

**GRANT CONTRACT  
 BETWEEN THE METROPOLITAN GOVERNMENT  
 OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE  
 BY AND THROUGH  
 THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
 AND  
 NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and New Level Community Development Corporation (New Level CDC), 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." New Level CDC will be adding 15 affordable housing units located at 1827 Murfreesboro Pike, Nashville, TN 37217. The recipient's budget request, financial statements or audit, 501(c)3 letter, and/or charter documents are incorporated herein. 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 application and any of its amendments, which application is incorporated herein, 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 their application or proposal for grant funding which is incorporated herein. These funds shall be expended consistent with the Grant Budget, included in Attachment A. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a line-item 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 \$3,000,000.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.

**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 a lease term.

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 Million Dollars (\$3,000,000). 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)**

- 30% - 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)
- 30% - footing framing and foundation completed (25% complete)
- 20% - roofing completed and the plumbing, electric and mechanical are roughed in and approved by local Codes (50% complete)

- 10% - 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 30% 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 30% 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

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 the end of the Grant Contract. 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.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and

return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.

- C. 9. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.
- C. 10. Public Meetings. At the reasonable request of Metro, Recipient agrees to attend public meetings, neighborhood meetings, and other events regarding this Project.
- C. 11. Recognition. Any signage, printed materials, or online publications erected at the applicable Project site or elsewhere regarding the Project shall include the following language or language acceptable by Metro acknowledging that the Project is partially funded with a grant from the Barnes Fund for Affordable Housing of the Metropolitan Government of Nashville and Davidson County:

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

Metropolitan Housing Trust Fund Commission

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

September 1, 2023 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 in the form required by Metro.

- 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  
Ashley.Brown2@Nashville.Gov

Recipient:

New Level Community Development Corporation  
Teresa Skipper  
PO Box 218430  
Nashville, TN 37221  
(615) 627-0347  
tskipper@nlcdc.com

Holladay Ventures, LLC  
Evan Holladay  
9020 Overlook Blvd  
Brentwood, TN 37027  
(859) 307-8652  
evan@holladayventures.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.

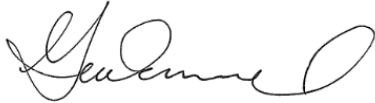
D. 28 Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract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

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THE METROPOLITAN GOVERNMENT  
OF NASHVILLE AND DAVIDSON  
COUNTY:

APPROVED AS TO PROGRAM SCOPE:



\_\_\_\_\_  
Gina Emmanuel, 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:**

New Level Community Development  
Corporation

By: Teresa S. Skipper

Title: Teresa Skipper, Executive Director

Sworn to and subscribed to before me a  
Notary Public, this 26 day  
of August, 2022.



Notary Public



My Commission  
expires 08/08/2026

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

<b>Unit Address</b>	1827 Murfreesboro Pike, Nashville, TN 37217				
<b>Development Type</b>	New Construction - Homeowner				
<b>Accessible Bus Line Routes</b>	2 WeGo Bus stops				
<b>Number of Bedrooms</b>	3				
<b>Number of Bathrooms</b>	2				
<b>Square Feet</b>	1800				
<b>Number of Stories</b>	2				
<b>Acquisition Costs</b>					
Vacant Land	825,000				
Land with Structure	-				
Title & Recording	-				
Legal	50,000				
<b>Total</b>	<b>875,000</b>				
<b>Predevelopment Costs</b>					
Appraisal	15,000				
Survey	20,000				
Relocation (if applicable)	-				
Insurance	65,080				
Architect	249,000				
Engineering	210,000				
Planning/Zoning	30,000				
Other: Closing Costs	23,624				
Other: Franchise Tax	20,000				
Other: Accounting	30,000				
Other Impact Fees/NES Fees	110,250				
Other: Soft Cost Contingency	100,000				
Other: Developer Fee	900,000				
<b>Total</b>	<b>1,772,954</b>				
<b>Construction Costs</b>					

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

<b>Structure</b>					
Footer/Foundation	1,250,000				
Framing	241,100				
Electrical	203,050				
Plumbing	205,750				
Roofing	395,310				
HVAC	350,000				
Drywall/Insulation	160,000				
Paint/Stain	100,314				
Windows/Doors	186,000				
Floor Coverings	120,000				
Cabinets	110,000				
Brick/Siding	120,000				
<b>Sub-Total</b>	<b>3,441,524</b>				
<b>Other</b>					
Site Work	2,160,000				
Appliances	120,000				
Decks/Porches	121,000				
Side Walks/Driveways	143,100				
Landscaping	40,000				
Utility Hookups	40,000				
Building Permits/Fees	17,000				
Demolition	-				
Fees	325,400				
Materials and Labor Market Contingency Cost Overrun	100,000				
<b>Sub-Total</b>	<b>3,066,500</b>				
Construction Contingency	650,802				
Development Period Utilities	15,000				
Real Estate Taxes (2 yrs)	50,000				
Construction Interest	283,494				
Construction Loan Fees	47,248				

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Reserves	388,480				
Profit (if organization has own construction crew)	-				
<b>Sub-Total</b>	<b>1,435,024</b>				
<b>Total Construction Cost</b>	<b>10,591,002</b>				
<b>Cost per Unit</b>	323,033				
<b>Developer's Fee (capped at 20%)</b>	900,000				
<b>Total Cost/Unit</b>	353,033				
<b>Total Debt Service</b>					
Debt Coverage Ratio	1.15				
Operating Reserve	388,480				

**FILED**

RECEIVED  
OF TENNESSEE  
1992 SEP 16 AM 9:25  
RILEY DARRIN  
SECRETARY OF STATE

**AMENDED AND RESTATED CHARTER OF  
NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

The undersigned natural person, having capacity to contract and acting as the Incorporator of a not for profit corporation under the Tennessee Nonprofit Corporation Act, does hereby adopt the following charter for such corporation

- 1. The name of the corporation is New Level Community Development Corporation
- 2. The duration of the corporation is perpetual.
- 3. The address of the corporation's registered office is 7594 Old Hickory Boulevard,

Whites Creek 37189 The initial registered agent is K. Edwin Bryant

- 4. The address of the corporation's initial principal office is 1112 Jefferson Street,  
Nashville, Tennessee 37208

5. The name and address of the incorporator is Ursula M. Holmes, Esq., 220 Ellington Place, Madison, Tennessee 37115

6. The corporation is not for profit and shall be governed by the Tennessee Nonprofit Corporation Act.

7. New Level Community Development Corporation is geared toward providing various outreach services to the community in which it is located, including affordable housing, small business development, job training, alcohol and drug rehabilitation, career counseling, psychological counseling, and other community-oriented activities such as feeding the homeless and elderly. The corporation is authorized, in general, to carry on any business and to have and exercise all of the powers conferred by the laws of the State of Tennessee upon corporations

formed under the Tennessee Nonprofit Corporation Act; to do any and all of the acts set forth therein to the same extent as natural persons could do, in any part of the world, as principal, factor, agent, contractor, trustee, or otherwise, either alone or in syndicate or otherwise in conjunction with any person, entity, syndicate, partnership, association, or corporation, or any governmental, municipal, or public authority, domestic or foreign; to establish and maintain offices and agencies, and to exercise all of its corporate powers and rights throughout the world.

8. An officer of New Level Community Development Corporation shall not be personally liable to the corporation for monetary damages for breach of fiduciary duty as an officer except (a) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (b) under Tennessee Code Annotated §48-12-102; or (c) for distributions in violation of Tennessee Code Annotated §48-18-304. If the Tennessee Nonprofit Corporation and/or Tennessee Business Corporation Act is amended or superseded after the filing of this Charter to eliminate or limit the personal liability of officers/directors, then the liability of an officer of the corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Nonprofit Corporation Act and/or the Tennessee Business Corporation Act as so amended or by such act as may supersede it. The affirmative vote of at least two-thirds (2/3) of the total votes eligible to be cast at a legal meeting duly called and held, shall be required to amend, repeal, or adopt any provision inconsistent with this provision. Any repeal or modification of this provision shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification. This provision in no way eliminates or limits the liability of an officer for any act or omission occurring prior to the date when this provision becomes effective.

9 The corporation is organized exclusively for purposes within the meaning of Internal Revenue Code Section 501(c)(3). Nothing herein shall be construed to give the corporation any purpose that is not permitted under Section 501(c)(3).

10. No part of the earnings of the corporation shall inure to the benefit of or be distributable to any of its directors or officers or any other private individual; provided, however, the corporation shall be authorized and empowered to pay reasonable compensation for services rendered to or for the corporation affecting one or more of its purposes, and to make payments and distributions in furtherance of the purposes set forth herein. No director or officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporation's assets upon dissolution of the corporation.

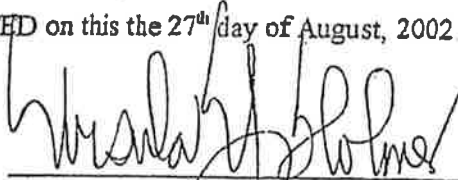
11 If the corporation shall become a private foundation within the meaning of the Internal Revenue Code, the corporation shall distribute its income for each taxable year at such time and in such manner as not to subject it to tax under Section 4942 of the Code, and the corporation shall not: (a) engage in any act of self-dealing as defined in Section 4941(d) of the Code; (b) retain any excess business holdings as defined in Section 4943(c) of the Code; (c) make any investments in such manner as to subject the corporation to tax under Section 4944 of the Code; or (d) make any taxable expenditures as defined in Section 4945(d) of the Code.

12. Upon dissolution of the corporation (after payment of or after provision has been made for the payment of all liabilities of the corporation then outstanding and unpaid), assets of the corporation shall be distributed to any organization of similar purpose which is duly organized and recognized as a Section 501(c)(3) organization under the Internal Revenue Code.

13 This corporation is a public benefit corporation

4598 1066

AMENDED AND RESTATED on this the 27<sup>th</sup> day of August, 2002.



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Ursula Y. Holmes, Esq.



AMENDMENT TO CHARTER OF  
NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION

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15. The corporations affordable housing services include affordable housing counseling including rental housing, fair housing, pre-purchase and post-purchase counseling, group home buyer education classes, post purchase programs and affordable housing development activities.

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Amendment to Charter of  
New Level Community Development Corporation

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14. No more than one-third of the governing board members may be public officials including employees of the Participating Jurisdiction or State recipients. The organization must maintain at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations.

5598-2581

**AMENDED AND RESTATED**  
**BYLAWS OF**  
**NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

**ARTICLE I**  
**NAME**

The name of the Organization (the “Organization”) shall be the New Level Community Development Corporation, a Tennessee nonprofit corporation formed pursuant to the Act.

**ARTICLE II**  
**DEFINITIONS**

*Act.* The term “the Act” shall mean Title 48, chapters 51-68 of the Tennessee Code Annotated, also known as the Tennessee Nonprofit Corporation Act, as may be amended from time to time.

*Board of Directors.* The terms “Board of Directors”, “Board Members”, and “Director(s)” shall mean the Board of Directors of the Organization.

*Bylaws.* The term “Bylaws” shall mean the Bylaws of the Organization except where reference is specifically made to the bylaws of another entity.

*Charter.* The term “Charter” shall mean the Charter accepted by the Secretary of the State of Tennessee, as may be amended and restated from time to time.

*Code.* The term “the Code” shall mean the Internal Revenue Code of 1986, as amended.

*Executive Committee.* The term “Executive Committee” shall mean members of the Executive Committee of the Organization.

*Officers.* The terms “Officers” and “Board Officers” shall mean those persons appointed as officers of the Organization pursuant to Section 1 of Article VI hereof.

*Natural Persons.* The term “natural persons” shall mean individuals and not corporate entities.

**ARTICLE III**  
**PURPOSE, MISSION, POWERS AND RELATED MATTERS**

**Section 1.** *Purpose.* The purposes of the Organization are to operate exclusively for charitable and educational purposes within the meaning of the Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, through the pursuit of the following:

- (a) To affect change in the lives of people by empowering them through financial education.
- (b) To promote revitalization and stabilization of low- and moderate-income neighborhoods in the Metropolitan Service Area for Davidson County Tennessee by promoting economic development and fostering the growth and development of small businesses.
- (c) To foster low-income housing through the development of affordable housing and promotion of homeownership counseling targeting low- and moderate-income families.
- (d) To provide social services through the promotion of literacy and healthy lifestyles.
- (e) To generally engage in any other lawful endeavor permitted by the Act or activity in furtherance of any of the foregoing purposes.

**Section 2.** *Mission.* The Organization’s mission is to build better communities in Tennessee by promoting the purposes of the Organization set forth in Section 1 of this Article III, and in the Charter. The Organization will work to develop and provide access to safe, quality, affordable housing for the community it serves, particularly low- and moderate-income neighborhoods.

**Section 3.** *Registered Office and Agent.* The Organization shall at all times maintain a registered office in the State of Tennessee and a registered agent at that address and may have other offices located within the state of Tennessee as the Board of Directors may determine.

**Section 4.** *Powers.* The powers of the Organization’s Directors, Officers and committees, and all matters concerning the conduct and regulation of the affairs of the Organization, including the manner of accomplishing the Organization’s purposes, shall be subject to the provisions of the Charter and these Bylaws, as may be amended from time to time.

## **ARTICLE IV MEMBERSHIP**

The Organization shall not have members.

## **ARTICLE V BOARD OF DIRECTORS AND BOARD OF DIRECTORS MEETINGS**

**Section 1.** *General Powers and Qualifications.* All corporate powers of the Organization shall be exercised by and under the authority and direction of its Board of Directors. All Directors must be natural persons and shall be at least eighteen (18) years of age. Residents of low- and moderate-income communities and/or low- and moderate-income individuals will comprise at least one-third (1/3) of the Board of Directors.

**Section 2.** *Number and Representation of Directors.* The Board of Directors shall be comprised of the members of the Executive Committee and at least two (2) Directors at large, but these Bylaws may be amended from time to time by the Board of Directors to increase or decrease the number of Directors within the limits provided by law, although at no time shall there be fewer than three (3) Directors and no more than (13). Ex-Officio Directors may be selected by approval of the Board through a formal vote. A board position shall be maintained for a representative from Mt. Zion's senior leadership, management or their representative.

**Section 3.** *Election of Tenure.* Directors shall be elected by the Directors then entitled to vote at each meeting of the Board of Directors. Except as otherwise provided in this Section, each Director shall be elected to serve for a term of four (4) years, or until his or her successor is elected and qualified; subject, however, to the removal of any Director as provided in these Bylaws. Directors may be reappointed for a second term after which the director shall not be appointed for at least one year. Directors may fill unexpired terms created by vacancies. Partial terms will not count toward 2 consecutive term limits. The board positioned maintained by Mt. Zion Baptist Church's senior leadership, management or their representative shall not be subject to tenure requirements.

The terms of the Directors shall be staggered so that no more than three (3) Directors are elected at any annual meeting, except as may be necessary to fill a vacancy. In order to create the staggered terms, the tenure of some of the initial Directors shall be shortened so that three (3) Directors shall serve for a term of one (1) year, three (3) shall serve for a term of three (3) years, and the remaining three (3) Directors shall serve for a term of three (3) years. The length of the initial term for each initial Director shall be specified when he or she is elected.

**Section 4.** *Regular Meetings.* Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice at such time and place as the Board of Directors shall determine from time to time, but no less frequently than once a year.

**Section 5.** *Special Meetings.* Special meetings of the Board of Directors may be called by the Chairman or by any two (2) Directors.

**Section 6.** *Notice of Meetings.* Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Except as otherwise provided herein, special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each Director of the date, time and place, but not the purpose, of such special meeting. Notice of any adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed one (1) month in any one (1) adjournment.

**Section 7.** *Waiver of Notice.* If a Director attends or participates in a meeting, he or she waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**Section 8.** *Quorum and Voting.* A quorum of the Board of Directors consists of a majority (but no fewer than two (2)) of the Directors then in office before a meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors, unless these Bylaws, the Charter of the Act require the vote of a greater number of Directors.

**Section 9.** *Vacancy.* If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors, or a vacancy resulting from a removal of a director with or without cause:

- (a) The Board of Directors may fill the vacancy; or
- (b) If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all the Directors remaining in office.

Provided, however, that any vacancy filled by the Directors under this Section shall be consistent with the qualifications to serve as a Board of Director referenced in Section 1 of this Article.

**Section 10.** *Resignations, Termination, Absences.* Resignation from the Board or from an elected office must be submitted in writing to the Executive Director who shall submit it to the Board Chair. The Board Chair shall direct action to be taken. Board members and officers may be asked to vacate for the following reasons: excessive absences, (3 or more during a calendar year); demonstrated inability to perform in the elected or appointed role; abusive and or violent behavior. Removal of a Board member may be executed by three-fourths (3/4) vote of voting members present.

**Section 11.** *Action Without Meeting.* Action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without such a meeting if all Directors consent to taking such action without a meeting. If all Directors so consent, the affirmative vote of the number of Directors that would be necessary to authorize or take such action at a meeting shall be the act of the Board, except as otherwise provided in these Bylaws. Such consent(s) shall describe the action taken, be in writing, be signed by each Director entitled to vote, indicate each signing Director's vote or abstention on the action, and be delivered to the Secretary of the Corporation and included in the minutes filed with the corporate records.

**Section 12.** *Self Dealing.* No member of the Board of Directors shall use confidential information for personal gain or to the detriment of the Organization. Any Director who abuses confidential information shall be removed from the Board. The full Board of Directors will follow procedures as laid out in the Bylaws for such removal.

The Organization will not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, or corresponding provisions of any later federal tax laws; nor retain any excess business holdings, as defined in Section 4943(c) of the Code, or corresponding provisions of any later federal tax laws; nor make any investments in a manner that would incur tax liability under Section 4944 of the Code, or corresponding provisions of any later federal tax laws; nor make any taxable expenditures, as defined in Section 4945(d) of the Code, or corresponding provisions of any later federal tax laws. In order to fully effectuate the provision of this Section, the Organization 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.

## **ARTICLE VI BOARD OFFICERS**

**Section 1.** *Election.* The Board will prepare a slate of nominations for Officers and the Board shall elect a Chairman, Vice-Chairman, Secretary, Treasurer and such other Officers who shall be Board Members, as deemed necessary. The Officers will be elected annually with a term limit of four consecutive years. The Chairman automatically will serve as Past-Chairman upon his or her no longer qualifying to serve in the office of Chairman without a formal vote of the Board.

**Section 2.** *Resignation or Removal of Board Officers.* A Board Officer may resign their position as Officer, or as Board Member, at any time by giving written notice to the Chairperson. Such resignation is effective upon delivery or as directed in writing. A Board Officer may be removed from office with or without cause by the affirmative vote of a majority of the Directors entitled to vote at any Board meeting. This Officer removal process does not automatically remove the former Officer from Board Membership, although that may occur at the discretion of the Board Membership as per Bylaws Article V, Section 10. The remaining Board Members may fill any Board Officer vacancy by appointing another person to serve the remaining portion of the former Officer's term.

**Section 3.** *Powers and Duties.* Each Officer has the authority and shall perform the duties as set forth below, or the duties prescribed by the Board of Directors.

(a) The Chairman of the Board shall:

- i. Oversee Board Meetings.
- ii. Direct the activities of the Organization and assign to other Officers and committee chairpersons such duties as may be deemed necessary.
- iii. Appoint chairpersons to committees.
- iv. Sign all official contracts and other necessary documents which have been approved by the Board of Directors.
- v. Perform such other duties as pertains to said office as assigned or requested by the Board of Directors.

(b) The Vice-Chairman of the Board shall:

- i. Chair Board Meetings in the absence of the Chairman.
- ii. Assist the Chairman in all internal administrative matters which pertain to the orderly execution of the business of the Organization.
- iii. Serve as Chairman during the remainder of the term should the office of Chairman become vacant.

(c) The Secretary shall:

- i. Maintain records of all proceedings of the Organization and the Board of Directors.
- ii. Provide notice of meetings when such notice is required.
- iii. Perform such other functions as may be assigned or requested by the Board of Directors.

(d) The Treasurer shall:

- i. Serve as the chief financial officer of the Organization.
- ii. Understand financial accounting for non-profit organizations.
- iii. Provide financial reports to the Board.
- iv. Assist in preparing the annual budget and presenting the budget for Board approval.
- v. Review the annual audit.

The Office of Past-Chairman will be an ex-officio position for a one (1) year term to assist the new Chairman with the duties required under Section 3(a) of this Article. The Past-Chairman will meet with the Executive Committee but shall have no authority or power to act on behalf of the Executive Committee or as a Director.

**Section 4.** *Vacancies.* The order of succession for vacancies in the Officers of the Board shall be as follows:

- (a) Should a vacancy occur in the office of the Chairman, occasioned by death, resignation, removal or disability, the order of succession shall be: Vice-Chairman, Treasurer and Secretary.
- (b) Should a vacancy occur in the office of the Vice-Chairman, Treasurer or Secretary, the Board of Directors shall elect from its current Board Members a successor to the office.

**Section 5.** *Delegation of Authority.* In case of the absence of any Officer of the Organization or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate, from time to time, any or all of the powers or duties of such Officer to any other Officer or to any Director.

## **ARTICLE VII COMMITTEES**

**Section 1.** *Executive Committee.* The Executive Committee shall consist of the Officers of the Board of Directors.



**Section 2.** *Other Committees.* Administrative or standing committees may be designated by resolution adopted by a majority of the Board of Directors, including the designation of the chairperson of such committee(s).

**Section 3.** *Committee Members.* The committee chairpersons shall appoint members to each committee.

**Section 4.** *Committee Reports.* All committees shall make such reports as may be required of them to the Board of Directors.

## **ARTICLE VIII EXECUTION OF DOCUMENTS**

**Section 1.** *Execution of Documents.* The Board of Directors may, by a proper resolution, provide for the method of signing checks, notes, drafts, bills of exchange or other instruments for the payment of money; for the transfer and sale of property; for the assumption of liabilities; for the voting of stock held in other corporations; and for the execution of all other legal documents.

**Section 2.** *Facsimile and Electronic Signatures* For purposes of written consents of the Board of Directors, the Organization accepts and agrees to be bound to documents executed and transmitted by facsimile and or electronic mail provided each such facsimile and or electronic mail document is received within the time period specified for such document.

## **ARTICLE IX OPERATIONS**

**Section 1.** *Bank Accounts.* All funds of the Organization not otherwise employed, shall be deposited to the credit of the Organization in a general or special account in such banks, trust companies, or other depositories as the Board of Directors may select, or may be selected by an Officer, Officers, agent, or agents of the Organization to whom such power has been delegated by the Board of Directors. Such Officer, Officers, agent, or agents to whom such power may be delegated by the Board of Directors, may endorse, assign, and deliver any check, draft, wiring instructions or other order for the payment of moneys which are payable to the order of the Organization.

**Section 2.** *Books and Records.* The Organization shall keep, or cause to be kept, full, complete and accurate books of account showing the assets, liabilities, costs, expenditures, receipts and other such similar matters. Such books of account will be the property of the Organization and will be prepared in accordance with generally accepted accounting principles and procedures. Such books of account shall be maintained at the Organization's principal office, or such other place as the Directors may determine. In addition, all books and records of this Organization may be inspected by any Director for any purpose at any reasonable time on written demand.

**Section 3.** *Financial Statements.* Within one hundred twenty (120) days following the end of each fiscal year of the Organization, the Organization shall cause to be prepared financial statements of the Organization for such fiscal year in accordance with generally accepted accounting principals (GAAP).

**Section 4.** *Check Signing.* The Board of Directors shall establish a policy regarding the required signatories for all checks, drafts and wiring instructions withdrawing funds from any depositories at its initial meeting. Such policy shall include naming the Officers of the Organization who may sign on behalf of the Organization and any dollar limitations for such signatories. Such policy may be revised by the Board of Directors.

## **ARTICLE X INDEMNIFICATION AND INSURANCE**

**Section 1.** *Mandatory Indemnification of Directors, Officers, Employees and Agents.* To the maximum extent permitted by the Act, the Organization shall indemnify and advance reasonable expenses to any person who is or was a Director, Officer, employee or agent of the Organization, or to such person's heirs, executors, administrators and legal representatives, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

- (a) The Proceeding was instituted by reason of the fact that such person is or was a Director, Officer, employee or agent of the Organization; and
- (b) A Director, Officer, employee or agent conducted himself or herself in good faith (and not willful, wanton or gross negligence), and he or she reasonably believed (i) in the case of conduct in his or her official capacity with the Organization, 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 Organization; 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 Director, Officer, employee or agent did not meet the standard of conduct herein described.

**Section 2.** *Non-Exclusive Application.* The rights to indemnification and advancement of expenses set forth in Section 1 of this Article X above are contractual between the Organization 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 Directors, by these Bylaws, by the purchase and maintenance by the Organization of insurance on behalf of an Officer, Director, employee or agent of the Organization, or by an agreement with the Organization providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized and shall be in addition to any and all rights to which any

Director, Officer, employee or agent of the Organization might otherwise be entitled and provisions hereof shall neither impair nor adversely affect such rights.

**Section 3.** *Non-Limiting Application.* The provisions of this Article shall not limit the power of the Organization to pay or reimburse expenses incurred by a Director, Officer, employee or agent of the Organization 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 4.** *Prohibited Indemnification.* Notwithstanding any other provision of this Article, the Organization shall not indemnify or advance expenses to or on behalf of any Director, Officer, employee or agent of the Organization, or such persons heirs, 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 Organization, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under Section 48-58-304 of the Act;
- (b) In connection with a Proceeding by or in the right of the Organization in which such person was adjudged liable to the Organization; 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.

**Section 5.** *Repeal or Modification Not Retroactive.* No repeal or modification of the provisions of this Article, 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.

**Section 6.** *Insurance.* The Organization may maintain insurance, at its expense, to protect itself and any Director, Officer, employee or agent of the Organization or another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a Director, Officer, employee or agent, whether or not the Organization would have the power to indemnify such person against such expense, liability or loss under the Sections 48-58-502 or 48-58-503 of the Act.

## **ARTICLE XI NOTICES**

Each Board Member and Officer shall furnish the Organization with his or her official address and the mailing of any notice to such address shall be deemed service of such notice or notices upon them as of the date of mailing of same.

## **ARTICLE XII - CODE OF ETHICS**

**Section 1.** *Board Ethics.* It is imperative to the success of the Organization that there be a fully informed, responsive, and reasonable Executive Committee and Board. To this end, each Board Member shall conduct themselves at all times in the best interest of the Organization. In this regard, each Board Member shall abide by the following “Code of Ethics”. No code or set of rules can be framed which will particularize all of the duties of a Board Member. The following code of ethics is to be considered a general guide, yet the enumeration of particular duties should not be construed as a denial of the existence of other equally imperative duties, though not specifically mentioned.

**Section 2.** *Attendance.* Board Members shall put forth their best effort to attend all meetings and constructively participate in those meetings.

**Section 3.** *Business Judgment.* Board Members shall exercise good judgment in the control and use of confidential information that may from time to time come into their possession.

**Section 4.** *Public Relations.* Each Board Member shall serve as a public relations agent for the Organization and therefore shall work diligently and properly to promote its goals and objectives while keeping abreast with its overall progress.

**Section 5.** *Board Interference with Operations.* Except for voting at properly called meetings of the Board of Directors, Board Members shall refrain from entering into the direct day-to-day administration of the program unless they are doing so upon express authority given to them by a properly adopted Resolution of the Board of Directors.

**Section 6.** *Conflicts of Interest and Nepotism* A conflict of interest policy attached hereto as Addendum 1 guides the board in protecting the organization’s interests and provides procedures for Duty to Disclose, Recusal and Determining whether a conflict of interest exists.”

**Section 7** *Alleged Violations.* The Executive Committee shall be charged with the responsibility of reviewing any allegations of Board Members violating this code or acting in any way which is detrimental to the success of the Organization and make recommendations to the full Board for final action.

**Section 8.** *Document Destruction and Whistleblowing.* The Organization shall adhere to the policies and positions set forth in Exhibit A attached hereto.

## **ARTICLE XIII RULES OF PROCEDURE/GENERAL PROVISIONS**

**Section 1.** *Procedure.* Robert’s Rules of Order shall govern the procedure at all meetings of this Organization where applicable, and not inconsistent with the Bylaws of this Organization.

**Section 2.** *Fiscal Year.* The fiscal year of the Organization shall be fixed by resolution of the Board of Directors.

**Section 3.** *No Seal.* The Organization shall have no seal.

**Section 4.** *Tax Exempt Status.* This Organization is organized as a not-for-profit corporation under the laws of the State of Tennessee and is intended to operate as a tax exempt charitable organization pursuant to Section 501(c)(3) of the Code, or corresponding section of any future federal tax code.

**Section 5.** *No Private Benefit.* No part of the net earnings of the Organization shall inure to the benefit of, or be distributable to, its directors, Officers, or other private individuals or persons, except that the Organization shall be authorized and empowered to pay reasonable compensation for goods and services rendered and to make payments in furtherance of the purposes set forth in Article III, Section 1 hereinabove. Notwithstanding any other provision of these Bylaws, the Organization shall not carry on any endeavors or activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or corresponding section of any future federal tax code.

**Section 6.** *Dissolution.* In the event of the dissolution of this Organization the assets of this Organization shall, after appropriate provision for debt and liabilities of the Organization, be distributed in any liquidation proceedings to a corporation, trust, or association which is not organized for profit and is exempt from federal income taxation under the Code, or corresponding section of any future federal tax code in effect at the time of such dissolution.

**Section 7.** *Basic Policy.* The following is the basic policy of the Organization:

- (a) The Organization shall be non-commercial, non-sectarian, and non-partisan.
- (b) The name of the Organization, or the names of any Officers thereof in their official capacities, shall not be used in any connection with a commercial concern or with any partisan interest or for any purpose not appropriately related to promotion of the purposes of this Organization.
- (c) The Organization may cooperate with other organizations and agencies determined by the Board, but persons representing the Organization in such matters shall make no commitments that bind the Organization.
- (d) In the event of dissolution of the Organization, a committee shall immediately be appointed by the Organization to disburse all funds on hand within thirty (30) days of the dissolution date.
- (e) The Organization may engage in any and all other lawful activities which are exclusively for charitable, educational and scientific purposes, including, for such purposes, making distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code.
- (f) At no time or under any circumstances shall any of the activities of the Organization be directed toward or in furtherance of any activity or function which would disqualify the Organization from exemption under Section 501(c)(3) of the Code or the provisions the Act.
- (g) No substantial part of the activities of the Organization shall be carrying on of propaganda or otherwise attempting to influence legislation and the Organization shall not participate in or intervene in (including the publishing or distribution of statements

of) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of the Bylaws, the Organization shall not carry on any other activities not permitted to be carried on (a) by an organization, exempt from Federal income tax under Section 501(c)(3) of the Code, or (b) by an organization, contributions to which are deductible under Section 170 of the Code (or the corresponding provisions of any future United States Internal Revenue Law), or (c) in conflict with the provisions of the Act.

#### **ARTICLE XIV AMENDMENTS**

These Bylaws may be adopted or amended at any meeting of the Board of Directors by a two-thirds (2/3) majority of the voting Directors present and voting provided that a quorum is present and provided that a copy of the originally proposed amendment shall have been mailed or electronically communicated to each Director at least two (2) weeks prior to the meeting at which action is to be taken thereon. Amendments to the amendment distributed with the meeting notice may be proposed and approved by a simple majority of Directors at the meeting provided that the final amendment voted on by the Directors addresses the topic and only the topic area(s) of the amendment distributed with the meeting notice. The amendment shall become effective immediately upon passage unless otherwise stipulated within the final, approved amendment.

**CERTIFICATE**

These Bylaws were adopted by the Board on the \_\_\_ day of \_\_\_\_\_, 2019

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Paula Roberts, Secretary

## EXHIBIT A

### **Document Destruction and Whistle-Blower/Code of Conduct Policy**

The Sarbanes-Oxley Act (“SOX Act”) which was signed into law on July 30, 2002, was designed to add new governance standards for the corporate sector to rebuild public trust in publicly held companies. While the majority of the SOX Act deals directly with for profit corporations, two standards in the act, document destruction and whistle-blower protection, apply to non-profit corporations. This Document Destruction and Whistle-Blower/Code of Conduct Policy (“WBCC Policy”) shall set forth the internal policies and standards of New Level Community Development Corporation, a Tennessee nonprofit corporation (hereinafter referred to as “Organization”), with respect to document destruction and whistle-blower protection. Any capitalized terms not otherwise defined in this WBCC Policy shall have the meaning set forth in the Organization’s Bylaws.

#### **Document Destruction Policy**

Organization acknowledges its responsibility to preserve information relating to litigation, audits and investigations. The SOX Act makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against Organization and its employees and possible disciplinary action against responsible individuals (up to and including termination of employment). Each employee has an obligation to contact the Chairman of the Organization or any member of the Organization’s Executive Committee of a potential or actual litigation, external audit, investigation or similar proceeding involving Organization that may have an impact as well on the approved records retention schedule.

#### **Whistle-Blower/Code of Conduct Policy**

In keeping with the policy of maintaining the highest standards of conduct and ethics, Organization will investigate any suspected fraudulent or dishonest use or misuse of Organization’s resources or property by officers, board members, employees, consultants and volunteers. Organization is committed to maintaining the highest standards of conduct and ethical behavior and promotes a working environment that values respect, fairness and integrity. All staff, board members and volunteers shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including possible termination of employment, dismissal from one’s board or volunteer duties and possible civil or criminal prosecution if warranted.

Officers, board members, employees, consultants and volunteers are encouraged to report suspected fraudulent or dishonest conduct (i.e., to act as “whistle-blower”), pursuant to the procedures set forth below.

#### **Reporting**

A person’s concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to his or her supervisor or, if suspected by a volunteer, to the staff



member supporting the volunteer's work. If for any reason a person finds it difficult to report his or her concerns to a supervisor or staff member supporting the volunteer's work, the person may report the concerns directly to the Chairman of the Organization or any member of the Organization's Executive Committee. Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to one of the individuals listed above.

## **Definitions**

Baseless Allegations: Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by Organization, and/or legal claims by individuals accused of such conduct.

Fraudulent or Dishonest Conduct: A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- forgery or alteration of documents;
- unauthorized alteration or manipulation of computer files;
- fraudulent financial reporting;
- pursuit of a benefit or advantage in violation of Organization's *Code of Ethics* set forth in Article XII of the Organization's Bylaws.
- misappropriation or misuse of Organization resources, such as funds, supplies, or other assets;
- authorizing or receiving compensation for goods not received or services not performed; and
- authorizing or receiving compensation for hours not worked

Supervisors: Organization employees, officers, consultants or volunteers who have supervisory authority over any other such persons.

Whistle-Blower: An employee, consultant or volunteer who informs a supervisor, the Chairman of the Organization, or any member of the Organization's Executive Committee, about an activity relating to Organization which that person believes to be fraudulent or dishonest.

## **Rights and Responsibilities**

### Supervisors

Supervisors are required to report suspected fraudulent or dishonest conduct to the Chairman of the Organization or any member of the Organization's Executive Committee.

Reasonable care should be taken in dealing with suspected misconduct to avoid:

- baseless allegations;
- premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation; and
- violations of a person's rights under law.

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Supervisors, while appropriately concerned about “getting to the bottom” of such issues, should not in any circumstances perform any investigative or other follow up steps on their own. Accordingly, a supervisor who becomes aware of suspected misconduct:

- should not contact the person suspected to further investigate the matter or demand restitution.
- should not discuss the case with attorneys, the media or anyone other than the Chairman of the Organization or any member of the Organization’s Executive Committee.
- should not report the case to an authorized law enforcement officer without first discussing the case with the Chairman of the Organization or any member of the Organization’s Executive Committee.

### Investigation

All relevant matters, including suspected but unproved matters, will be reviewed and analyzed, with documentation of the receipt, retention, investigation and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and findings will be communicated back to the reporting person and his or her supervisor. Investigations may warrant investigation by an independent person such as auditors and/or attorneys.

### Whistle-Blower Protection

Organization will protect whistle-blowers as defined below.

- Organization will use its best efforts to protect whistle-blowers against retaliation. Whistle-blowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally this means that whistle-blower complaints will only be shared with those who have a need to know so that Organization can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a result of a whistle-blower complaint, such persons may also have right to know the identity of the whistle-blower).
- Officers, directors, employees, consultants and volunteers of Organization may not retaliate against a whistle-blower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistle-blower’s employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees. Whistle-blowers who believe that they have been retaliated against may file a written complaint with the Chairman of the Organization or any member of the Organization’s Executive Committee. Any complaint of retaliation will be promptly.

investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

- Whistle-blowers must be cautious to avoid baseless allegations (as described earlier in the definitions section of this policy).



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248562365  
Nov. 04, 2008 LTR 4168C E0  
62-1873654 000000 00 000  
00019667  
BODC: TE

NEW LEVEL COMMUNITY DEVELOPMENT  
% LEE MOLETTE II  
1112 JEFFERSON ST  
NASHVILLE TN 37208-2500120

018544

Employer Identification Number: 62-1873654  
Person to Contact: Robert C Voss  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Oct. 24, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in February 2003, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

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.

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

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.  
Accounts Management Operations I



**TENNESSEE DEPARTMENT OF REVENUE**

**SALES AND USE TAX  
CERTIFICATE OF EXEMPTION**

**NEW LEVEL COMMUNITY  
1112 JEFFERSON ST  
NASHVILLE TN 37208-2500**

**Effective Date:** July 1, 2015

**Exemption Number:** 780205690

**Expiration Date:** June 30, 2019

1112 JEFFERSON ST  
NASHVILLE TN 37208-2500

The Tennessee Department of Revenue has issued a tax-exemption number for the educational, religious, historical, or charitable non-profit organization or institution named above. State law (Tenn. Code Ann. § 67-6-322) gives the Department the authority to allow this organization to make tax-exempt purchases of goods and services that it will use, consume or give away. This authorization for exemption does not extend to sales tax that the organization must collect or pay on its regular sales of goods or taxable services.

**This authorization for exemption is limited to sales made directly to the above named organization. This certificate may not be used for sales made to individuals paying with personal checks or personal debit or credit cards, even if the individual is a representative or employee of the above named organization, and he or she will be reimbursed for the purchase. Sellers must refuse to accept the certificate when the sale is made to someone other than the above named organization.**

The organization must furnish its suppliers of goods and services with a copy of this certificate. The lower portion of the certificate must be properly completed. **The organization must retain the original certificate for copy purposes.** The supplier will maintain a file copy as evidence of the exempt sale to the organization. Later purchases made before the expiration date do not require the submission of additional copies.

**The organization must notify the Department immediately if it ceases to exist or if its location or mailing address changes.**

**Richard H. Roberts**  
Commissioner of Revenue

**To Be Completed by the Organization**

TO: Supplier's Name QUICK BOOKS FAX 866-831-5762

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

I, Kay Bowers, as an authorized representative of the organization named above, affirm that the purchases made under this authority will be used and consumed by the organization or will be given away.

Under penalty of perjury, I affirm this to be a true and correct statement.

Print Name of Organization New Level Community Development Corp

Print Name of Purchaser Kay Bowers

Signature of Purchaser Kay Bowers

Date June 29, 2015

## Welcome

New Level CDC believes in a world where everyone has a decent, affordable place to call home in a community where all can thrive. "Housing *plus* community" leads to housing success, stability in families, and strengthens our neighborhoods. We put community in how we do housing by building, renting, educating and support.

## Our Vision

New Level CDC seeks to more intentionally engage the community in its work through communications, volunteerism, and fundraising in support of its mission.

We are building brand new homes for sale which are affordable for low to moderate income buyers with support from our partners. If you are just beginning your home buying process or if you are ready to close on a home soon, we provide the required First-time homebuyer education and certificate of completion. New Level CDC is here for YOU!



**NEW LEVEL COMMUNITY  
DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2020**

**NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

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**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
New Level Community Development Corporation  
Nashville, Tennessee

We have audited the accompanying financial statements of New Level Community Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Level Community Development Corporation as of December 31, 2020, 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.

*Bellenfant, PLLC*

Nashville, Tennessee

July 30, 2021

**NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2020**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,577,520
Accounts Receivable	60,859
Inventory	1,145,708
	<hr/>
Total Current Assets	2,784,087
	<hr/>

**FIXED ASSETS**

Land	390,725
Buildings and Improvements	1,604,871
Furniture, Fixtures, and Equipment	9,858
Loan Costs	8,464
	<hr/>
Less: Accumulated Depreciation and Amortization	(294,395)
	<hr/>
Fixed Assets, net	1,719,523
	<hr/>

**NONCURRENT ASSETS**

Loans Receivable	192,500
	<hr/>
Total Noncurrent Assets	192,500
	<hr/>
Total Assets	\$ 4,696,110
	<hr/> <hr/>

The independent auditor's report and accompanying notes are integral parts of these financial statements.

**NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**DECEMBER 31, 2020**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 39,672
Rental Deposits	11,207
PPP Loan Payable	44,000
Notes Payable, current portion	<u>23,882</u>
Total Current Liabilities	<u>118,761</u>

**LONG-TERM LIABILITIES**

Notes Payable, non-current portion	<u>389,432</u>
Total Long-Term Liabilities	<u>389,432</u>
Total Liabilities	<u>508,193</u>

**NET ASSETS**

Net Assets Without Donor Restrictions	<u>4,187,917</u>
Total Net Assets	<u>4,187,917</u>
Total Liabilities and Net Assets	<u><u>\$ 4,696,110</u></u>

The independent auditor's report and accompanying notes are integral parts of these financial statements.

**NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE</b>			
<b>Public Support</b>			
Grants	\$ 1,111,900	\$ -	\$ 1,111,900
Contributions	155,269	-	155,269
Rental Income	215,071	-	215,071
In-Kind Rent	29,627	-	29,627
Program Fees	5,211	-	5,211
	<b>1,517,078</b>	<b>-</b>	<b>1,517,078</b>
<b>Other Revenue</b>			
Gain (Loss) on Sale of Real Estate	82,669	-	82,669
Miscellaneous	196	-	196
Interest Income	2,682	-	2,682
	<b>-</b>	<b>-</b>	<b>-</b>
Net assets released from restrictions	-	-	-
	<b>1,602,625</b>	<b>-</b>	<b>1,602,625</b>
<b>EXPENSES</b>			
Program Services	438,561	-	438,561
Management and General	64,376	-	64,376
Fundraising	35,337	-	35,337
	<b>538,274</b>	<b>-</b>	<b>538,274</b>
Change in Net Assets	1,064,351	-	1,064,351
Net Assets, beginning of the year	3,123,566	-	3,123,566
Net Assets, end of the year	<b>\$ 4,187,917</b>	<b>\$ -</b>	<b>\$ 4,187,917</b>

The independent auditor's report and accompanying notes are integral parts of these financial statements.

**NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Financial Education</b>	<b>Affordable Housing</b>	<b>Rental Housing</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and Wages	\$ 35,274	\$ 58,585	21,422	\$ 115,281	42,094	\$ 26,215	\$ 183,590
Payroll Taxes	2,699	4,482	1,638	8,819	3,206	2,006	14,031
Contract Labor	2,110	4,180	1,700	7,990	628	-	8,618
IDA Matching	2,065	-	-	2,065	-	-	2,065
Advertising and Marketing	92	69	69	230	-	-	230
Insurance	899	1,123	12,542	14,564	899	449	15,912
Property Maintenance	-	-	89,566	89,566	-	-	89,566
Property Taxes	-	538	26,522	27,060	-	-	27,060
Depreciation	-	-	42,188	42,188	2,242	-	44,430
In-Kind Rent	23,702	1,481	1,481	26,664	2,963	-	29,627
Office Expenses	1,829	697	1,136	3,662	1,345	6,295	11,302
Utilities	-	-	5,037	5,037	-	-	5,037
Bank and Interest Fees	10	2,564	1,085	3,659	87	-	3,746
Board Training	39	39	39	117	39	39	195
Equipment	3,571	1,786	1,788	7,145	1,786	-	8,931
Travel	550	422	135	1,107	2,073	135	3,315
Dues and Subscriptions	602	-	-	602	1,317	-	1,919
Miscellaneous	53	252	-	305	697	198	1,200
Housing Development	37,500	45,000	-	82,500	-	-	82,500
Contributions	-	-	-	-	5,000	-	5,000
<b>Total Expenses</b>	<b>\$ 110,995</b>	<b>\$ 121,218</b>	<b>\$ 206,348</b>	<b>\$ 438,561</b>	<b>\$ 64,376</b>	<b>\$ 35,337</b>	<b>\$ 538,274</b>

The independent auditor's report and accompanying notes are integral parts of these financial statements.

NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 1,064,351
Adjustments to reconcile change in net assets to net cash used by operations	
Depreciation	44,430
(Increase) Decrease in:	
Accounts Receivable	(60,149)
Inventory	(949,588)
Increase (Decrease) in:	
Accounts Payable	(20,467)
Rental Deposits	600
Net Cash Provided (Used) by Operating Activities	<u>79,177</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Sale (Purchase) of Fixed Assets	<u>(576)</u>
Net Cash Provided (Used) by Investing Activities	<u>(576)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Issuance of Loans Receivable	(44,300)
Draws (Payments) on Notes Payable	<u>(37,383)</u>
Net Cash Provided (Used) by Financing Activities	<u>(81,683)</u>
Net Increase (Decrease) in Cash	(3,082)
Cash and Cash Equivalents, beginning of the year	<u>1,580,602</u>
Cash and Cash Equivalents, end of the year	<u>\$ 1,577,520</u>

The independent auditor's report and accompanying notes are integral parts of these financial statements.

# NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2020**

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **General**

New Level Community Development Corporation (the Corporation), a nonprofit organization, was formed on November 6, 2001. The Corporation is an outreach of Mt. Zion Baptist Church (Mt. Zion) that works to deliver solutions to the economic challenges plaguing the lives of people in the community it serves. Its services are delivered through financial empowerment programs and affordable housing programs that help families gain economic stability and self-sufficiency.

#### **Financial Statement Presentation**

The financial statements of the Corporation are presented on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Corporation 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.

*Net assets without donor restrictions* - These are net assets that are not subject to donor-imposed stipulations. The Corporation had \$4,187,917 of net assets without donor restrictions as of December 31, 2020.

*Net assets with donor restrictions* - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Corporation and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Corporation. Generally, donors of these assets permit the Corporation to use all or part of the income earned for general or specific purposes. The Corporation had no net assets with donor restrictions as of December 31, 2020.

The Corporation accounts for contributions in accordance with the requirements of the FASB Accounting Standards Codification Revenue Recognition Topic. In accordance with the FASB Accounting Standards Codification, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions.



# NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2020**

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Corporation considers all cash funds, cash bank accounts and highly liquid debt instruments with an original maturity when purchased of twelve months or less to be cash and cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured.

#### **Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

#### **Doubtful Promises to Give**

The Organization uses the allowance method to determine uncollectible unconditional promises to give. Management's estimate of doubtful accounts is based on historical collection experience and a review of the current status of promises to give. There is no allowance for doubtful promises to give as of December 31, 2020. It is reasonably possible that management's estimate of the allowance for doubtful promises to give could change. Promises to give are charged against the allowance when management believes the collectability of the promise to give is unlikely. For the year ended December 31, 2020, no bad debt expense was recognized.

#### **Fixed Assets**

Fixed assets are recorded at cost, or at fair market value if donated. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets that range from 5 to 40 years. The Corporation capitalizes all expenditures for property and equipment in excess of \$500.

The Corporation reviews the carrying value of fixed assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment, there was no impairment at December 31, 2020.

**NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Donated Rent and Services**

The following donations are reflected as contributions in the accompanying statements at their estimated values at the date of receipt for the year ended December 31, 2020:

Rent	<u>\$ 29,627</u>
Total In-Kind	<u><u>\$ 29,627</u></u>

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Corporation's programs. No amounts have been recognized in the accompanying financial statements because the criteria for recognition under FASB ASC 958-205 have not been satisfied.

**Income Taxes**

The Corporation has qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation.

The Corporation has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Corporation believes that it has taken no uncertain tax positions.

The Corporation files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Corporation's returns for the years prior to calendar year 2018 are no longer open for examination.

**Grant Revenues**

Grant funds that do not have donor imposed restrictions are reflected as net assets without donor restrictions since these funds are generally received and spent during the same year. Grant funds that have been designated by the donor for use by specific programs are reflected as net assets with donor restrictions.

**Advertising**

The Corporation uses advertising to promote its programs among audiences it serves. Advertising costs are expensed as incurred. Advertising expense totaled \$230 for the year ended December 31, 2020.

NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

2. INVENTORY

Inventory consists of the following amounts as of December 31, 2020:

Property Held for Development	<u>\$ 1,145,708</u>
Total Inventory	<u><u>\$ 1,145,708</u></u>

3. LOANS RECEIVABLE

The Corporation has entered into multiple secondary loan contracts wherein the borrowers must avoid payment default on their primary housing loan contracts and continuously own and occupy the related residence for ten years. Should the borrower default on the primary loan or sell the property within the first ten years, the entire indebtedness will be immediately due. Notwithstanding the foregoing of these requirements, the secondary loans are forgiven starting in the eleventh year at 5% per year for the remaining twenty years of the loan.

	<u>12/31/2020</u> <u>Balance</u>
1001 11th Ave Loan dated December 20, 2019; initial balance of \$148,200 with forgiveness of \$7,410 per year starting on December 20, 2030.	\$ 148,200
1822 Cephas Street, dated May 5, 2020; initial balance of \$21,500 with forgiveness of \$1,075 per year starting on May 5, 2030.	21,500
34 Sheppard Loan, dated July 1, 2020; initial balance of \$22,800 with forgiveness of \$1,140 per year starting on July 1, 2030.	22,800
Total Loan Receivable	<u><u>\$ 192,500</u></u>

4. NOTES PAYABLE

On May 30, 2012, the Corporation entered into a loan with Pinnacle Bank with a variable interest rate. The loan requires monthly payments with a maturity date of July 7, 2027.

On December 3, 2019, the Corporation entered into two loans with Truxton Trust Company for \$200,000 each. These loans require monthly payments for five years and a final balloon payment on December 3, 2024. The interest rate is the Wall Street Journal Prime rate minus 4% with an initial rate of 0.75%.

NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

5. NOTES PAYABLE (Continued)

Maturities of notes payable as of December 31, 2020 are summarized as follows:

	<u>Pinnacle</u>	<u>Truxton</u>	<u>Total</u>
2021	\$ 5,111	\$ 18,771	\$ 23,882
2022	5,111	18,912	24,023
2023	5,111	19,055	24,166
2024	5,111	322,495	327,606
2025 and thereafter	13,637	-	13,637
Total	<u>\$ 34,081</u>	<u>\$ 379,233</u>	<u>\$ 413,314</u>

Interest expense for the year ended December 31, 2020 was \$2,662.

6. COMPENSATED ABSENCES

Employees of the Corporation are entitled to paid time off (PTO), depending on job classification, length of service, and other factors. Unused PTO is forfeited at the end of the year. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Corporation's policy is to recognize the costs of compensated absences when actually paid to employees.

7. RELATED PARTY TRANSACTIONS

The Corporation uses office space donated by Mt. Zion, and has recorded the fair market value of the office space as an in-kind donation of \$29,627 in 2020.

8. GRANTS

Grant revenue consists of the following amounts as of December 31, 2020:

Housing Development	<u>\$ 1,111,900</u>
Total Grant Revenue	<u>\$ 1,111,900</u>

**NEW LEVEL COMMUNITY DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2020**

**9. AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Corporation's financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets, at year-end	\$ 1,577,520
Less: cash held as rental deposits	<u>(11,207)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,566,313</u>

There is an adequate amount of financial assets available as of December 31, 2020. The Corporation effectively manages its liquid available resources to meet cash needs for general expenditures within one year of the balance sheet date.

**10. UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, the Association has temporarily not been able to continue normal activities. The extent to which these events will affect the amounts reported in future financial statements remains uncertain.

**11. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 30, 2021, which is the date the financial statements were available to be issued.