applies:  
Yes

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

AFFORDABLE HOUSING OF NASHVILLE.

If you have any questions, please contact the person whose name and telephone number are shown above,

Sincerely yours,

*Nelson A. Brooke*

Nelson A. Brooke  
District Director

Enclosure:  
Addendum



AFFORDABLE HOUSING OF NASHVILLE;

Your classification as an organization described in sections 170 (b)(1)(A)(vi) and 509(a)(1) of the Code is contingent upon you continuing to meet the public support requirements of these Code sections. Please refer to Publication 557, page 20, for further details concerning these requirements. If your sources of support change significantly in the future, you should notify your Key District Director so that we can consider the effect if any on your foundation status.



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
Mail Stop 1112, PO Box 12307  
Ogden, UT 84412

Affordable Housing Resources  
1011 Cherry Avenue  
Nashville, TN 37203

*Fe2Tax '06*

DATE OF THIS NOTICE: *JUN 27 2006*

CONTACT PERSON/ID NUMBER:

Kent Beyer/29-81262

CONTACT TELEPHONE NUMBERS:

Toll Free 1-877-767-2501

Fax: 1-801-620-2132

Employer Identification Number: 58-1857324  
Tax Period(s) Ended: December 31, 2003  
Form(s): 990

Dear Sir or Madam:

We are please to inform you that our examination for the above period(s) disclosed that your organization continues to qualify for exemption from Federal income tax. Accordingly, we have accepted your return(s) as filed.

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

*Marsha A. Ramirez*

Marsha A. Ramirez  
Director, EO Examinations

**AMENDED AND RESTATED BYLAWS**  
**OF**  
**AFFORDABLE HOUSING RESOURCES, INC.**

**ARTICLE 1**  
**Name and Office**

The name of this Corporation is AFFORDABLE HOUSING RESOURCES, INC. The principal office of this Corporation is located at 1011 Cherry Street, Nashville, Davidson County, Tennessee 37203. The Corporation may have offices at such other places, either within or without the State of Tennessee.

**ARTICLE 2**  
**Purpose**

The Corporation was formed for charitable, educational, and scientific purposes, with its primary objective being to promote the development of adequate housing for low and moderate income people in the metropolitan area of Nashville, Tennessee, and throughout the State of Tennessee, including, but without limiting the generality of the foregoing:

1. To promote community development through the rehabilitation and construction of affordable housing and building neighborhoods.
2. To provide planning, designing, financing, processing, construction, sale, and management for new and rehabilitated housing.
3. To promote research and development of new methods of constructing and financing housing.
4. To provide technical support and encouragement to other persons and entities who undertake similar activities.
5. To provide activities, information, and resources targeted to home ownership, credit enhancement, and other counseling services related to obtaining and preserving home

ownership.

6. To provide financing initiatives, develop an equity fund for such purposes as down payment and closing costs assistance, and other related activities.
7. To provide relief of the poor and distressed, lessen the burdens of government, combat community deterioration and lessen neighborhood tensions, and stabilize communities and neighborhoods.
8. To do all other activities allowed and permitted for a nonprofit corporation under the laws of the State of Tennessee.

### **ARTICLE 3**

#### **Directors**

(a) The business and property of the Corporation shall be managed and controlled by a Board of Directors. The Board of Directors serving in office shall serve until the next annual meeting of the Board or until their elected term has expired, or until the election and qualification of their respective successors, except as hereinafter otherwise provided for filling vacancies. The Board of Directors shall have the power to establish advisory committees as they deem needed.

(b) The Chairman shall be elected annually by the Board of Directors from among their number.

(c) The Chairman shall preside at all meetings of the Board of Directors.

(d) At the request of the Chairman, or in the event of his or her absence or disability, an acting chair shall be appointed by a majority of the members present to perform the duties and powers and exercise the powers of the Chairman. To the extent authorized by law, the acting chair shall have such other powers as the Board of Directors may determine and shall perform such other duties as may be assigned to him or her by the Board of Directors.

(e) The number of Directors shall not be less than nine nor more than fifteen. Such number may be increased or decreased by amendment to these Bylaws, in the manner set forth in Article 11. When the number of Directors is decreased by amendment adopted by the Board of Directors, each Director in office shall serve until his or her term expires, or until his or her resignation or removal as herein provided. The Corporation is not a membership organization.

(f) Directors shall be divided into three classes with each class consisting of no more than one-third of the persons on the Board of Directors. Directors in each class shall be elected every third year and serve for a three (3) year term. Directors may serve successive terms.

(g) Any Director may resign at any time by giving written notice of such resignation to the Board of Directors. Directors may be removed from office by an affirmative vote of eighty percent (80%) of the members of the Board. Directors alleged by authorities to have committed crimes of moral turpitude may be removed by a majority vote of the Board members. Directors are automatically removed without a vote by failing to attend three consecutive meetings without just cause or excuse.

(h) Any vacancy in the Board of Directors occurring during the year, including a vacancy created by an increase in the number of Directors made by the Board of Directors, may be filled for the unexpired portion of the term by the Directors then serving, although less than a quorum, by affirmative vote of the majority thereof. Any Director so elected by the Board of Directors shall hold office until the next succeeding annual meeting of the Board of Directors of the Corporation, until the elected term has expired, or until the election and qualification of a successor.

(i) The annual meeting of the Board of Directors of the Corporation shall be held at any place within or without the State of Tennessee at a time and on a date determined by the Executive

Director, for the purpose of electing Directors and officers for the next succeeding year, and for the transaction of such other business as may properly come before the meeting.

(j) Notice of the time, place, and purpose or purposes of the annual meeting shall be served, either personally, by mail, or by facsimile, not less than three nor more than forty (40) days before the meeting upon each person who is then serving as a Director.

(k) Special meetings of the Board of Directors may be called by the Chairman, and twenty four (24) hour notice shall be given by email, telephone, or facsimile to all Directors.

(l) Notice of all Directors' meetings, except as herein otherwise provided, shall be given by mail to the same at least three days or by telephone, email, or facsimile to the same at least one day before the meeting to the usual business or residence address of the Director, but such notice may be waived by any Director. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined by the Board. At any meeting at which every Director shall be present, even though without any notice or waiver thereof, any business may be transacted.

(m) At all meetings of the Board of Directors, the Chairman, or in his or her absence an acting chairman chosen by the Directors present, shall preside.

(n) At all meetings of the Board of Directors, or any Committee thereof, a majority of the Directors or committee members present shall be sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors, or committee members present at any meeting at which there is a quorum shall be the act of the Board of Directors or the committee except as may be otherwise specifically provided by statute or by these Bylaws. A Board member may appoint a proxy in writing, email or facsimile to attend any meeting and vote in his or her

behalf. The Executive Director shall not have a vote.

(o) The Directors and officers of the Corporation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the Corporation and may freely make contracts, enter transactions, or otherwise act for and on behalf of the Corporation, notwithstanding that they may also be acting as individuals, or as trustees of trusts, or as agents for other persons or corporations, or may be interested in the same matters as shareholders, directors, or otherwise; provided, however, that any contract, transaction, or act on behalf of the Corporation in a matter in which the Directors or officers are personally interested as shareholders, directors, or otherwise shall be at arm's length and not violate the provisions of the Charter or the laws of the State of Tennessee against the Corporation's use or application of its funds for private benefit; and provided further that no contract, transaction, or act shall be taken on behalf of the Corporation if such contract, transaction, or act is a prohibited transaction, or would result in the denial of the tax exemption under Section 503 or Section 507 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended. In no event, however, shall any person or other entity dealing with the Directors or officers be obligated to inquire into the authority of the Directors and officers to enter into and consummate any contract, transaction, or other action.

(p) Directors shall not receive any stated salary for their services as a Director, but by resolution of the Board a fixed reasonable sum of expenses of attendance, if any, or both, may be allowed for attendance at each regular or special meeting of the Board. The Board of Directors shall have power in its discretion to contract for and to pay to Directors rendering unusual or exceptional services to the Corporation special compensation appropriate to the value of such services.

(q) All the corporate powers, except such as are otherwise provided for in these Bylaws

and in the laws of the State of Tennessee, shall be and are hereby vested in and shall be exercised by the Board of Directors. In addition to the powers and authority vested in the Executive Committee as established in Article 6 below, the Board of Directors may by general resolution delegate to committees of their own number, to the Executive Committee, or to officers of the Corporation, such powers as they may see fit.

#### **ARTICLE 4**

##### **Officers**

(a) The officers of the Corporation shall be the Executive Director, Secretary, Treasurer, and such other officers with such powers and duties not inconsistent with these Bylaws as may be appointed and determined by the Board of Directors. Any two officers may be held by the same person except those of Executive Director and Secretary.

(b) The other officers shall be elected annually by the Board of Directors from among such persons as the Board of Directors may see fit, at the annual meeting of the Board of Directors.

(c) In case any office of the Corporation becomes vacant by death, resignation, retirement, disqualification, or any other cause, the majority of the Directors then in office, although less than a quorum, may elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until the term is expired, the first meeting of the Board of Directors after the annual meeting next succeeding or until the election and qualification of a successor.

(d) The Executive Director shall have and exercise general charge and supervision of the affairs of the Corporation and shall do and perform such other duties as may be assigned to the Executive Director by the Board of Directors.



(e) The Secretary shall have charge of such books, documents, and papers as the Board of Directors may determine. He or she shall attend and oversee keeping the minutes of all meetings of the Board of Directors of the Corporation. He or she may sign with the Chairman or acting chairman, in the name and on behalf of the Corporation, any contracts or agreements authorized by the Board of Directors or Executive Committee. He or she shall, in general, perform all the duties incident to the office of secretary, subject to the control of the Board of Directors and Executive Committee, and shall do and perform such other duties as may be assigned to him or her by the Board of Directors or the Executive Committee.

(f) The Treasurer shall report on all funds, property, and securities of the Corporation, subject to such regulations as may be imposed by the Board of Directors. The Treasurer, or any other officer of the Corporation, may be required to give bond for the faithful performance of his or her duties, in such sum and with such sureties as the Board of Directors may require. Such officer or officers as designated by the Board of Directors shall sign all checks of the Corporation and promissory notes issued by the Corporation, except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. The Treasurer shall report on the books of the Corporation for the purpose of full and accurate account of all money and obligations received and paid or incurred by him for or on account of the Corporation. The Treasurer shall, in general, perform all the duties incident to the office of treasurer, subject to the control of the Board of Directors.

(g) Any officer may be removed from office by an affirmative vote of eighty percent (80%) or more of the Directors present at any regular or special meeting called for that purpose, for conduct detrimental to the interests of the Corporation, for lack of sympathy with its objectives, or

for refusal to render reasonable assistance in carrying out its purposes.

## ARTICLE 5

### Executive Committee

(a) The Executive Committee assists the Executive Director and Board of Directors. The Executive Committee shall consist of those persons selected and approved by the Board of Directors. The initial Executive Committee shall consist of the former Chairman, the current Chairman, the chairs of the Finance Committee, Governing Committee, and Stakeholder Committee, and the Executive Director (who is non-voting).

(b) Notice of Executive Committee meetings, except as herein otherwise provided, shall be given to the same by mail, phone, email or fax at least one (1) day before the meeting to the usual business or residence address of the Committee member, but such notice may be waived by any Committee member.

(c) Special meetings of the Executive Committee may be called by the Chairman or Vice-Chairman and twenty-four (24) hour notice shall be given by telephone, email, or facsimile to each Committee member.

(d) At all meetings of the Executive Committee, a majority of those present shall constitute a quorum for the transaction of business and the act of a majority of the Committee members present at any meeting at which there is a quorum shall be the act of the Executive Committee except as may be otherwise specifically provided by statute or by these bylaws. An Executive Committee member may appoint a proxy in writing or facsimile to attend any meeting and vote in his or her behalf.

(e) As delegated by the Board of Directors, the Executive Committee shall oversee the daily operations, including personnel, of the Corporation. The Committee shall solicit input, direction and advice from other members of the Board of Directors and shall update the Board of Directors on a periodic basis of actions and decisions of the Executive Committee.

## **ARTICLE 6**

### **Other Committees**

(a) Other Committees. The Board of Directors may, by resolution adopted by a majority of the Directors then in office (provided a quorum is present), create such other committees, each consisting of one (1) or more Directors appointed by the Board, as it may from time to time deem advisable to perform such general or special duties as may from time to time be delegated to any such committee by the Board of Directors, subject to the limitations contained in the Tennessee Nonprofit Corporation Act, or imposed by the Charter, or by these Bylaws. The Board of Directors may not delegate to a committee the decision to borrow money, to enter into a merger or acquisition, to sell any substantial asset, or to sell any asset for less than fair value. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent member at any meeting of the committee.

(b) Minutes and Reports. Each committee shall keep regular minutes of its proceedings, which shall be filed with the Secretary. All action by any committee shall be reported to the Board of Directors at the next meeting thereof, and, insofar as rights of third parties shall not be affected thereby, shall be subject to revisions and alteration by the Board of Directors.

(c) Meetings. Except as otherwise provided in these Bylaws or by resolution of the Board of Directors, each committee shall adopt its own rules governing the time and place of holding

and the method of calling its meetings and the conduct of its proceedings and shall meet as provided by such rules, and it shall also meet at the call of any member of the committee. Unless otherwise provided by such rules or by resolution of the Board of Directors, committee meetings shall be governed by Article III of these Bylaws.

(d) Term of Office of Committee Members. Each committee member shall serve at the pleasure of the Board of Directors but not to exceed three (3) years.

(e) Advisory Councils. The Corporation may from time to time establish one or more Advisory Council(s) to provide such assistance to the Corporation as may be requested by the Corporation. Any such Advisory Council(s) shall have no rights, powers of responsibility with respect to the Corporation. A member of any such Advisory Council(s) may, however, undertake specific projects for the Corporation as may be mutually determined by the Corporation and such member.

## **ARTICLE 7**

### **Fiscal Policies**

(a) The Corporation shall adopt a calendar year, from January 1 to December 31, for its accounting and record keeping purposes.

(b) The Board of Directors is empowered to request an accounting at any time by a majority vote and may set the policy of all financial matters pertaining to the operation of the Corporation.

(c) The Board of Directors shall maintain and preserve the principal of the assets held in this Corporation from time to time in order that the net income to be derived therefrom shall be

devoted and applied exclusively for the purposes described above, or for any related activities within the scope of the purpose of this organization.

(d) Subject to the approval of, and acceptance by the Board of Directors, any other person or entity may transfer and deliver any kind of property, real or personal, tangible or intangible, to the Board of Directors, their successors and assigns, by deed, assignment, or will, and such property shall be held, managed, and disposed of in accordance with the provisions of this Corporation.

(e) Once the principal of the Corporation reaches an amount deemed appropriate by the Board of Directors for special investment direction, there shall be established a committee of the Board of Directors known as the Investment Advisory Council. The Investment Advisory Council shall consist of three (3) members (who may include persons who are not members of the Board of Directors), all of whom shall be elected by the Board of Directors, and at least (1) of whom shall be a member of the Board of Directors. Initially, one member shall be elected for a one (1) year term, one elected for a two (2) year term, and one elected for a three (3) year term, and thereafter, each member shall serve a two (2) year term. A member may be elected to successive terms, but no member may serve for more than six (6) consecutive years. In the event of the resignation, death, or removal of any member of the Council, or in the event the office of a Council member becomes vacant for any reason, the Board of Directors shall elect a successor to fill such vacancy. The Board of Directors shall appoint one of the members to serve as Chairperson of the Council for a one (1) year term. The Chairperson may be elected to successive terms, but no member may serve for more than two (2) consecutive years as Chairperson. In the event of the resignation, death, or removal of the Chairperson, or in the event the office of the Chairperson becomes vacant for any reason, the Board of Directors shall appoint a successor Chairperson. The duties of the Investment Advisory

Council shall be to:

- (1) supervise the investment of the fund with emphasis on producing income consistent with preserving the principal of the fund;
- (2) retain an investment counselor, if they deem it necessary, and determine such person's compensation;
- (3) maintain specific records of the investment of the fund;
- (4) make quarterly and annual reports to the Board of Directors;
- (5) report to the Board of Directors annually the amount of net income derived from investment of the principal; and
- (6) carry out such other responsibilities as may be directed from time to time by the Board of Directors.

## **ARTICLE 8**

### **Prohibition Against Sharing in Corporation Earnings**

No director, officer, employee, or any other person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any person of reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. Upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Directors may determine exclusively to charitable, religious, scientific, testing for public safety, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended. No director shall be personally liable for the debts

of the Corporation.

## **ARTICLE 9**

### **Investments**

The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 503 or Section 507 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

## **ARTICLE 10**

### **Exempt Activities**

Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its Regulation as they now exist or as they may hereafter be amended, or by an organization to which contributions are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

## **ARTICLE 11**

### **Conflicts of Interest**

- (a) Purpose The purpose of the conflict of interest policy is to protect the interests of

the Corporation when it is contemplating entering into a transaction or arrangement that might potentially benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable Corporations.

(b) Definitions As used in these Bylaws, the following terms shall be defined to be interpreted as follows:

1. *Interested Person*: Any director, officer, or committee member of the Corporation who is delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. *Financial Interest*: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - (i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
  - (ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
  - (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest.

Under Section (b), Item 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.



(c) Procedures.

1. *Duty to Disclose:* In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement.
2. *Determining Whether a Conflict of Interest Exists:* After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. *Procedures for Addressing the Conflict of Interest:*
  - (i) An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - (ii) The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - (iii) After exercising due diligence, the Board of Directors or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - (iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
4. *Violations of the Conflicts of Interest Policy:*
  - (i) If the Board of Directors or committee has reasonable cause to

believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- (ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(d) Records of Proceedings The minutes of the Board of Directors and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

(e) Compensation.

1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

(f) Annual Statements. Each director, officer, and member of a committee to which the Board of Directors delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy.
2. Has read and understands the policy.
3. Has agreed to comply with the policy.
4. Understands the Corporation is charitable and educational, and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

(g) Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management Corporations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

(h) Use of Outside Experts. When conducting the periodic reviews as provided for in this Article 11, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

## ARTICLE 12

### Indemnification of Directors and Officers

(a) Indemnification by Corporation.

1. For the purpose of this Article 12, "agent" means any person who is or was

a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under Sub-Paragraph (2) or Sub-Paragraph (3) of this Article 12, Paragraph (a).

2. The Corporation shall, to the fullest extent permitted by law, indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding.
3. In the event entitlement to indemnification is required by law to be based upon a determination by the Board of Directors that the agent has met the standards of conduct prescribed by law, the agent may select which body shall, or that both bodies shall, make such determination, and such body shall meet and shall reach a determination on the issue within a reasonable period of time after request for such body to meet is received by the Corporation from the agent.
4. To the extent that an agent of the Corporation has been successful on the merits in defense of any proceedings referred to in Subparagraphs 2 and 3 above, or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.
5. Except as provided in Subparagraph 4 above, any indemnification under this Article 12 shall be made by the Corporation only if authorized in the specific case, under a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Subparagraphs 2 and 3 above, by:
  - (i) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;
  - (ii) The court in which such proceeding is or was pending upon

application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation.

6. No indemnification or advance shall be made under this Article II, except as provided in Subparagraph 4 or Subparagraph 5 above, in any circumstance where it appears:

- (i) That it would be inconsistent with a provision of the Charter, the Bylaws, a resolution of the Board of Directors or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (ii) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

(b) Advancing Expenses. The Corporation may advance to each agent the expenses incurred in defending any proceeding referred to in Article 12 of these Bylaws prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in Article 12 of these Bylaws.

(c) Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this section; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of laws pertaining to self-dealing transactions.

## **ARTICLE 13**

### **Amendments**

These Bylaws may be amended by a majority vote of the Board of Directors at any special or regular meeting of the Board, provided that written notice of the proposed amendment has been given to all Directors at least one week in advance of the meeting.

Certified as the official Bylaws of AFFORDABLE HOUSING RESOURCES, INC.

---

Secretary

**AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF  
AFFORDABLE HOUSING OF NASHVILLE, INC.**

The undersigned, for the purpose of forming a corporation pursuant to the provisions of the Tennessee Nonprofit Corporation Act, Tennessee Code Annotated 48-51-101 et seq., adopted the following Articles of Incorporation:

**ARTICLE I.**

Name

The name of this corporation shall be:

**AFFORDABLE HOUSING OF NASHVILLE, INC.**

**ARTICLE II.**

Purposes

This corporation is formed for charitable, educational and scientific purposes, with its primary objective being to promote the development of adequate housing for low and moderate income people in the metropolitan area of and adjacent to the City of Nashville, Tennessee, and in the State of Tennessee, including, but without limiting the generality of the foregoing:

(a) To counteract community deterioration by promoting the rehabilitation and construction of affordable housing.

(b) To provide technical assistance to groups in planning, designing, financing, processing or managing new or rehabilitated housing.

(c) To promote research and development of new modes of constructing and financing housing.

(d) To encourage other persons and entities to undertake similar activities.

(e) To serve as a clearing house for activities, information and resources targeted to the development of affordable housing.

(f) To develop an equity fund for such purposes as down payment and closing costs assistance and other related activities.

This corporation may receive and disburse funds or other property incident to or necessary for the accomplishment of the aforesaid purposes and do any and all acts incidental to the transaction of the business of this corporation or expedient for the attainment of the purposes stated herein.

Within the framework of these purposes, this corporation is organized and shall be operated exclusively: to engage in, advance, promote and administer charitable, education and scientific activities and projects of every kind and nature whatsoever in its own behalf or as the agent, trustee, representative of others; to aid, assist and contribute to the support of corporations, associates and institutions which are organized and operated exclusively for such purposes and which are described in Section 501(c)(3) of the Internal Revenue Code, as now enacted or as hereafter amended. For these purposes, and not otherwise, this corporation shall have only such powers as are required by and are consistent with the foregoing purposes, including the power to acquire and receive funds and property of every kind and nature whatsoever, whether by purchase, conveyance, lease, loan credit, gift, grant, bequest, legacy, devise or



otherwise, and to own, hold, improve, expend, lend, make gifts, grants, and contributions of, and to convey, transfer and dispose of any funds and property and the income therefrom for the furtherance of the purposes of this corporation hereinabove set forth, or any of them, and to lease, mortgage, encumber and use the same, and such other powers which are consistent with the foregoing purposes and which are afforded to this corporation by the Tennessee Nonprofit Corporation Act, and by any present and future laws amendatory thereof and supplementary thereto. Provided, further, that all such powers of this corporation shall be exercised only so that this corporation's operations shall be exclusively within the contemplation of Section 501(c)(3) of the Internal Revenue Code, as now enacted or as hereafter amended, and the Tennessee statutes relating to non-profit corporations, as now enacted or as hereafter amended, and such Tennessee statutes, as now enacted or as hereafter amended, shall not be taken as in any way permitting this corporation to have or to exercise any power which is not within Section 501(c)(3) of the Internal Revenue Code, as now enacted or as hereafter amended. No part of the property or the income of this corporation shall ever be used or employed directly or indirectly by this corporation for the purpose of, and no substantial part of its activities shall consist of, carrying on propaganda, or otherwise attempting, to influence legislation, and in no event shall this corporation participate in, or intervene in (including by publishing or distributing statements) any political campaign on behalf of any candidate for public office.

**ARTICLE III.****Not for Profit**

This corporation is not for profit. This corporation does not and shall not afford pecuniary gain, incidentally or otherwise, to its members. No part of the net earnings or the income of this corporation shall inure to the benefit of any member of this corporation or any private individual (as that term is used in Section 501(c)(3) of the Internal Revenue Code, as now in effect).

This corporation shall not lend any of its assets to any Officer, Director or member of the corporation and shall not guarantee to any other person the payment of a loan by any Officer, Director or member of this corporation.

**ARTICLE IV.****Dissolution**

This corporation may be dissolved in accordance with the laws of the State of Tennessee. Upon dissolution of this corporation any surplus property remaining after the payment of its debts shall be disposed of by transfer to one or more corporations, associations, institutions, trusts, community chests or foundations organized and operated exclusively for one or more of the purposes of this corporation, or to the State of Tennessee or any political subdivision or agency thereof for exclusively public purposes, in such proportions as the Board of Directors of this corporation shall determine, and in accordance with the statutes of the State of Tennessee applicable to dissolution.

**ARTICLE V.**

Public Benefit

This shall be a public benefit corporation.

**ARTICLE VI.**

Perpetual

The period of duration of this corporation shall be perpetual.

**ARTICLE VII.**

Registered Office

The initial registered office of this corporation shall be located at 172 Second Avenue North, Nashville, Davidson County, Tennessee 37201 and the initial registered agent at such office shall be Gerald F. Nicely.

**ARTICLE VIII.**

Incorporator

The name and address of the incorporators, each of whom is a natural person of full age are:

<u>NAME</u>	<u>ADDRESS</u>
Mr. Robert McNeilly	First American National Bank First American Center Nashville, TN 37237-0609
Mrs. Carleen B. Waller	Metropolitan Development and Housing Agency 2204 Eighth Avenue South Nashville, TN 37204
Mr. Todd Christofferson	Sovran Bank/Central South One Commerce Place Nashville, TN 37219

Mr. Gerald F. Nicely Metropolitan Development and Housing Agency  
P.O. Box 846  
Nashville, Tn 37202

Mr. Mark Thompson South Nashville Action People  
1224 Martin Street  
Nashville, TN 37203

Mrs. Fletch Coke St. Luke's Housing Programs, Inc.  
5612 South Stanford Court  
Nashville, TN 37215

Mr. Thomas Epperson Buena Vista Citizens Advisory  
Committee  
1710 Cass Street  
Nashville, TN 37208

Ms. Della Hughes United Way of Middle Tennessee  
250 Venture Circle  
Nashville, TN 37228

Councilman Willis McCallister 935 34th Avenue North  
Nashville, TN 37209

**ARTICLE IX.**

Principal Office

The principal office of the corporation shall be 172 Second Avenue North, Nashville, Tennessee 37201.

**ARTICLE X.**

Capital Stock

The corporation shall have no capital stock.

**ARTICLE XI.**

Board of Directors

The Board of Directors shall consist of no fewer than nine (9) persons and no more than fifteen (15) persons. The Board shall be

a classified board with the Directors divided into three (3) classes, each of which shall have an equal number of members. The tenure in office of each member of a respective class shall be three (3) years and all classes shall end on December 31 of each year. Each member shall serve until the end of his or her tenure or until his or her successor is elected and has qualified.

For the purpose of providing for the structure of tenure of the Directors, the class of 1992 shall consist of at least three (3) members, but no more than five (5) members. The class of 1993 shall consist of at least three (3) members, but no more than five (5) members. The class of 1994 shall consist of at least three (3) members, but no more than five (5) members.

#### ARTICLE XII.

##### Election of Directors

The Board of Directors shall be chosen in the following manner. No more than one-third (1/3) of the Board of Directors shall be appointed by or consist of members of the Metropolitan Development and Housing Agency of Metropolitan Nashville, Davidson County, Tennessee (hereinafter "MDHA"), the Metropolitan Mayor of Nashville, Davidson County, Tennessee, or any other governmental body. The remaining two-thirds of the members the Board shall be appointed by United Way of Middle Tennessee (hereinafter called "United Way").

The initial Directors shall be considered appointed upon delivery of written notice of such appointment by Incorporator.

Any Directorship which becomes vacant for any reason, and the successors to each Directorship, at the end of its term, shall be appointed by an appropriate motion or resolution made at a regularly scheduled meeting of the Directors, by the entity appointing the Director who is being replaced, so that a replacement for a Director appointed by MDHA would be appointed by MDHA, a replacement for a Director appointed by United Way would be appointed by United Way, and a replacement for a Director appointed by the Mayor would be appointed by the Mayor.

**ARTICLE XIII.**

Indemnification

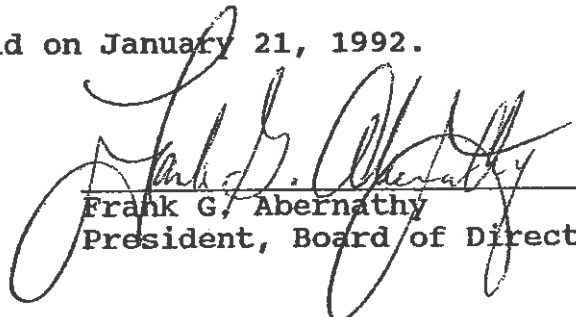
The corporation shall have the right to indemnify and insure Directors and Officers to the extent approved by law.

**ARTICLE XIV.**

Amendment

This Charter may be amended by the affirmative vote of a simple majority of the members of the Board of Directors.

This Amended and restated Articles of Incorporation was adopted by a unanimous vote of the Board of Directors at its regularly scheduled meeting held on January 21, 1992.

  
\_\_\_\_\_  
Frank G. Abernathy  
President, Board of Directors

**FILED**

RECEIVED  
SECRETARY OF STATE

SEP 10 1997

97 SEP 10 **ARTICLES OF AMENDMENT TO THE CHARTER**

CORPORATE CONTROL NUMBER (IF KNOWN) 0216829

PURSUANT TO THE PROVISIONS OF SECTION 48-60-105 OF THE TENNESSEE NONPROFIT CORPORATION ACT, THE UNDERSIGNED CORPORATION ADOPTS THE FOLLOWING AMENDMENT TO ITS CHARTER:

AMENDMENT IS TO BE EFFECTIVE WHEN FILED BY THE SECRETARY OF STATE.  
 AMENDMENT IS TO BE EFFECTIVE, 7 9 97  
MONTH DAY YEAR

(NOT TO BE LATER THAN THE 90TH DAY AFTER THE DATE THIS DOCUMENT IS FILED.) IF NEITHER BLOCK IS CHECKED, THE AMENDMENT WILL BE EFFECTIVE AT THE TIME OF FILING.

1. PLEASE INSERT THE NAME OF THE CORPORATION AS IT APPEARS ON RECORD:  
AFFORDABLE HOUSING OF NASHVILLE, INC.

IF CHANGING THE NAME, INSERT THE NEW NAME ON THE LINE BELOW:  
AFFORDABLE HOUSING RESOURCES, INC.

2. PLEASE INSERT ANY CHANGES THAT APPLY:  
A. PRINCIPAL ADDRESS: (street) SAME

(city) (state) (zip code)

B. REGISTERED AGENT: E.D. LATIMER

C. REGISTERED ADDRESS: (street) 212 CAPITAL BLVD.

NASHVILLE TN 37219 DAVIDSON  
(city) (state) (zip code) (county)

D. OTHER CHANGES:

- 3. THE CORPORATION IS A NONPROFIT CORPORATION.
- 4. THE MANNER (IF NOT SET FORTH IN THE AMENDMENT) FOR THE IMPLEMENTATION OF ANY EXCHANGE, RECLASSIFICATION, OR CANCELLATION OF MEMBERSHIPS IS AS FOLLOWS:
- 5. THE AMENDMENT WAS DULY ADOPTED ON 7 9 97 BY:  
MONTH DAY YEAR

(NOTE: PLEASE MARK THE BLOCK THAT APPLIES)

- THE INCORPORATORS WITHOUT MEMBERS' APPROVAL, AS SUCH WAS NOT REQUIRED.
- THE BOARD OF DIRECTORS WITHOUT MEMBERS' APPROVAL, AS SUCH WAS NOT REQUIRED.
- THE MEMBERS.
- 6. INDICATE WHICH OF THE FOLLOWING STATEMENTS APPLIES BY MARKING THE APPLICABLE BLOCK:

- ADDITIONAL APPROVAL FOR THE AMENDMENT (AS PERMITTED BY SECTION 48-60-301 OF THE TENNESSEE NONPROFIT CORPORATION ACT) WAS NOT REQUIRED.
- ADDITIONAL APPROVAL FOR THE AMENDMENT WAS REQUIRED BY THE CHARTER AND WAS OBTAINED.

EXECUTIVE DIRECTOR  
SIGNER'S CAPACITY

E.D. Latimer  
SIGNATURE

E.D. LATIMER  
NAME OF SIGNER (TYPED OR PRINTED)



SECRET

RECEIVED  
SECRETARY OF STATE  
57 SEP 10 PM 2:52

**AMENDMENTS TO ARTICLES OF INCORPORATION**  
which were originally filed May 21, 1992.

SECRETARY OF STATE

**ARTICLE I**

The name of this corporation shall be:

**Affordable Housing Resources, Inc.**

**ARTICLE XII**

Election of Directors

The Board of Directors shall be chosen in the following manner. The Directors will originally consist of Directors from the two affiliating entities, Affordable Housing of Nashville, Inc. (AHN) and The Resource Foundation, Inc. (TRF). There will be four members from each (AHN & TRF) and a ninth director will be appointed by the initial eight Directors. Hereafter, the Directors will be self appointing.

The Directors composition shall follow the guidelines for a Community Housing Development Organization (CHDO) as defined by the HOME regulations of the Department of Housing and Urban Development, as amended from time to time.

Any Directorship which becomes vacant for any reason, and the successor to each Directorship at the end of its term, shall be appointed by the appropriate motion or resolution made at a regularly scheduled meeting of the Directors, by any Director and the consenting vote of a simple majority of the Directors.



**ARTICLES OF AMENDMENT  
TO THE CHARTER  
OF  
AFFORDABLE HOUSING RESOURCES, INC.**

RECEIVED  
STATE OF TENNESSEE  
**FILED**  
2006 JUN -8 PM 1:55  
RILEY DANIELL  
SECRETARY OF STATE

5809.2452

Pursuant to the provisions of Section 48-60-101, *et seq.* of the Tennessee Nonprofit Corporation Act (the "Act"), Affordable Housing Resources, Inc., a Tennessee nonprofit corporation, adopts the following articles of amendment to its Charter:

1. The name of the corporation is Affordable Housing Resources, Inc. (the "Corporation").
2. The first paragraph of Article II of the Charter is hereby deleted in its entirety and the following paragraph is inserted in lieu therefore:

"These purposes may be performed by the Corporation directly or may be performed by corporations or other entities directly controlled by the Corporation. The corporation is formed for charitable, educational and scientific purposes, with its primary purpose being to promote the development of adequate housing for low and moderate income people in the metropolitan area of and adjacent to the City of Nashville, Tennessee, and in the State of Tennessee, and to further social welfare through the relief of the poor and distressed, lessen the burdens of government, combat community deterioration and lessen neighborhood tensions, and stabilize communities and neighborhoods by, including, but without limiting the generality of the foregoing."

3. The following subparagraphs are added to Article II of the Charter after subparagraph (f):

(g) To lessen the burdens of government by providing affordable housing to persons of moderate incomes and providing such housing in areas of community deterioration.

(h) To combat community deterioration and lessen neighborhood tensions through the development, ownership, operation, management, financing, and sale of mixed income housing and mixed use developments.

These purposes may be performed by the Corporation directly or may be performed by corporations or other entities directly controlled by the Corporation.

4. The Corporation does not have members, so approval of the members is not required.

5. The amendment does not require the approval of any other person, including a person whose approval is required under Section 48-60-501 of the Act, other than the Board of Directors of the Corporation.

6. The amendment was duly adopted by written consent of the Board of Directors of the Corporation on May 8, 2006.

7. The amendment is to be effective when these articles are filed by the Secretary of State.

Dated: June 7, 2006

  
\_\_\_\_\_  
E. D. Latimer, Executive Director

5906-2493

ARTICLES OF AMENDMENT  
TO THE CHARTER  
OF  
AFFORDABLE HOUSING RESOURCES, INC.

RECEIVED  
STATE OF TENNESSEE  
**FILED**  
2007 MAY 25 AM 9:49  
RILEY DARNELL  
SECRETARY OF STATE

Pursuant to the provisions of Section 48-60-101, *et seq.* of the Tennessee Nonprofit Corporation Act (the "Act"), Affordable Housing Resources, Inc., a Tennessee nonprofit corporation, adopts the following articles of amendment to its Charter, which supersede the articles of amendment filed on June 8, 2006:

5060.2405

1. The name of the corporation is Affordable Housing Resources, Inc. (the "Corporation").

2. The first paragraph of Article II of the Charter is hereby deleted in its entirety and the following paragraph is inserted in lieu therefore:

"These purposes may be performed by the Corporation directly or may be performed by corporations or other entities directly controlled by the Corporation. The corporation is formed for charitable, educational and scientific purposes, with its primary purpose being to promote the development of adequate housing for low and moderate income people in the metropolitan area of and adjacent to the City of Nashville, Tennessee, and in the State of Tennessee, and to further social welfare through the relief of the poor and distressed, lessen the burdens of government, combat community deterioration and lessen neighborhood tensions, and stabilize communities and neighborhoods by, including, but without limiting the generality of the foregoing:"

3. The following subparagraphs are added to Article II of the Charter after subparagraph (f):

(g) To lessen the burdens of government by providing affordable housing to persons of low and moderate incomes and providing such housing in areas of community deterioration.

(h) To combat community deterioration and lessen neighborhood tensions through the development, ownership, operation, management, financing, and sale of mixed income housing and mixed use developments.

These purposes may be performed by the Corporation directly or may be performed by corporations or other entities directly controlled by the Corporation.

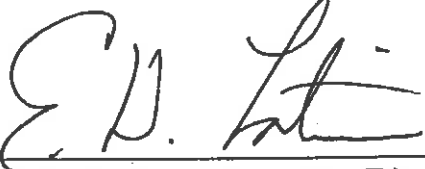
4. The Corporation does not have members, so approval of the members is not required.

5. The amendment does not require the approval of any other person, including a person whose approval is required under Section 48-60-301 of the Act, other than the Board of Directors of the Corporation.

6. The amendment was duly adopted by the Board of Directors of the Corporation on June 8, 2006

7. The amendment is to be effective when these articles are filed by the Secretary of State.

Dated: May 25, 2007

  
\_\_\_\_\_  
E. D. Latimer, Executive Director

6060.2407

**Internal Revenue Service  
Director, Exempt Organizations  
Rulings and Agreements**

**Department of the Treasury  
P.O. Box 2508  
Cincinnati, Ohio 45201**

**Date:**           **OCT 17 2007**

Affordable Housing Resources, Inc.  
**c/o Brett Carter**  
511 Union St., #2700  
Nashville, TN 37219

**Person to Contact:**  
Chadwick A. Kowalczyk  
ID# 31-08488  
**Contact Telephone Numbers:**  
877-829-5500   Phone  
**Federal Identification Number:**  
58-1857324

Dear Taxpayer:

Thank you for the information recently submitted regarding your amendment to your Charter. We have made it part of your file.

Please let us know about any future changes in the character, purposes, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely,



Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

# **MISSION STATEMENT**

## **Affordable Housing Resources, Inc.**

**To assist in finding, developing, constructing and financing affordable home ownership and/or rental housing, and to assist in bringing public and private resources to promote revitalization in targeted neighborhoods. The neighborhood revitalization will target the very low, low, and/or moderate income Nashville families and special needs groups that are not able to find affordable housing and other resources through traditional means.**

**TO CREATE  
AFFORDABLE HOUSING  
AND STRONG  
NEIGHBORHOODS**

**AFFORDABLE HOUSING RESOURCES, INC.**

**Financial Statements and Supplementary Information**

**December 31, 2021 and 2020**

**(With Independent Auditors' Report Thereon)**



## Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	<b>1 - 3</b>
<b>Financial Statements:</b>	
<b>Statements of Financial Position</b>	<b>4</b>
<b>Statements of Activities and Changes in Net Assets</b>	<b>5 - 6</b>
<b>Statements of Functional Expenses</b>	<b>7 - 8</b>
<b>Statements of Cash Flows</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 21</b>
<b>Supplementary Information:</b>	
<b>Schedule of Expenditures of Federal Awards</b>	<b>22</b>
<b>Notes to the Schedule of Expenditures of Federal Awards</b>	<b>23</b>
<b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	<b>24 - 25</b>
<b>Independent Auditors' Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance</b>	<b>26 - 28</b>
<b>Schedule of Findings and Questioned Costs and Schedule of Prior Audit Findings</b>	<b>29</b>
<b>Schedules of Financial Position and Changes in Net Assets - Neighborhood Reinvestment Revolving Loan and Capital Projects Fund (Net Assets with Donor Restrictions)</b>	<b>30</b>





## INDEPENDENT AUDITORS' REPORT

**The Board of Directors  
Affordable Housing Resources, Inc.:**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

**We have audited the accompanying financial statements of Affordable Housing Resources, Inc. (the "Agency"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.**

**In our opinion, the financial statements present fairly, in all material respects, the financial position of the Agency as of December 31, 2021 and 2020, 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 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 Auditors' Responsibilities for the Audit of the 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 opinions.**

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

**Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgment made by a reasonable user based on the financial statements.**

**In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:**

- **Exercise professional judgment and maintain professional skepticism throughout the audit.**
- **Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.**
- **Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the financial statements.**
- **Conclude whether, in our judgment, there are 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 audit.**

### **Supplementary Information**

**Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 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 22, 2022 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 on 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.

*LBMC, PC*

Brentwood, Tennessee  
June 22, 2022

**AFFORDABLE HOUSING RESOURCES, INC.****Statements of Financial Position****December 31, 2021 and 2020**Assets

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,641,297	\$ 349,780
Restricted cash and cash equivalents	2,503,496	1,725,094
Restricted certificates of deposit	-	481,337
Grants and accounts receivable	245,900	477,924
Prepaid expenses and other current assets	58,044	44,551
Investment in joint venture	250,000	250,000
Receivable from joint venture	1,741,121	152,962
Notes receivable, net of allowance for uncollectible notes of \$629,658 and \$618,095 as of December 31, 2021 and 2020, respectively	12,989,588	12,415,959
Property, buildings and equipment, net	661,627	686,708
Property held for sale	<u>3,946,741</u>	<u>4,394,809</u>
<b>Total assets</b>	<b>\$ <u>24,037,814</u></b>	<b>\$ <u>20,979,124</u></b>

Liabilities and Net Assets

Accounts payable	\$ 195,871	\$ 95,065
Accrued expenses	69,883	35,628
Agency payable	838,550	1,377,800
Notes payable and lines of credit	<u>3,026,534</u>	<u>2,259,128</u>
<b>Liabilities before equity equivalent obligations</b>	<b>4,130,838</b>	<b>3,767,621</b>
<b>Other liabilities - equity equivalent obligations</b>	<b><u>13,786,791</u></b>	<b><u>13,689,666</u></b>
<b>Total liabilities</b>	<b><u>17,917,629</u></b>	<b><u>17,457,287</u></b>
<b>Net assets:</b>		
Without donor restrictions	2,346,583	1,352,889
With donor restrictions	<u>3,773,602</u>	<u>2,168,948</u>
<b>Total net assets</b>	<b><u>6,120,185</u></b>	<b><u>3,521,837</u></b>
	<b>\$ <u>24,037,814</u></b>	<b>\$ <u>20,979,124</u></b>

See accompanying notes to the financial statements.

**AFFORDABLE HOUSING RESOURCES, INC.****Statements of Activities and Changes in Net Assets****Year ended December 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenues:</b>			
<b>Public support:</b>			
Grants - NeighborWorks America	\$ 540,326	\$ -	\$ 540,326
Other contributions and grants	<u>623,479</u>	<u>2,047,421</u>	<u>2,670,900</u>
<b>Total public support</b>	<u>1,163,805</u>	<u>2,047,421</u>	<u>3,211,226</u>
<b>Program revenue:</b>			
Rental income	34,733	-	34,733
Counseling and mortgage fees	140,607	-	140,607
Loan interest income	332,398	-	332,398
Developer fees	195,000	-	195,000
Other interest income	<u>11,171</u>	<u>-</u>	<u>11,171</u>
<b>Total program revenue</b>	<u>713,909</u>	<u>-</u>	<u>713,909</u>
<b>Total public support and revenues</b>	<u>1,877,714</u>	<u>2,047,421</u>	<u>3,925,135</u>
<b>Expenses:</b>			
<b>Program services -</b>			
Low-income housing assistance	1,746,588	-	1,746,588
<b>Supporting services -</b>			
Management and general	<u>306,202</u>	<u>-</u>	<u>306,202</u>
<b>Total expenses</b>	<u>2,052,790</u>	<u>-</u>	<u>2,052,790</u>
<b>Change in net assets from operations</b>	<u>(175,076)</u>	<u>2,047,421</u>	<u>1,872,345</u>
<b>Other changes in net assets:</b>			
Net assets released from restrictions	442,767	(442,767)	-
Gain on sale of property, buildings, and equipment and property held for sale	664,131	-	664,131
Gain on extinguishment of debt	48,678	-	48,678
Other income	<u>13,194</u>	<u>-</u>	<u>13,194</u>
<b>Total other changes in net assets</b>	<u>1,168,770</u>	<u>(442,767)</u>	<u>726,003</u>
<b>Change in net assets</b>	993,694	1,604,654	2,598,348
<b>Net assets at beginning of year</b>	<u>1,352,889</u>	<u>2,168,948</u>	<u>3,521,837</u>
<b>Net assets at end of year</b>	<u>\$ 2,346,583</u>	<u>\$ 3,773,602</u>	<u>\$ 6,120,185</u>

See accompanying notes to the financial statements.

**AFFORDABLE HOUSING RESOURCES, INC.****Statements of Activities and Changes in Net Assets****Year ended December 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and revenues:</b>			
<b>Public support:</b>			
Grants - NeighborWorks America	\$ 514,497	\$ -	\$ 514,497
In-kind donations of property	1,083,700	-	1,083,700
Other contributions and grants	<u>1,411,821</u>	<u>-</u>	<u>1,411,821</u>
<b>Total public support</b>	<u><b>3,010,018</b></u>	<u><b>-</b></u>	<u><b>3,010,018</b></u>
<b>Program revenue:</b>			
Rental income	19,999	-	19,999
Counseling and mortgage fees	274,259	-	274,259
Loan interest income	327,323	-	327,323
Other interest income	<u>11,107</u>	<u>-</u>	<u>11,107</u>
<b>Total program revenue</b>	<u><b>632,688</b></u>	<u><b>-</b></u>	<u><b>632,688</b></u>
<b>Total public support and revenues</b>	<u><b>3,642,706</b></u>	<u><b>-</b></u>	<u><b>3,642,706</b></u>
<b>Expenses:</b>			
<b>Program services -</b>			
Low-income housing assistance	1,665,348	-	1,665,348
<b>Supporting services -</b>			
Management and general	<u>293,351</u>	<u>-</u>	<u>293,351</u>
<b>Total expenses</b>	<u><b>1,958,699</b></u>	<u><b>-</b></u>	<u><b>1,958,699</b></u>
<b>Change in net assets from operations</b>	<u><b>1,684,007</b></u>	<u><b>-</b></u>	<u><b>1,684,007</b></u>
<b>Other changes in net assets:</b>			
Release from restriction	457,148	(457,148)	-
Gain on sale of property, buildings, and equipment and property held for sale	137,686	-	137,686
Gain on extinguishment of debt	<u>30,169</u>	<u>-</u>	<u>30,169</u>
<b>Total other changes in net assets</b>	<u><b>625,003</b></u>	<u><b>(457,148)</b></u>	<u><b>167,855</b></u>
<b>Change in net assets</b>	<u><b>2,309,010</b></u>	<u><b>(457,148)</b></u>	<u><b>1,851,862</b></u>
<b>Net assets (deficit) at beginning of year</b>	<u><b>(956,121)</b></u>	<u><b>2,626,096</b></u>	<u><b>1,669,975</b></u>
<b>Net assets at end of year</b>	<u><b>\$ 1,352,889</b></u>	<u><b>\$ 2,168,948</b></u>	<u><b>\$ 3,521,837</b></u>

See accompanying notes to the financial statements.

**AFFORDABLE HOUSING RESOURCES, INC.****Statement of Functional Expenses****Year ended December 31, 2021**

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Low-Income Housing Assistance</u>	<u>Management and General</u>	<u>Totals</u>
Advertising and communication	\$ 58,869	\$ 8,797	\$ 67,666
Automobile	14,033	2,097	16,130
Contract labor	75,544	11,288	86,832
Depreciation	24,856	3,390	28,246
Repairs and maintenance	40,139	5,998	46,137
Direct expenses of developed properties	98,290	-	98,290
Insurance	16,402	2,237	18,639
Interest	1,278	-	1,278
Direct expenses for disaster relief and COVID-19 related assistance programs	830,567	-	830,567
Occupancy and rental	65,788	9,830	75,618
Office expenses	39,982	5,974	45,956
Payroll and related costs	377,372	241,642	619,014
Professional fees	73,054	10,916	83,970
Taxes, licenses and fees	5,158	771	5,929
Training	3,427	-	3,427
Travel and entertainment	14,411	2,153	16,564
Utilities	<u>7,418</u>	<u>1,109</u>	<u>8,527</u>
	<u>\$ 1,746,588</u>	<u>\$ 306,202</u>	<u>\$ 2,052,790</u>

See accompanying notes to the financial statements.

**AFFORDABLE HOUSING RESOURCES, INC.****Statement of Functional Expenses****Year ended December 31, 2020**

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Low-Income Housing Assistance</u>	<u>Management and General</u>	<u>Totals</u>
Advertising and communication	\$ 43,576	\$ 6,511	\$ 50,087
Automobile	12,425	1,857	14,282
Contract labor	64,604	9,654	74,258
Depreciation	20,037	2,732	22,769
Repairs and maintenance	38,174	5,704	43,878
Direct expenses of developed properties	73,086	-	73,086
Insurance	16,776	2,288	19,064
Interest	8,284	-	8,284
Direct expenses for disaster relief and COVID-19 related assistance programs	728,684	-	728,684
Occupancy and rental	65,735	9,822	75,557
Office expenses	61,821	9,238	71,059
Payroll and related costs	379,471	237,538	617,009
Professional fees	37,707	5,634	43,341
Provision for uncollectible notes	96,000	-	96,000
Taxes, licenses and fees	2,580	386	2,966
Training	3,087	-	3,087
Travel and entertainment	9,659	1,443	11,102
Utilities	3,642	544	4,186
	<u>\$ 1,665,348</u>	<u>\$ 293,351</u>	<u>\$ 1,958,699</u>

See accompanying notes to the financial statements.



**AFFORDABLE HOUSING RESOURCES, INC.****Statements of Cash Flows****Years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ <u>2,598,348</u>	\$ <u>1,851,862</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	28,246	22,769
Provision for uncollectible notes receivable, net of recoveries	11,563	96,000
Gain on extinguishment of debt	(48,678)	(30,169)
In-kind contributions of property	-	(1,083,700)
Gain on sale of property, buildings, and equipment and property held for sale	(664,131)	(137,686)
(Increase) decrease in operating assets:		
Grants and accounts receivable	232,024	(398,093)
Receivable from joint venture	(1,588,159)	(61,006)
Prepaid expense and other assets	(13,493)	(20,225)
Increase (decrease) in operating liabilities:		
Accounts payable	100,806	(18,418)
Accrued liabilities	<u>34,255</u>	<u>(7,222)</u>
Total adjustments	<u>(1,907,567)</u>	<u>(1,637,750)</u>
Net cash provided by operating activities	<u>690,781</u>	<u>214,112</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of property, buildings, and equipment and property held for sale	3,253,492	933,479
Purchases of property, buildings and equipment	(4,256)	(308,690)
Purchases of property held for sale	(2,140,202)	(1,095,536)
Purchases of certificates of deposit and reinvested interest	-	(10,261)
Redemptions of certificates of deposit	481,337	238,058
Advances of notes receivable	(1,839,894)	(2,450,502)
Collections from notes receivable	<u>715,452</u>	<u>340,202</u>
Net cash provided (used) by investing activities	<u>465,929</u>	<u>(2,353,250)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from notes payable and lines of credit	1,616,231	600,102
Payments of notes payable and lines of credit	(848,825)	(358,234)
Proceeds from equity equivalent obligations	250,000	711,000
Repayments of equity equivalent obligations	<u>(104,197)</u>	<u>-</u>
Net cash provided by financing activities	<u>913,209</u>	<u>952,868</u>
Increase in cash and cash equivalents and restricted cash	2,069,919	(1,186,270)
Cash, cash equivalents and restricted cash and cash equivalents at beginning of year	<u>2,074,874</u>	<u>3,261,144</u>
Cash, cash equivalents and restricted cash and cash equivalents at end of year	\$ <u><u>4,144,793</u></u>	\$ <u><u>2,074,874</u></u>
<b>Reconciliation of cash, cash equivalents and restricted cash to the accompanying statements of financial position:</b>		
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,641,297	\$ 349,780
Restricted cash and cash equivalents	<u>2,503,496</u>	<u>1,725,094</u>
Total	\$ <u><u>4,144,793</u></u>	\$ <u><u>2,074,874</u></u>

See accompanying notes to the financial statements.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020****(1) Nature of activities**

Affordable Housing Resources, Inc. (the "Agency") was chartered in 1989 as a Tennessee not-for-profit corporation. The purpose of the Agency is to "create affordable housing and strong neighborhoods" by increasing home ownership opportunities for families and individuals who are unable to obtain assistance through traditional public and private funding sources in the greater Nashville area. The Agency is supported principally by service fees, sale of single-family homes, private and public contributions and grants from the U.S. Department of Housing and Urban Development through the Metropolitan Development and Housing Agency ("MDHA"), the Tennessee Housing Development Agency ("THDA") and the Neighborhood Reinvestment Corporation, dba NeighborWorks® America ("NWA").

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

**Low-Income Housing Assistance** - includes various lending and development programs. The loan products include down payment and closing cost assistance loans and construction financing for single-family properties. Home-ownership programs include promoting home-ownership opportunities in Nashville, Tennessee, development of quality new affordable housing, acquisition and rehabilitation of single family properties, land acquisition and development, consumer home buyer education to prepare new homeowners, and developing community leadership programs.

During 2021 and 2020, the Agency received certain governmental and other grants to provide assistance to victims of natural disasters in the Middle Tennessee area for home repairs and to provide housing assistance to those impacted by the COVID-19 pandemic.

**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 record keeping, budgeting and related purposes.

**(2) Summary of significant accounting policies**

The financial statements of the Agency are presented on the accrual basis. The significant accounting policies followed are described below.

**(a) Cash and cash equivalents and restricted cash, and cash equivalents and certificates of deposit**

The Agency considers all highly liquid investments with original maturities of less than three months to be cash equivalents.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020**

Additionally, at December 31, 2021 and 2020, the Agency had cash, cash equivalents and certificates of deposit restricted for future investments in income producing properties and mortgage loans.

**(b) Grants and accounts receivable and provision for uncollectible items**

The Agency reports grants and accounts receivable, net of an allowance for doubtful accounts, at the amount which represents management's estimate of the amount that ultimately will be realized. The Agency reviews the adequacy of its allowance for uncollectible accounts on an ongoing basis, using historical payment trends, as well as review of specific accounts, and makes adjustments in the allowance as necessary. As of December 31, 2021 and 2020, no allowance for doubtful accounts was considered necessary.

**(c) Notes receivable and provision for uncollectible items**

The Agency holds various notes receivable under programs in conjunction with its defined mission. These notes are secured by the properties for which the loans were originally provided to purchase or assist with the down payment and are due to the Agency upon sale of the related property. Notes receivable are considered impaired when, based on current information, it is probable that all amounts or a portion of principal and interest due will not be collected according to the terms of the note agreement. Generally, a note receivable is considered impaired when the individual debtor cannot be located or has declared bankruptcy. The allowance for uncollectible notes is established by charges to program services expense and is maintained at an amount which management believes will be adequate to absorb losses on existing loans. Uncollectible loans are charged to the allowance account in the period in which such a determination is made.

**(d) Property, buildings and equipment**

Property, buildings and equipment additions, major renewals and betterments are recorded at cost at the date of purchase, at fair value on the date of gift if the value is readily determinable, or other reasonable basis, as determined by the Board of Directors, if cost is unknown. Depreciation is computed by using the straight-line method over the estimated useful lives of the assets. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in changes in net assets.

**(e) Property held for sale**

Property held for sale is recorded at the lower of cost or fair market value. The Agency's management has approved a plan to sell its existing housing and commercial development properties. As a result, the assets have been classified as property held for sale at December 31, 2021 and 2020 and includes properties in the process of being constructed for sale as well as completed properties.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020****(f) Joint venture**

During 2019, the Agency entered into an unincorporated joint venture agreement with a third party to develop single bedroom low-income housing units. Subject to the agreement, the other joint venture partner transferred land to be used for development of the project to the joint venture and the Agency invested \$250,000 cash in exchange for a 50% ownership interest. Under the terms of the joint venture, the Agency is responsible for managing the project and obtaining financing. As such, the Agency obtained a construction line of credit with a bank for up to \$2,000,000, which was amended during 2020 for up to \$2,800,000, to fund development costs that is available through August 2022. All costs incurred by the Agency on behalf of the joint venture are recorded as a receivable from the joint venture in the accompanying statement of financial position. The line of credit is secured by the underlying constructed property. Approximately \$1,600,000 and \$193,000 was outstanding on the line of credit at December 31, 2021 and 2020, respectively. Once the development project is complete and all housing units are sold, the related line of credit or other loans will be repaid and the joint venture parties will be reimbursed for any additional cash contributions made to the project prior to distribution of any remaining profits, which shall be shared equally between the Agency and the other joint venture partner.

**(g) Net assets**

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets not subject to donor-imposed restrictions.

**Net Assets With Donor Restrictions** - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

All contributions are considered to be available with no donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increase those net asset classes. When the restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to those without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions restricted by donors are recorded as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020****(h) Agency transactions**

The Agency receives funds from NWA under the Neighborhood LIFT ("LIFT") program and from financial institutions under similar programs (Note 12). The Agency does not have any discretionary powers over these funds and must administer the programs according to the terms of the grant agreements. As a result, no revenue or expense is recorded (except for administrative fees earned), but instead the Agency records an asset (cash or notes receivable) and corresponding liability (agency payable). The agency payable is reduced as the related notes receivable are forgiven.

**(i) Revenue recognition**

Agency revenues are generated primarily from fees for services, processing, and servicing fees. A performance obligation is a contractual promise to transfer a distinct good or service, or a bundle of goods or services, to the customer, and is the unit of accounting. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Agency's contracts typically have a single performance obligation.

***Loan programs and other related fees:***

Loan application fees are earned and recorded as revenue at a point in time when the loan application is completed by the applicant with all required documentation and accepted by the Agency. Loan origination fees are earned on loan closings and recorded as revenue at a point in time when the performance obligation is met which is determined to be when the loan closes and funds are advanced to the customer. Loan late fees on outstanding loans are recognized as revenue at a point in time when the payments are due and the customer has not paid the payments under the contract terms. Development fees are earned by the Agency when the related property is constructed and sold to a homeowner.

***Interest Income:***

Interest income is recognized over time based on the life of a loan. The Agency has a signed promissory note with all borrowers which constitutes a contract with the customer, contains the loan terms, and documents the obligations of the Agency and the borrower. Each loan receivable is considered separately and has its own specific terms. The agency recognizes interest income over the time of the loan at the applicable interest rates in each loan agreement.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020*****Contributions:***

Contributions and other public support are generally recognized at the time of receipt as there are no performance obligations that are required to be satisfied. The Agency reports any gifts of property, equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used and no performance obligations exist. 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 as the performance obligation is considered to be met at that point in time.

***Grants:***

Grants are recorded and recognized as revenue when grant funds are received or unconditionally pledged, if there are no performance requirements in the grant agreement. In accordance with industry guidance, revenue from lending program grants are recognized as revenue and support when the funds are received. For any grant agreements that include performance obligations, revenue is recognized when the related performance obligations are met. Funds from grants with a performance requirement which are received in advance are recorded as a refundable government grant and recognized as revenue when the performance requirements are met.

**(j) Income taxes**

The Agency is exempt from federal income taxes under the provisions of Internal Revenue Code ("IRC") Section 501(c)(3), and, accordingly, no provision for income taxes is included in the financial statements.

As of December 31, 2021 and 2020, the Agency has accrued no interest and no penalties related to uncertain tax positions. It is the Agency's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Agency files a U.S. Federal information tax return.

**(k) Functional allocation of expenses**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based upon various allocation methods, including time spent on various functions by employees. General and administrative expenses include those expenses that are not directly identifiable with any other specific functions but provide for the overall support and direction of the Agency.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020****(l) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles ("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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(m) Events occurring after reporting date**

Management of the Agency has evaluated events and transactions that occurred between December 31, 2021 and June 22, 2022 which is the date the financial statements were available to be issued for possible recognition or disclosure in the financial statements. No such events or transactions were noted requiring recognition or disclosure in the financial statements.

**(n) New accounting standards, not yet adopted**

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("ASU 2016-02"). ASU 2016-02 will generally require statement of financial position recognition for all leases with terms that exceed twelve months. The new lease accounting model will continue to reflect two types of leases. Under the new rules, a lessee would account for most existing capital leases as finance leases (that is, recognizing amortization of the right-of-use ("ROU") asset, as well as separately recognizing interest on the lease liability in the statement of activities). Most existing operating leases will remain as operating leases (that is, recognizing a single total lease expense). Both finance leases and operating leases will result in the lessee recognizing a ROU asset and a lease liability. The guidance is effective for the Agency beginning January 1, 2022.

**(o) Reclassifications**

Certain items in the 2020 financial statements have been reclassified to conform to the presentation of the 2021 financial statements. These reclassifications had no effect on the statement of activities and changes in net assets as previously reported.

**(3) Credit risk and other concentrations**

The Agency periodically maintains cash on deposit at banks in excess of federally insured amounts. The Agency has not experienced any losses in such accounts and management believes the Agency is not exposed to any significant credit risk related to cash.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020**

The Agency received approximately 13% of its total public support and revenues from NeighborWorks® America during 2021. Additionally, the Agency received approximately 21% and 38% of its public support and revenues from one-time grants related to the Coronavirus pandemic as COVID-19 relief funds, tornado mitigation, and construction of homes during 2021 and 2020, respectively. The Agency received approximately 15% of its total public support and revenues from NeighborWorks® America and 31% from in-kind donations during 2020.

**(4) Liquidity and availability**

A summary of the Agency's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use because of donor-imposed restrictions, within one year of the statement of financial position date is as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,641,297	\$ 349,780
Grants and accounts receivable	<u>245,900</u>	<u>477,924</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,887,197</u>	<u>\$ 827,704</u>

As part of the Agency's liquidity management plan, we invest cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds.

**(5) Notes receivable**

First and second mortgage loans to homebuyers are made for terms of 4 to 15 years, at annual interest rates ranging from 3% to 7.5%. There were no material notes receivable with payments greater than 90 days past due as of December 31, 2021 and 2020. The notes receivable are collateralized by real estate. At December 31, 2021 and 2020, the balance of such loans totaled \$6,454,867 and \$6,535,778, respectively. Additionally, the Agency recorded an allowance for loan losses totaling \$629,658 and \$618,095 at December 31, 2021 and 2020, respectively.

Notes receivable also include non-interest bearing notes that are grants that are forgiven over a period of up to 15 years, as long as the homeowner continues to own the property, or repaid upon the future sale of the property ("soft-third mortgages"). The soft third mortgages are secured by liens on the homeowner's property. At December 31, 2021 and 2020, the balance of the soft-third mortgage loans totaled \$7,164,379 and \$6,498,276, respectively.

The soft-third mortgages that are forgiven over time under the LIFT program (Note 12) are reported as agency transactions. As these notes are forgiven, the note receivable is reduced with a corresponding decrease in the balance of the Agency Payable liability. The balance of these notes receivable and the corresponding agency payable liability totaled \$838,550 and \$1,377,800 at December 31, 2021 and 2020, respectively. During 2021 and 2020, approximately \$539,000 and \$618,000 of agency payables were amortized against the corresponding notes receivable balances.



**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020****(6) Property, buildings, and equipment**

A summary of property, buildings and equipment at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 160,000	\$ 160,000
Buildings and improvements	495,410	495,410
Furniture and equipment	<u>101,267</u>	<u>98,102</u>
Total cost	756,677	753,512
Accumulated depreciation	<u>(95,050)</u>	<u>(66,804)</u>
Property, buildings and equipment, net	<u>\$ 661,627</u>	<u>\$ 686,708</u>

**(7) Notes payable**

A summary of notes payable as of December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Two notes payable to the Community Development Financial Institutions Fund, maturing in April 2023, non-interest bearing.	\$ 250,000	\$ 250,000
Note payable to MDHA, maturing in November 2022, non-interest bearing.	250,000	250,000
Note payable to THDA, repaid during 2021.	-	22,754
Note payable to a bank, repaid during 2021.	-	98,100
Various construction lines of credit requiring monthly interest payments at variable rates (0% - 4.0% as of December 31, 2021) and fixed rates (3.50% at December 31, 2021) with total maximum borrowings of approximately \$6,774,000 at December 31, 2021. Total borrowings under the lines of credit are to be used for construction of single-family homes and single-bedroom low-income housing units. All lines of credit generally are for one to two year terms and mature between August 2022 and August 2023 and are secured by the constructed property and real estate. The agency expects to extend the terms of outstanding lines of credit as they become due until completion of the respective construction projects.	1,606,900	333,835

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020**

Note payable to a bank, matured and paid off in June 2021.	-	250,000
Notes payable to banks, matured and paid off in July 2021.	<u>-</u>	<u>5,117</u>
Total notes payable with defined maturities	2,106,900	1,209,806
Notes payable to banks with interest at an annual rate of the Prime Rate minus 4.00% (0% at December 31, 2021). These notes payable have no defined maturities (see below).	<u>919,634</u>	<u>1,049,322</u>
Total notes payable	<u>\$ 3,026,534</u>	<u>\$ 2,259,128</u>

Notes payable without defined maturities are collateralized by certain notes receivable held by the Agency (the "Collateral Notes"). The notes payable are due only when principal payment on the Collateral Notes has been received or the homes acting as security interest for the Collateral Notes have been sold.

With the exception of the notes payable without defined maturities discussed above, most of the above notes are secured by deeds of trust on the related real estate. Additionally, management of the Agency determined that the imputation of interest on non-interest bearing notes payable was immaterial.

Following is a schedule of required future principal payments on notes payable with defined maturities as of December 31, 2021:

<u>Year</u>	<u>Amount</u>
2022	\$ 1,826,491
2023	250,000
2027 and later years	<u>30,409</u>
	<u>\$ 2,106,900</u>

No amount of principal due was in arrears at December 31, 2021 or 2020.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020****(8) Equity equivalent obligations**

The Agency carries certain obligations to banks that are classified as Equity Equivalent ("EQ2") funds. These obligations are shown under Other Liabilities on the statements of financial position in order to represent more clearly the nature of the payable and to adhere to industry practice. The EQ2 is defined by having six attributes as follows:

- (1) The EQ2 investment is carried as an investment on the investor's statement of financial position in accordance with GAAP;
- (2) The EQ2 investment is a general obligation of the Agency that is not secured by any of the Agency's assets;
- (3) The EQ2 investment is fully subordinated to the right of repayment of all the Agency's other creditors;
- (4) The EQ2 investment does not give the investor the right to accelerate payment unless the Agency ceases its normal operations;
- (5) The EQ2 investment carries an interest rate that is not tied to any income received by the Agency; and
- (6) The EQ2 investment has a rolling term, and therefore, an indeterminate maturity (also known as an evergreen provision).

These obligations either carry a zero interest rate or an interest rate of Prime minus 4% at December 31, 2021 and 2020.

**(9) Net assets with donor restrictions**

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purposes:		
Housing and low-income down payment assistance	\$ <u>3,773,602</u>	\$ <u>2,168,948</u>

Net assets with donor restrictions include funds utilized for the purchase or construction of low-income housing as restricted by donors. Certain grants do not address if or when restrictions expire or are released upon forgiveness of loan balances or losses incurred from the disposition of such properties. The Agency has maintained the restrictions that existed on the original grants unless otherwise indicated by the donors. At December 31, 2021, the net assets with donor restrictions also include \$1,500,000 received from a governmental grant for financial assistance to low-income recipients and other low-income housing projects for which no amounts had been expended at December 31, 2021.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020****(10) Employee benefit plan**

The Agency has a defined contribution employee benefit plan for eligible employees under provisions of section 403(b) of the IRC. Eligible employees may elect to contribute a percentage of their compensation, subject to certain limitations, to the plan on a pre-tax basis. The Agency will match one-half of each employee's contributions, up to a maximum matching contribution of 3% of the employee's eligible compensation. The Agency expensed employer contributions of \$15,661 and \$14,772 in 2021 and 2020, respectively.

**(11) Operating leases**

The Agency utilizes office space under an operating lease. Rent expense under this lease totaled \$68,080 and \$68,081 during 2021 and 2020, respectively. Future minimum payment under this lease is expected to total approximately \$68,000 over the next year.

**(12) Neighborhood LIFT and similar programs**

The Agency participates in the Neighborhood LIFT program. The program is a collaboration between Wells Fargo Foundation, NWA and local non-profit organizations, including the Agency. Grants under the LIFT program are used to assist low-to-moderate income persons through down payment assistance grants. Under the LIFT program, grants to beneficiaries are forgiven over a period of five years and any recaptured funds not forgiven must be granted to other eligible beneficiaries during the program which was in effect through May 2022. Agency payable in the accompanying statements of financial position represents the total cash available for grant to beneficiaries plus the outstanding unamortized notes receivable from beneficiaries under the LIFT program.

The Agency has also entered into other agreements with financial institutions for down payment assistance programs similar to the LIFT program. Under these assistance programs, grants to beneficiaries are generally due on the future sale of the related property.

The Agency receives administrative fees for each grant under the programs which are included in "Counseling and mortgage fees" in the accompanying statements of activities.

**(13) Commitments and contingencies**

The disbursement of funds received under federal and state governmental grant programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Agency. In management's opinion, any such disallowed claims will not have a material effect on the Agency.

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Financial Statements****December 31, 2021 and 2020****(14) Supplemental disclosures of cash flow statement information**

	<u>2021</u>	<u>2020</u>
Interest paid	\$ <u>1,267</u>	\$ <u>8,278</u>

**(15) Related party transactions**

The Agency contracted with an affiliated general contractor during 2021 and 2020 to construct certain property held for sale. Payments made during 2021 and 2020 to the affiliate totaled approximately \$119,000 and \$336,000, respectively.

**AFFORDABLE HOUSING RESOURCES, INC.****Schedule of Expenditures of Federal Awards****Year ended December 31, 2021**

<u>FALN</u>	<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>Grant Number</u>	<u>Expenditures</u>
	<b>U.S. Dept. of Treasury</b>		
21.000	NeighborWorks® America	N/A	\$ 185,000
21.000	NeighborWorks® America	N/A	290,000
21.000	NeighborWorks® America	N/A	20,000
21.000	NeighborWorks® America	N/A	9,000
21.000	NeighborWorks® America	N/A	5,000
21.000	NeighborWorks® America	N/A	1,500
21.000	NeighborWorks® America	N/A	<u>500</u>
	<b>Total program 21.000</b>		<u>511,000</u>
21.019	Passed through from Metropolitan Government of Nashville and Davidson County and Administered by United Way of Greater Nashville: Coronavirus Relief Fund - COVID-19	N/A	<u>246,251</u>
	<b>Total U.S. Dept. of Treasury</b>		<u>757,251</u>
	<b>U.S. Dept. of Housing and Urban Development</b>		
14.218	Passed through from Metropolitan Development and Housing Agency: Community Development Block Grant - COVID-19	CDBG-CV	554,688
14.218	Passed through from NeighborWorks® America: Housing Counseling Assistance Program	N/A	<u>29,326</u>
	<b>Total U.S. Dept. of Housing and Urban Development</b>		<u>584,014</u>
	<b>Total federal awards</b>		<u>\$ 1,341,265</u>

See accompanying notes to the Schedule of Expenditures of Federal Grant Awards

**AFFORDABLE HOUSING RESOURCES, INC.****Notes to the Schedule of Expenditures of Federal Awards****Year ended December 31, 2021****(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Grant Awards (the "Schedule") includes the federal grant activity of Affordable Housing Resources, Inc. (the "Agency"). The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") as codified by HHS at 45 CFR Part 75 and the State of Tennessee. Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

**(2) Summary of Significant Accounting Policies**

The expenditure threshold for classification as a Type A program is \$750,000.

For purposes of the Schedule, expenditures of federal grant awards are recognized on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Agency did not receive or expend any Federal awards during fiscal year 2021 in the form of non-cash assistance or provide any funds to subrecipients.

The Agency has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

**The Board of Directors  
Affordable Housing Resources, Inc.:**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Affordable Housing Resources, Inc. (the "Agency"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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



**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*LBMC, PC*

Brentwood, Tennessee  
June 22, 2022



**Independent Auditors' Report on Compliance For Each Major Federal Program and on Internal Control  
Over Compliance Required by the Uniform Guidance**

**The Board of Directors  
Affordable Housing Resources, Inc.:**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Affordable Housing Resources, Inc.'s (the "Agency") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended December 31, 2021. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grants agreements applicable to the Agency's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*LBMC, PC*

Brentwood, Tennessee  
June 22, 2022

**AFFORDABLE HOUSING RESOURCES, INC.****Schedule of Findings and Questioned Costs and Prior Audit Findings****Year Ended December 31, 2021****(1) SUMMARY OF INDEPENDENT AUDITORS' RESULTS****Financial Statements**Type of auditors' report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No  
 Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No  
 Significant deficiency(ies) identified?  Yes  None reported

Type of auditors' report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to  
 be reported in accordance with 2 CFR  
 200.516(a) of the Uniform Guidance?  Yes  No

Identification of major programs for the Agency for the fiscal year ended December 31, 2021  
 are as follows:

<u>Federal Assistance Listing Number</u>	<u>Grantor</u>	<u>Programs</u>
14.218	U.S. Dept. of Housing and Urban Development	Community Development Block Grants/Entitlement Grants
21.019	U.S. Dept. of Treasury	Coronavirus Relief Fund

Dollar threshold to distinguish between Type A and Type B programs: **\$750,000**Auditee qualified as low-risk auditee?  Yes  No**(2) FINANCIAL STATEMENT FINDINGS**

None

**(3) FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS**

None

**(4) SUMMARY OF PRIOR AUDIT FINDINGS**

None

**AFFORDABLE HOUSING RESOURCES, INC.****Schedule of Financial Position and Changes in Net Assets - Neighborhood Reinvestment Revolving Loan and Capital Projects Fund (Net Assets With Donor Restrictions)****Schedules of Financial Position as of December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b><u>Assets</u></b>		
Cash	\$ -	\$ -
Notes receivable	-	-
Development in progress / Property held for sale	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Liabilities and Net Assets</u></b>		
<b>Net assets with donor restrictions, held in perpetuity</b>	<b>\$ -</b>	<b>\$ -</b>

**Schedules of Changes in Net Assets for the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Change in net assets - released from restrictions	\$ -	\$ (457,148)
Net assets, beginning	-	457,148
Net assets, ending	<b>\$ -</b>	<b>\$ -</b>

**Notes:**

Investment income and interest on outstanding loans were earned on the net assets of the Neighborhood Reinvestment Capital Fund ("NRC") and were available for unrestricted use by the Agency. All of these amounts were transferred to the net assets without donor restrictions during those years. There were no proceeds from capital projects in excess of the amount of funds necessary to maintain the net assets at a level disclosed in the Capital Funds Agreement with NRC. Accordingly, no funds were transferred from NRC for that purpose. Amounts released from restriction represents amounts formally approved for release by NeighborWorks® America.


**Certificate Of Completion**

Envelope Id: 3BB1E895249E432BB6B422BAC7AAF223	Status: Completed
Subject: Complete with DocuSign: Legislative Tracking Form (N0536179xD719A).pdf, MHTFC Spring 2023 (N053...	
Source Envelope:	
Document Pages: 171	Signatures: 7
Certificate Pages: 15	Initials: 2
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Ronald Colter
Time Zone: (UTC-06:00) Central Time (US & Canada)	730 2nd Ave. South 1st Floor
	Nashville, TN 37219
	Ronald.colter@nashville.gov
	IP Address: 170.190.198.190

**Record Tracking**


Status: Original	Holder: Ronald Colter	Location: DocuSign
6/6/2023 11:34:55 AM	Ronald.colter@nashville.gov	
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: Metropolitan Government of Nashville and Davidson County	Location: DocuSign

**Signer Events**


Signer Events	Signature	Timestamp
Abraham Wescott abraham.wescott@nashville.gov Security Level: Email, Account Authentication (None)		Sent: 6/6/2023 11:48:02 AM Viewed: 6/6/2023 2:31:58 PM Signed: 6/6/2023 2:33:23 PM
	Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.185	

**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign


Karin Fielder Weaver karin.weaver@nashville.gov Security Level: Email, Account Authentication (None)		Sent: 6/6/2023 2:33:27 PM Viewed: 6/6/2023 3:18:11 PM Signed: 6/7/2023 7:57:16 AM
	Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.185	

**Electronic Record and Signature Disclosure:**Accepted: 6/6/2023 3:18:11 PM  
ID: 41504c18-ce7c-4fe9-a658-f721ddb27622

Rose Wood rose.wood@nashville.gov Finance Admin Metro Finance Dept. OMB Security Level: Email, Account Authentication (None)		Sent: 6/7/2023 7:57:20 AM Viewed: 6/7/2023 7:57:49 AM Signed: 6/7/2023 8:05:55 AM
	Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.190	


**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign


Aaron Pratt aaron.pratt@nashville.gov Security Level: Email, Account Authentication (None)		Sent: 6/7/2023 8:05:59 AM Viewed: 6/7/2023 8:10:04 AM Signed: 6/7/2023 8:10:12 AM
	Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.185	

**Electronic Record and Signature Disclosure:**


Not Offered via DocuSign

Signer Events	Signature	Timestamp
kelly flannery kelly.flannery@nashville.gov Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.100	Sent: 6/7/2023 8:10:14 AM Viewed: 6/7/2023 8:10:45 AM Signed: 6/7/2023 8:11:01 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 6/7/2023 8:10:45 AM  
 ID: 1fde96e3-264f-4339-bc35-859cac2e9a40

Balogun Cobb balogun.cobb@nashville.gov Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.185	Sent: 6/7/2023 8:11:04 AM Viewed: 6/7/2023 9:02:31 AM Signed: 6/7/2023 9:03:26 AM
--	--	---

**Electronic Record and Signature Disclosure:**  
 Accepted: 6/7/2023 9:02:31 AM  
 ID: d76c8548-0390-4ef4-80e5-21e7e9976ec9

Tessa V. Ortiz-Marsh tessa.ortiz-marsh@nashville.gov Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 170.190.198.185	Sent: 6/8/2023 3:40:25 AM Viewed: 6/8/2023 8:46:57 AM Signed: 6/8/2023 8:48:11 AM
---	--	---

**Electronic Record and Signature Disclosure:**  
 Accepted: 6/8/2023 8:46:57 AM  
 ID: de7c5c18-5f58-4ebe-aa9d-0c2b90472d95

In Person Signer Events	Signature	Timestamp
-------------------------	-----------	-----------

Editor Delivery Events	Status	Timestamp
------------------------	--------	-----------

Agent Delivery Events	Status	Timestamp
-----------------------	--------	-----------

Intermediary Delivery Events	Status	Timestamp
------------------------------	--------	-----------

Certified Delivery Events	Status	Timestamp
---------------------------	--------	-----------

Carbon Copy Events	Status	Timestamp
--------------------	--------	-----------

Witness Events	Signature	Timestamp
----------------	-----------	-----------

Notary Events	Signature	Timestamp
---------------	-----------	-----------

Envelope Summary Events	Status	Timestamps
-------------------------	--------	------------

Envelope Sent	Hashed/Encrypted	6/6/2023 11:48:03 AM
Envelope Updated	Security Checked	6/8/2023 3:40:24 AM
Envelope Updated	Security Checked	6/8/2023 3:40:24 AM
Certified Delivered	Security Checked	6/8/2023 8:46:57 AM
Signing Complete	Security Checked	6/8/2023 8:48:11 AM
Completed	Security Checked	6/8/2023 8:48:11 AM

Payment Events	Status	Timestamps
----------------	--------	------------

Electronic Record and Signature Disclosure
--