

# LEGISLATIVE TRACKING FORM

Filing for Council Meeting Date: 10/07/25



Resolution



Ordinance

Contact/Prepared By: \_\_\_\_\_

Date Prepared: \_\_\_\_\_

Title (Caption): A resolution authorizing grants not exceeding \$5,458,000.00 from the Barnes Fund for Affordable Housing to certain nonprofits  
for the express purpose of constructing and rehabilitating affordable or workforce housing.

Submitted to Planning Commission? ☐ N/A ☐ Yes-Date: \_\_\_\_\_ Proposal No: \_\_\_\_\_

Proposing Department: \_\_\_\_\_ Requested By: \_\_\_\_\_

Affected Department(s): \_\_\_\_\_ Affected Council District(s): \_\_\_\_\_

**Legislative Category (check one):**

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Bonds                | <input type="checkbox"/> Contract Approval          | <input type="checkbox"/> Intergovernmental Agreement   |
| <input type="checkbox"/> Budget - Pay Plan    | <input type="checkbox"/> Donation                   | <input type="checkbox"/> Lease                         |
| <input type="checkbox"/> Budget - 4%          | <input type="checkbox"/> Easement Abandonment       | <input type="checkbox"/> Maps                          |
| <input type="checkbox"/> Capital Improvements | <input type="checkbox"/> Easement Accep/Acquisition | <input type="checkbox"/> Master List A&E               |
| <input type="checkbox"/> Capital Outlay Notes | <input type="checkbox"/> Grant                      | <input type="checkbox"/> Settlement of Claims/Lawsuits |
| <input type="checkbox"/> Code Amendment       | <input type="checkbox"/> Grant Application          | <input type="checkbox"/> Street/Highway Improvements   |
| <input type="checkbox"/> Condemnation         | <input type="checkbox"/> Improvement Acc.           | <input type="checkbox"/> Other: _____                  |

**FINANCE** Amount +/-: \$ \_\_\_\_\_

Funding Source: ☐ Capital Improvement Budget  
☐ Capital Outlay Notes  
☐ Departmental/Agency Budget  
☐ Funds to Metro  
☐ General Obligation Bonds  
☐ Grant  
☐ Increased Revenue Sources

Match: \$ \_\_\_\_\_

☐ Judgments and Losses  
☐ Local Government Investment Project  
☐ Revenue Bonds  
☐ Self-Insured Liability  
☐ Solid Waste Reserve  
☐ Unappropriated Fund Balance  
☐ 4% Fund

Approved by OMB: \_\_\_\_\_

Approved by Finance/Accounts: \_\_\_\_\_

Approved by Div Grants Coordination: \_\_\_\_\_

Other: \_\_\_\_\_  
 Date to Finance Director's Office: \_\_\_\_\_

**APPROVED BY**

**FINANCE DIRECTOR'S OFFICE:** \_\_\_\_\_

## ADMINISTRATION

Council District Member Sponsors: \_\_\_\_\_

Council Committee Chair Sponsors: \_\_\_\_\_

Approved by Administration: \_\_\_\_\_ Date: \_\_\_\_\_

## DEPARTMENT OF LAW

Date to Dept. of Law: \_\_\_\_\_ Approved by Department of Law: \_\_\_\_\_

Settlement Resolution/Memorandum Approved by: \_\_\_\_\_

Date to Council: \_\_\_\_\_ For Council Meeting: \_\_\_\_\_ ☐ E-mailed Clerk

☐ All Dept. Signatures ☐ Copies ☐ Backing ☐ Legislative Summary ☐ Settlement Memo ☐ Clerk Letter ☐ Ready to File

Department of Law - White Copy

Administration - Yellow Copy

Finance Department - Pink Copy

**RESOLUTION NO. RS2025-**

A resolution authorizing grants not exceeding \$5,458,000.00 from the Barnes Fund for Affordable Housing to certain nonprofits for the express purpose of constructing and rehabilitating affordable or workforce housing.

WHEREAS, on February 10, 2025, the Metropolitan Trust Fund Commission issued a request for applications to qualified nonprofit organizations to participate in the nonprofit housing development grant program; and,

WHEREAS, Section 7-3-314 of the Tennessee Code Annotated states that metropolitan forms of government may provide financial assistance to a nonprofit organization in accordance with the guidelines of the Metropolitan Government; and,

WHEREAS, Section 5.04.070 of the Metropolitan Code of Laws provides that the Metropolitan Council may by Resolution appropriate funds for the financial aid of nonprofit organizations; and,

WHEREAS, pursuant to the regulations and procedures of the Metropolitan Housing Trust Fund Commission, the Metropolitan Trust Fund Commission voted to distribute funds to various nonprofit organizations; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that these grant contracts be approved.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:**

Section 1. There is hereby appropriated \$5,458,000.00 from the Barnes Fund for Affordable Housing to fund a grant to the following nonprofit organizations as follows:

<b>Nonprofit</b>	<b>Amount</b>	<b>Project Type</b>	<b># of Barnes Fund Homes</b>	<b>Council District</b>	<b>Exhibit</b>
Habitat for Humanity of Greater Nashville	\$4,500,00.00	Homeownership	27	28	A
Living Development Concepts, Inc.	\$375,000.00	Homeownership	3	17	B
Tucker's House	\$100,000.00	Owner-Occupied Rehab	4	Various TBD	C
Westminster Home Connection	\$483,000.00	Owner-Occupied Rehab	100	Various TBD	D

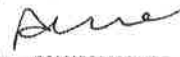
Section 2. The Metropolitan Government of Nashville and Davidson County is hereby authorized to enter into grant contracts with each of the nonprofit organizations listed in Section

1 for the grant amounts designated therein, subject to the terms and conditions under which the grant funds are to be spent, attached hereto as Exhibits A through D and incorporated herein.

Section 3. This Resolution shall take effect from and after its adoption, the welfare of the Government of Nashville and Davidson County requiring it.

RECOMMENDED BY:

Signed by:



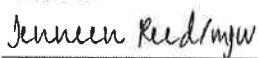
Angela Hubbard, Housing Director

INTRODUCED BY:

Member(s) of Council

APPROVED AS TO AVAILABILITY  
OF FUNDS:

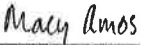
Signed by:



Jenneen Reed, Director  
Department of Finance

APPROVED AS TO FORM AND  
LEGALITY:

DocuSigned by:



Assistant Metropolitan Attorney

**GRANT CONTRACT 2025-15-H4H  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,  
TENNESSEE  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
HABITAT FOR HUMANITY OF GREATER NASHVILLE**

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 Habitat for Humanity of Greater Nashville, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." Habitat for Humanity will be developing **27** affordable housing units located at **0 Rural Hill Rd.** The Recipient's grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

**A. SCOPE OF PROGRAM:**

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a **40-year term** ("Affordability Period"). Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$4,500,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.
- A.5. Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements.



A.6. Requirements for Homeownership Projects:

- a. Recipient shall ensure that initial homeowners are income eligible. Income eligibility is determined and documented at the time a prospective homebuyer enters into a program agreement with the Recipient. Income- eligible is defined as households with incomes at or below 80% of the Area Median Income (AMI) based on actual household size. The AMI is established annually by the U.S. Department of Housing and Urban Development, and Recipient shall follow the AMI in effect at the time of purchase.
- b. Sales prices should be affordable to households with incomes at 80% AMI adjusted for household size. Should the project include the creation of a Homeowners Association ("HOA"), Recipient shall ensure that the sales prices of the homes and HOA fees combined are affordable to households with incomes at 80% AMI.
- c. In the event the home is sold during the Affordability Period, the Recipient must assist the seller in finding a qualified buyer who meets the income requirements provided herein.
- d. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.
- e. Recipient must provide pre- and post-purchase counseling as specified in the Recipient's grant applications, which is incorporated herein.
- f. At least annually during the Affordability Period, Recipient shall remind homeowners of the resale limitations placed upon the property.

A.7. Property Standards

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

B. GRANT CONTRACT TERM:

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

organization.

- B.2. Contract Extensions. Recipient must notify Barnes Fund staff at least ninety (90) days prior to contract expiration of its request to extend the contract term. Each additional contract term cannot exceed twelve (12) months. Contract extensions must be approved by the Metropolitan Trust Fund Commission and the Metro Council.
- B.3. Contract Completion: The Contract Completion date is the date in which Metro has paid the final invoice.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.
- C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.
- C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

1) **Construction Grant Draw Schedule**

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

2) **Construction Grant Draw Process**

- Recipient must submit draw requests in the form and according to the directions provided by Metro.
- All invoices shall be sent to: [bfpayments@nashville.gov](mailto:bfpayments@nashville.gov)
- Said payment shall not exceed the maximum liability of this Grant Contract.

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

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

D. STANDARD TERMS AND CONDITIONS:

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

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

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

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

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

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the

activities funded under this Grant Contract.

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

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

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

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

Metro:

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

Recipient:

Habitat for Humanity  
Danny Herron, President and CEO  
414 Harding Pl, Suite 100, Nashville, TN 37211  
615-254-4663  
dherron@habitatnashville.org

- D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:

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



- c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.
- D.28. Effective Date. This contract shall not be binding upon the parties until it has been signed first by the Recipient and then by the authorized representatives of the Metropolitan Government and has been filed in the office of the Metropolitan Clerk. When it has been so signed and filed, this contract shall be effective as of the date first written above.

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

APPROVED AS TO PROGRAM SCOPE:

*Peter Westerholm*

Peter Westerholm, Chair  
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF  
FUNDS:

*Jenneen Reed*

Jenneen Reed, Director  
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

*Macy Amos*

Assistant Metropolitan Attorney

APPROVED AS TO RISK AND  
INSURANCE:

*Balogun Cobb*

Director of Risk Management Services

APPROVED BY METROPOLITAN  
GOVERNMENT OF NASHVILLE AND  
DAVIDSON COUNTY:

Metropolitan Clerk

**RECIPIENT:**

Habitat for Humanity

By: *[Signature]*

Title: President

Sworn to and subscribed to before me a  
Notary Public, this 25<sup>th</sup> day of August,  
2025.

[Notary Public seal]



Notary Public

*Lucile Houseworth*

My Commission expires 07/06/2026

**ATTACHMENT A**



**Barnes Housing Trust Fund Scope of Work**

**Funding Round Number:** 15

**Organization Name:** Habitat for Humanity

**Project Location:** 0 Rural Hill Rd. Antioch

**Project Type:** Homeownership

**Grant Award:** \$4,500,000

**Metro Property Award:** N/A

**Total Number of Units:** 27

**Total Number of Barnes Fund Units by Income Target:**

<b>≤ 30% AMI</b>	<b>31-60% AMI</b>	<b>61-80% AMI</b>	<b>Total</b>
0	3	24	27

**Project Summary:** Bella Terra 27 represents the second and final phase of a new 53-home affordable housing development in Antioch. This phase will deliver 27 ENERGY STAR® Certified single-family homes, to be constructed in 2027 by Habitat for Humanity. These homes will be sold to income-qualified homebuyers earning at or below 80% of the Area Median Income (AMI). The entire Bella Terra community is being developed in two phases, with 26 homes in Phase 1 scheduled for construction in 2026. All homes in Phase 2 will be subject to long-term resale restrictions to ensure lasting affordability and to preserve the community's affordable housing stock for future generations. Bella Terra 27 builds upon Habitat's mission to create sustainable, homeownership-centered neighborhoods that promote stability and opportunity for low- to moderate-income families.

ATTACHMENT B



Barnes Housing Trust Fund Grant Budget

Spring 2027 and Fall 2027 Bella Terra Builds (27 lots)					
Cost Category	Project Budget	Barnes Request	% of Barnes Request by Cost Category	Barnes Usage per Lot	Number of Lots
acquisition	\$764,154.00	-	-	-	-
predevelopment costs	\$2,462,287.42	\$1,125,000.00	25.00%	\$41,666.67	27
construction	\$4,094,280.00	\$2,205,000.00	49.00%	\$81,666.67	27
downpayment assistance	\$270,000.00	\$270,000.00	6.00%	\$10,000.00	27
construction admin	\$1,080,000.00	-	-	-	-
homebuyer education	\$270,000.00	-	-	-	-
dev fee	\$900,000.00	\$900,000.00	20.00%	\$33,333.33	27
TOTAL	\$9,840,721.42	\$4,500,000			
				45.73%	

**Grant Sources and Uses Template**  
**Habitat for Humanity of Greater Nashville**  
**Bella Terra Project - Budget for the 27 Homes in this request**

Sources of Funds	Amount	Percentage of Total	Status (Secured/Pending)	
Frist Foundation	\$1,769,988.00	17.99%	Secured	
Joe C Davis Foundation	\$75,600.00	0.77%	Secured	
Pinnacle Bank	\$90,000.00	0.91%	Secured	
SHOP 2024	\$40,000.00	0.41%	Pending (w/ conditional approval)	
THDA HTF	\$69,750.00	0.71%	Pending	
FHLB AHP	\$230,000.00	2.34%	Pending	
MDHA HOME	\$820,000.00	8.33%	Pending	
Sponsorships	\$1,890,000.00	19.21%	Pending	
Habitat Operating Budget	\$355,383.42	3.61%	Pending	
Barnes Housing Trust Fund Round 15	\$4,500,000.00	45.73%	Pending	
<b>Total Sources</b>	<b>\$9,840,721.42</b>			
	Amount for 22 Bedroom Homes	3- Amount for 5 Bedroom Homes	4	
<b>Total Project Costs</b>				
<b>Acquisition Costs</b>	<b>\$622,644.00</b>	<b>\$141,510.00</b>	<b>\$764,154.00</b>	<b>7.77%</b>
<b>Predevelopment Costs</b>				
Planning and Zoning	\$11,000.00	\$2,500.00	\$13,500.00	0.14%
Engineering	\$88,000.00	\$20,000.00	\$108,000.00	1.10%
Permitting and Approvals	\$26,400.00	\$6,000.00	\$32,400.00	0.33%
Surveys/Assessments/Appraisal	\$3,520.00	\$800.00	\$4,320.00	0.04%
Demolition	-	-	-	0.00%
Site Preparation	-	-	-	0.00%
Erosion Control	\$44,049.81	\$10,011.32	\$54,061.13	0.55%
Grading	\$493,962.26	\$112,264.15	\$606,226.42	6.16%
Storm Drainage	\$165,461.17	\$37,604.81	\$203,065.98	2.06%
Water	\$370,286.98	\$84,156.13	\$454,443.11	4.62%
Sewer	\$447,194.42	\$101,635.09	\$548,829.51	5.58%
Paving and Curbs Base	\$197,535.51	\$44,894.43	\$242,429.94	2.46%

Electrical Conduit		\$158,898.11		\$36,113.21	\$195,011.32	1.98%
<b>Total</b>		<b>\$2,006,308.26</b>		<b>\$455,979.15</b>	<b>\$2,462,287.42</b>	<b>25.02%</b>
<b>Construction Costs</b>						
Vertical Construction		-		-	-	-
Demolition		-		-	-	-
Contingency		-		-	-	-
Footer/Foundation		\$398,219.13		\$103,735.09	\$501,954.22	5.10%
Framing		\$591,088.70		\$153,977.13	\$745,065.83	7.57%
Electrical		\$240,813.87		\$62,731.41	\$303,545.29	3.08%
Plumbing		\$295,544.92		\$76,988.71	\$372,533.63	3.79%
Roofing		\$197,029.94		\$51,325.81	\$248,355.75	2.52%
HVAC		\$264,000.00		\$60,000.00	\$324,000.00	3.29%
Drywall/Insulation		\$207,975.93		\$54,177.21	\$262,153.14	2.66%
Paint/Stain		\$109,459.82		\$28,514.01	\$137,973.84	1.40%
Windows/Doors		\$98,514.97		\$25,662.90	\$124,177.88	1.26%
Floor Coverings		\$109,459.82		\$28,514.01	\$137,973.84	1.40%
Cabinets		\$110,000.00		\$25,000.00	\$135,000.00	1.37%
Brick/Siding		\$235,340.88		\$61,305.71	\$296,646.59	3.01%
Appliances		\$66,000.00		\$15,000.00	\$81,000.00	0.82%
Decks/Porches		\$35,200.00		\$8,000.00	\$43,200.00	0.44%
Side Walks/Driveways		\$187,000.00		\$42,500.00	\$229,500.00	2.33%
Landscaping		\$66,000.00		\$15,000.00	\$81,000.00	0.82%
Utility Hookups		\$13,200.00		\$3,000.00	\$16,200.00	0.16%
Fees		\$44,000.00		\$10,000.00	\$54,000.00	0.55%
<b>Total</b>		<b>\$3,268,848.00</b>		<b>\$825,432.00</b>	<b>\$4,094,280.00</b>	<b>41.61%</b>
<b>Other / Soft Costs</b>						
Homebuyer Education		\$220,000.00		\$50,000.00	\$270,000.00	2.74%
Construction Admin		\$880,000.00		\$200,000.00	\$1,080,000.00	10.97%
Developer Fee		\$733,333.33		\$166,666.67	\$900,000.00	9.15%
Downpayment assistance		\$220,000.00		\$50,000.00	\$270,000.00	2.74%
<b>Total</b>		<b>\$2,053,333.33</b>		<b>\$466,666.67</b>	<b>\$2,520,000.00</b>	<b>25.61%</b>

Total Project Costs		\$7,951,133.60	\$1,889,587.82	\$9,840,721.42
Average Cost Per Unit	3-Bedroom			
		\$361,415.16		
Average Cost Per Bedroom	4-Bedroom		\$377,917.56	\$364,471.16
		\$120,471.72	\$94,479.39	\$114,426.99

See attached



**ATTACHMENT C**



**Barnes Housing Trust Fund Draw Schedule**

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

Draw #	% of Grant	Milestone
1*	25%	Site Work - \$1,125,000.00 to be drawn upon invoice documentation of costs incurred
2*	49%	Construction Costs - \$2,205,000.00 to be drawn upon building permits and invoice documentation of costs incurred.
3	6%	Homebuyer Subsidy - \$270,000.00 to be drawn upon sale of properties, documented by home buyer closing disclosure and Certificate of Eligibility.
4*	20%	Developer Fee - \$900,000.00 to be drawn upon receipt of a Final Use & Occupancy letter (100% complete) from Metro Codes for each unit.

**\*Note:** Draws 1, 2, and 4 must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.

**ATTACHMENT D**



**Required Documents**

The following are required items pursuant to Metropolitan Code 5.04.070:

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

**Exhibit A**

**AMENDED AND RESTATED CHARTER  
OF  
NASHVILLE AREA HABITAT FOR HUMANITY, INC.**

RECEIVED  
STATE OF TENNESSEE  
2011 FEB 22 PM 2:08

LEE HARGETT  
SECRETARY OF STATE

Pursuant to the provisions of Section 48-60-106 of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this Amended and Restated Charter and states as follows:

**ARTICLE I**

The name of the corporation is Nashville Area Habitat for Humanity, Inc.

**ARTICLE II**

The text of its Amended and Restated Charter is as follows:

1. The name of the corporation is Nashville Area Habitat for Humanity, Inc.
2. This corporation is a public benefit corporation.
3. The street address of the registered office of the corporation is 1006 Eighth Avenue South, Nashville, Davidson County, Tennessee 37203, and the registered agent for the corporation at that office is Danny J. Herron.
4. The street address of the principal office of the corporation is 1006 Eight Avenue, South, Nashville, Davidson County, Tennessee 37203.
5. The corporation is not for profit.
6. The corporation will not have members.
7. The purposes for which the corporation is organized are to operate exclusively for charitable, educational and religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, by assisting families in the life-changing opportunity for purchasing and owning quality, affordable homes using a team of enthusiastic volunteers and staff guided by Christian values; and generally to engage in any other lawful endeavor or activity in furtherance of any of the foregoing purposes.
8. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private individuals or persons, except that the corporation 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 the paragraph just above. Notwithstanding any other provision of this Charter, the corporation 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 Internal Revenue Code of 1986, 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 Internal Revenue Code of 1986, or corresponding section of any future federal tax code.

9. Upon dissolution, after all creditors of the corporation have been paid, its assets shall be distributed to one or more organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for exclusively public purposes.

### ARTICLE III

The Amended and Restated Charter itself was duly adopted by the Board of Directors of the corporation on January 22, 2011.

### ARTICLE IV

This Amended and Restated Charter supersedes the corporation's original Charter, any Amended and Restated Charters of the corporation, and all prior amendments thereto.

DATED this 22<sup>nd</sup> day of January, 2011

NASHVILLE AREA HABITAT FOR HUMANITY, INC.

By: 

Name: Jack F. King, Jr.

Title: Chairman

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JANE HARGETT  
SECRETARY OF STATE

**AMENDED AND RESTATED CHARTER  
OF  
NASHVILLE AREA HABITAT FOR HUMANITY, INC.**

RECEIVED  
STATE OF TENNESSEE  
2011 DEC 13 PM 2:12

IRE HARGETT  
SECRETARY OF STATE

Pursuant to the provisions of Section 48-60-106 of the Tennessee Nonprofit  
Corporation Act, the undersigned corporation hereby submits this Amended and Restated  
Charter and states as follows:

**ARTICLE I**

The name of the corporation is Nashville Area Habitat for Humanity, Inc.

**ARTICLE II**

The text of its Amended and Restated Charter is as follows:

1. The name of the corporation is Nashville Area Habitat for Humanity, Inc.
2. This corporation is a public benefit corporation.
3. The street address of the registered office of the corporation is 2950 Kraft Drive, Suite 100, Nashville, Davidson County, Tennessee 37204, and the registered agent for the corporation at that office is Danny J. Herron.
4. The street address of the principal office of the corporation is 2950 Kraft Drive, Suite 100, Nashville, Davidson County, Tennessee 37204.
5. The corporation is not for profit.
6. The corporation will not have members.
7. The purposes for which the corporation is organized are to operate exclusively for charitable, educational and religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, by assisting families in the life-changing opportunity for purchasing and owning quality, affordable homes using a team of enthusiastic volunteers and staff guided by Christian values; and generally to engage in any other lawful endeavor or activity in furtherance of any of the foregoing purposes.
8. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private individuals or persons, except that the corporation 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 the paragraph just above. Notwithstanding any other provision of this Charter, the corporation 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 Internal Revenue Code of 1986, 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 Internal Revenue Code of 1986, or corresponding section of any future federal tax code.

STATE OF TENNESSEE  
RECEIVED  
2011 DEC 13 PM 2:12

SCOTT BARGETT  
SECRETARY OF STATE

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9. Upon dissolution, after all creditors of the corporation have been paid, its assets shall be distributed to one or more organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for exclusively public purposes.

### ARTICLE III

The Amended and Restated Charter itself was duly adopted by the Board of Directors of the corporation on November 29, 2011.

### ARTICLE IV

This Amended and Restated Charter supersedes the corporation's original Charter, any Amended and Restated Charters of the corporation, and all prior amendments thereto.

DATED this 29th day of November, 2011

NASHVILLE AREA HABITAT FOR HUMANITY, INC.

By:   
Name: Jack F. King, Jr.  
Title: Chairman

State of Tennessee



Department of State  
Corporate Filings  
312 Rosa L. Parks Avenue  
6<sup>th</sup> Floor, William R. Snodgrass Tower  
Nashville, TN 37243

ARTICLES OF AMENDMENT  
TO THE CHARTER  
(Nonprofit)

**FILED**

For Office Use Only

RECEIVED  
STATE OF TENNESSEE

2011 DEC 13 PM 2:12

IRE HARDETT  
SECRETARY OF STATE

Corporate Control Number (If Known) 153863

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

1. Please Insert the name of the corporation as it appears of record:

Nashville Area Habitat for Humanity, Inc.

If changing the name, insert the new name on the line below:

2. Please check the block that applies:

☒ Amendment is to be effective when filed by the secretary of state.

☐ Amendment is to be effective, \_\_\_\_\_ (month, day, year)

(Not to be later than the 90th day after the date this document is filed.) If neither block is checked, the amendment will be effective at the time of filing.

3. Please insert any changes that apply:

a. Principal address:	<u>2950 Kraft Drive Suite 100</u>	<u>Nashville</u>	<u>TN</u>	<u>37204</u>
	(Street)	(City)	(State/County)	(Zip Code)
b. Registered agent:				
c. Registered address:	<u>2950 Kraft Drive Suite 100</u>	<u>Nashville</u>	<u>TN</u>	<u>37204</u>
	(Street)	(City)	(State/County)	(Zip Code)
d. Other changes:				

4. The corporation is a nonprofit corporation.

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

6. The amendment was duly adopted on 11/28/11 (month, day, year)  
by (please check the block that applies):

☐ The incorporators without member approval, as such was not required.

☒ The board of directors without member approval, as such was not required.

☐ The members

7. Indicate which of the following statements applies by checking the applicable block:

☐ Additional approval for the amendment (as permitted by §48-60-301 of the Tennessee nonprofit corporation act) was not required.

☒ Additional approval for the amendment was required by the charter and was obtained.

President & Chief Executive Officer

Signer's Capacity

Signature

Danny J. Herron

Name of Signer (typed or printed)

Date

SS-4416

Filing Fee: \$20

RDA 1678

**Exhibit A**





**Department of State**  
Corporate Filings  
312 Rosa L. Parks Avenue  
6<sup>th</sup> Floor, William R. Snodgrass Tower  
Nashville, TN 37243

## ARTICLES OF AMENDMENT TO THE CHARTER (Nonprofit)

For Office Use Only

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STATE OF TENNESSEE  
COLLECTOR

2011 FEB 22 PM 2:08

THE HARGETT  
SECRETARY OF STATE

**FILED**

Corporate Control Number (If Known) 153863

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

1. Please insert the name of the corporation as it appears of record:

Nashville Area Habitat for Humanity, Inc.

If changing the name, insert the new name on the line below:

2. Please check the block that applies:

- ☒ Amendment is to be effective when filed by the secretary of state.  
☐ Amendment is to be effective, \_\_\_\_\_ (month, day, year)

(Not to be later than the 90th day after the date this document is filed.) If neither block is checked, the amendment will be effective at the time of filing.

3. Please insert any changes that apply:

a. Principal address: \_\_\_\_\_  
 \_\_\_\_\_ (Street) \_\_\_\_\_ (City) \_\_\_\_\_ (State/County) \_\_\_\_\_ (Zip Code)

b. Registered agent: Danny J. Herron

c. Registered address: \_\_\_\_\_  
 (Street) (City) (State/County) (Zip Code)

d. Other changes: See Article II Section 7

4. The corporation is a nonprofit corporation.

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

6. The amendment was duly adopted on January 22, 2011 (month, day, year)  
by (please check the block that applies):

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

7. Indicate which of the following statements applies by checking the applicable block:

- ☒ Additional approval for the amendment (as permitted by §48-60-301 of the Tennessee nonprofit corporation act) was not required.
- ☐ Additional approval for the amendment was required by the charter and was obtained.

CEO/President

### Signer's Capacity

Date \_\_\_\_\_

February 21, 2011

Signature \_\_\_\_\_

Danny J. Herron

Name of Signer (typed or printed)

SS-4416

**Filing Fee: \$20**

RDA 1678

## Exhibit A



**STATE OF TENNESSEE**  
**Tre Hargett, Secretary of State**  
 Division of Business Services  
 William R. Snodgrass Tower  
 312 Rosa L. Parks AVE, 6th FL  
 Nashville, TN 37243-1102

NASHVILLE AREA HABITAT FOR HUMANITY, INC.  
 SUITE 100  
 2950 KRAFT DRIVE  
 NASHVILLE, TN 37204

December 13, 2011

### Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

**Control # : 153863**      Status: Active  
 Filing Type: Corporation Non-Profit - Domestic

#### Document Receipt

Receipt # : 576209      Filing Fee: \$20.00  
 Payment-Check/MO - Nashville Area Habitat for Humanity, NASHVILLE, TN      \$20.00

Amendment Type: Articles of Amendment      Image # : 6965-1689  
 Filed Date: 12/13/2011 2:12 PM

This will acknowledge the filing of the attached articles of amendment with an effective date as indicated above. When corresponding with this office or submitting documents for filing, please refer to the control number given above.

You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee.

Tre Hargett  
 Secretary of State

Processed By: Cynthia Dunn

Field Name	Changed From	Changed To
Principal Address 1	1006 8TH AVE SOUTH	2950 KRAFT DR STE 100
Principal Postal Code	37203	37204
Registered Agent Physical Address 1	1006 8TH AVE S	2950 KRAFT DR STE 100
Registered Agent Physical Postal Code	37203-4722	37204

AMENDED AND RESTATED

Bylaws  
of  
Habitat for Humanity of Greater Nashville

**ARTICLE I**

**NAME**

**Section 1. Name of Corporation.** The affairs of the Corporation shall be conducted using the name *Habitat for Humanity of Greater Nashville ("Habitat" or "HFHGN")* or such other name or names as the Board of Directors may from time to time authorize.

**ARTICLE II**

**PURPOSE**

**Section 1. Business Purpose.** The purpose of Habitat for Humanity of Greater Nashville is to assist families and individuals in need with the life-changing opportunity of buying decent, affordable housing using a team of enthusiastic volunteers and staff, guided by Christian values.

**ARTICLE III**

**OFFICES**

**Section 1. Principal Office.** The principal office of the Corporation shall be located at 414 Harding Place, Nashville, TN 37211. The Corporation may also maintain offices at such other places as the Board of Directors may from time to time designate or as the affairs of the Corporation may from time to time require.

**ARTICLE IV**

**MEMBERS**

**Section 1. Members.** The Corporation is to have no members.

## **ARTICLE V**

### **BOARD OF DIRECTORS**

**Section 1. Management.** All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of the Board of Directors.

**Section 2. Number.** The number of Directors of the Corporation initially shall be twenty-one (21) and thereafter shall be as fixed from time to time by the Board of Directors. The number of Directors shall in no event be less than twelve (12).

**Section 3. Selection and Term of Office.** There shall be a Directors Nominating Committee of the Board of Directors, consisting of the Outgoing/Past Chairman, the Incoming/Current Chairman, and the Incoming/Current Vice Chairman. Successors to members of the Board of Directors shall be elected by the Board currently in office, as approved and recommended by the Directors Nominating Committee. The term of each director shall be three (3) years. The Directors shall be divided into three classes as equal in number as possible. Initially, one class of Directors shall serve for a period of one year, one class of Directors shall serve for a period of two years and one class of Directors shall serve for a period of three years. At each annual meeting of Directors, each Director elected to succeed a Director whose term expires shall be elected for a period of three years. Each Director shall hold office for the term for which the person was elected and until his or her successor has been elected. Members shall be eligible for re-election for one additional term of three (3) years. At the end of a second term as a member of the Board of Directors, a person shall not be eligible for re-election for a period of at least one (1) year. Any member elected to fill an unscheduled vacancy shall be elected for the remaining portion of the scheduled term of that vacancy. Should that period of time be less than 1.5 years, such partial term will not constitute a term of office for purposes of reelection to the Board.

**Section 4. Election.** Persons nominated for the Board of Directors shall be elected by a majority vote of the then current members of the Board of Directors.

**Section 5. Ex-Officio Members.** The President and C.E.O. of HFHGN shall be an Ex-Officio member of the Board. The President and C.E.O. shall attend Board meetings at the discretion of the Board and the President and C.E.O. shall have a vote in the event the members of the Board present at any meeting of the Board shall reach a tie vote. The President and C.E.O. shall not constitute a member of the Board for determining the presence of a quorum and the President and C.E.O. shall not be present during the Board's discussion of matters related to the employment of the President and C.E.O.

**Section 6. Removal of Directors.** Any Director may be removed without cause by a vote of two-thirds of the Directors then in office.

**Section 7. Resignation of a Director.** A Director may resign by tendering notice in writing to the Board of Directors, Chairman or the President and C.E.O. A resignation shall be effective when notice thereof is so delivered, unless the notice specifies a later effective date.

**Section 8. Vacancies and Newly Created Directorships.** Any vacancy on the Board of Directors, whether occurring by reason of an increase in the number of Directors, a vacancy resulting from a removal with or without cause, or by any other reason, may be filled by a vote of the Directors then in office. If the Directors remaining in office constitute fewer than a quorum, they may fill the vacancy by the affirmative vote of all the Directors remaining in office. A Director shall be elected to hold office for the unexpired term of his or her predecessor, or if there is no predecessor, until the next regular or special meeting of the Board of Directors designated for the purpose of electing Directors.

**Section 9. Reliance Upon Information, Opinions, Reports, or Statements.** To the full extent allowed by law, a member of the Board of Directors, or a member of any committee of the Board of Directors, shall, in the performance of his or her duties, be protected in relying in good faith upon information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by

- (a) one or more Officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or
- (c) a committee of the Board of Directors of which he is not a member if the Director reasonably believes the committee merits confidence.

**Section 10. Compensation.** Directors, and members of any committee of the Board of Directors, shall not be entitled to any compensation for their services as Directors or members of any such committee. Directors and committee members may be reimbursed under special circumstances for expenses incurred in connection with their services as Directors or members of a committee. Such reimbursement shall be approved by a vote of the Board of Directors.

**Section 11. Fidelity Bond.** The Board of Directors may require any Officer, employee, or agent of the Corporation to give security for or to execute to the Corporation a bond in such sum, and with surety or sureties as the Board of Directors may direct conditioned upon the faithful performance of his or her duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds, or securities of the Corporation which may come into his or her hands.

## **ARTICLE VI**

### **MEETINGS**

**Section 1. Regular and Special Meetings.** The Board of Directors may provide by resolution for the holding of regular meetings of the Board of Directors, and may fix the time, place and format thereof. Special meetings of the Board of Directors shall be held whenever called by the Chairman, Vice Chairman, or any three (3) Directors, at such place, date, time and format as may be specified in the notice thereof. All meetings, whether regular or otherwise, of the Board of Directors shall be documented by minutes reflecting all business transactions of the Board. The last regular meeting scheduled in each calendar year shall be designated the annual meeting of the Board of Directors. Notice of the time and place for such meetings shall be given in accordance with Section 2, below. The format of the meetings may be in person or by telephone conference or by video conference pursuant to Section 9 herein.

**Section 2. Notice.** Except as provided below, regular meetings of the Board of Directors may be held without notice, and special meetings of the Board may be held upon at least two (2) days notice provided to each Director specifying the date, time, place and format of the meeting. If the Board of Directors changes the place, date or time of a regular meeting, notice of such action shall be given to each Director who was not present at the meeting at which such action was taken. Any Board action to: remove a Director; amend the Bylaws; amend the Charter (other than a charter amendment to: (a) delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the Secretary of State (b) change the address of the principal office of the Corporation; or (c) change the corporate name by substituting the word "corporation," "incorporated," "company," "limited," or the abbreviation "corp.," "inc.," or "ltd.," or a similar word or abbreviation in the name or by adding a geographical attribution to the name); approve a transaction in which a Director or Officer of the Corporation has a conflict of interest; authorize the indemnification of a Director, employee or agent of the Corporation; approve a plan of merger; approve a sale, lease, exchange or other disposition of all or substantially all of the Corporation's assets other than in the regular course of activities; or approve a dissolution of the Corporation requires that each Director be given at least seven (7) days written notice that the matter will be voted upon at a Directors' meeting. The notice of any meeting at which: a Bylaw amendment; charter amendment; plan of merger; plan for the sale, lease, exchange or other disposition of all or substantially all of the Corporation's assets; or plan of dissolution is to be voted upon, must state that the purpose, or one of the purposes, of the meeting is to consider such proposed amendment or plan and contain or be accompanied by a copy or summary of each amendment or plan.

Where reasonable under the circumstances, notice may be either written or oral, and may be communicated in person, by telephone, by facsimile transmission, by electronic mail or other form of wire or wireless communication, or by mail or private carrier. Written notice in a comprehensible form is effective at the earliest of the following:

- (a) when received;
- (b) three (3) days after its deposit in the United States mail, if mailed correctly addressed and with first-class postage affixed thereon;
- (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and if the receipt is signed by or on behalf of the addressee; or
- (d) if transmitted by facsimile transmission or electronic mail, such notice shall be deemed to have been given (whether or not actually received) on the day it is transmitted; provided, however, that any notice via facsimile transmission or electronic mail received after 5:00 p.m. Nashville time shall be deemed for the purpose of this Section to have been given on the next business day.

Notice of an adjourned meeting need not be given if the time and place to which such 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. At the adjourned meeting, the Board of Directors may transact any business which might have been transacted at the original meeting.

**Section 3. Waiver of Notice.** A Director may waive in writing any notice required by this Article VI, provided that the waiver must be signed by the Director entitled to the notice, and must be filed with the minutes or corporate records. A Director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon his or her 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 4. Quorum and Vote.** Except as otherwise provided in this Article VI, a majority of the number of Directors then in office shall constitute a quorum for the transaction of business of the Corporation, provided that at no time shall a quorum consist of fewer than fifty per cent (50%) of the Directors duly elected and then serving in office. If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present is the act of the Board of Directors, except where the vote of a greater number is required by these Bylaws or by the Tennessee Nonprofit Corporation Act in connection with transactions involving director and Officer conflicts of interest; Bylaw amendments; charter amendments; mergers; and the sale, lease, exchange or other disposition of all or substantially all of the Corporation's assets other than in the regular course of activities. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any of those present.

A Director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless:

- (a) He or she objects at the beginning of the meeting (or promptly upon his or her arrival) to holding the meeting or transacting business at the meeting;
- (b) His or her dissent or abstention from the action taken is entered in the minutes of the meeting; or

- (c) He or she delivers written notice of his or her dissent or abstention to the presiding Officer of the meeting before its adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

**Section 5. Executive Committee.** There shall be an Executive Committee of the Board of Directors, consisting of the elective Officers of the Corporation and the Past Chairman. The term of the Past Chairman, Chairman and/or Vice Chairman can be automatically extended beyond the end of the second, three (3) year term to allow completion of service through the role of Past Chairman. The membership of the Executive Committee must be approved by the Board of Directors at its annual meeting. In addition, four other existing members of the Board of Directors will be selected by the Past Chairman and the elective Officers of the Corporation as At-Large members of the Executive Committee for a one year term. These At-Large members, in addition to any member filling a vacancy on the Executive Committee, shall be approved at the next scheduled meeting of the Board of Directors. Subject to any specific directions or restrictions given by the Board of Directors, the Executive Committee may exercise all the authority of the Board of Directors between meetings of the Board of Directors and majority vote of the members shall control. A majority of the members of the Executive Committee shall constitute a quorum for the purpose of transacting business. Meetings of the Executive Committee may be held by conference telephone call as long as a quorum is participating simultaneously. Any action required or permitted to be taken at a meeting of the Executive Committee may be taken without a meeting by consent in writing, setting forth the action so taken. Written consents and signatures may be effected by electronic transmission. If all committee members consent to taking such action without a meeting, an affirmative vote of a majority of the Executive Committee, evidenced by their signatures on such written consent, shall have the same force and effect as a majority vote at a meeting of the Committee. Any action taken by the Executive Committee shall be reported to the Board of Directors at its next meeting. The Executive Committee shall not approve dissolution, merger or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; elect, appoint, or remove Directors or fill vacancies on the Board of Directors or on any of its committees; or amend or repeal the charter of these bylaws or adopt new bylaws.

**Section 6. CEO Compensation and Leadership Succession Committee.** There shall be a CEO Compensation and Leadership Succession Committee consisting of the elective Officers of the Corporation and chaired by the Secretary. The CEO Compensation and Leadership Succession Committee shall recommend the compensation of the CEO on at least an annual basis, and shall guide Leadership Succession planning as needed to ensure continuity of the affairs of the organization.

**Section 7. Other Committees.** The Board of Directors may create such other committees as may be determined to be helpful in discharging the Board's responsibilities. Each such committee shall be chaired by a Director, as may be approved by the Board of Directors, and consist of such persons, whether Directors or others, and each committee shall perform such functions as may be lawfully assigned to it by the Board of Directors.



**Section 8. Committee Actions.** So far as applicable, the provisions of this Article VI relating to meetings, notice and waiver of notice of meetings, and quorum voting requirements of the Board of Directors shall apply to the Executive Committee and other committees as well.

**Section 9. Telephone and Video Conference Board and Committee Meetings.** Members of the Board of Directors, or any committee of the Board of Directors, may participate in a meeting of such Board or committee by means of conference telephone, video conference or similar communications equipment by means of which all persons participating in the meeting may simultaneously hear each other during the meeting, and participation in such a meeting shall constitute presence in Person at such a meeting.

**Section 10. Consent of Directors in Lieu of Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors or a committee thereof may be taken without a meeting via one of two methods.

In the first method, if all Directors or committee members consent to taking such action without a meeting, the affirmative vote of the number of Directors or committee members that would be necessary to authorize or take such action at a meeting is the act of the Board of Directors or committee thereof, as the case may be. Such action must be evidenced by one (1) or more written consents describing the action taken, signed by each Director or committee member, and indicating each signing person's vote or abstention on the action, and such written consent or consents shall be included in the minutes or filed with the corporate records reflecting the action taken. Written consents and signatures may be effected by electronic transmission. Any action taken under this Section 10 shall be effective when the last Director or committee member signs the consent, unless the consent specifies a different effective date. A consent signed under this Section 10 shall have the effect of a meeting vote and may be described as such in any document.

As a second method, action may be taken without a meeting if the corporation delivers a ballot to every member entitled to vote on the matter. The ballot must (1) be in the form of a document, which may be an electronic transmission including email; (2) set forth each proposed action; (3) provide an opportunity to vote for, or withhold a vote for, each candidate for election as a director; and, (4) provide an opportunity to vote for or against or abstain from each proposed action. Approval by ballot pursuant to this section is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by ballot must (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of directors; and, (3) specify the time by which a ballot must be received in order to be counted. A ballot may not be revoked. A ballot cast under this Section 10 shall have the effect of a meeting vote and may be described as such in any document.

This Section 10 shall not be used to approve dissolution, merger or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; or amend or repeal the charter of these Bylaws or adopt new Bylaws.

**Section 11. Records.** The Board of Directors shall keep permanent records of all their proceedings. The Corporation shall also maintain appropriate accounting records. These records and the principal books of the Corporation shall be kept at the principal office of the Corporation, with the necessary books and records being kept at such place or places as the Board of Directors may from time to time determine. All of these books and records shall be subject to the inspection of any Director at any reasonable time of day.

The Corporation shall keep a copy of the following records at its principal office: (a) the charter or restated charter and all amendments currently in effect; (b) these Bylaws; (c) a list of the names and businesses or home addresses of its current Directors and Officers; and (d) its most recent annual report delivered to the Secretary of State.

## **ARTICLE VII**

### **OFFICERS**

**Section 1. Elective Officers.** The Elective Officers of the Corporation shall be a Chairman, Vice Chairman, Secretary and Treasurer. The Chairman of the Administration Committee will serve as the Secretary and the Chairman of the Finance Committee will serve as the Treasurer. The elective Officers shall be elected at the annual meeting of the Board. Elective Officers shall be members of the Board of Directors. The elective Officers of the Corporation shall exercise such powers and perform such duties as are specified in these Bylaws or are from time to time conferred by the Board of Directors.

**Section 2. Term of Office.** Each Officer shall serve at the pleasure of the Board. The term of office shall be for a period of one year, or until a successor shall have been elected, or until his or her death, resignation or removal.

**Section 3. Removal.** Any Officer may be removed from office by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby. Such removal shall not affect the contract rights, if any, of the person so removed. Appointment of an Officer shall not of itself create contract rights.

**Section 4. Vacancies and Absences.** Any vacancy in an office from any cause may be filled for the unexpired portion of the term by the Board of Directors. In the case of an absence of any Officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, any of the powers and duties of such Officer to any other Officer or to any Director, provided a majority of the then current members of the Board concurs therein.

**Section 5. Chairman.** The Chairman shall serve as Chairman of the Board of Directors and the Executive Committee and shall preside at meetings of those bodies. The Chairman shall be an Ex-Officio member of all standing committees of the Board. The Chairman shall have general supervision over the active management of the affairs of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. The Chairman shall work closely with the President and C.E.O. in matters of policy, program and administration and shall perform such other duties as the Board of Directors may from time to time prescribe. The Chairman will become Past Chairman when the term as Chairman ends.

**Section 6. Vice Chairman.** The Vice Chairman, or Vice Chairmen in the order designated, in the event there be more than one Vice Chairman, shall assist the Chairman in the duties so assigned, perform the duties and possess and exercise the powers of the Chairman in the event of the Chairman's absence or disability, and perform such other duties as the Board of Directors or the Chairman may from time to time prescribe. Upon completion of the term as Vice Chairman, the Vice Chairman will become Chairman for a one year term.

**Section 7. Secretary and Assistant Secretaries.** The Secretary shall attend all meetings of the Board of Directors and Executive Committee and record all votes, attendance at the meetings and the minutes of all proceedings in a book, which shall be the property of the Corporation, to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and shall keep a record of all members of the Board of Directors and the address to be used for each member for purposes of giving notice of meetings. The Secretary shall perform such other duties as may be generally performed by a secretary of a Corporation and such duties as may be prescribed from time to time by the Board of Directors or the Chairman. Any Assistant Secretary may, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties of the Secretary, and when so acting shall have the powers and be subject to all the restrictions upon the Secretary.

**Section 8. Treasurer and Assistant Treasurers.** The Treasurer shall have custody of the Corporation's funds and securities, shall keep or cause to be kept full and accurate account of financial transactions in books belonging to the Corporation, and shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as required in the ordinary course of business or as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Chairman and Directors at the regular meetings of the Board, or whenever they may require it, an account of all financial transactions and the financial condition of the Corporation. The Corporation shall procure a bond or bonds covering the Treasurer and others appropriate in amounts satisfactory to the Board of Directors.

The Treasurer shall also perform such other duties as are generally performed by a treasurer of a corporation and such duties as may be prescribed by the Board of Directors or the Chairman. Any Assistant Treasurer may, in the event of his or her

inability or refusal to act, perform the duties of the Treasurer, and when so acting shall have the powers and be subject to all the restrictions upon the Treasurer.

**Section 9. Appointive Officers.** The Board of Directors shall appoint a President and C.E.O., who shall serve at the pleasure of the Board. The President and C.E.O. shall be responsible to the Board and shall supervise the affairs of the organization on a day-to-day basis. The President and C.E.O. shall serve as advisor to the Chairman and Committees of the Board, and shall assemble information and data and cause to be prepared regular and special reports as directed. The President and C.E.O. shall be an Ex-Officio member of the Board of Directors, the Executive Committee and of all committees.

The President and C.E.O. shall be responsible for hiring, directing, discharging and supervision of all employees. The President and C.E.O. may assign titles such as Vice President to one or more employees. The President and C.E.O. shall be responsible for the preparation of regular reports covering all activities of the organization, subject to approval of the Board of Directors. The President and C.E.O. shall also be responsible for all expenditures with approved budget allocation. The President and C.E.O. and other HFHGN employees shall not be eligible to serve as an Officer of the Board.

## **ARTICLE VIII**

### **INDEMNIFICATION**

**Section 1. General.** The Corporation shall have the power to indemnify any person authorized by the Tennessee Nonprofit Corporation Act, as the same may be amended from time to time, in the manner prescribed therein, to the full extent allowed thereby.

**Section 2. Indemnification.** A Director of the Corporation shall not be liable to the Corporation for monetary damages for breach of fiduciary duty as a director; provided, however, that this provision does not eliminate or limit the liability of a Director for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law.

**Section 3. Indemnification Not Exclusive.** The Corporation shall indemnify each present and future Director and Officer of the Corporation, and his or her heirs, executors and administrators, to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted.

To the extent permitted by the Tennessee Nonprofit Corporation Act, as amended, the rights of indemnification provided in this Article VIII shall be in addition to any rights to which any such Director, Officer, employee, or other person may otherwise be entitled by contract or as a matter of law.

**Section 4. Insurance.** The Corporation shall have the power by action of the Board of Directors to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Corporation, or who, while a Director,

Officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against any liability asserted against him or incurred by him in any such capacity or arising out of his status as a Director, Officer, employee, or agent, whether or not the Corporation would have the power to indemnify him or her against such liability.

## **ARTICLE IX**

### **CORPORATE ACTIONS**

**Section 1. Contracts.** Unless otherwise required by these Bylaws or the Board of Directors, the President and C.E.O. shall execute contracts or other instruments, on behalf of and in the name of the Corporation including, but not limited to, the execution of deeds, purchase or sale contracts, and other documents in connection with the purchase or conveyance of real property or other assets of the Corporation. In the event that the President and C.E.O. is unavailable to execute contracts or other instruments, any of the Elective Officers of the Board in conjunction with the Chief Administrative Officer of the Corporation, may execute contracts and instruments in the ordinary course of business. The Board of Directors may from time to time authorize any other Officer or Officers or agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Corporation as it may deem appropriate, and such authority may be general or confined to specific instances.

**Section 2. Loans.** No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

**Section 3. Voting Securities Held by the Corporation.** Unless otherwise required by the Board of Directors, the President and C.E.O. shall have full power and authority on behalf of the Corporation to attend any meeting of security holders, or to take action on written consent as a security holder, of other corporations in which the Corporation may hold securities. In connection therewith the President and C.E.O. shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation possesses. The Board of Directors may, from time to time, confer like power upon any other person or persons and may revoke any such powers as granted at its pleasure.

## **ARTICLE X**

### **FISCAL YEAR**

**Section 1. Fiscal Year and Leadership Year.** The fiscal year of the Corporation shall be fixed by the Board of Directors from time to time, subject to applicable law. The leadership year of the Corporation shall be determined by the Board of Directors and in the absence of such determination shall be the calendar year.

**ARTICLE XI**

**CORPORATE SEAL**

**Section 1. Corporate Seal.** The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board of Directors.

**ARTICLE XII**

**DEPOSITORIES**

**Section 1. Depositories.** The Board of Directors shall have the power to select depositories for the funds of the Corporation and power to direct the method and manner of signing checks, notes, and other instruments binding on the Corporation.

**ARTICLE XIII**

**AMENDMENTS**

**Section 1. Amendments to Bylaws.** Except as otherwise required by law, these Bylaws may be amended by a majority vote at any meeting of the Board of Directors, if notice of the proposed alteration is contained in the notice of the meeting.

**ARTICLE XIV**

**INVALIDITY**

**Section 1. Invalidity.** In the event any provision of these Bylaws is found invalid under the laws of the State of Tennessee or other competent jurisdiction, the invalid provision or provisions shall be deemed to be altered in such manner as is necessary to conform to the prevailing law. Notwithstanding such alterations, as may be necessary, all other provisions of these Bylaws shall remain in effect as written.

**ARTICLE XV**

**AUTHORITY**

**Section 1. Authority.** Roberts Rules of Order (latest revision) shall govern the meetings of the Board of Directors and committees of the Corporation in all cases in which they are applicable and in which they are not inconsistent with these Bylaws.

**Adopted September 26, 2024**

**By Habitat for Humanity of Greater Nashville Board of Directors**

**Laura Smith, Chair**

Signature: Laura Smith

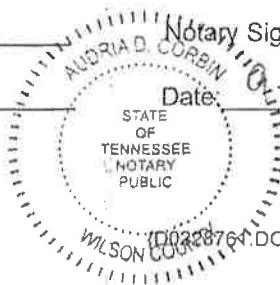
Date: 9.27.2024

By: Laura Smith

Title: Board Chair

Notary Signature: Audria D. Corbin

Date: 9-27-24





Department of the Treasury  
Internal Revenue Service

P.O. Box 2508, Room 4010  
Cincinnati OH 45201

In reply refer to: 4077350282  
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HABITAT FOR HUMANITY OF GREATER  
NASHVILLE  
% DANNY HERRON EXE  
414 HARDING PL STE 100  
NASHVILLE TN 37211-4581



041416

Employer ID Number: 58-1636286  
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Oct. 09, 2017, regarding your tax-exempt status.

We issued you a determination letter in April 1995, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(03).

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

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

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

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

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

Exhibit A



4077350282

Nov. 06, 2017 LTR 4168C 0

58-1636286 000000 00

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HABITAT FOR HUMANITY OF GREATER  
NASHVILLE  
% DANNY HERRON EXE  
414 HARDING PL STE 100  
NASHVILLE TN 37211-4581

Sincerely yours,

*Stephen A. Martin*

Stephen A. Martin  
Director, EO Rulings & Agreements

Exhibit A

**Statement of the nature and extent of Habitat for Humanity of Greater Nashville's program  
that serves the residents of the metropolitan government**

**June 16, 2025**

Habitat for Humanity of Greater Nashville ("Nashville Habitat") is dedicated to its mission of bringing people together to build homes, communities, and hope. Habitat is a developer, home builder, educator, mortgage banker, and local employer. Established in 1985, Nashville Habitat has continually focused on building high-quality, energy-efficient, affordable homes, sold to individuals who meet the qualifications and complete the rigorous homeownership program, financed with a 0% mortgage loan originated by Habitat. The Habitat program creates a transformation that shares, lifts, and inspires, evolving from engaging partnerships with corporate, faith, entertainment, foundation, and government entities. Additionally, Habitat operates a social enterprise, the ReStore, providing employment, volunteering, shopping and donating opportunities, with net proceeds reinvested in the Habitat mission in the local community. Although Habitat Nashville serves a 5-county area in Middle Tennessee, our primary impact is in Davidson County, given our 40 years of service here, as outlined below.

**Developer/Homebuilder**

Nashville Habitat develops homeownership communities, building and selling affordable homes to people with incomes at or below 80% AMI. Nashville Habitat purchases vacant land throughout Davidson County to develop into building lots for affordable single-family homes, **providing approximately 26 families a year to purchase and own their own affordable home in Davidson County.** Once developed, the property's value increases along with the metropolitan government's base for property taxes paid by homeowners. Homes are built to Universal Design standards and are sustainable from the ground up, with Habitat having earned 14 consecutive ENERGY STAR® awards for building excellence.

**Homeownership and Homeowners**

Thanks to the generosity of local, state, and federal partners, including the Barnes Fund, along with contributions from businesses, faith communities, and individual supporters, **Nashville Habitat has helped over 910 families including a total of nearly 3,100 family members achieve homeownership in Davidson County, TN since inception in 1985.** Habitat homes are not free. Habitat homes are sold to individuals and families with a 0% APR mortgage originated by Habitat, made possible through the support of our funding partners and volunteer corps. Davidson County Habitat homeowners in aggregate pay property taxes of approximately \$1.5 million annually.

Habitat's impact resonates throughout metropolitan Davidson County, as its homeownership opportunities touch the lives of individuals who hold jobs in a wide variety of fields critical to our dynamic city, including teachers, school bus drivers, other government employees, healthcare aides, hospitality workers, musicians, and countless others who are vital to the community but struggle to keep up with rising housing costs.

### **Educator**

Future Habitat homeowners must apply for Habitat's homeownership program, meet income qualifications, attend education classes, and work with their sponsor(s) and volunteers to build their homes. Future homeowners also volunteer at the Habitat ReStore, explained below.

The Habitat homeownership program includes 200 hours of classroom education and volunteer work to prepare homebuyers for successful homeownership. The classroom topics span from financial lessons using FDIC's MoneySmart program to topics including budgeting, home maintenance, and the legal aspects of homeownership. **This up-front education helps to position Habitat homeowners for long-term homeownership success, as evidenced by Habitat Nashville's delinquency rate which routinely runs below 3%.**

### **Retailer**

Habitat ReStores sell new and gently used building supplies and home furnishings to the public across 3 locations, **The reuse benefit of the ReStore saves more than 1,500 tons of materials from city landfills annually.** Nashville's ReStore is celebrating its 20<sup>th</sup> anniversary this year and its 8<sup>th</sup> year in its own building at the intersection of Nolensville Pike and Harding Place. In 2017, Nashville Habitat purchased a former Kmart location which had been vacant for 4 years and renovated it, contributing to the redevelopment of the Nolensville Road corridor. The Nashville ReStore has over 30,000 square feet of shopping space and generates \$ 3 million in annual sales.

### **Employer**

Habitat Nashville employs over 60 people in Davidson County year-round. Employees work in a variety of jobs in the ReStore, at the build sites and in the central office. **Habitat Nashville has recently joined Nashville Living Wage and follows the associated pay practices, offering a minimum wage of \$19.20 per hour.**

# **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

## **FINANCIAL STATEMENTS**

***As of and for the Years Ended June 30, 2024 and 2023***

***And Report of Independent Auditor***

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
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## Report of Independent Auditor

To the Board of Directors  
Habitat for Humanity of Greater Nashville  
Nashville, Tennessee

### Opinion

We have audited the accompanying financial statements of Habitat for Humanity of Greater Nashville ("Habitat") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Habitat as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

*Cherry Bekaert LLP*

Tysons, Virginia  
December 9, 2024

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents, including escrow accounts of \$254,500 and \$287,821, respectively	\$ 10,422,872	\$ 13,119,974
Grants receivable	2,911,683	1,293,038
Sponsor and other receivables, net of allowance of \$85,030 and \$70,978, respectively	715,406	128,655
Inventory - ReStores and other	1,169,702	854,761
Construction-in-progress - new homes	6,070,887	3,950,259
Land held for development	10,176,842	7,610,406
Mortgage notes receivable, net of discounts of \$29,081,359 and \$26,813,359, respectively	37,579,754	34,625,415
New Markets Tax Credit intangible assets, net	55,533	90,094
New Markets Tax Credit joint venture investment	2,307,652	2,307,652
New Markets Tax Credit joint venture cash	36,787	50,556
Right-of-use assets	487,815	363,251
Other assets	441,965	343,918
Property and equipment, net	14,111,728	11,465,768
<b>Total Assets</b>	<b>\$ 86,488,626</b>	<b>\$ 76,203,747</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 3,654,621	\$ 2,728,872
Deferred revenue	2,207,572	2,896,165
Escrow accounts	2,445	33,831
Notes payable, secured by mortgages, net of unamortized discount	20,424,401	18,486,618
Note payable, secured by real property	8,976,618	5,526,754
Notes payable, unsecured	398,507	329,986
New Markets Tax Credit joint venture note payable, net of issuance costs	3,134,336	3,127,529
Lease liabilities	501,281	370,122
Unearned revenue on mortgage loans	4,283,166	4,296,348
<b>Total Liabilities</b>	<b>43,582,947</b>	<b>37,796,225</b>
<b>Net Assets:</b>		
Net assets without donor restrictions	25,718,926	23,196,012
Net assets with donor restrictions	17,186,753	15,211,510
<b>Total Net Assets</b>	<b>42,905,679</b>	<b>38,407,522</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 86,488,626</b>	<b>\$ 76,203,747</b>

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



# **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

## **STATEMENT OF ACTIVITIES**

*YEAR ENDED JUNE 30, 2024*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenue:</b>			
Transfers to homeowners	\$ 8,777,640	\$ -	\$ 8,777,640
Grant income	4,607,973	175,000	4,782,973
Contributions	3,545,268	688,947	4,234,215
ReStore sales	3,613,536	-	3,613,536
Mortgage loan discount amortization	1,543,269	-	1,543,269
Contribution from discount on notes payable issued	-	2,365,079	2,365,079
Other income	979,314	-	979,314
Contributions of nonfinancial assets	4,207,736	-	4,207,736
Interest income	416,334	-	416,334
New Markets Tax Credit investment income	23,192	-	23,192
	<u>27,714,262</u>	<u>3,229,026</u>	<u>30,943,288</u>
Net assets released from restrictions	<u>1,253,783</u>	<u>(1,253,783)</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>28,968,045</u>	<u>1,975,243</u>	<u>30,943,288</u>
<b>Expenses:</b>			
Program services	23,791,758	-	23,791,758
Supporting services	2,653,373	-	2,653,373
<b>Total Expenses</b>	<u>26,445,131</u>	<u>-</u>	<u>26,445,131</u>
Change in net assets	2,522,914	1,975,243	4,498,157
Net assets, beginning of year	<u>23,196,012</u>	<u>15,211,510</u>	<u>38,407,522</u>
Net assets, end of year	<u>\$ 25,718,926</u>	<u>\$ 17,186,753</u>	<u>\$ 42,905,679</u>

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

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Transfers to homeowners	\$ 5,561,950	\$ -	\$ 5,561,950
Grant income	3,276,137	31,500	3,307,637
Contributions	3,957,742	172,657	4,130,399
ReStore sales	3,556,346	-	3,556,346
Mortgage loan discount amortization	1,447,206	-	1,447,206
Contribution from discount on notes payable issued	-	1,802,866	1,802,866
Other income	431,646	-	431,646
Contributions of nonfinancial assets	3,688,802	-	3,688,802
Interest income	327,930	-	327,930
New Markets Tax Credit investment income	23,192	-	23,192
	22,270,951	2,007,023	24,277,974
Net assets released from restrictions	1,013,360	(1,013,360)	-
Total Support and Revenue	23,284,311	993,663	24,277,974
Expenses:			
Program services	18,546,469	-	18,546,469
Supporting services	2,637,718	-	2,637,718
Total Expenses	21,184,187	-	21,184,187
Change in net assets	2,100,124	993,663	3,093,787
Net assets, beginning of year	21,095,888	14,217,847	35,313,735
Net assets, end of year	\$ 23,196,012	\$ 15,211,510	\$ 38,407,522

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

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services				Supporting Services			
	Homeowner	Support and Educational Ministries	Discounts on Mortgage Originations	ReStore Operations	Total Program Services	Fundraising	Management and General	Total Supporting Services
Construction	\$ 7,713,254	\$ -	\$ -	\$ -	\$ 7,713,254	\$ -	\$ -	\$ 7,713,254
Salaries and related expenses	1,168,751	861,625	-	2,090,491	4,120,867	1,035,394	506,108	5,662,369
Mortgage discounts	-	-	3,823,431	-	3,823,431	-	-	3,823,431
Costs of ReStore sales	-	-	-	3,459,895	3,459,895	-	-	3,459,895
Interest and discount amortization	955,046	13,841	-	68,711	1,037,598	26,028	44,333	1,107,959
Contribution to Parkwood Collaboration	865,678	-	-	-	865,678	-	-	865,678
Office expenses	91,240	106,821	-	325,577	523,638	117,735	81,529	722,902
Depreciation	92,181	33,230	-	213,991	339,402	65,807	23,603	428,812
Legal and professional	238,859	19,043	-	3,492	261,394	35,527	117,521	414,442
Down payment and mortgage assistance	-	314,500	-	-	314,500	-	-	314,500
Other	11,123	68,601	-	37,645	117,369	11,716	54,263	183,348
Taxes and insurance	67,408	18,633	-	128,648	214,689	31,306	9,295	255,290
Small tools and equipment	62,941	1,274	-	143,445	207,660	19,736	1,166	228,562
Repairs and maintenance	90,880	5,152	-	39,380	135,412	11,878	4,349	151,639
Lease expense	85,113	109	-	184,706	269,928	3,473	76	273,477
Travel, meals, and entertainment	15,724	3,553	-	16,376	35,653	81,614	27,358	144,625
Recruiting and training	10,651	3,325	-	13,231	27,207	84,616	20,442	132,265
Bank and credit card fees	25,395	1,380	-	65,306	92,081	14,263	12,247	118,591
Tithe to Habitat International	99,761	-	-	-	99,761	-	-	99,761
Vehicle expenses	38,560	654	-	48,247	87,461	5,204	-	92,665
Printing and public relations	1,350	5,146	-	8,811	15,307	59,901	-	75,208
Advertising	956	637	-	19,156	20,749	39,023	392	60,164
Sponsor and volunteer appreciation	3,147	25	-	5,652	8,824	31,865	1,560	42,249
New Markets Tax Credit amortization	-	-	-	-	-	-	34,561	34,561
Special events	-	-	-	-	-	39,484	-	39,484
	\$ 11,638,018	\$ 1,457,549	\$ 3,823,431	\$ 6,872,760	\$ 23,791,758	\$ 1,714,570	\$ 938,803	\$ 2,653,373
								\$ 26,445,131

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

**HABITAT FOR HUMANITY OF GREATER NASHVILLE**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2023**

	Program Services					Supporting Services			
	Homeowner								
	Construction	Support and Educational Ministries	Discounts on Mortgage Originations	ReStore Operations	Total Program Services	Fundraising	Management and General	Supporting Services	Total
Construction costs - new homes	\$ 5,898,332	\$ -	\$ -	\$ -	\$ 5,898,332	\$ -	\$ -	\$ -	\$ 5,898,332
Costs of ReStore sales	-	-	-	3,409,909	3,409,909	-	-	-	3,409,909
Salaries and related expenses	1,022,133	746,848	-	1,762,029	3,531,010	1,080,431	547,605	1,628,036	5,159,046
Mortgage discounts	-	-	2,509,111	-	2,509,111	-	-	-	2,509,111
Interest and discount amortization	852,949	11,408	-	30,212	394,569	12,160	49,167	61,327	955,896
Depreciation	93,100	41,031	-	155,408	289,539	55,434	21,627	77,061	366,600
Office expenses	70,386	67,264	-	197,086	334,736	90,411	50,690	141,101	475,837
Travel, meals, and entertainment	13,533	2,727	-	23,553	39,813	58,884	29,701	88,585	128,398
Repairs and maintenance	54,415	11,542	-	61,909	127,866	11,711	6,024	17,735	145,601
Contribution to Parkwood Collaboration	392,900	-	-	-	392,900	-	-	-	392,900
Other	9,924	27,798	-	81,588	119,310	19,864	44,524	64,388	183,698
Small tools and equipment	69,351	-	-	106,174	175,525	2,507	119	2,626	178,151
Legal and professional	154,460	8,442	-	264	163,166	6,106	162,407	168,513	331,679
Lease expense	21,060	299	-	50,000	71,359	2,900	172	3,072	74,431
Printing and public relations	354	1,789	-	8,912	11,055	105,537	113	105,650	116,705
Taxes and insurance	59,511	25,619	-	96,363	181,493	28,822	11,667	40,489	221,982
Recruiting and training	14,956	2,109	-	11,703	28,768	61,995	16,604	78,599	107,367
Tithe to Habitat International	166,476	-	-	-	166,476	-	-	166,476	166,476
Bank and credit card fees	17,997	-	-	62,870	80,867	9,308	11,670	20,978	101,845
Vehicle expenses	48,892	601	-	48,640	98,133	8,383	-	8,383	106,516
Sponsor and volunteer appreciation	4,306	225	-	964	5,495	22,727	105	22,832	28,327
Advertising	3,932	800	-	12,305	17,037	25,107	675	25,782	42,819
New Markets Tax Credit amortization	-	-	-	-	-	-	34,560	34,560	34,560
Special events	-	-	-	-	-	48,001	-	48,001	48,001
	\$ 8,968,967	\$ 948,502	\$ 2,509,111	\$ 6,119,889	\$ 18,546,469	\$ 1,650,288	\$ 987,430	\$ 2,637,718	\$ 21,184,187

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

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 4,498,157	\$ 3,093,787
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Contribution of land held for development	-	(61,000)
Contribution from discount on notes payable issued	(2,365,079)	(1,802,866)
Transfers to homeowners	(4,639,709)	(3,052,839)
Depreciation and amortization	463,373	401,159
Bad debt expense	14,983	17,052
Gain on disposal of property and equipment	(680,153)	-
Noncash lease expense	18,954	16,663
Mortgage loan discount amortization	(1,543,269)	(1,447,205)
Amortization of discount on notes payable and issuance costs	944,488	855,749
New Markets Tax Credit investment income allocation	(23,192)	(23,192)
Changes in operating assets and liabilities:		
Grants receivable	(1,618,645)	(381,739)
Sponsor and other receivables	(601,734)	(37,853)
Construction-in-progress - new homes	(2,120,628)	387,963
Land held for development	(2,628,578)	(2,403,448)
Inventory - ReStores and other	(314,941)	(17,211)
Other assets	(98,047)	(36,608)
Accounts payable and accrued expenses	925,749	739,946
Deferred revenue	(688,593)	(697,867)
Escrow accounts	(31,386)	993
Net cash flows from operating activities	(10,488,250)	(4,448,516)
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(3,230,727)	(929,839)
Proceeds from sale of property and equipment	898,250	-
Mortgage payments received	3,215,457	3,462,469
New Markets Tax Credit joint venture investment net distribution	23,192	23,192
Net cash flows from investing activities	906,172	2,555,822
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of notes payable	9,350,665	4,294,676
Principal payments on lease liabilities	(12,359)	(9,792)
Repayments on notes payable	(2,467,099)	(2,545,823)
Net cash flows from financing activities	6,871,207	1,739,061
Net change in cash, cash equivalents, and NMTC joint venture cash	(2,710,871)	(153,633)
Cash, cash equivalents, and NMTC joint venture cash, beginning of year	13,170,530	13,324,163
Cash, cash equivalents, and NMTC joint venture cash, end of year	\$ 10,459,659	\$ 13,170,530
Cash and cash equivalents, including escrow accounts, end of year	\$ 10,422,872	\$ 13,119,974
New Markets Tax Credit joint venture cash, end of year	36,787	50,556
	\$ 10,459,659	\$ 13,170,530

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

## **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

### **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024 AND 2023*

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#### **Note 1—Organization and purpose**

Habitat for Humanity of Greater Nashville ("Habitat" or "Organization"), a nonprofit corporation, was chartered by the state of Tennessee on March 25, 1985. Habitat is an affiliate of Habitat for Humanity International, Inc. ("Habitat International"), a nondenominational Christian nonprofit organization whose purpose is to create decent, affordable housing for those in need and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, publications, prayer support, and in other ways, Habitat is primarily and directly responsible for its own operations.

#### **Note 2—Summary of significant accounting policies**

*Financial Statement Presentation* – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with standards of accounting and reporting prescribed for not-for-profit organizations. Under these standards, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of Habitat. These net assets may be used at the discretion of Habitat's management and the Board of Directors.

*Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Habitat or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions represent unamortized discount on notes payable, contributions receivable, and amounts available for programs.

*Contributions* – Contributions are recognized when the donor makes a promise to give to Habitat that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions based on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributed land and equipment are recorded at estimated fair value at the date of the donation. Contributions of nonfinancial assets (primarily Restore inventory, construction materials, and land for development) are recorded based on their estimated value on the date of receipt.

No amounts have been reflected in the financial statements for donated labor by unskilled volunteers as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to Habitat's program services.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated, future cash flows. The discounts on those amounts are computed using an interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. Habitat determines an allowance for doubtful accounts based on historical experience, an assessment of economic conditions, and a review of subsequent collections.

Grants received from governmental agencies are generally recognized as related costs are incurred.

*Income Taxes* – Habitat is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is not a private foundation. Therefore, no provision for income taxes has been made.

# **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

## **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024 AND 2023*

### **Note 2—Summary of significant accounting policies (continued)**

Habitat follows guidance that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. Habitat has no uncertain tax positions as of June 30, 2024 or 2023.

*Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses and allocation of functional expenses during the reporting period. Actual results could differ from those estimates.

*Cash Equivalents* – For purposes of the statements of cash flows, Habitat considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

*Liquidity* – Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash and cash equivalents and liabilities are presented according to their maturing resulting in use of cash and cash equivalents.

*Home Sales and Mortgage Notes Receivable* – Transfers to homeowners are recorded at the gross amount of payments to be received over the lives of the mortgage notes receivable. These mortgage payments do not include interest and, accordingly, the mortgages have been discounted at various interest rates based upon prevailing market rates at the inception of the mortgages. Discounts are amortized over the lives of the mortgages. The discounted value of mortgages at the time of sale is generally less than the home's fair market value. Therefore, management believes losses resulting from non-payment of mortgages are not reasonably probable and, accordingly, no allowance for credit loss for mortgage notes receivable has been recorded. Past due status is based on contractual terms of the mortgage notes receivable. At 120 days past due, the mortgage notes receivable become subject to foreclosure. As of June 30, 2024 and 2023, there were no foreclosures.

Unearned revenue on mortgage notes receivable represents the discounted value of non-interest bearing second and third mortgage loans issued on Habitat homes. The homeowner is required to sign one or more additional mortgages for the difference between the estimated fair market value of the home and the payable mortgage balances as of the transfer date. Certain of these mortgages are fully forgiven if the homeowner lives in the home for a certain period of time and complies with all other covenants and restrictions per the deed of trust. In the event the homeowner does not comply with these restrictions, the mortgage balance will be recognized as income at the time it is collected. Habitat generally does not foresee collection of the non-payable second and third mortgage loans except in the event of sale, refinance, or foreclosure of the home.

*Property and Equipment* – Property and equipment is reported at cost at the date of purchase or at fair market value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 3 to 39 years.

## HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 2—Summary of significant accounting policies (continued)

*Land Held for Development* – Land held for development consists of land and improvements to be utilized as lots for future Habitat homeowners. Costs incurred to improve land are capitalized when incurred. Interest incurred on related debt during the construction period is capitalized as incurred. The total allocated cost of each lot is charged to construction-in-progress upon commencement of building activities.

*Inventory* – Inventory consists primarily of donated home furnishings and building and home improvement materials which are sold in the ReStores. In-kind inventory is recorded at its estimated market value when received.

*Deferred Revenue* – Deferred revenue consists of deposits received on conditional promises to give from sponsors of future home building and totaled \$2,207,572 and \$2,896,165 at June 30, 2024 and 2023, respectively.

*Grant Income* – Grant funds are earned and reported as revenue when Habitat has incurred expenses in compliance with the specific restrictions of the grant agreement. Grant funds that are restricted for use in home construction are reflected as unrestricted revenue since these funds are generally received and spent during the same year.

*Program Services* – Program services include construction, ReStore operations, homeowner support, and educational ministries, and the discounts on mortgage originations. The cost of home building is charged to program services upon transfer to the homeowner. Program services include the cost of new homes transferred, which have an average cost of \$248,815 and \$235,933 for the years ended June 30, 2024 and 2023, respectively.

*Advertising* – Advertising costs are charged to expense as incurred. Advertising expense totaled \$60,164 and \$42,819 for the years ended June 30, 2024 and 2023, respectively.

*Debt Issuance Costs* – Costs relating to the issuance of notes payable are amortized to interest expense over the term of the debt, using the straight-line method. The unamortized amount is presented as a reduction of long-term debt on the statements of financial position.

*Functional Allocation of Expenses* – The costs of providing program and supporting services have been reported on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consist primarily of salaries and wages expenses which was allocated based on time and effort.

*Leases* – Habitat follows Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, which requires that Habitat recognize right-of-use ("ROU") assets and lease liabilities for operating leases on the statement of financial position. Leased property meeting certain criteria is capitalized and the present value of the related lease payments is recorded as a liability. Amortization of capitalized leased assets is computed using the straight-line method over the term of the lease. The ROU assets recorded by Habitat were \$487,815 and \$363,251 as of June 30, 2024 and 2023, respectively.

*Recently Adopted Accounting Pronouncements* – In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. This ASU was intended to improve financial reporting by requiring earlier recognition of credit losses on loans and other financial assets carried at amortized cost, which includes trade receivables. Habitat adopted this standard effective July 1, 2023, using the modified retrospective approach. Since Habitat already discounts material receivables subject to Accounting Standards Codification Topic 326, as of June 30, 2024, adoption of the new standard did not materially impact Habitat's financial statements.



## **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

### **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024 AND 2023*

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#### **Note 2—Summary of significant accounting policies (continued)**

*Subsequent Events* – Habitat evaluated subsequent events through December 9, 2024, when these financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

#### **Note 3—Revenue recognition**

Revenue is recognized when Habitat transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

*Performance Obligations and Revenue Recognition* – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account. The transaction price is allocated to each distinct performance obligation and recognized as revenue, when, or as, the performance obligation is satisfied. The contract obligation for transfers to homeowners and ReStore sales is generally satisfied at the time these services are provided or when a good is transferred to the customer.

*Home Sales* – A portion of the Habitat's revenue is derived from home sales during the year. Due to the nature of contracts, there is no variable consideration and only one performance obligation. Such revenue is conditioned upon meeting a certain performance obligation, and amounts received are recognized as revenue once the requirement has been met. Once construction is complete on a home and closing procedures have been completed, buyers take possession of the home and the performance obligation is considered to have been met. Each house sold has a defined purchase price. Contracts are considered to have commercial substance as they all involve a cash down payment and a signed promissory note, which is paid in accordance with the note terms. This is shown as transfers to homeowners on the accompanying statements of activities.

*ReStore Sales* – A portion of the Organization's revenue is derived from ReStore sales during the year. Such revenue is conditioned upon meeting one performance obligation, the sale transaction is completed at a ReStore location, and amounts received are recognized as revenue once the sale has been made. Once the sale is made, customers take possession of the goods purchased. These transactions are considered to be contracts with customers as they have commercial substance through the transaction of cash payment in return for the goods purchased. Due to the nature of these transactions, there is no variable consideration and only one performance obligation.

#### **Note 4—Liquidity and availability of resources**

Habitat regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Habitat considers all expenditures related to its ongoing activities of bringing people together to build homes, communities, and hope, as well as the conduct of services undertaken to support those activities to be general expenditures.

# **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

## **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024 AND 2023*

### **Note 4—Liquidity and availability of resources (continued)**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30:

	<b>2024</b>	<b>2023</b>
Financial assets:		
Cash and cash equivalents, less escrow accounts	\$ 10,168,372	\$ 12,832,153
Grants receivable due in one year	2,911,683	1,293,038
Sponsor and other receivables	665,364	111,632
Total financial assets, at year-end	13,745,419	14,236,823
Less amounts unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	(902,460)	(358,238)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,842,959</u>	<u>\$ 13,878,585</u>

### **Note 5—Grants receivable**

A summary of grants receivable as of June 30 is as follows:

	<b>2024</b>	<b>2023</b>
Metropolitan Development and Housing Agency	\$ -	\$ 224,345
Habitat for Humanity of Tennessee	1,090,296	-
Habitat for Humanity International	-	132,770
Employee Retention Credit receivable	740,021	740,021
Foundations and other	1,081,366	195,902
	<u>\$ 2,911,683</u>	<u>\$ 1,293,038</u>

### **Note 6—Sponsor and other receivables**

Habitat has included unconditional promises to give in sponsor and other receivables. Unconditional promises to give consist of the following at June 30:

	<b>2024</b>	<b>2023</b>
Unconditional promises to give	\$ 800,436	\$ 199,633
Less allowance for uncollectible contributions	(85,030)	(70,978)
Net unconditional promises to give	715,406	128,655
Less amounts receivable in less than one year, net	(715,406)	(128,655)
Receivable in one to five years, net	<u>\$ -</u>	<u>\$ -</u>

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 7—Construction-in-progress – new homes

A summary of new home construction activity for 2024 is as follows:

	Number	Costs
New homes under construction, June 30, 2023	37	\$ 3,950,259
Additional costs incurred on beginning inventory		5,067,415
New homes started in 2024	29	4,766,467
New homes closed in 2024	(31)	(7,713,254)
New homes under construction, June 30, 2024	35	\$ 6,070,887

### Note 8—Property and equipment

A summary of property and equipment as of June 30 is as follows:

	2024	2023
Land and land improvements	\$ 4,644,203	\$ 4,644,203
Buildings	10,242,779	5,525,407
Office equipment	783,694	488,517
Leasehold improvements	99,675	57,502
Vehicles and trailers	695,023	624,902
ReStore construction in progress	-	2,345,021
Other	309,547	324,334
	16,774,921	14,009,886
Less accumulated depreciation	(2,663,193)	(2,544,118)
	\$ 14,111,728	\$ 11,465,768

### Note 9—Land held for development

Land held for development consists of real property and incurred development costs for the purpose of future home construction. Land held for development consists of the following by area at June 30:

	2024	2023
Hamilton Hills	\$ 1,317,436	\$ 1,316,936
Bella Terra	1,700,423	1,531,144
Village by the Creek	-	2,475,381
Wilson County - Hunters Point	350,000	333,892
Dickson County	67,952	96,254
Cheatham County	118,673	62,142
Sherwood Homes at Park Preserve	1,245,084	652,299
Parkwood Collaboration	663,430	935,935
Robertson County	11,453	-
Stoney Brook	4,495,868	-
Wilson County - South Maple	206,523	206,423
	\$ 10,176,842	\$ 7,610,406

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 10—Mortgage notes receivable

At June 30, 2024 and 2023, Habitat holds mortgage notes receivable totaling \$66,661,113 and \$61,438,774, respectively, at face value generally with original maturities of 30 years. The notes are non-interest bearing mortgages, payable in equal monthly installments, and are secured by deeds of trust on the properties. The notes have been discounted at various interest rates ranging from 4.5% to 9.0% over the lives of the mortgages. Mortgages are reported net of unamortized discount.

Mortgage notes receivable and the related discount are summarized as follows at June 30:

	2024	2023
First mortgages	\$ 49,581,190	\$ 45,915,486
Second mortgages	14,283,367	12,983,149
Third mortgages	2,786,556	2,540,139
Fourth mortgages	10,000	-
	66,661,113	61,438,774
Less unamortized discount	(29,081,359)	(26,813,359)
	<u>\$ 37,579,754</u>	<u>\$ 34,625,415</u>

Following is a table which includes an aging analysis of the recorded investment of past due mortgage notes receivable as of June 30:

	2024	2023
31 - 60 days past due	\$ 866,681	\$ 466,965
61 - 90 days past due	430,844	344,315
Greater than 90 days past due	240,539	85,164
Total past due	1,538,064	896,444
Current	65,123,049	60,542,330
	<u>\$ 66,661,113</u>	<u>\$ 61,438,774</u>

Principal payments due on mortgage notes receivable are as follows:

#### Years Ending June 30,

2025	
2026	\$ 2,444,812
2027	2,735,949
2028	2,778,666
2029	2,780,722
Thereafter (including non-paying second and third mortgages of \$5,293,013)	2,767,322
	<u>53,153,642</u>
Notes receivable at face value	66,661,113
Less unamortized discount	<u>(29,081,359)</u>
	<u>\$ 37,579,754</u>

# HABITAT FOR HUMANITY OF GREATER NASHVILLE NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

## Note 11—New Market Tax Credits intangible assets

Habitat incurred \$27,125 in guarantor fees, \$13,333 in audit fees, \$64,400 in asset management fees, and \$26,250 in consulting fees related to its New Markets Tax Credit ("NMTC") financing in December 2017, to be amortized over seven years, the period to which the assets apply. Habitat incurred \$13,971 in qualified active low income community business ("QALICB") services, \$20,000 in audit fees, \$53,554 in asset management fees, and \$23,284 in consulting fees related to its NMTC financing in June 2020, to be amortized over seven years, the period to which the assets apply. The intangible assets represent fees paid to the third party administrator in the transaction, who is responsible for ensuring Habitat performs and complies with all aspects of the transaction requirements.

As of June 30, the balances of NMTC intangible assets and accumulated amortization are as follows:

	2024	2023
QALICB guarantor fee	\$ 41,096	\$ 41,096
CDE audit fee	33,333	33,333
Asset management fee	117,954	117,954
Consulting fee	49,534	49,534
Total NMTC intangible assets	241,917	241,917
Accumulated NMTC amortization	(186,384)	(151,823)
NMTC intangible assets, net	\$ 55,533	\$ 90,094

In December 2017, Habitat invested, along with five other Habitat affiliates, in a partnership, Harbor Habitat Leverage II, LLC ("HHL"), with 16.6667% ownership to take advantage of NMTC financing. Habitat invested a combination of cash and construction in progress totaling \$1,207,410, enabling it to secure a 20-year loan in the amount of \$1,715,000 payable to Harbor Community Fund XIII, LLC ("HCF"), a community development entity. The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low-income residents.

The investment in partnership is accounted for using the equity method and the carrying amount of the investment is increased for Habitat's proportionate share of the joint venture's earnings and decreased for Habitat's proportionate share of the joint venture's losses.

The activity of the NMTC joint venture investment during the years ended June 30 is as follows:

	2024	2023
Beginning balance	\$ 1,201,374	\$ 1,201,374
Distributions received	(12,074)	(12,074)
Share of income	12,074	12,074
Ending balance	\$ 1,201,374	\$ 1,201,374

In June 2020, Habitat invested, along with three other Habitat affiliates, in a partnership, HHL, with 25% ownership to take advantage of NMTC financing. Habitat invested a combination of cash and construction in progress totaling \$1,111,837, enabling it to secure a 20-year loan in the amount of \$1,521,250 payable to HCF, a community development entity. The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low-income residents.

The investment in partnership is accounted for using the equity method and the carrying amount of the investment is increased for Habitat's proportionate share of the joint venture's earnings and decreased for Habitat's proportionate share of the joint venture's losses.

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 11—New Market Tax Credits intangible assets (continued)

The activity of the NMTC joint venture investment during the years ended June 30 is as follows:

	2024	2023
Beginning balance	\$ 1,106,278	\$ 1,106,278
Distributions received	(11,118)	(11,118)
Share of income	11,118	11,118
Ending balance	<u>\$ 1,106,278</u>	<u>\$ 1,106,278</u>

The major assets of Harbor Habitat Leverage II, LLC and Harbor Habitat Leverage III, LLC at June 30 are as follows:

	2024		2023	
	Harbor Habitat Leverage II, LLC	Harbor Habitat Leverage III, LLC	Harbor Habitat Leverage II, LLC	Harbor Habitat Leverage III, LLC
Assets:				
Notes receivable	<u>\$ 7,244,463</u>	<u>\$ 4,447,352</u>	<u>\$ 7,244,463</u>	<u>\$ 4,447,352</u>
Total assets	<u>\$ 7,244,463</u>	<u>\$ 4,447,352</u>	<u>\$ 7,244,463</u>	<u>\$ 4,447,352</u>

At June 30, 2024 and 2023, both Harbor Habitat Leverage II, LLC and Harbor Habitat Leverage III, LLC had no liabilities and minimal activity.

### Note 12—Notes payable

	2024	2023
Notes payable to Tennessee Housing Development Agency, non-interest bearing, payable in monthly principal installments totaling \$104,357 (at June 30, 2024) with varying maturities through May 2054, secured by non-interest bearing first mortgages held by Habitat, with a discounted value of \$14,216,950. The notes have an undiscounted balance outstanding of \$26,181,856 and \$23,520,627 at June 30, 2024 and 2023, respectively. Discount rates ranging from 4.5% to 5.25% were applied to arrive at net present value of the notes payable at issuance. Contribution revenue of \$1,863,570 and \$1,305,752 has been recognized in 2024 and 2023, respectively, to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$11,964,906 and \$10,810,181, respectively.	\$ 14,216,950	\$ 12,710,446

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 12—Notes payable (continued)

	2024	2023
Notes payable to Habitat International, non-interest bearing, payable in monthly principal installments ranging from \$72 to \$2,395 through July 2030.	\$ 398,507	\$ 329,986
Notes payable to The Housing Fund, Inc. secured by certain real property, non-interest bearing, payable in 120 to 180-equal monthly principal installments of \$282 to \$549, through June 2030. The notes have been discounted using a rate of 4.5%. Contribution revenue of \$104,819 was recognized in 2018 to present the difference between the present value of the notes payable and their undiscounted balances of \$428,184 and \$538,925, at June 30, 2024 and 2023, respectively. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$100,719 and \$123,427, respectively.	327,465	415,498
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$7,793, maturing at various times through March 2057. The notes payable have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2024 and 2023 of \$1,883,973 and \$1,750,044, respectively. Contribution revenue of \$66,093 and \$35,112 was recognized in 2024 and 2023, respectively, to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$748,354 and \$716,525, respectively.	1,135,619	1,033,519
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$2,440, maturing at various times through July 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2024 and 2023 of \$638,042 and \$667,327, respectively. Contribution revenue of \$440,844 was recognized in 2018 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$278,258 and \$291,046, respectively.	359,784	376,281

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 12—Notes payable (continued)

	2024	2023
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$1,757, maturing at various times through June 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2024 and 2023 of \$417,453 and \$438,532, respectively. Contribution revenue of \$231,484 was recognized in 2018 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$174,620 and \$183,320, respectively.	\$ 242,833	\$ 255,212
Note payable to bank, secured by certain real property with a net book value of \$4,495,868 at June 30, 2024 and \$-0- at June 30, 2023, at an interest rate of 7.45%, with interest only payments due through maturity in June 2025.	3,750,000	
Note payable to bank, secured by certain real property with a net book value of \$6,700,645 at June 30, 2024, at a variable interest rate of 4% below prime (4.5% at June 30, 2024), with 82-monthly principal payments of \$26,333 and a balloon payment of the unpaid principal in July 2030.	2,246,658	2,532,695
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$2,777, maturing at various times through November 2047. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2024 and 2023 of \$719,565 and \$825,713, respectively. Contribution revenue of \$417,299 was recognized in 2019 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$302,774 and \$347,011, respectively.	416,791	478,702



# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 12—Notes payable (continued)

	2024	2023
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$7,405, maturing at various times through December 2052. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding at June 30, 2024 and 2023 of \$2,115,870 and \$1,726,277, respectively. Contribution revenue of \$191,860 and \$91,620 was recognized in 2024 and 2023, respectively, to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$888,093 and \$729,748, respectively.	\$ 1,227,777	\$ 996,529
Note payable to bank, secured by certain real property with a net book value of \$6,634,431 at June 30, 2024, at a variable interest rate of 4% below prime (4.5% at June 30, 2024), with a 20-year amortization maturing in May 2029.	2,979,960	2,994,059
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$1,782, maturing at various times through May 2049. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding of \$516,325 and \$535,925 at June 30, 2024 and 2023, respectively. Contribution revenue of \$239,550 was recognized in 2022 to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$216,432 and \$225,381, respectively.	299,893	310,544
Notes payable to bank secured by mortgages receivable, non-interest bearing, payable in monthly principal installments totaling \$12,999, maturing at various times through September 2052. The notes have been discounted using a rate of 4.5%. The notes have an undiscounted balance outstanding of \$3,807,426 and \$3,336,520 at June 30, 2024 and 2023, respectively. Contribution revenue of \$243,556 and \$370,382 was recognized in 2024 and 2023, respectively, to present the difference between the undiscounted notes payable balances and their present value at time of issuance. The discount is being amortized to interest expense over the respective terms of the notes. The unamortized discount at June 30, 2024 and 2023 amounted to \$1,610,137 and \$1,426,633, respectively.	2,197,289	1,909,887
	<u>\$ 29,799,526</u>	<u>\$ 24,343,358</u>

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 12—Notes payable (continued)

Notes payable are presented in the statements of financial position as follows at June 30:

	2024	2023
Notes payable, secured by mortgages, net of unamortized discount	\$ 20,424,401	\$ 18,486,618
Notes payable, secured by real property	8,976,618	5,526,754
Notes payable, unsecured	398,507	329,986
	<u>\$ 29,799,526</u>	<u>\$ 24,343,358</u>

Future principal maturities of notes payable are as follows:

<u>Years Ending June 30,</u>	
2025	\$ 5,923,662
2026	2,159,185
2027	2,173,702
2028	2,141,021
2029	5,017,806
Thereafter	<u>28,668,443</u>
Total principal maturities	46,083,819
Amounts representing imputed interest	<u>(16,284,293)</u>
	<u>\$ 29,799,526</u>

### Note 13—Line of credit

Habitat has a \$3,642,000 line of credit agreement with a bank bearing interest at the bank's index rate plus 1% (9.50% at June 30, 2024). The line of credit is secured by real estate. The line of credit has a maturity date of September 2025. At June 30, 2024 and 2023, no borrowings were outstanding under the line of credit agreement.

### Note 14—NMTC joint venture note payable

Habitat has a loan payable to HCF, dated December 20, 2017, as part of a NMTC transaction. It is a 20-year loan bearing interest at 0.70% with semi-annual interest-only payments commencing on June 5, 2018 and continuing until June 5, 2025. Principal and interest payments are to commence on June 5, 2025, due semi-annually to then fully amortize the principal balance over a 12-year period, maturing December 20, 2037.

The loan is secured by substantially all the assets acquired by Habitat from the project loan proceeds. The debt is associated with a put option feature under an option agreement between the partnership's related parties that is expected to be exercised in 2025 that will effectively extinguish the liability from Habitat. The balance of the note payable at June 30, 2024 and 2023 is \$1,715,000, net of issuance costs of \$35,871 and \$38,528, respectively. Debt issuance costs of \$53,253 are being amortized to interest expense over the 20-year term of the loan.

Simultaneous with these transactions, HHL entered into an option agreement (the "Option Agreement") with USBCDC, who is the sole-member of Twain Investment Fund 296, LLC (the "Twain Fund"), and the upstream effective owner of HCF. Under the terms of the Option Agreement, USBCDC is expected to put its ownership interest into the Twain Fund for \$1,000, during the six-month put period beginning December 20, 2024.

# **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

## **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024 AND 2023*

### **Note 14—NMTC joint venture note payable (continued)**

Exercise of this option will effectively extinguish Habitat's outstanding debt owed to HCF. Habitat will recognize income on the forgiveness of debt in an amount approximating the difference in the book value of the investment and the debt. The investment and debt will then come off Habitat's books. All entities including Habitat Harbor Leverage II, LLC, will then be dissolved effectively ending the structured financing deal.

Pursuant to the agreement, Habitat is required to comply with the NMTC requirements as generally set forth in the IRC Section 45D, including that Habitat maintain a separate part of business such that the separate business will qualify as a qualified active low-income community business as defined in IRC Section 45D. Only the separate part of business assets of Habitat was pledged as security under the agreement with HCF.

Habitat has a loan payable to HCF, dated June 4, 2020, as part of a NMTC transaction. It is a 20-year loan bearing interest at 0.730945% with semi-annual interest-only payments commencing on December 5, 2020 and continuing until June 5, 2027. Principal and interest payments are to commence on December 5, 2027, due semi-annually to then fully amortize the principal balance over a 12-year period, maturing June 3, 2040.

The loan is secured by substantially all the assets acquired by Habitat from the project loan proceeds. The debt is associated with a put option feature under an option agreement between the partnership's related parties that is expected to be exercised in 2027 that will effectively extinguish the liability from Habitat. The balance of the note payable at June 30, 2024 and 2023 was \$1,521,250 net of issuance costs of \$66,043 and \$70,193, respectively. Debt issuance costs of \$82,986 are being amortized to interest expense over the 20-year term of the loan.

Simultaneous with these transactions, HHL entered into an option agreement (the "Option Agreement") with USB CDC, who is the owner of USB CDC (the "USB CDC Fund"), and the upstream effective owner of HCF. Under the terms of the Option Agreement, USB CDC Endowment Fund is expected to put its ownership interest in HCF to HHL for \$1,000, during the six-month put period beginning June 4, 2027.

Exercise of this option will effectively extinguish Habitat's outstanding debt owed to HCF. Habitat will recognize income on the forgiveness of debt in an amount approximating the difference in the book value of the investment and the debt. The investment and debt will then come off Habitat's books. All entities including Habitat Harbor Leverage II, LLC, will then be dissolved effectively ending the structured financing deal.

Pursuant to the agreement, Habitat is required to comply with the NMTC requirements as generally set forth in the IRC Section 45D, including that Habitat maintain a separate part of business such that the separate business will qualify as a qualified active low-income community business as defined in IRC Section 45D. Only the separate part of business assets of Habitat was pledged as security under the agreement with HCF.

### **Note 15—Employee Retention Credit**

Under the Coronavirus Aid, Relief, and Economic Security Act, Habitat was eligible for a refundable Employee Retention Credit ("ERC") subject to certain criteria. Habitat claimed an ERC of \$-0- and \$740,021, recognized as grant income in the statement of activities for the years ended June 30, 2024 and 2023, respectively. The amounts recognized in the year ended June 30, 2023 are still included in grants receivable on the statement of financial position at June 30, 2024.

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

#### Note 16—Net assets with donor restrictions

Net assets with donor restrictions consist principally of contributions restricted for future programs or improvements to existing programs. Significant components include the following at June 30:

	2024	2023
Unamortized discount on notes payable issued	\$ 16,284,293	\$ 14,853,272
Contributions purpose restricted for other projects	402,460	358,238
Unconditional promises to give, net	500,000	-
	<u>\$ 17,186,753</u>	<u>\$ 15,211,510</u>

For the year ended June 30, 2024, Habitat released \$934,054 related to amortization discount on notes payable issued and \$319,729 for the purpose and time restrictions being fulfilled. The total amount of net assets released from restrictions for the year ended June 30, 2024, is \$1,253,783, as reported on the statement of activities. For the year ended June 30, 2023, Habitat released \$ 838,065 related to amortization discount on notes payable issued and \$ 175,295 for the purpose and time restrictions being fulfilled. The total amount of net assets released from restrictions for the year ended June 30, 2023, is \$1,1013,360, as reported on the statement of activities.

#### Note 17—Concentrations

Habitat maintains its cash in bank accounts that at times may exceed federally insured limits. Habitat has not experienced any losses in such accounts. Deposits are insured by the Federal Deposit Insurance Corporation. Management believes Habitat is not exposed to any significant credit risk on its cash balances. Uninsured balances at June 30, 2024 and 2023 totaled \$119,362 and \$82,699, respectively.

#### Note 18—Leases

Habitat leases certain office space, warehouse space, and equipment. Habitat determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Habitat has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on the relative stand-alone prices.

The ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses that are factored into the determination of the lease term if it is reasonably certain these options would be exercised by Habitat. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of our lease agreements include variable payments. Variable lease payments are not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expenses as incurred. In order to determine the present value of lease payments, Habitat uses the risk-free rate based on the information available at lease commencement to determine the present value of lease payments.

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 18—Leases (continued)

Habitat's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Habitat does not have leases where it is involved with the construction or design of an underlying asset. Habitat has no material obligation for leases signed but not yet commenced as of June 30, 2024. Habitat does not have any material subleases activities.

#### Practical Expedients Elected

- Habitat elected the transition practical expedients that permit an entity to (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard.
- Habitat has elected the practical expedient not to recognize leases with terms of 12 months or less on the statement of financial position and instead to recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, Habitat's short-term lease expense for the period does not reflect ongoing short-term lease commitments. Lease expense for such short-term leases was not material for the year ended June 30, 2024.
- Habitat has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

Classification of right-of-use assets and lease liabilities as of June 30 is as follows:

Leases	Balance Sheet Classification	2024	2023
<b>Assets:</b>			
Operating right-of-use assets	Right-of-use assets	\$ 457,751	\$ 326,809
Finance right-of-use assets	Right-of-use assets	30,064	36,442
Total lease assets		<u>\$ 487,815</u>	<u>\$ 363,251</u>
<b>Liabilities:</b>			
Operating lease liabilities	Lease liabilities	\$ 470,388	\$ 333,161
Finance lease liabilities	Lease liabilities	30,893	36,961
Total lease liabilities		<u>\$ 501,281</u>	<u>\$ 370,122</u>

Future minimum lease payments as of June 30, 2024 is as follows:

#### Maturity Analysis

	Finance	Operating
2025	\$ 13,652	\$ 138,533
2026	13,652	143,037
2027	4,729	144,409
2028	-	73,620
Total undiscounted cash flows	32,033	499,599
Less present value discount	(1,140)	(29,211)
Total lease liabilities	<u>\$ 30,893</u>	<u>\$ 470,388</u>

# HABITAT FOR HUMANITY OF GREATER NASHVILLE

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

### Note 18—Leases (continued)

Required supplemental information relating to our leases for the years ended June 30 is as follows:

	2024	2023
Lease expense:		
Finance lease expense:		
Amortization of right-of-use assets	\$ 12,825	\$ 80,440
Interest on lease liabilities	1,138	1,115
Operating lease expense	136,381	11,213
Total operating and finance lease cost	<u>\$ 150,344</u>	<u>\$ 92,768</u>
Cash flow information:		
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 125,099	\$ 68,097
Operating cash flows from finance leases	1,147	1,115
Financing cash flows from finance leases	12,359	9,792
Lease assets obtained in exchange for lease liabilities:		
Operating leases	245,662	391,175
Finance leases	6,300	46,663
Lease term (in years) and discount rate:		
Weighted-average remaining lease term in years for finance leases	2.37	3.25
Weighted-average remaining lease term in years for operating leases	3.47	4.37
Weighted-average discount rate for finance leases	3.13%	2.88%
Weighted-average discount rate for operating leases	3.53%	2.91%

### Note 19—Commitments and contingencies

In connection with the development of Park Preserve and Village by the Creek subdivisions, Habitat has obtained letters of credit totaling \$3,642,000 and \$2,742,000 at June 30, 2024 and 2023, respectively, securing the completion of certain improvements. Habitat had no outstanding borrowings associated with these letters of credit at June 30, 2024 or 2023. The letters of credit expire through September 2025.

Habitat has multi-year commitments under information technology contracts and other agreements for various services. A summary of future minimum payments as of June 30, 2024 is as follows:

<u>Years Ending June 30,</u>	
2025	\$ 73,344
2026	11,031
2027	4,708
2028	54
	<u>\$ 89,137</u>

From time to time, Habitat is involved in litigation. In the opinion of management, no current or threatened litigation will have a material effect on Habitat's financial position or activities.

# **HABITAT FOR HUMANITY OF GREATER NASHVILLE**

## **NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2024 AND 2023*

### **Note 20—Contributed nonfinancial assets**

Contributed nonfinancial assets received by Habitat are recorded based on their estimated value. A summary of contributed nonfinancial assets is as follows for the years ended June 30:

	<b>2024</b>	<b>2023</b>
ReStore donations	\$ 3,877,275	\$ 3,431,828
Building supplies and home appliances	179,030	85,687
Mortgage servicing	101,184	99,516
Contributed land	-	61,000
Operating supplies	50,247	10,771
	<u>\$ 4,207,736</u>	<u>\$ 3,688,802</u>

Habitat recognized nonfinancial assets within revenue, including ReStore donations, building supplies, and mortgage servicing. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Habitat recognized approximately \$-0- and \$61,000 of contributed land held for development as contribution income on the statement of activities for the years ended June 30, 2024 and 2023, respectively. Habitat valued the contribution based upon an independent appraisal of the land.

Various donors contributed products to the ReStore for sale to customers. Habitat valued the contribution based upon its sales price of the contributed assets.

Various donors contribute building supplies and home appliances that are used in constructing homes transferred to homeowners. Habitat valued the contribution based upon current costs to purchase.

A financial institution services mortgages on behalf of Habitat. Habitat valued the contribution based upon estimated costs to pay a third party servicer.

Approximately 5,482 and 4,220 individuals contributed significant amounts of time to Habitat's activities during the years ended June 30, 2024 and 2023, respectively. The financial statements do not reflect the value of these services because they do not meet the recognition criteria prescribed by U.S. GAAP.

### **Note 21—Retirement plan**

Habitat has a defined contribution retirement plan for its employees, which was established as a Simple IRA. As described in the plan document, substantially all full-time employees are eligible to participate in the plan. Discretionary contributions may be made at the option of the Board of Directors. Habitat recognized retirement plan expense of \$74,557 and \$79,836 for the years ended June 30, 2024 and 2023, respectively.

## HABITAT FOR HUMANITY OF GREATER NASHVILLE

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

#### Note 22—Supplemental cash flow information

The following is supplemental cash flow information required by U.S. GAAP.

Supplemental Cash Flow Information:

	2024	2023
Equipment acquired through issuance of capital lease	\$ 6,300	\$ 46,663
Parkwood collaboration of land for development	\$ -	\$ 624,885
Interest paid	\$ 265,038	\$ 188,363

Supplemental Schedule of Noncash Investing and Financing Activities:

	2024	2023
Issuance of non-interest bearing mortgage loans	\$ 8,777,640	\$ 5,561,950
Discount on non-interest bearing mortgage loans	(3,823,431)	(2,509,111)
Transfers to homeowners subject to non interest bearing mortgage loans	\$ 4,954,209	\$ 3,052,839

#### Note 23—Related parties

At June 30, 2024 and 2023, Habitat owed notes payable, net of discounts, totaling approximately \$11,340,015 and \$7,747,703, respectively, to financial institutions which have executives who serve on Habitat's Board of Directors.

Habitat receives voluntary contributions, house sponsorship funding, in-kind contributions, and volunteer labor from various board members and their companies throughout the year. Some professional services are also purchased from board members and their companies throughout the course of the year. None of these transactions are considered to be individually significant to Habitat's financial statements.

Habitat annually remits a portion of its unrestricted contributions (excluding in-kind contributions) to Habitat International. These funds are used to construct homes in economically depressed areas around the world. For the years ended June 30, 2024 and 2023, Habitat contributed \$99,761 and \$166,476, respectively, to Habitat International.

Habitat has received Self-Help Homeownership Opportunity Program funds from Habitat International. Of the funds received, 75% were in the form of a grant with the remaining 25% repayable under non-interest bearing four-year notes payable. During the years ended June 30, 2024 and 2023, Habitat was granted \$709,827 and \$237,770, respectively. At June 30, 2024 and 2023, the balances of the loans totaled \$398,507 and \$329,986, respectively.



**GRANT CONTRACT 2025-R15-LDC  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,  
TENNESSEE  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
LIVING DEVELOPMENT CONCEPTS, INC.**

This Grant Contract issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro", and Living Development Concepts, Inc., hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient will be developing 3 Barnes Fund affordable housing units located at **169 Old Hermitage Ave. (A,B,C)** hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

**A. SCOPE OF PROGRAM:**

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a 30-year term ("Affordability Period"). The Affordability Period shall commence when the Recipient obtains a Use & Occupancy permit for the home. Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$375,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.

- A.5. Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements.
- A.6. Requirements for Homeownership Projects:
- a. Recipient shall ensure that initial homeowners are income eligible. Income eligibility is determined and documented at the time a prospective homebuyer enters into a program agreement with the Recipient. Income- eligible is defined as households with incomes at or below 80% of the Area Median Income (AMI) based on actual household size. The AMI is established annually by the U.S. Department of Housing and Urban Development, and Recipient shall follow the AMI in effect at the time of purchase.
  - b. Sales prices should be affordable to households with incomes at 80% AMI adjusted for household size. Should the project include the creation of a Homeowners Association ("HOA"), Recipient shall ensure that the sales prices of the homes and HOA fees combined are affordable to households with incomes at 80% AMI.
  - c. In the event the home is sold during the Affordability Period, the Recipient must assist the seller in finding a qualified buyer who meets the income requirements provided herein.
  - d. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.
  - e. Recipient must provide pre- and post-purchase counseling as specified in the Recipient's grant applications, which is incorporated herein.
  - f. At least annually during the Affordability Period, Recipient shall remind homeowners of the resale limitations placed upon the property.
- A.7. Property Standards
- a. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
  - b. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
  - c. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.
- B. GRANT CONTRACT TERM:
- B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way greater than 24 months from the execution of the grant agreement. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to

Metropolitan Code of Laws § 2.149.040 (G), in the event the recipient fails to complete its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

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

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

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **THREE HUNDRED SEVENTY-FIVE THOUSAND (\$375,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

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

a. **Grant Draws**

1) **Construction Grant Draw Schedule**

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

## 2) Construction Grant Draw Process

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

plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.

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

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

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. Metro is not bound by this Grant Contract until it is approved by the appropriate Metro representatives as indicated on the signature page of this Grant.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment that has been approved in accordance with all Metro procedures and by appropriate legislation of the Metropolitan Council.
- D.3. Default and Termination for Cause. Any failure by Owner to perform any term or provision of this Grant Contract shall constitute a "Default" (1) if such failure is curable within 30 days and Recipient does not cure such failure within 30 days following written notice of default from Metro, or (2) if such failure is not of a nature which cannot reasonably be cured within such 30-day period and Recipient does not within such 30-day period commence substantial efforts to cure such failure or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such failure. Should the Recipient Default under this Grant Contract or if the Recipient violates any terms of this Grant Contract, Metro shall have the right to immediately terminate the Grant Contract and the Recipient shall return to Metro any and all grant monies for services or projects under the grant not performed as of the termination date. The Recipient shall also return to Metro any and all funds expended for purposes contrary to the terms of the Grant. Such termination shall not relieve the Recipient of any liability to Metro for damages sustained by virtue of any breach by the Recipient.
- D.4. Subcontracting. The Recipient shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of Metro. Notwithstanding any use of approved subcontractors, the Recipient shall be considered the prime Recipient and shall be

responsible for all work performed.

- D.5. Conflicts of Interest. The Recipient warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of Metro as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Recipient in connection with any work contemplated or performed relative to this Grant Contract.

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

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

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

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

in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives during the term of the contract and throughout the affordability period. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. Reporting. Recipient will be required to provide annual progress reports no later than July 15 of each year. The progress report should summarize activity that occurred during the previous fiscal year (July 1 – June 30). Said report shall be in a form provided by Metro. In addition, Recipient shall submit a Close-out Expenditure and Narrative Report as provided in section C.4 above detailing the outcome of the activities funded under this Grant Contract.
- D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
  - a. Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe

- applicable laws, including, but not limited to, labor laws and minimum wage laws.
- b. Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
  - c. Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
  - d. Recipient's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.



- D.22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D.23. Inspection. The Recipient agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D.24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

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

Recipient:

Living Development Concepts, Inc  
Henry Miller, Executive Director  
3250 Dickerson Pike, Suite 212  
615-578-6590  
[hmler@ldc-nashville.com](mailto:hmler@ldc-nashville.com)

D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:

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

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

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

APPROVED AS TO PROGRAM SCOPE:

*Peter Westerholm*  
Peter Westerholm, Chair  
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF  
FUNDS:

*Jenneen Reed*  
Jenneen Reed, Director  
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

*Macy Amos*  
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND  
INSURANCE:

*Balogun Cobb*  
Director of Risk Management Services

APPROVED BY METROPOLITAN  
GOVERNMENT OF NASHVILLE AND  
DAVIDSON COUNTY:

\_\_\_\_\_  
Metropolitan Clerk

**RECIPIENT:**

**Living Development Concepts, Inc.**

By: *Henry O. Mullin*  
Title: *Executive Director*

Sworn to and subscribed to before me a  
Notary Public, this *22<sup>nd</sup>* day of *August*  
2025.

[Notary Public seal]



Notary Public

*Danielle Washington*

My Commission expires *March 6, 2025*

**ATTACHMENT A**



**Barnes Housing Trust Fund Scope of Work**

**Contract Number:** 2025-R15-LDC

**Funding Round Number:** 15

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

**Project Location:** 169 Old Hermitage Ave. (A, B, C)

**Project Type:** Homeownership

**Grant Award:** \$375,000

**Metro Property Award:** N/A

**Total Number of Units in Development:** 3

**Total Number of Barnes Fund Units by Income Target:**

<b>≤ 30% AMI</b>	<b>31-60% AMI</b>	<b>61-80% AMI</b>	<b>Total</b>
0	0	3	3

**Project Summary:** Living Development Concepts Inc. will construct three (3) affordable homeowner units as a triplex. The target market for this project is low-to moderate-income families, at or below 80% area median income (AMI), seeking home ownership in Nashville. This project will be designed to meet and exceed the International Energy Conservation Code reducing its environmental impact.



## Barnes Housing Trust Fund Grant Budget

### Grant Sources and Uses Template

Sources of Funds	Amount	Percentage of Total	Status (Secured/Pending)
Barnes Housing Trust Fund	\$375,000.	%45	Pending
Developer Equity	\$	%	
Private Lender (The Housing Fund)	\$450,000	%55	Secured
Low-Income Housing Tax Credits (LIHTC)/etc.	\$	%	
Federal Home Loan Bank/etc.	\$	%	
Other Local/State Grants	\$	%	
<b>Total Sources</b>	<b>\$825,000</b>	<b>%100</b>	
Uses of Funds	Amount	Percentage of Total	
<b>Acquisition Costs</b>	\$0.00	%	
<b>Construction Costs</b>	\$550,880	%67	
- Site Work	\$45,000	%5	
- Vertical Construction	\$0.00	%	
- Contingency	\$68,613	%8	
<b>Soft Costs</b>	\$37,920	%5	
- Architecture & Engineering	\$26,325	%3	
- Legal and Permitting	\$13,650	%2	
- Developer Fee	\$70,267	%8.5	
		(Max 20% of Barnes)	
<b>Reserves</b> (Operating/Replacement)	\$ 12,375	%15	
<b>Total Uses</b>	<b>\$825,000</b>	<b>%100</b>	

Next Page "Supplemental S & U"

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Unit Address	169 Old Hermitage Ave.	BARNES	THE HOUSING FUND
Development Type	Triplex Detached 3 Separate Unit-A, B & C		
Accessible Bus Line Routes	WeGo at Hermitage Ave. & Decatur Ave.		
Number of Bedrooms	3		
Number of Bathrooms	2		
Square Feet	1400+		
Number of Stories	2		
Acquisition Costs			
Vacant Land	0	0	0
Land with Structure			
Title & Recording			
Legal			
Total	0	0	0
Predevelopment Costs			
Appraisal	550		550
Survey	500	250	250
Relocation (if applicable)			
Insurance	1570	785	785
Architect	1900	950	950
Engineering	11,000	5,500	5,500
Planning/Zoning	470	235	235
Other	9,550	6,276	3274
Total	25,540	13,996	11,544
Construction Costs			
Structure			
Footer/Foundation	15,000	7,500	7,500
Framing	30,000	2,501	27,499
Electrical	7,000	3,500	3,500
Plumbing	15,000	7,500	7,500

Exhibit B



BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

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

Exhibit B

BARNES HOUSING TRUST FUND HOMEBUYER PROFORMA

Developer's Fee (capped at 20%)	23,419	11,709	11,710	
Total Cos/Unit	275,000	125,000	150,000	
Total Debt Service				1.37
Debt Coverage Ratio				75,000.00
Operating Reserve				\$12,375

<b>Unit Address</b>	<b>169 Old Hermitage Ave.</b>		
<b>Plan Type</b>	<b>Triplex Detached</b>	<b>3</b>	
<b>Number of Bedrooms</b>	<b>3</b>		
<b>Number of Bathrooms</b>	<b>2</b>		
<b>Square Feet</b>	<b>1400+</b>		
<b>Number of Stories</b>	<b>2</b>		
<b>Total Cost/Unit</b>		<b>\$275,000</b>	
<b>As Built Appraisal Value</b>		<b>\$370,000</b>	
<b>Selling Price</b>		<b>\$315,000</b>	
<b>Anticipated Subsidy</b>		<b>\$55,000</b>	

**ATTACHMENT C**



**Barnes Housing Trust Fund Draw Schedule**

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

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

**Note:** Draw requests 2-5 must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.

**ATTACHMENT D**



**Required Documents**

The following are required items pursuant to Metropolitan Code 5.04.070:

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

ARTICLES OF INCORPORATION  
OF  
LIVING DEVELOPMENT CONCEPTS, INC.

The undersigned acting as incorporator(s) of a nonprofit corporation under the Tennessee Nonprofit Corporation Act adopts the following Articles of Incorporation:

1. The name of the corporation is Living Development Concepts, Inc.
2. This corporation is a public benefit corporation. This corporation is not a religious corporation. This corporation will not have members. This is a nonstock corporation.
  - a. The number of directors of the corporation shall be no less than 3, which may be increased pursuant to the by-laws of the corporation.
  - b. Living Development Concepts, Inc. will 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.**
  - c. If chartered by a State or local government, (1) the State or local government **may not appoint** more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government **may not, in turn, appoint** the remaining two-thirds of the board members; and (3) **no more than one-third** of the governing board members are public officials [including employees of the Participating Jurisdiction or State recipients].
3. The complete name and address of the corporation's initial registered agent in Tennessee is Henry O. Miller, 2404 Ramblewood Drive, Murfreesboro, TN 37129, Rutherford County.
4. The name and complete address of the incorporator is Living Development Concepts, Inc., 3250 Dickerson Pike, Suite 212, Nashville, TN 37207.
5. The complete address of the corporation's principal office is 3250 Dickerson Pike, Suite 212, Nashville, TN 37207, Davidson County.
6. The corporation is not for profit.
7. The corporation is organized for the purpose of engaging in any lawful business which shall include, but not be limited to the following:
  - a. To provide education and training for under privileged juvenile, youths and adults, this will help them to become productive members of society. Also provide affordable housing to low-moderate income (80% & below of the AMI) persons.
  - b. To receive funding from various sources to operate this non-profit corporation.
8. In furthermore and not in limitation of the general powers conferred by the laws of the State of Tennessee and of the objects herein set forth it is expressly provided that this corporation shall also have as far as are lawful, the following powers:
  - a. To enter into, make, perform or carry out contracts of every kind with any firm, person, corporation or association necessary for the accomplishment of the objects and purposes herein set forth to do any acts necessary for carrying on any or all of the objects and purposes of the corporation not forbidden by law, or by this Charter, or by its by-laws, or the by-laws of the State of Tennessee.

- b. No part of the net earning of the corporation shall inure to the benefit of, or be distributed to its members, trustees, directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of Section 501 (c) (3).
  - c. To have offices and promote and carry on its objects and purposes, within and without Tennessee and in the states, territories or colonies of the United States and in foreign countries.
  - d. To have all powers that may be conferred upon for non-profit corporations under the laws of the State of Tennessee as the laws are now in effect or may at any time hereafter be amended. No director may be sued by the corporation or its shareholders for breach of his or her fiduciary duty to the corporation, provided, however, that this provision shall not absolve a director from a breach of his or her duty of loyalty, for acts or omissions not in good faith or which involves intentional misconduct or a knowing violation of law, or for distributions in violation of Section 48-18-304.
9. Upon dissolution of this corporation assets shall be distributed for one or more exempt purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code, i.e. charitable, educational, religious, or scientific, or corresponding section of any future federal tax code, to relieve any and all indebtedness and as applicable, shall be distributed to the Federal Government, or to state or local government for a public purpose.

August 15, 2009  
Signature Date

Duanna Murphy-Miller  
Incorporator's Signature

Duanna Murphy-Miller  
Incorporator's Name (Print)

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**By Laws**

**Of**

**Living Development**

**Concepts, Inc.**

## ARTICLE I

### Living Development Concepts, Inc.

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

## ARTICLE II

### OFFICES

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

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

## ARTICLE III

### PURPOSE AND USE OF FUNDS

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

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

By Laws  
Of  
Living Development Concepts, Inc.

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

**Section 3.4 Termination of Corporation.** The Board of Trustees shall have the authority to terminate the Corporation at any time that, by a unanimous vote, it deems such termination appropriate or advisable. In such event, after paying, or making provision for the payment of all liabilities of the Corporation exclusively for Charitable Purposes, any assets not so distributed shall be distributed to one or more Qualified Beneficiaries, as the Board of Trustees shall determine. Any assets not so disposed of by the Board of Trustees shall be disposed of by the court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with the distribution of assets to be made for such Charitable Purposes, or to such Qualified Beneficiaries, as such court shall determine.

ARTICLE IV

MEMBERS

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

By Laws  
Of  
Living Development Concepts, Inc.

ARTICLE V

BOARD OF TRUSTEES

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

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

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

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

By Laws  
Of  
Living Development Concepts, Inc.

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

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

**Section 5.6 Notices.** Notice of any special meeting shall be given at least five (5) business days prior thereto. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except where a trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Trustees must be specified in the notice of such meeting and no other business shall be transacted at that meeting.

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

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

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

**Section 5.9 Actions Without A Meeting.** Any action required or permitted to be taken at a meeting by the Board of Trustees, or by any committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board of Trustees. The action must be evidenced by the one (1) or more counterparts signed by each member entitled to vote on the action indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board of Trustees or committee.

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

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

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

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

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

**Section 5.13 Resignation.** A trustee may resign his or her membership at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

**ARTICLE VI  
OFFICERS**

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

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



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

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

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

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

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

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

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

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

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**ARTICLE VII**

**EXECUTIVE COMMITTEE AND OTHER COMMITTEES**

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

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

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

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

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

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

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

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

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

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

**Section 8.1 Contracts and Employment of Agents.** The Board of Trustees may authorize any trustee, officer or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board of Trustees shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, consultants, and other counsel, legal, investment, or otherwise, as the Board of Trustees shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by such individuals or entities. Such authority may be general or confined to specific instances.

**Section 8.2 Loans.** No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its names, unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances.

**Section 8.3 Checks, Drafts, and Etc.** All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner, as shall from time to time be determined by resolution of the Board of Trustees.

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

**Section 8.5 Investment Authority.** The Board of Trustees shall be authorized to retain assets distributed to the Corporation, even though such assets may constitute an over concentration in one or more similar investments. Further, the Board of Trustees shall have the authority to make investments in unproductive property, or to hold unproductive property to the extent necessary until it can be converted into productive property at an appropriate time, provided the retention of such property is in the best interest of the corporation and does not in any way jeopardize the tax-exempt status of the Corporation.

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ARTICLE IX

STANDARDS OF CONDUCT

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

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

**Section 9.2 Reliance on Third Parties.** In discharging his or her duties, a trustee or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data if prepared or presented by:

- a) One or more officers or employees of the corporation whom the Trustee or officer reasonably believes to be reliable and competent in the matters presented;
- b) Legal counsel, public accountants and other persons as matters the trustees or officer reasonably believes are within the persons professional or expert competence; or
- c) With respect to a trustee, a committee of the Board or Boards of which the trustee is not a member, as to matters within its jurisdiction, if the trustee or officer reasonably believes the committee merits confidence.

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

**Section 9.4 No Liability.** A trustee or officer is not liable for any action taken, or any failure to take action, as a trustee or officer, if he or she performs the duties of his or her office in compliance with the provisions of this Article, or if he or she is immune from suit under the provisions of Section 48-58-601 of the Act. No repeal or modification of the provisions of this Section 9.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time such repeal or modification.

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

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

**ARTICLE X**

**CONFLICTS OF INTEREST**

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

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

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

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

ARTICLE XI

INDEMNIFICATION AND ADVANCEMENT OF  
EXPENSES

**Section 11.1 Mandatory Indemnification of Trustees and Officers.** To the maximum extent permitted by the provision of Section 48-58-501, et. seq., of the act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to the indemnification under this section which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a trustee or officer of the Corporation, or to such person's heirs, executors, administrators and legal representatives for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made a named defendant or respondent which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the proceeding or any appeal thereof reasonable expenses actually incurred with respect to the "Proceeding", all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:



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

**Section 11.2 Permissive Indemnification Of Employee and Agents.** The Corporation may, to the maximum extent permitted by the provisions of Section 48-58-501, Et seq. of the Act as amended from time to time (provided however, that if an amendment to the act in any way limits or restrict the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person, heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 11.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by the Charter, by these By-laws, by contract, or by general or specific action of the Board of Trustees.

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**Section 11.3 Non-Exclusive Application.** The rights to indemnification and advancement of expenses set forth in Sections 11.1 and 11.2 above are contractual between the Corporation and the person being indemnified, and his or her heirs, executors, administrators and legal representatives, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Charter, by a resolution of the Board of Trustees, by these By-Laws, by the purchase and maintenance by the Corporation of insurance on behalf of a trustee, officer, employee, or agent of the Corporation, or by an agreement with the Corporation providing such indemnification all of which means of indemnification and advancement of expenses are hereby specifically authorized.

**Section 11.4 Non-Limiting Application.** The provision of this Article XI shall not limit the power of the Corporation to pay or reimburse expenses incurred by a trustee, officer, employee, or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when he or she has not been made a named defendant or respondent to the Proceeding.

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

- a) If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Corporation for act or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under Section 48-58-304 of the Act; or
- b) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or
- c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit, was improperly received by him or her;

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**Section 11.6 Repeal or Modification Not Retroactive.** No Repeal or modification of the provisions of this Article XI, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

**ARTICLE XII**

**NOTICES AND WAIVER OF NOTICE**

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

**ARTICLE XIII**

**FISCAL YEAR**

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

**ARTICLE XIV**

**PROCESS FOR LOW-INCOME BENEFICIARIES**

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

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Living Development Concepts, Inc.**

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

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

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

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

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

**ARTICLE XV**

**AMENDMENTS**

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

Living Development Concepts, LLC

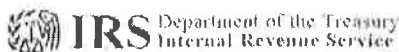
ARTICLE XVI

EXEMPT STATUS

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

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

Henry C. Miller  
Duane J. Miller  
Incorporator



CINCINNATI OH 45999-0038

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

00021913  
BODC: TE

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

045273

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

Dear Taxpayer:

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

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

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

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

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

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

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

**Exhibit B**

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

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

Sincerely yours,



Kim A. Billups, Operations Manager  
Accounts Management Operations 1



“FOCUSING ON THE COMMUNITY”

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

Living Development Concepts (LDC) is a nonprofit organization committed to increasing access to affordable housing for low-to-moderate-income individuals and families in Davidson County, Tennessee. For over two decades, LDC has delivered essential housing services to residents of the Metropolitan Government of Nashville and Davidson County by developing quality, affordable single-family homes.

Our core service is the construction of affordable housing on vacant lots, many of which are donated by the Metropolitan Government. These homes are then sold to income-qualified buyers with incomes at or below 80% of the Area's Median Income (AMI). Through this process, we create sustainable homeownership opportunities for working families who may otherwise be priced out of the housing market.

LDC's target population includes first-time homebuyers, single-parent households, and individuals and families from historically underserved communities who meet income eligibility requirements. In addition to building homes, we provide guidance on financial literacy and homeownership preparedness to help ensure long-term stability for our clients.

Geographically, our program exclusively serves Metro Nashville and the greater Davidson County area. We are proud to partner with local agencies, businesses, and the Metropolitan Government to revitalize neighborhoods, promote equitable development, and support residents in building stronger futures through affordable homeownership.



**LIVING DEVELOPMENT CONCEPTS, INC.**  
**INDEPENDENT AUDITORS' REPORT**  
**AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2024 AND DECEMBER 31, 2023**

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

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

We have audited the financial statements of Living Development Concepts, Inc., which comprise the statement of financial position as of December 31, 2024 and December 31, 2023, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Living Development Concepts, Inc. as of December 31, 2024 and December 31, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

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

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



SPD CPA Firm  
Nashville, TN  
March 20, 2025

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND DECEMBER 31, 2023**

	<u>2024</u>	<u>2023</u> Restated
<b>Assets</b>		
Current assets		
Cash and Cash Equivalents	\$ 1,239,875	\$ 710,572
Investment Property	725,308	978,386
Total current assets	<u>1,965,183</u>	<u>1,688,958</u>
Fixed Assets		
Right of Use Asset	13,934	23,491
Property	178,770	178,770
Furniture and Equipment	8,850	8,850
Accumulated Depreciation	<u>(86,298)</u>	<u>(79,362)</u>
Total fixed assets	<u>115,256</u>	<u>131,749</u>
<b>Total assets</b>	<u><u>\$ 2,080,439</u></u>	<u><u>\$ 1,820,707</u></u>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts Payable	\$ 193,428	\$ -
Lease Liability- Current Portion	7,887	7,657
Rental Security Deposits	1,660	1,660
Note Payable	87,279	-
Total current liabilities	<u>290,254</u>	<u>9,317</u>
Long-term liabilities		
Lease Liability-LT Portion	<u>6,047</u>	<u>15,834</u>
<b>Total liabilities</b>	<u><u>\$ 296,301</u></u>	<u><u>\$ 25,151</u></u>
Net Assets		
Without Donor Restrictions	1,208,448	1,596,485
With Donor Restriction	575,690	199,071
Total net assets	<u>1,784,138</u>	<u>1,795,556</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 2,080,439</u></u>	<u><u>\$ 1,820,707</u></u>

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

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Gross tenant rent potential	\$ 22,800	\$ -	\$ 22,800
Less: Vacancy	-	-	-
Net tenant rent potential	<u>22,800</u>	<u>-</u>	<u>22,800</u>
Grant Revenue	62,555	426,563	489,118
Contributions	525,747	-	525,747
Other Income	3,409	-	3,409
Net Assets Released From Restrictions	49,944	(49,944)	-
Total Operating Revenue	<u>664,455</u>	<u>376,619</u>	<u>1,041,074</u>
Expenses			
Affordable Housing	1,006,173	-	1,006,173
General and Administrative	46,319	-	46,319
Total Expenses	<u>1,052,492</u>	<u>-</u>	<u>1,052,492</u>
Change in Net Assets	(388,037)	376,619	(11,418)
Net Assets, Beginning of Year	1,596,485	199,071	1,795,556
Net Assets, End of Year	<u>\$ 1,208,448</u>	<u>\$ 575,690</u>	<u>\$ 1,784,138</u>

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
Gross tenant rent potential	\$ 20,005	\$ -	\$ 20,005
Less: Vacancy	-	-	-
Net tenant rent potential	<u>20,005</u>	<u>-</u>	<u>20,005</u>
Property Donation	424,000	-	424,000
Grant Revenue	60,000	34,375	94,375
Developer Fees	27,078	-	27,078
Contributions	718,586	-	718,586
Other Income	22,769	-	22,769
Net Assets Released From Restrictions	<u>14,074</u>	<u>(14,074)</u>	<u>-</u>
Total Operating Revenue	<u>1,286,512</u>	<u>20,301</u>	<u>1,306,813</u>
Expenses			
Affordable Housing	763,216	-	763,216
General and Administrative	<u>27,598</u>	<u>-</u>	<u>27,598</u>
Total Expenses	<u>790,814</u>	<u>-</u>	<u>790,814</u>
Change in Net Assets	495,698	20,301	515,999
Net Assets, Beginning of Year	<u>1,100,787</u>	<u>178,770</u>	<u>1,279,557</u>
Net Assets, End of Year	<u>\$ 1,596,485</u>	<u>\$ 199,071</u>	<u>\$ 1,795,556</u>

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023**

	<u>2024</u>	<u>2023</u> restated
<b>Cash flows from operating activities</b>		
(Decrease) Increase in net assets	\$ (11,418)	\$ 515,999
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,936	6,936
Increase in accounts payable	193,428	-
Decrease (Increase) in right of use asset	9,557	(23,491)
Net cash provided by operating activities	<u>198,503</u>	<u>499,444</u>
<b>Cash flows from investing activities</b>		
Investment property	-	(448,811)
Sale of investment property	253,078	-
Net cash provided (used) by investing activities	<u>253,078</u>	<u>(448,811)</u>
<b>Cash flows from financing activities</b>		
Lease Liability	(9,557)	23,491
Issuance of Housing Fund Note	262,500	-
Draws on Housing Fund Note	234,477	-
Payments on Housing Fund Note	(409,698)	-
Net cash provided by financing activities	<u>77,722</u>	<u>23,491</u>
Net increase in cash and cash equivalents	529,303	74,124
Cash and cash equivalents, beginning of year	710,572	636,448
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 1,239,875</u></u>	<u><u>\$ 710,572</u></u>

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



**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Affordable Housing	General and Administrative	Total
Bank Service Charges	\$ -	\$ 242	\$ 242
Advertising and Promotions	-	681	681
Automobile Expense	-	90	90
Business License and Permits	-	40	40
Charitable Contributions	-	5,251	5,251
Computer and Internet Expenses	-	2,435	2,435
Contract Labor	470,000	-	470,000
Insurance Expense	6,448	2,011	8,459
Interest Expense	6,869	-	6,869
Miscellaneous Expense	10,793	-	10,793
Office Supplies	-	552	552
Payroll Expenses	103,477	-	103,477
Professional Fees	230,299	18,466	248,765
Amortization of Right of Use Asset	-	9,557	9,557
Rent Expense	-	1,930	1,930
Repairs and Maintenance	75	-	75
Settlement Charges	69,285	-	69,285
Taxes - Property	8,759	-	8,759
Depreciation	6,936	-	6,936
Dues and Subscriptions	-	1,595	1,595
Payroll Processing Fee	-	1,988	1,988
Volunteer Reimbursements	24,875	-	24,875
Application Fee	2,750	-	2,750
Merchant Card Processing Fee	-	1,481	1,481
Loss on Sale of Investment	65,607	-	65,607
Total Expenses	\$ 1,006,173	\$ 46,319	\$ 1,052,492

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Affordable Housing	General and Administrative	Total
Bank Service Charges	\$ -	\$ 175	\$ 175
Advertising and Promotions	-	2,195	2,195
Automobile Expense	-	155	155
Computer and Internet Expenses	-	2,230	2,230
Contract Labor	456,500	-	456,500
Insurance Expense	7,060	1,201	8,261
Miscellaneous Expense	8,241	-	8,241
Office Supplies	-	1,134	1,134
Payroll Expenses	45,036	-	45,036
Professional Fees	224,281	10,208	234,489
Rent Expense	-	6,396	6,396
Repairs and Maintenance	1,455	-	1,455
Depreciation	6,936	-	6,936
Dues and Subscriptions	-	849	849
Payroll Processing Fee	-	1,040	1,040
Volunteer Reimbursements	12,957	-	12,957
Application Fee	750	-	750
Merchant Card Processing Fee	-	2,015	2,015
Total Expenses	\$ 763,216	\$ 27,598	\$ 790,814

The accompanying notes are an integral part of these financial statements

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023**

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

Nature of the Organization

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

Programs

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

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

***Affordable Housing Program:***

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

Basis of Presentation

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

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

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

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

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

At December 31, 2024 and December 31, 2023, The Organization had \$575,690 and \$199,071, respectively in assets with donor restrictions. See Note 4.

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023**

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Revenue, Support, and Expenses

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

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

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

Management allocates expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditures classification. Other expenses that are common to several programs are allocated based on various relationships.

In-Kind Donations

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

The Organization records donated goods at fair value.

Cash and Cash Equivalents

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

Income Taxes

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

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023**

Fixed Assets

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

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

**NOTE 2—LIQUIDITY AND AVAILABILITY**

As of December 31, 2024 and December 31, 2023, The Organization has \$1,239,875 and \$710,572, respectively of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. The balance at December 31, 2024 includes money market funds totaling \$25,778.

**NOTE 3—INVESTMENT PROPERTY**

The Organization periodically receives undeveloped property from the Metropolitan Government of Nashville and Davidson County to develop and sell the property for affordable housing. As of December 31, 2024 and December 31, 2023, The Organization had \$725,308 and \$978,386, respectively, in investment properties consisting of the following properties:

**December 31, 2024:**

1. Lot at 908 28 <sup>th</sup> Ave	\$ 69,699
2. Lot at 1601 Wheless St	138,203
3. Lot at 0 Dabbs Ave	42,315
4. Lot at 8 Cannon St	95,050
5. Lot at 0 Ezell Rd	40,450
6. Lot at 169 Old Hermitage	59,550
7. Lot at 919 43 <sup>rd</sup> Ave N	51,350
8. Lot at 2909 Booker St	58,750
9. Lot at 229 Center Ct	<u>169,941</u>
<b>TOTAL</b>	<b><u>\$ 725,308</u></b>

**December 31, 2023:**

10. Lot at 908 28 <sup>th</sup> Ave	\$ 67,500
11. Lot at 1601 Wheless St	135,000
12. Lot at Dabbs Ave	33,800
13. Lot at 8 Cannon St	91,200
14. Lot at Ezell Rd	38,700
15. Lot at 169 Old Hermitage	57,800
16. Lot at 3210 Torbett St	96,831

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023**

17. Lot at 2737 Old Matthew Rd	57,718
18. Lot at 919 43 <sup>rd</sup> Ave N	47,500
19. Lot at 229 Center Ct	51,450
20. Lot at 2909 Booker St	57,500
21. Lot at 1604 Arthur Ave	<u>243,387</u>
<b>TOTAL</b>	<b><u>\$ 978,386</u></b>

The Arthur Avenue, Torbett St. and Old Matthew Rd, properties were sold in 2024.

**NOTE 4—ASSETS WITH DONOR RESTRICTIONS**

Total Net Assets with Donor Restrictions as of December 31, 2023 and December 31, 2022, was \$575,690 and \$199,071 respectively based on the following agreements:

The Organization entered into agreements with Metropolitan Government of Nashville and Davidson County to receive grant funds to develop properties located at 8 Cannon St, 0 Ezell Rd, 0 Dabbs Rd, 3210 Tolbert St and 2737 Old Matthews Rd to create affordable housing on these properties for persons of low income. The Affordability Period will commence upon the signing of the declaration and continuing for a period of thirty (30) years thereafter. The intent is to preserve these properties for persons of low-income citizens of Davidson County.

As of December 31, 2024 the Organization received \$426,563 of those grant funds. Of those funds, \$49,944 was expended to make capital improvements to the properties.

1. 3210 Torbett Drive	\$ 106,250
2. 1604 Arthur Ave	109,375
3. 229 Center Street	85,938
4. 2737 Old Matthews Rd	<u>125,000</u>
Total	<b><u>\$ 426,563</u></b>

As of December 31, 2023 the Organization received \$34,375 of those grant funds. Of those funds, \$14,074 was expended to make capital improvements to the properties.

5. 3210 Torbett Drive	\$ 15,625
6. 2737 Old Matthews Rd	<u>18,750</u>
Total	<b><u>\$ 34,375</u></b>

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

7. 1611 21 <sup>st</sup> Avenue North	\$ 100,000
8. 1102 Clay Street	<u>78,770</u>
Total	<b><u>\$ 178,770</u></b>

**LIVING DEVELOPMENT CONCEPTS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023**

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

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

**NOTE 5—NOTE PAYABLE**

In September, 2024, LDC received a loan commitment in the amount of \$291,450 from the Housing Fund for the development of an affordable housing unit.

In November 2024, \$145,691 was repaid to The Housing Fund with the sale of affordable housing unit.

The remaining loan commitment, with a floating interest rate based on the floating rate for the period of the loan, has a maturity date of September 17, 2025. The balance of the loan as of December 31, 2024 was \$87,279.

**NOTE 6—OFFICE RENT**

The Organization leases office space in the building known as The Ellwood, located at 3250 Dickerson Pike under a non-cancelable operating lease. The term of the lease is 36 months and commenced on October 1, 2023. At January 1, 2024, the monthly rental expense was \$633 monthly until October 1, 2024 when it increased to \$652. At January 1, 2024, additional monthly operational cost was \$85 and increased to \$328 in June 2024. Total rental expense as of December 31, 2024 and December 31, 2023 was \$11,487 and \$6,396, respectively. The Organization received a reconciliation credit in 2023 which reduced the total rental expense for 2023.

**LIVING DEVELOPMENT CONCEPTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023**

Future minimum lease payments under the operating lease recorded as Right of Use (ROU) asset and lease liability are as follows

2025	7,887
2026	6,047

**NOTE 7—CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject The Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At December 31, 2024 and December 31, 2023, The Organization had \$964,097 and \$460,572, respectively, in excess of the FDIC insured limit.

**NOTE 8—SUBSEQUENT EVENTS**

There were no subsequent events requiring disclosure as of March 20, 2025 the date management evaluated such events. March 20, 2025 is the date the financial statements were available to be issued.



**GRANT CONTRACT 2025-R15-TH  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,  
TENNESSEE  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
TUCKER'S HOUSE**

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 Tucker's House, hereinafter referred to as the "Recipient," is for the provision of preserving affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient will be rehabilitating 4 Barnes Fund affordable housing units located at **various address located throughout Davidson County**, hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference.

The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a forgivable lien in accordance with A.6.b. below.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$100,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.
- A.5. Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and Project for compliance Barnes program.

**A.6. Requirements for Owner-Occupied Rehabilitation Projects:**

- a. Recipient shall ensure that initial homeowners are income-eligible at the time of application. Income-eligible is defined as households with incomes in the targeted income range provided in Attachment but in no circumstance exceeding below 80% of the Area Median Income (AMI), adjusted by household size. The AMI is established annually by the U.S. Department of Housing and Urban Development, and Recipient shall follow the AMI in effect at the time of each homeowner's application.
- b. Recipient shall record a lien and enter into a cost recapture agreement with the homeowner according to the following schedule. The lien term shall commence on the date all work on the home is completed.

<b>Barnes Investment</b>	\$10,000 -\$19,999	\$20,000 -\$29,999	\$30,000 -\$39,999	\$40,000 -\$49,999	\$50,000 -\$59,999	\$60,000 -\$69,999	≥\$70,000
<b>Lien</b>	2 years	3 years	4 years	5 years	6 years	7 years	8 years

- c. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.

**A.7. Property Standards**

- a. Work undertaken with the Grant Award must have a 1-year warranty. This warranty guarantees that the rehabilitation work will be free from defects in materials and workmanship for at least one year from the completion date.
- b. Recipient shall correct all Code issues identified within the scope of work.
- c. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
- d. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
- e. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

**B. GRANT CONTRACT TERM:**

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

its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

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

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

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **ONE HUNDRED THOUSAND DOLLARS (\$100,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

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

a. **Grant Draws**

1) **Construction Grant Draw Schedule**

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

2) **Construction Grant Draw Process**

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.

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

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

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

D. STANDARD TERMS AND CONDITIONS:

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

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter. Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

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

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

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

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

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



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

Metro:

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

Recipient:

Tucker's House  
Graham Honeycutt, Executive Director  
PO Box 682086, Franklin, TN 37068  
615-310-5224  
graham.honeycutt@tuckershhouse.org

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

loan, or cooperative agreement.

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

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

APPROVED AS TO PROGRAM SCOPE:

Peter Westerholm  
Peter Westerholm, Chair  
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF  
FUNDS:

Signed by:  
Jennifer Reed  
Jennifer Reed, Director  
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

Signed by:  
Mary Amos  
Mary Amos, Assistant Metropolitan Attorney

APPROVED AS TO RISK AND INSURANCE:

DocuSigned by:  
Balogun Cobb  
Balogun Cobb, Director of Risk Management Services

APPROVED BY METROPOLITAN  
GOVERNMENT OF NASHVILLE AND  
DAVIDSON COUNTY:

Metropolitan Clerk

**RECIPIENT:**

Tucker's House

By: [Signature]

Title: Executive Director

Sworn to and subscribed to before me a Notary  
Public, this 24 day of August, 2025.

[Notary Public seal]



Notary Public

Cornelia Dean

My Commission expires January 11, 2026

**ATTACHMENT A**



**Barnes Housing Trust Fund Scope of Work**

**Contract Number:** 2025-R15-TH

**Funding Round Number:** 15

**Organization Name:** Tucker's House

**Project Location:** Various addresses TBD within Davidson County

**Project Type:** Homeowner Rehab

**Grant Award:** \$100,000

**Metro Property Award:** N/A

**Total Number of Units:** 4

**Total Number of Barnes Fund Units by Income Target:**

≤ 30% AMI	≤ 50% AMI	51-80% AMI	Total
	2	2	4

**Deeply Affordable Housing:** Recipient commits to assisting 2 homeowners with incomes at or below 50% AMI.

**Project Summary:** This project supports the rehabilitation of owner-occupied homes for low-income families in Davidson County who are raising children with disabilities. The program is designed to create safer, more accessible, and supportive living environments that alleviate both physical and emotional strain for children and their caregivers. Each rehabilitation project is tailored to the specific needs of the child and family, addressing critical accessibility challenges and improving overall quality of life. Through these individualized modifications the program empowers families to remain safely and sustainably housed in their own homes while fostering long-term stability and well-being.

ATTACHMENT B



Barnes Housing Trust Fund Grant Budget

AIM Example Project Budget - Small			AIM Example Project Budget - Medium			AIM Example Project Budget - Large		
Materials + Lab	Estimate		Materials + Labor	Estimate		Materials + Labor	Estimate	
Demo & Framing	\$1,800		Demo & Framing	\$2,800		Demo & Framing	\$6,400	
Drywall	\$600		Drywall	\$975		Drywall	\$1,900	
Paint	\$350		Paint	\$675		Paint	\$1,400	
Carpentry	\$1,200		Carpentry	\$1,850		Carpentry	\$4,800	
Ramp	\$1,500		Shower	\$3,600		Shower	\$3,600	
Door Widening	\$1,000		Plumbing	\$700		Plumbing	\$1,400	
			Trash	\$600		Trash	\$600	
Other Labor			Ramp	\$2,000		Ramp	\$4,500	
Therapist	\$300					Fixtures (Lights, Vanity, M	\$2,500	
Architectural Des	\$750		Other Labor			Door Widening	\$1,100	
			Therapist	\$300				
TOTAL	\$7,500		Architectural Designer	\$1,500		Other Labor		
						Therapist	\$300	
			TOTAL	\$15,000		Architectural Designer	\$1,500	
						Total:	\$30,000	

Exhibit C

**ATTACHMENT C**



**Barnes Housing Trust Fund Draw Schedule**

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

<b>Draw #</b>	<b>% of Grant</b>	<b>Milestone</b>
1*	25%	Construction expenses at completion of Phase 1 homes.
2*	25%	Construction expenses at completion of Phase 2 homes.
3*	25%	Construction expenses at completion of Phase 3 homes.
4*	25%	Construction expenses at completion of Phase 4 homes.

\*If a project requires a permit, the work must pass inspection by Metro Codes.

**Note:** Recipient must provide the number of homes to be included in each draw phase prior to the first draw. All draw requests must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.

**ATTACHMENT D**



**Required Documents**

The following are required items pursuant to Metropolitan Code 5.04.070:

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





**BYLAWS  
OF  
TUCKER'S HOUSE**

**ARTICLE I  
NAME AND PURPOSE**

SECTION 1. Name. The name of the organization is TUCKER'S HOUSE. It is a nonprofit organization incorporated under the laws of the state of Tennessee.

SECTION 2. Purpose. The Corporation is organized for exclusively religious, charitable, educational and/or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under said Section 501(c)(3) of the Internal Revenue Code of 1986, as well as any lawful purpose, as authorized by state law. Specifically, the corporation provides home modifications for families who have children or young adults with disabilities.

**ARTICLE II  
OFFICES**

The principal office of the Corporation in the State of Tennessee, is located in Williamson County, TN, USA. The Corporation may have such other offices, either within or without the State of Tennessee, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

**ARTICLE III  
MEMBERSHIP**

This corporation shall have no members.

**ARTICLE IV  
BOARD OF DIRECTORS**

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

- SECTION 2. Size and Terms. The number of directors of the Corporation shall be not less than nine (9). Each director shall hold office for three years unless duly removed as prescribed in Article IV. A nominating committee of three (3) current Directors shall review and present nominations of new Directors to the Board for approval as well as recommendations for Directors to serve 2<sup>nd</sup> terms or continue their terms due to officer term. Each director must be reelected at the regular annual meeting by a vote of the majority of the existing Directors. Directors may not serve more than two consecutive terms without at least a one (1) year break.
- SECTION 3. Regular Meetings. A regular meeting of the Board of Directors shall be held at least five (5) times a year and shall be called by the Board Chair. The Board of Directors may provide the time and place for the holding of additional regular meetings with notice as described in Section 5.
- SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Board Chair or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by them.
- SECTION 5. Notice. Notice of any meeting shall be given at least five (5) days previous thereto by written notice delivered personally, mailed to each director at his business address, or by electronic mail. Any directors may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- SECTION 6. Quorum. A majority of the number of directors fixed by Section 2 of this Article IV shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. A quorum shall not be established if more than 50 percent of such quorum is related by blood or marriage or otherwise have joint financial interests, such as business partnerships, etc. If less than a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.
- SECTION 7. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- SECTION 8. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the directors.

SECTION 9. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, unless otherwise provided by law. A director elected to fill a vacancy shall be elected for the remaining term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of directors by the Directors.

SECTION 10. Compensation. No Director or Officer shall for reason of his/her office be entitled to receive any salary or compensation, but nothing herein shall be construed to prevent an officer or director from receiving any compensation from the organization for duties other than as a director or officer.

SECTION 11. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to director who voted in favor of such action.

## ARTICLE V OFFICERS

SECTION 1. Number. The required officers of the Corporation shall be a Board Chair, Treasurer, and a Secretary, all of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. In its discretion, the Board of Directors may leave unfilled for any such period as it may determine any office except those of Board Chair and Secretary. Any two or more offices may be held by the same person, except for the offices of Board Chair and Secretary, which may not be held by the same person.

SECTION 2. Election and Term of Office. The officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the October, November, or December meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office for two (2) years until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. Removal. Any officer, agent, or director may be removed by a unanimous vote of the remaining Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer, agent, or director shall not of itself create contract rights, and such appointment shall be terminable at will.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. Board Chair. The Board Chair shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. They shall, when present, preside at all meetings of the Board of Directors. They may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the Board Chair and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Secretary. The Secretary shall: (a) Keep the minutes of the proceedings of the Board of Directors in one or more minute books provided for that purpose; (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) Be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; (d) Keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and (e) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned by the Board Chair or by the Board of Directors.

SECTION 7. Treasurer. The Treasurer is an optional position. If there is a Treasurer, the Treasurer shall have custody of the Corporation funds and securities, shall keep full and accurate account of receipts and disbursements in the appropriate Corporation books, and shall require the deposit of all monies and other valuable assets in the name of and to the credit of the Corporation in such financial institutions as may be designated by the Board of Directors. The Treasurer shall require disbursement of the funds of the Corporation as may be ordered by the

Board of Directors, and shall render to the Board Chair and the Board of Directors, at any time they may require, an account of his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall also report on the activities and financial condition of the Corporation at all annual meetings of the members.

#### ARTICLE VI INDEMNITY

The Corporation shall indemnify its directors, officers and employees as follows: (a) Every director, officer, or employee of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be made a party, or in which he may become involved, by reason of his being or having been a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of the corporation, partnership, joint venture, trust or enterprise, or any settlement thereof, whether or not he is a director, officer, employee or agent at the time such expenses are incurred, except in such cases wherein the director, officer, or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Corporation. (b) The Corporation shall provide to any person who is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of the corporation, partnership, joint venture, trust or enterprise, the indemnity against expenses of suit, litigation or other proceedings which is specifically permissible under applicable law. (c) The Board of Directors may, in its discretion, direct the purchase of liability insurance by way of implementing the provisions of this Article VI.

#### ARTICLE VII CONFLICTS OF INTEREST

SECTION 1. Purpose. The purpose of the conflict of interest policy is to protect this tax-exempt Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest application to nonprofit and charitable organizations.

SECTION 2. Definitions.

2.1 Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

- 2.2 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (a) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement, (b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 3.2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### SECTION 3. Procedures.

- 3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- 3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- 3.3 Procedures for Addressing the Conflict of Interest.
- a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c) After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the

governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

3.4 Violations of the Conflicts of Interest Policy.

- a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. Records of the Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain: (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest is present, and the governing board's or committee's decision as to whether a conflict of interest in fact exists. (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 5. Compensation.

- 5.1 A voting member of the governing board who receives compensation, directly or indirectly, from the Organization is precluded from voting on matters pertaining to that member's compensation.
- 5.2 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- 5.3 No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

5.4 The majority of our Board of Directors will be non-salaried and will not be related to salaried personnel or to parties providing services. In addition, all compensation decisions will be made by the Board of Directors.

5.5 Further, all compensation paid will be reasonable and will be based on the following factors: (a) the type and amount of compensation received by others in similar positions, (b) the compensation levels paid in our particular geographic community, (c) the amount of time the individual spends in their position, (d) the expertise and other pertinent background of the individual, (e) the size and complexity of our organization, and (f) the need of our organization for the services of the particular individual.

SECTION 6. Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person: (a) has received a copy of the conflicts of interest policy, (b) has read and understands the policy, (c) has agreed to comply with the policy, and (d) understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 7. Periodic Reviews. To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, period reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects: (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

SECTION 8. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## ARTICLE VIII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.



SECTION 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

#### ARTICLE IX FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December each year.

#### ARTICLE X WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any director of the Corporation under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the applicable Business Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### ARTICLE XI AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws adopted when necessary by a two-thirds majority of the Board of Directors.

The above Bylaws were approved and adopted by the Board of Directors of the Corporation on the 13th day of November, 2020.

Luke Bottorff  
Secretary



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248230137  
Oct. 07, 2020 LTR 4168C 0  
27-0896877 000000 00

00014988

BODC: TE

TUCKERS HOUSE  
PO BOX 682086  
FRANKLIN TN 37068

018942

Employer ID number: 27-0896877  
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated Sep. 29, 2020, about your tax-exempt status.

We issued you a determination letter in October 2010, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

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

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

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

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

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

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

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

**Exhibit C**

0248230137  
Oct. 07, 2020 LTR 4168C 0  
27-0896877 000000 00  
00014989

TUCKERS HOUSE  
PO BOX 682086  
FRANKLIN TN 37068

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

Thank you for your cooperation.

Sincerely yours,



Warren R. Burton, Operations Mgr  
Accounts Management Operations 1

**Tucker's House  
Mission Statement**

Our mission is to provide home modifications for families who have children or young adults with disabilities.

**Statement of Service**

The Assessment & Inclusive Modification ("AIM") is our flagship program that serves families of children with disabilities in Middle Tennessee to alleviate emotional and physical trauma by providing a safer and more accessible home environment. These necessary and needed Owner Occupied Rehab projects ensure that residents are able to live safely and in affordable housing.

# **Tucker's House**

Financial Statements  
For the Year Ended December 31, 2023

**Tucker's House**  
Financial Statements  
For the Year Ended December 31, 2023

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## Independent Auditor's Report

Board of Directors  
Tucker's House

### Opinion

We have audited the financial statements of Tucker's House (the Organization), which comprise the statement of financial position as of December 31, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Columbia, Tennessee  
September 18, 2024



**Tucker's House**  
Statement of Financial Position  
December 31, 2023

**Assets**

Current assets

Cash and cash equivalents	\$ 246,931
Contributions receivable	32,917
Prepaid expenses	3,606
Equipment inventory	<u>6,110</u>
Total current assets	289,564

Fixed assets

Furniture and equipment	10,238
Less: accumulated depreciation	<u>(8,033)</u>
Fixed assets, net	<u>2,205</u>

Total assets

**\$ 291,769**

**Liabilities and Net Assets**

Current liabilities

Accounts payable	\$ 2,589
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Net assets

Without donor restrictions	<u>289,180</u>
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Total liabilities and net assets

**\$ 291,769**

**Tucker's House**  
Statement of Activities  
For the Year Ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
<b>Public Support and Revenues</b>			
Contributions of cash and other financial assets	\$ 552,676	\$ -	\$ 552,676
Contributions of nonfinancial assets	8,514	-	8,514
Grant revenue	31,100	-	31,100
Program service fees	7,182	-	7,182
Special event revenue, net amount of direct benefit to donors of \$4,778	54,324	-	54,324
Miscellaneous income	10,842	-	10,842
Gain on sale of asset	5,066	-	5,066
Interest income	262	-	262
Net assets released from restrictions	8,902	(8,902)	-
Total public support and revenues	678,868	(8,902)	669,966
<b>Expenses</b>			
Program services	577,190	-	577,190
Management and general	50,969	-	50,969
Fundraising	113,116	-	113,116
Total expenses	741,275	-	741,275
Change in net assets	(62,407)	(8,902)	(71,309)
Net assets, beginning of year	351,587	8,902	360,489
Net assets, end of year	\$ 289,180	\$ -	\$ 289,180

**Tucker's House**  
Statement of Functional Expenses  
For the Year Ended December 31, 2023

	<b>Program services</b>	<b>Management and general</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and related expenses				
Salaries	\$ 216,188	\$ 25,943	\$ 46,120	\$ 288,251
Benefits	9,088	1,091	1,939	12,118
Payroll taxes	16,376	1,965	3,493	21,834
Total salary and related expenses	241,652	28,999	51,552	322,203
Accounting and auditing	14,059	14,058	14,058	42,175
Automobile expenses	378	-	-	378
Bank and credit card fees	365	-	3,283	3,648
Contract services	3,656	-	14,623	18,279
Depreciation	3,431	412	732	4,575
Dues and subscriptions	8,662	1,039	1,848	11,549
Insurance	2,794	335	596	3,725
Miscellaneous	14,287	1,715	3,048	19,050
Occupancy expenses	22,245	2,669	4,746	29,660
Office supplies	9,650	1,158	2,059	12,867
Program costs	251,140	-	-	251,140
Special events	-	-	15,532	15,532
Telephone	576	69	123	768
Travel and meetings	4,295	515	916	5,726
	<b>\$ 577,190</b>	<b>\$ 50,969</b>	<b>\$ 113,116</b>	<b>\$ 741,275</b>

**Tucker's House**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**

Cash and cash equivalents, beginning of year	\$ 239,351
<b>Cash flows from operating activities</b>	
Change in net assets	(71,309)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	4,575
Gain on sale of asset	(5,066)
Change in:	
Contributions receivable	(25,167)
Other receivable	10,000
Prepaid expenses	(2,653)
Equipment inventory	83,175
Deposits	500
Accounts payable	1,629
Credit cards payable	(3,405)
Net cash provided (used) by operating activities	(7,721)
<b>Cash flows from financing activities</b>	
Proceeds from sale of fixed assets	17,000
Cash paid for the purchase of fixed assets	(1,699)
Net cash provided (used) by financing activities	15,301
Net change in cash and cash equivalents	7,580
Cash and cash equivalents, end of year	<b>\$ 246,931</b>

**Tucker's House**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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**Note 1. Nature of Activities**

**General**

Tucker's House, (the Organization) is a Tennessee not-for-profit entity organized for the purpose of partnering with the families of children with disabilities by providing the home renovation and retrofitting services and resources necessary to make their homes safe and more accessible. The Organization is financed primarily through contributions from the public, as well as local grants. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Financial statement presentation follows the recommendations of accounting and financial reporting standards prescribed for not-for-profit organizations. Accordingly, net assets of the Organization, and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all unrestricted and highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Contributions and Contributions Receivable**

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

In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

**Tucker's House**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**Note 1. Nature of Activities**

**Equipment Inventory**

Equipment inventory consists of equipment purchased by the Organization or donated by the community for the use of placement in the home renovations and retrofitting services of the Organization's clients. Donated inventory is recorded at the fair market value at the date of donation. Inventory cost is determined based on the first-in, first-out (FIFO) method.

**Fixed Assets**

Fixed assets are recorded at cost or estimated fair market value, if contributed. The Organization capitalizes property and equipment whose cost (fair value if donated) equals or exceeds \$1,000. Improvements that increase the value or the estimated useful life of the asset are similarly capitalized. Depreciation is computed on the straight-line basis over the useful lives of the assets generally as follows:

Land improvements	10 – 15 years
Buildings and improvements	15 – 40 years
Equipment	5 – 15 years
Furniture and equipment	5 – 7 years
Vehicles	5 years

Depreciation for the year ended amounted to \$4,575.

**Leases**

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statement of activities.

The Organization made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASC Topic 842, Leases). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

**Tucker's House**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2023**

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**Note 1. Nature of Activities**

**Leases**

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The nonlease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

**Contributions of Nonfinancial Assets**

Donated supplies are reflected as contributions at their estimated fair value on the date of receipt. The contribution of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Volunteer services neither create nor enhance nonfinancial assets nor do they require specialized skills, and thus are not recognized as support in the accompanying statement of activities.

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as a charitable organization. Accordingly, no provision for income tax has been made. US GAAP requires the Organization management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Organization's management has analyzed the tax positions taken by the Organization and has concluded that as of year-end, no uncertain positions have been taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization could be subject to routine audits by taxing jurisdictions for the period of 2020 to the present; however, there are currently no audits for any tax periods in progress.

**Tucker's House**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

**Note 1. Nature of Activities**

**Allocation of Functional Expenses**

The cost of providing program services and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service.

Costs common to multiple functions have been allocated among the related functions using a reasonable allocation method that is consistently applied, as follows:

- Payroll and payroll taxes are allocated based on approximate time spent in activities related to the program and various support services based on responsibilities assigned to personnel.
- Occupancy, accounting, and other expenses that cannot be directly identified are allocated pro-rata among the benefitting program and support services based on estimated usage.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the website is updated with request for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

**Compensated Absences**

The Organization has not accrued a liability for compensated absences since amounts cannot be reasonably estimated, and any amounts would be considered immaterial.

**Note 2. Liquidity and Availability**

The Organization's primary sources of support are revenues generated through contributions and grants. The Organization has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Organization's financial assets:

Financial assets	
Cash and cash equivalents	\$ 246,931
Contributions receivable	<u>32,917</u>
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 279,848</b>



**Tucker's House**  
Notes to Financial Statements  
For the Year Ended December 31, 2023

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**Note 3. Net Assets**

The Organization's board has designated a portion of its net assets for the following:

Operating reserve	\$ 45,000
Capacity expansion	<u>10,000</u>
Total board-designated net assets	<b>\$ 55,000</b>

**Note 4. Contributions of Nonfinancial Assets**

The following represents contributed nonfinancial assets:

Office supplies	\$ 8,514
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Unless otherwise noted, the Organization did not recognize any contributions of nonfinancial assets with donor-imposed restrictions.

Contributed supplies were utilized for program services. The Organization estimated the fair value based on what it would cost the Organization to purchase the items from a retailer.

**Note 5. Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to credit risk consist of cash and cash equivalents and contributions receivable. The Organization maintains cash accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash balances may exceed FDIC limits. At year-end, balances did not exceed federally insured limits. Contributions receivable consist of corporate and individual pledges for the annual campaign, which are widely dispersed to mitigate credit risk.

**Note 6. Subsequent Events**

Management has evaluated subsequent events through September 18, 2024, the date on which the financial statements were available for issuance.

**GRANT CONTRACT 2025-R15-WHC  
BETWEEN  
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY,  
TENNESSEE  
BY AND THROUGH  
THE METROPOLITAN HOUSING TRUST FUND COMMISSION  
AND  
WESTMINSTER HOME CONNECTION**

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 Westminster Home Connection, hereinafter referred to as the "Recipient," is for the provision of preserving affordable housing as further defined in the "SCOPE OF PROGRAM." Recipient will be rehabilitating a **minimum of 100 Barnes Fund** affordable homes located at **various address located throughout Davidson County**, hereinafter referred to as the "Project". The Recipient's grant budget is incorporated herein by reference.

The Recipient is a nonprofit charitable or civic organization.

**A. SCOPE OF PROGRAM:**

- A.1. Each Property to which these grant funds are provided for shall be subject to a forgivable lien in accordance with A.6.b. below.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project described in the Scope of Work, which is incorporated herein and attached hereto as Attachment A, and any of its amendments and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the work scope outlined in Attachment A. These funds shall be expended consistent with the Grant Budget, included in Attachment B. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant funds provided to Recipient go above the Grant Award amount of **\$483,000**.
- A.4. This Grant Contract by and through the Housing Trust Fund Commission and the Recipient is expressly limited to the Grant award and for the purposes described herein. Prior to the use of any funds, the property must be properly zoned, and it is the sole responsibility of the Recipient to pursue any necessary rezoning or other land use change. This Grant Contract in no way serves to supersede the authority of the Metro Nashville Planning Commission or the Metropolitan Council's authority to approve or deny zoning or land use changes on the proposed property and shall not be used for such purposes.
- A.5. Recipient will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Recipient and Project for compliance Barnes program.

**A.6. Requirements for Owner-Occupied Rehabilitation Projects:**

- a. Recipient shall ensure that initial homeowners are income-eligible at the time of application. Income-eligible is defined as households with incomes in the targeted income range provided in Attachment but in no circumstance exceeding below 80% of the Area Median Income (AMI), adjusted by household size. The AMI is established annually by the U.S. Department of Housing and Urban Development, and Recipient shall follow the AMI in effect at the time of each homeowner's application.
- b. Recipient shall record a lien and enter into a cost recapture agreement with the homeowner according to the following schedule. The lien term shall commence on the date all work on the home is completed.

<b>Barnes Investment</b>	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	≥\$70,000
	\$19,999	\$29,999	\$39,999	\$49,999	\$59,999	\$69,999	
<b>Lien</b>	2 years	3 years	4 years	5 years	6 years	7 years	8 years

- c. At a minimum, Recipient shall undertake marketing and outreach and housing stability efforts and implement application criteria as specified in Recipient's grant application.

**A.7. Property Standards**

- a. Work undertaken with the Grant Award must have a 1-year warranty. This warranty guarantees that the rehabilitation work will be free from defects in materials and workmanship for at least one year from the completion date.
- b. Recipient shall correct all Code issues identified within the scope of work.
- c. All projects must meet all applicable state and local codes, rehabilitation standards (if applicable), ordinances and zoning requirements and mitigate disaster impact, as applicable, per state and local codes, ordinances, etc.
- d. Recipient must incorporate all Universal Design elements specified in Recipient's grant application, which are incorporated herein.
- e. Recipient must incorporate, at a minimum, all energy efficiency, and sustainability practices and standards specified in Recipient's grant application, which are incorporated herein.

**B. GRANT CONTRACT TERM:**

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

its obligations under this grant contract within twenty-four months from execution, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

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

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

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed **Four Hundred Eighty-Three Thousand Dollars (\$483,000)** "Grant Award". The Grant Budget, attached and incorporated herein as part of Attachment B, details the project budget, and the Grant Award shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

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

a. **Grant Draws**

1) **Construction Grant Draw Schedule**

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

2) **Construction Grant Draw Process**

- Recipient must submit draw requests in the form and according to the directions provided by Metro. All draw requests must be supported by appropriate documentation as specified in the Draw Schedules.

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

meetings, neighborhood meetings, and other events regarding this Project.

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

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

D. STANDARD TERMS AND CONDITIONS:

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

The Recipient also recognizes that no person identified as a Covered Person below may obtain a financial interest or benefit from a Metro Housing Trust Fund Competitive Grant assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter. Covered Persons include immediate family members of any employee or board member of the Recipient. Covered Persons are ineligible to receive benefits through the Metro Housing Trust Fund Competitive Grant program. Immediate family ties include (whether by blood, marriage or adoption) a spouse, parent (including stepparent), child (including a stepbrother or stepsister), sister, brother, grandparent, grandchild, and in-laws of a Covered Person.

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

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

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

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



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

D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.

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

Metro:

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

Recipient:

Westminster Home Connection  
Keith Branson, Executive Director  
3900 West End Ave.  
Nashville, TN 37205  
615-693-2153  
BF@westminsterhomeconnection.org

D.27. Lobbying. The Recipient certifies, to the best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into of any cooperative agreement, and the extension,

continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all subcontractors of federally appropriated funds shall certify and disclose accordingly.

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

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

APPROVED AS TO PROGRAM SCOPE:

*Peter Westerholm*  
Peter Westerholm, Chair  
Metropolitan Trust Fund Commission

APPROVED AS TO AVAILABILITY OF  
FUNDS:

*Jenneen Reed*  
Jenneen Reed, Director  
Department of Finance

APPROVED AS TO FORM AND LEGALITY:

*Macy Amos*  
Assistant Metropolitan Attorney

APPROVED AS TO RISK AND INSURANCE:

DocuSigned by:

*Balogun Cobb*  
Director of Risk Management Services

APPROVED BY METROPOLITAN  
GOVERNMENT OF NASHVILLE AND  
DAVIDSON COUNTY:

\_\_\_\_\_  
Metropolitan Clerk

**RECIPIENT:**

**Westminster Home Connection**

By: *Keith Branson*

Title: Executive Director

Sworn to and subscribed to before me a Notary  
Public, this 25 day of August, 2025.

[Notary Public seal]



Notary Public

*Ryan Brooks*  
My Commission expires 3/9/27

**ATTACHMENT A**



**Barnes Housing Trust Fund Scope of Work**

**Contract Number:** 2025-R15-WHC

**Funding Round Number:** 15

**Organization Name:** Westminster Home Connection

**Project Location:** Various addresses TBD within Davidson County

**Project Type:** Homeowner Rehab

**Grant Award:** \$483,000

**Metro Property Award:** N/A

**Total Number of Units:** A minimum of 100

**Total Number of Barnes Fund Units by Income Target:**

≤ 30% AMI	≤ 50% AMI	51-80% AMI	Total
	Minimum of 50	Minimum of 100	Minimum of 100

**Deeply Affordable Housing:** Recipient commits to assisting at least half (50%/minimum of 50) of all homeowners with incomes at or below 50% AMI.

**Project Summary:** Project will provide critical home repairs and mobility modifications in at least 100 homes. The project will preserve affordable housing and promote aging in place for low-income older adults and people with disabilities. The scope of work will be tailored to each home, focusing on safety, structural, and accessibility needs. Repairs will include roofing, flooring, plumbing, electrical work, HVAC, bathroom modifications, wheelchair ramps, and other mobility enhancements.

## ATTACHMENT B



## Barnes Housing Trust Fund Grant Budget

Sources and Uses Statement	Amount	Percentage of Total	Status (Secured/Pending)
<b>Sources of Funds</b>			
<b>Barnes Housing Trust Fund</b>	\$ 483,000	70%	Pending
Developer Equity	\$	%	
Private Lender	\$	%	
Low-Income Housing Tax Credits (LIHTC)/etc.	\$	%	
Federal Home Loan Bank/etc.	\$	%	
Other Local/State Grants	\$	%	
Matching Funds are available from National Christian Foundation	\$ 217,000	30%	Secured
West End Home Foundation and Internal Funds			
<b>Total Sources</b>	<b>\$ 700,000</b>	<b>100%</b>	
<b>Uses of Funds</b>			
<b>Acquisition Costs</b>	\$	%	
<b>Construction Costs</b>	\$ 640,000	91.5%	
- Site Work	\$	%	
- Vertical Construction	\$	%	
- Contingency	\$	%	
<b>Soft Costs</b>	\$	%	
- Architecture & Engineering	\$	%	
- Legal and Permitting	\$	%	
- Developer Fee	\$	% (Max 20% of Barnes)	
Barnes Fund	\$ 42,000	6%	
Matching Funds	\$ 18,000	2.5%	
<b>Reserves (Operating/Replacement)</b>	\$	%	
<b>Total Uses</b>	<b>\$ 700,000</b>	<b>100%</b>	

**ATTACHMENT C**



**Barnes Housing Trust Fund Draw Schedule.**

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

<b>Draw #</b>	<b>% of Grant</b>	<b>Milestone</b>
1*	25%	Construction expenses at completion of Phase 1 homes.
2*	25%	Construction expenses at completion of Phase 2 homes.
3*	25%	Construction expenses at completion of Phase 3 homes.
4*	25%	Construction expenses at completion of Phase 4 homes.

\*If a project requires a permit, the work must pass inspection by Metro Codes.

**Note:** Recipient must provide the number of homes to be included in each draw phase prior to the first draw. All draw requests must be inspected by Metro or a third-party inspector contracted with Metro prior to the release of funds. All draw requests require documentation and are paid on a reimbursable basis.




**ATTACHMENT D**



**Required Documents**

The following are required items pursuant to Metropolitan Code 5.04.070:

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

<b>CHARTER</b> <b>NONPROFIT CORPORATION</b> (ss-4418)		Page 1 of 2
 <p>Division of Business Services  <b>Tre Hargett, Secretary of State</b>  <b>State of Tennessee</b>                      312 Rosa L. Parks AVE, 6th FL                      Nashville, TN 37243-1192                      (615) 741-2286</p> <p>Filing Fee: \$100</p>	<p style="text-align: right;"><i>For Office Use Only</i></p> <p>Control # 000706192  <b>SUBMISSION PENDING</b></p> <p style="font-size: 2em; font-weight: bold; text-align: center;">FILED</p> <p>Amount Due: \$100.00                      Please file before 02/14/2013</p>	
<p>The undersigned, acting as incorporator(s) of a nonprofit corporation under the provisions of the Tennessee Nonprofit Corporation Act, adopt the following Articles of Incorporation.</p>		
<p>1. The name of the corporation is: Westminster Home Connection</p>		
<p>2. Name Consent: (Written Consent for Use of Indistinguishable Name)  <input type="checkbox"/> This entity name already exists in Tennessee and has received name consent from the existing entity.</p>		
<p>3. This company has the additional designation of:</p>		
<p>4. The name and complete address of its initial registered agent and office located in the State of Tennessee is:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>TERRY RAPPUHN                          3900 W END AVE                          NASHVILLE, TN 37205-1801</p> </div> <div style="width: 35%; text-align: right;"> <p>DAVIDSON COUNTY</p> </div> </div>		
<p>5. Fiscal Year Close Month: December      Period of Duration: Perpetual</p>		
<p>6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:                      (none)      (Not to exceed 90 days)</p>		
<p>7. The corporation is not for profit.</p>		
<p>8. Please complete all of the following sentences by checking one of the two boxes in each sentence:</p> <p>This corporation is a <input checked="" type="checkbox"/> public benefit corporation / <input type="checkbox"/> mutual benefit corporation.                      This corporation is a <input checked="" type="checkbox"/> religious corporation / <input type="checkbox"/> not a religious corporation.                      This corporation will <input type="checkbox"/> have members / <input checked="" type="checkbox"/> not have members.</p>		
<p>9. The complete address of its principal executive office is:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>3900 W END AVE                          NASHVILLE, TN 37205-1801</p> </div> <div style="width: 35%; text-align: right;"> <p>DAVIDSON COUNTY</p> </div> </div>		
<p>(Note: Pursuant to T.C.A. §10-7-503 all information on this form is public record.)</p>		



**STATE OF TENNESSEE**  
**Tre Hargett, Secretary of State**  
 Division of Business Services  
 William R. Snodgrass Tower  
 312 Rosa L. Parks AVE, 6th FL  
 Nashville, TN 37243-1102

Westminster Home Connection  
 3900 W END AVE  
 NASHVILLE, TN 37205-1801

February 1, 2013

### Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

<b>SOS Control # :</b>	<b>706192</b>	<b>Formation Locale:</b>	<b>TENNESSEE</b>
<b>Filing Type:</b>	<b>Corporation Non-Profit - Domestic</b>	<b>Date Formed:</b>	<b>02/01/2013</b>
<b>Filing Date:</b>	<b>02/01/2013 10:18 AM</b>	<b>Fiscal Year Close:</b>	<b>12</b>
<b>Status:</b>	<b>Active</b>	<b>Annual Report Due:</b>	<b>04/01/2014</b>
<b>Duration Term:</b>	<b>Perpetual</b>	<b>Religious Corp:</b>	<b>Yes</b>
<b>Public/Mutual Benefit:</b>	<b>Public</b>	<b>Image # :</b>	<b>7139-2767</b>
<b>Business County:</b>	<b>DAVIDSON COUNTY</b>		

#### Document Receipt

<b>Receipt # :</b>	<b>896607</b>	<b>Filing Fee:</b>	<b>\$100.00</b>
<b>Payment-Check/MO -</b>	<b>WESTMINSTER PRESBYTERIAN CHURCH, NASHVILLE, TN</b>		<b>\$100.00</b>

**Registered Agent Address:**  
 TERRY RAPPUHN  
 3900 W END AVE  
 NASHVILLE, TN 37205-1801


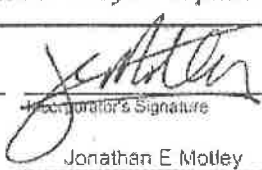
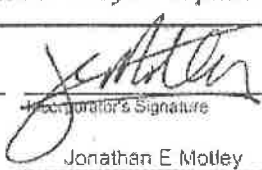
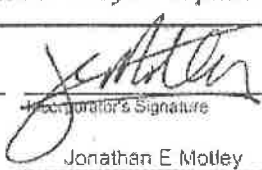
**Principal Address:**  
 3900 W END AVE  
 NASHVILLE, TN 37205-1801

Congratulations on the successful filing of your **Charter for Westminster Home Connection** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Visit the TN Department of Revenue website ([apps.tn.gov/bizreg](http://apps.tn.gov/bizreg)) to determine your online tax registration requirements.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett  
 Secretary of State

Processed By: Cheryl Donnell

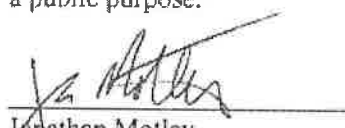
<b>CHARTER</b> <b>NONPROFIT CORPORATION</b> (ss-4418)		Page 2 of 2																				
	Division of Business Services <b>Tre Hargett, Secretary of State</b> State of Tennessee 312 Rosa L. Parks AVE, 6th Fl. Nashville, TN 37243-1102 (615) 741-2286  Filing Fee: \$100	<p style="text-align: center;"><i>For Office Use Only</i></p> Control # 000705192 <b>SUBMISSION PENDING</b>  Amount Due: \$100.00 Please file before 02/14/2013																				
The name of the corporation is: Westminster Home Connection																						
10. The complete mailing address of the entity (if different from the principal office) is: 3900 W END AVE NASHVILLE, TN 37205-1801																						
11. List the name and complete address of each incorporator: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 15%;">Title</th> <th style="width: 30%;">Name</th> <th style="width: 30%;">Business Address</th> <th style="width: 25%;">City, State, Zip</th> </tr> </thead> <tbody> <tr> <td>Incorporator</td> <td>Jonathan E. Motley</td> <td>1204 17TH AVENUE SOUTH</td> <td>NASHVILLE, TN 37212</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>			Title	Name	Business Address	City, State, Zip	Incorporator	Jonathan E. Motley	1204 17TH AVENUE SOUTH	NASHVILLE, TN 37212												
Title	Name	Business Address	City, State, Zip																			
Incorporator	Jonathan E. Motley	1204 17TH AVENUE SOUTH	NASHVILLE, TN 37212																			
12. School Organization: (required if the additional designation of "School Organization - Exempt" is entered in section 3.) <input type="checkbox"/> I certify that pursuant to T.C.A. §49-2-611, this nonprofit corporation is exempt from the \$100 filing fee required by T.C.A. §48-51-303(a)(1). <input type="checkbox"/> This nonprofit corporation is a "school support organization" as defined in T.C.A. §49-2-603(4)(A). <input type="checkbox"/> This nonprofit corporation is an educational institution as defined in T.C.A. §48-101-502(b).																						
13. Insert here the provisions regarding the distribution of assets upon dissolution: In the event of dissolution of the Corporation, all assets will be distributed to another nonprofit organization with a similar purpose.																						
14. Other Provisions: Statement of additional provisions are attached hereto and specifically incorporated herein.																						
(Note: Pursuant to T.C.A. §10-7-503 all information on this form is public record.)																						
<table style="width: 100%;"> <tr> <td style="width: 40%;">                     Jan 15, 2013 4:22PM                      Signature Date                 </td> <td style="width: 60%; text-align: center;">                       _____                      Jonathan E. Motley                      Incorporator's Name (printed or typed)                 </td> </tr> </table>			Jan 15, 2013 4:22PM Signature Date	 _____ Jonathan E. Motley Incorporator's Name (printed or typed)																		
Jan 15, 2013 4:22PM Signature Date	 _____ Jonathan E. Motley Incorporator's Name (printed or typed)																					

**Supplemental Provisions To Westminster Home Connection Charter**  
**Control No. 000706192**

14(a). Westminster Home Connection is organized exclusively for charitable, religious, educational, and/or scientific purposes under section 501(c)(3) of the Internal Revenue Code.

14(b) No part of the net earnings of Westminster Home Connection shall inure to the benefit of or be distributable to its members, trustees, directors, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes (charitable, educational, religious and/or scientific). No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provisions of these articles, Westminster Home Connection shall not carry on any other activities not permitted to be carried on (a) by an organization exempt under section 501(c)3 of the Internal Revenue Code, or the corresponding section of any future tax code, or (b) by an organization, contributions to which are deductible under section 170(c)2 of the Internal Revenue Code or the corresponding section of any future tax code.

14(c) Upon the dissolution of Westminster Home Connection, the organization's assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)3 of the Internal Revenue Code or corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or local government for a public purpose.

  
Jonathan Motley  
Incorporator

**ACTION TAKEN ON WRITTEN CONSENT  
OF THE INCORPORATOR OF  
WESTMINSTER HOME CONNECTION**

In lieu of the organizational meeting of the Incorporator of Westminster Home Connection (the "Company"), a Tennessee not for profit corporation, the Incorporator, in accordance with the provisions of Section 48-52-105 of the Tennessee Business Corporation Act, hereby unanimously consents to taking action without a meeting, by written consent, and hereby takes the following actions:

1. Approval of Charter of the Company.

RESOLVED: That the Charter of the Company filed with the Secretary of State of Tennessee on February 1, 2013, be, and it is hereby, accepted by the Incorporator as the Charter of the Company.

2. Election of Trustee Directors.

RESOLVED: That the following individuals be, and are hereby, elected to serve as the initial Trustee Directors of the Company until the first annual meeting or until their successor(s) are duly elected and qualified:

Reed Campbell  
3900 West End Avenue  
Nashville, TN 37205

John Van Mol  
3900 West End Avenue  
Nashville, TN 37205

Steve Sullivan  
3900 West End Avenue  
Nashville, TN 37205

Donovan Drake  
3900 West End Avenue  
Nashville, TN 37205

Derek Bryant  
3900 West End Avenue  
Nashville, TN 37205

Stephanie Hardcastle  
3900 West End Avenue  
Nashville, TN 37205

Claire Harris  
3900 West End Avenue  
Nashville, TN 37205

Joe Gaines  
3900 West End Avenue  
Nashville, TN 37205

Jim Hartman  
3900 West End Avenue  
Nashville, TN 37205

Terry Rappuhn  
3900 West End Avenue  
Nashville, TN 37205

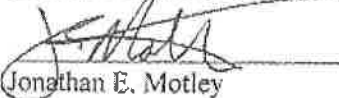
Scott Portis  
3900 West End Avenue  
Nashville, TN 37205

[Remainder of Page Intentionally Left Blank. Execution Page Follows.]

The undersigned, being the sole Incorporator of the Company, by signing this consent, waives all notice of the date, time, and place of the organizational meeting of the Incorporator and consents to the transaction of the business of said meeting by written consent of the said sole Incorporator in lieu of such meeting. This written consent of the Incorporator of the Company shall be included in the minute book of the Company.

Date: February 1, 2013

APPROVED AND CONSENTED TO:



Jonathan E. Motley  
Sole Incorporator of the Company

## BYLAWS OF WESTMINSTER HOME CONNECTION

Original: February 1, 2013  
Revised: September 8, 2016  
Revised: January 8, 2020  
Revised: December 1, 2022

### ***Article I. Name***

The name of this organization shall be Westminster Home Connection.

### ***Article II. Purposes***

The mission of Westminster Home Connection, which is organized exclusively for charitable purposes within the meaning of Section 501 of the Internal Revenue Code, shall be to engage in the following ministry:

To be an instrument of God's grace to those residents of middle Tennessee who have home repair, home modification or home maintenance needs and who are substantially limited in their ability to address those needs due to their age, economic situation, health, mobility or other issues.

No part of the net earnings of Westminster Home Connection shall inure to the benefit of or be distributable to its members, trustees, directors, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes (charitable, educational, religious and/or scientific). No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provisions of these articles, Westminster Home Connection shall not carry on any other activities not permitted to be carried on (a) by an organization exempt under section 501(c)3 of the Internal Revenue Code, or the corresponding section of any future tax code, or (b) by an organization, contributions to which are deductible under section 170(c)2 of the Internal Revenue Code or the corresponding section of any future tax code.

### ***Article III. Relationship to Westminster Presbyterian Church in Nashville, Tennessee of the Presbyterian Church (USA), referred to herein as "WPC"***

The Session acknowledges that Westminster Home Connection is a validated mission of Westminster Presbyterian Church, Nashville, Tennessee. Westminster Home Connection relates and reports to Westminster Presbyterian Church, Nashville Tennessee, through its Session, which will provide oversight for Westminster Home Connection, its programs and its financial integrity. The day-to-day management of Westminster Home Connection shall be the responsibility of the Board.



#### ***Article IV. Trustees***

Section 1. *Administration.* The ministry and business of this organization shall be governed by a voluntary Board of Trustees, referred to herein as the "Board." As Trustees, their role is to further the organization's purposes described in Article II.

Section 2. *Membership.* There shall be at least seven (7) Trustees. All of the Trustees shall be approved by WPC through WPC's Session. At least two thirds (2/3) of the members of the Board shall be made up of persons who are WPC members, or ordained or non-ordained staff of WPC. Any paid employee (as opposed to unpaid volunteer) of Westminster Home Connection shall be ineligible to serve on the Board. However, nothing shall prohibit the Board from inviting employees of Westminster Home Connection from participating in Board or committee meetings in a non-voting advisory function. Employees of WPC, including ordained and non-ordained staff, are eligible to serve on the Board.

Section 3. *Nominations.* Each new Trustee or class of Trustees will be nominated by the Westminster Home Connection Board, in consultation and coordination with the WPC Nominating Committee. The Trustees shall be approved by the WPC Session.

Section 4. *Terms of Service.* The term of service for Trustees will be three years. Terms of service shall begin and end on the dates determined by the Board, in consultation with the WPC Session, coincident with the WPC Session's annual approval cycle for ministries of WPC. Trustees may serve more than one term. Trustees may serve no more than six consecutive years. After serving six consecutive years, trustees may not serve again for at least one year. Trustees shall serve without compensation, but shall be entitled to reimbursement of expenses incurred by them in performance of their duties.

Section 5. *Responsibilities.*

##### Board of Trustees (Collectively):

1. Planning and Policy Decisions:
  - Mission: Strategic plan, personnel, program goals, volunteer training, and management
2. Supervise and manage the position of Director
3. Financial Development
  - Manage the organization, setting the annual and capital budget
  - Fundraising: Churches, foundations, individuals and other
4. Accountability
  - Annual review of program

- Training and orientation of new Board members

Board Member (Individually):

1. Understand mission, goals and program of the ministry
  - Regular attendance of Board meetings
  - Communicate ministry to congregations, governing bodies and local interested entities
2. Be a contributing member of the ministry

**Article V. Officers**

Section 1. *Designated Positions.* The officers of the organization shall be a Chairperson, a Secretary, a Treasurer, a Director, and a Vice-Chairperson.

The Chairperson office also carries the title, duties and responsibilities of President for purposes of Tennessee nonprofit corporation laws and regulations. The Chairperson and Treasurer offices may be held by a single Trustee, and the Secretary and Treasurer offices may be held by a single Trustee. The offices of Chairperson and Secretary may not be held by the same person.

Section 2. *Eligibility.* An individual must be a Trustee and have been active in the ministry to be eligible to be elected as Chairperson.

Section 3. *Election of Officers.* The Board elects the officers of Westminster Home Connection and reports the election to the Session of WPC.

Section 4. *Director.* The Director reports to the Board. The Board is responsible for hiring or retaining, supervising, and terminating the employment of or relationship with the Director. The Director may be a paid or a volunteer position, and even if a volunteer, shall be considered as an employee of Westminster Home Connection for purposes of these bylaws.

Duties of Director:

- a. To guide and direct the activities of Westminster Home Connection on a day-to-day basis subject to the oversight of the Board.
- b. To carry out the policies of the Board.
- c. To perform such other duties that normally pertain to the office.

Section 5. *The Chairperson.*

Duties of the Chairperson:

- a. To meet regularly with the Director to provide direction, insight and feedback on Westminster Home Connection activities.

- b. To ensure that the Session is regularly informed of the activities of Westminster Home Connection.
- c. To perform other duties as may be delegated by the Board.

Section 6. *The Secretary.*

Duties of the Secretary:

- a. To keep the minutes of proceedings of the Board,
- b. To give notice of meetings as required by the bylaws or as required by law,
- c. To maintain a record of the name and address of each member of the Board, and
- d. To keep any other official records of the Westminster Home Connection as may be required from time to time.

Section 7. *The Treasurer.*

Duties of the Treasurer:

- a. To keep or oversee the financial records of Westminster Home Connection. This includes the following:
  - Preparation of the annual budget under the direction of the Board,
  - Providing regular financial reports to the Board,
  - To ensure that Westminster Home Connection has designed a system of internal controls over financial matters.

Section 8. *The Vice-Chairperson.*

Duties of the Vice-Chairperson:

- a. To meet regularly with the Director and Chairperson to provide direction, insight and feedback on Westminster Home Connection activities.
- b. To assist the Chairperson in his or her duties.
- c. To perform other duties as may be delegated by the Board.

Section 9. *Removal.*

Upon the affirmative vote of the majority of the members of the Board, at a regular or special meeting of the Board, any officer or agent elected, appointed, or employed may be removed at any time and within the period, if any, for which such person was elected, appointed, or employed whenever in the Board's judgment it is in the best interests of Westminster Home Connection. If the office of any officers becomes vacant for any reason, the vacancy shall be filled by the Board.

#### ***Article VI. Committees***

Section 1. *Establishment.* The Board will establish Committees of the Board as deemed necessary.

Section 2. *Membership.* The Board will appoint members to any Board Committees. Committee members may be Trustees but are not required to be Trustees.

Section 3. *Duties.* The Board will specify the duties of any Board Committee at the time the Committee is established. The Board will revise the duties of Committees as necessary.

#### ***Article VII. Meetings***

Section 1. *Time of Regular Meetings.* There shall be at least four (4) regularly held meetings of the Board during each calendar year, on dates determined from time to time by the Board.

Section 2. *Special Meetings Convened.* Special meetings of the Board must be preceded by no less than two days notice to each Trustee, either by phone, e-mail or mail. Special meetings may be called only if requested by three or more Trustees.

Section 3. *Notice.* Notice of all meetings of the Board shall be in writing or other form of acceptable communication and shall state the place, date and hour of the meetings. The notice shall indicate that it is being issued by or at the direction of the persons calling the meeting, unless the meeting was set at a previous Board meeting. Notice of all special meetings of members shall state the purpose or purposes for which the meeting is called.

Section 4. *Majority Vote.* Except as specifically set forth herein, proposals shall be put forth at meetings and will be decided upon by a majority vote of those present. If the number of Trustees present or otherwise voting shall be even, half of such number shall be deemed to be a majority.

Section 5. *Quorum.* A majority of the Board shall constitute a quorum.

Section 6. *Minutes.* The minutes of meetings of the Board shall be presented in writing to the Board at the next regular meeting.

Section 7. *Informal Action in Lieu of Meeting.* Any action that may be taken at a meeting of the Board may be taken without a meeting, if a majority of the Trustees shall provide their written consent (which may be by email or other electronic means) referencing or setting forth the

action so taken. All sitting Trustees shall be provided a copy of the proposed action as well as notification as to whether or not the proposed action was approved.

Section 8. *Virtual Meeting Policy.* The Chairperson may convene a "virtual" meeting of the Board for any regular or special meeting. A "virtual" meeting may be undertaken by any method that allows all participants in the meeting to speak and to be heard, and may include telephone conference call, video or online calling, or other method acceptable to the Board and deemed by the Chairperson to be reasonably available to all participants.

#### ***Article VIII. Resignations***

Section 1. *Written Resignation.* Resignations of Trustees, officers and committee members shall be in writing to the Session of WPC with a copy to the Board and shall take effect upon receipt by the Session. In addition, upon the affirmative vote of two-thirds (2/3) of the Board, at a regular or special meeting, any Trustee may be removed for just cause as determined by the Board in its exercise of discretion.

#### ***Article IX. Conflict of Interest Policy***

These bylaws incorporate by reference the Westminster Home Connection Conflict of Interest Policy attached hereto as Exhibit A.

#### ***Article X. Dissolution***

Upon the dissolution of Westminster Home Connection, the organization's assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)3 of the Internal Revenue Code or corresponding section of any future federal tax code or shall be distributed to the federal government or to a state or local government for a public purpose.

#### ***Article XI. Indemnification***

Each person who is or was a trustee/director, officer, or employee of Westminster Home Connection (including the heirs, executors, administrators, or estates of such person) shall be indemnified by Westminster Home Connection to the full extent permitted by the Tennessee Nonprofit Corporation Law (as set forth at Tenn. Code Ann. Secs. 48-58-501 *et seq.*) against any liability, cost, or related expense incurred in the capacity as trustee/director, officer, or employee, or arising out of the status as a trustee/director, officer, or employee. The determination of whether indemnification is permitted pursuant to the Law shall be made in accordance with Tenn. Code Ann. Sec. 48-58-506 by either: i) a majority vote of a quorum consisting of the disinterested trustees; ii) by a majority vote of a committee duly designated by the Board of Trustees; or iii) by independent special counsel.

#### ***Article XII. Amendments***

These bylaws may be altered or amended as follows: The Westminster Home Connection Board proposes bylaw amendments. Westminster Home Connection bylaw amendment proposals require the affirmative vote of two-thirds of the Trustees present at any meeting of the Board where there is quorum, provided that notice of the proposed amendments be contained in the notice for the

meeting. Any proposed amendment(s) will be presented in writing to the Session of WPC for final approval. The proposed amendment(s) will take effect upon action by the Session of WPC.

THESE BYLAWS HAVE BEEN ADOPTED BY WRITTEN CONSENT OF THE BOARD OF TRUSTEES, effective as of the 1<sup>st</sup> day of February, 2013.

A handwritten signature in black ink, appearing to read 'Derek Bryant', is written over a horizontal line.

Derek Bryant, Chair  
December 1, 2022 Revision

CINCINNATI OH 45999-0038

In reply refer to: 0248222119  
July 21, 2017 LTR 4168C 0  
46-1795939 000000 00  
00023921  
BODC: TE

WESTMINSTER HOME CONNECTION  
% TERRY RAPPUHN  
3900 W END AVE  
NASHVILLE TN 37205



013053

Employer ID Number: 46-1795939  
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated July 12, 2017, regarding your tax-exempt status.

We issued you a determination letter in June, 2017, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

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

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

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

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

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

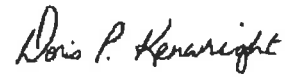
**Exhibit D**



0248222119  
July 21, 2017 LTR 4168C 0  
46-1795939 000000 00  
00023922

WESTMINSTER HOME CONNECTION  
% TERRY RAPPUHN  
3900 W END AVE  
NASHVILLE TN 37205

Sincerely yours,



Doris Kenwright, Operation Mgr.  
Accounts Management Operations 1

### **Westminster Home Connection Mission Statement**

Westminster Home Connection repairs, modifies, and preserves the homes of older adults and people with disabilities to age in place safely and with dignity, while encouraging and enabling others to do the same.

### **Statement of Services**

Westminster Home Connection provides critical home repairs and mobility modifications for low-income older adults and people with disabilities in Davidson County, serving at least 100 homes through this project. As a licensed Home Improvement contractor, Westminster addresses repair and accessibility needs, such as roofing, plumbing, HVAC, accessibility ramps, and ADA toilets, to preserve affordable housing and support aging in place.

**WESTMINSTER HOME  
CONNECTION**

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

**DECEMBER 31, 2024 and 2023**

WESTMINSTER HOME CONNECTION

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**MULLINS CLEMMONS & MAYES, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
Westminster Home Connection:

**Opinion**

We have audited the accompanying financial statements of Westminster Home Connection (a nonprofit corporation) ("Home Connection"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westminster Home Connection as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

#### **Other Information Included in Home Connection's Annual Report**

Management is responsible for the other information included in the Organization's annual report. The other information comprises the Financial Highlights included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Mullins Clemmons & Mayes, PLLC*

Brentwood, Tennessee  
March 6, 2025

# **WESTMINSTER HOME CONNECTION**

## **STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 1,145,294	\$ 918,355
Certificates of deposit, including accrued interest	358,076	350,279
Promises to give, net	268,420	437,308
Grants receivable	142,394	92,778
Prepaid expenses and other assets	5,225	1,855
Property and equipment, net	60,916	80,503
<b>TOTAL ASSETS</b>	<b>\$ 1,980,325</b>	<b>\$ 1,881,078</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Accounts payable	28,010	22,479
Accrued payroll	53,160	32,970
Accrued compensated absences	5,141	3,856
Other accrued expenses	-	16,897
<b>Total liabilities</b>	<b>86,311</b>	<b>76,202</b>
<b>NET ASSETS:</b>		
Without donor restrictions		
Undesignated	118,533	142,453
Designated by the Board for operating reserve	750,000	650,000
<b>Total net assets without donor restrictions</b>	<b>868,533</b>	<b>792,453</b>
With donor restrictions	1,025,481	1,012,423
<b>Total net assets</b>	<b>1,894,014</b>	<b>1,804,876</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,980,325</b>	<b>\$ 1,881,078</b>

**The accompanying notes are an integral part of the financial statements.**

**WESTMINSTER HOME CONNECTION**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE, SUPPORT AND GAINS:</b>			
Contributions	\$ 612,496	\$ 622,433	\$ 1,234,929
State and local contracts and grants	121,692	-	121,692
Investment income	51,189	-	51,189
Total	785,377	622,433	1,407,810
Net assets released due to satisfaction of restrictions	609,375	(609,375)	-
Total revenue, support and gains	1,394,752	13,058	1,407,810
<b>EXPENSES:</b>			
Program services	1,060,640	-	1,060,640
Fundraising	16,225	-	16,225
Management and general	241,807	-	241,807
Total expenses	1,318,672	-	1,318,672
<b>CHANGE IN NET ASSETS</b>	76,080	13,058	89,138
<b>NET ASSETS:</b>			
Beginning	792,453	1,012,423	1,804,876
Ending	\$ 868,533	\$ 1,025,481	\$ 1,894,014

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



**WESTMINSTER HOME CONNECTION****STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE, SUPPORT AND GAINS:</b>			
Contributions	\$ 743,896	\$ 738,849	\$ 1,482,745
State and local contracts and grants	88,790	-	88,790
Investment income	21,505	-	21,505
<b>Total</b>	<b>854,191</b>	<b>738,849</b>	<b>1,593,040</b>
Net assets released due to satisfaction of restrictions	201,299	(201,299)	-
<b>Total revenue, support and gains</b>	<b>1,055,490</b>	<b>537,550</b>	<b>1,593,040</b>
<b>EXPENSES:</b>			
Program services	825,148	-	825,148
Fundraising	15,879	-	15,879
Management and general	169,943	-	169,943
<b>Total expenses</b>	<b>1,010,970</b>	<b>-</b>	<b>1,010,970</b>
<b>CHANGE IN NET ASSETS</b>	<b>44,520</b>	<b>537,550</b>	<b>582,070</b>
<b>NET ASSETS:</b>			
Beginning	747,933	474,873	1,222,806
Ending	<u>\$ 792,453</u>	<u>\$ 1,012,423</u>	<u>\$ 1,804,876</u>

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

**WESTMINSTER HOME CONNECTION****STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 89,138	\$ 582,070
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	19,587	9,207
Noncash donation of fixed asset	-	(8,500)
Accrued interest on certificates of deposit	(13,287)	(16,458)
Net changes in other operating assets and liabilities:		
Promises to give	168,888	(57,979)
Grants receivable	(49,616)	70,070
Prepaid expenses and other assets	(3,370)	(701)
Accounts payable and other accrued expenses	(11,366)	13,393
Accrued payroll and compensated absences	21,475	(239)
Net cash (used in) provided by operating activities	<u>221,449</u>	<u>590,863</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Redemption of certificates of deposit	353,490	387,799
Purchases of certificates of deposit	(348,000)	(540,000)
Purchases of property and equipment	-	(71,184)
Net cash (used in) provided by investing activities	<u>5,490</u>	<u>(223,385)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>226,939</b>	<b>367,478</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u><b>918,355</b></u>	<u><b>550,877</b></u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u><u><b>\$ 1,145,294</b></u></u>	<u><u><b>\$ 918,355</b></u></u>

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

**WESTMINSTER HOME CONNECTION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>Total Expenses</b>
Client home expenses	\$ 764,931	\$ -	\$ -	\$ 764,931
Salaries and employee benefits	151,692	5,942	78,011	235,645
Occupancy	6,622	45	1,332	7,999
Case manager	34,248	-	-	34,248
Office and legal expenses	4,851	-	32,955	37,806
Other professional services	8,000	-	56,875	64,875
Communications consultant	-	-	29,705	29,705
Development and fundraising	-	10,238	-	10,238
Information technology	-	-	19,118	19,118
Minor tools/construction supplies	10,286	-	-	10,286
Food	690	-	2,594	3,284
Transportation	39,009	-	1,640	40,649
Insurance	19,384	-	8,004	27,388
Miscellaneous	2,273	-	10,639	12,912
Total expenses before depreciation expense	1,041,986	16,225	240,873	1,299,084
Depreciation expense	18,654	-	934	19,588
Total expenses	<u>\$ 1,060,640</u>	<u>\$ 16,225</u>	<u>\$ 241,807</u>	<u>\$ 1,318,672</u>

**The accompanying notes are an integral part of the financial statements.**

**WESTMINSTER HOME CONNECTION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Expenses</u>
Client home expenses	\$ 573,637	\$ -	\$ -	\$ 573,637
Salaries and employee benefits	134,018	4,630	47,318	185,966
Occupancy	6,824	66	1,110	8,000
Case manager	28,628	-	-	28,628
Office and legal expenses	3,029	-	22,441	25,470
Other professional services	8,000	-	50,989	58,989
Communications consultant	-	-	13,000	13,000
Development and fundraising	-	11,183	-	11,183
Information technology	-	-	17,662	17,662
Minor tools/construction supplies	4,703	-	-	4,703
Food	51	-	1,629	1,680
Transportation	32,238	-	1,440	33,678
Insurance	20,820	-	4,703	25,523
Miscellaneous	4,667	-	8,977	13,644
Total expenses before depreciation expense	816,615	15,879	169,269	1,001,763
Depreciation expense	8,533	-	674	9,207
Total expenses	<u>\$ 825,148</u>	<u>\$ 15,879</u>	<u>\$ 169,943</u>	<u>\$ 1,010,970</u>

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

## **WESTMINSTER HOME CONNECTION**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023**

#### **NOTE 1 – THE ENTITY**

Westminster Home Connection ("Home Connection") was established for the purpose of making critical home repairs and mobility modifications for older adults and people with disabilities. Home Connection is chartered as a Tennessee nonprofit corporation and is a validated mission of Westminster Presbyterian Church ("WPC"). Home Connection's Board of Trustees ("Board") is approved by WPC through WPC's Session. At least two thirds of the members of the Board are required to be members or staff of WPC. Home Connection has exemption under section 501(c)(3) of the Internal Revenue Code as a stand-alone tax-exempt entity for federal income tax purposes.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Accounting Periods**

All references to 2024 and 2023 in these financial statements refer to the years ended December 31, 2024 and 2023, respectively, unless otherwise noted.

##### **Basis of Accounting**

In accordance with accounting principles generally accepted in the United States of America, Home Connection uses the accrual basis of accounting; therefore, revenue is recognized when earned and expenses are recognized when incurred.

##### **Financial Statement Presentation**

Home Connection is required to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions** – This class includes net assets that are not subject to any donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Home Connection. These net assets may be used at the discretion of Home Connection's management and Board.

**Net assets with donor restrictions** – This class includes net assets whose use by Home Connection is subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be fulfilled by actions of Home Connection pursuant to those restrictions or by the passage of time. Home Connection has no donor restrictions that are perpetual in nature, whereby the donor has stipulated those resources be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

## **WESTMINSTER HOME CONNECTION**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2024 AND 2023**

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Financial Statement Presentation (Continued)**

All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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

For purposes of the statement of cash flows, cash and cash equivalents consist of cash held in bank accounts and money market funds that invest in U.S. government securities, which are neither held for nor restricted by donors for long-term purposes. Though the money market funds invest in U.S. government securities, the funds themselves are not federally insured. Home Connection may, at times, maintain bank account balances more than federally insured limits. However, Home Connection has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

##### **Contributions and Promises to Give**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the calendar year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Promises to give are recorded at fair value. The fair value of promises to give, which are payable within one year, is generally considered to be the same as the net realizable value of the promises. The fair value of promises to give, which are payable over a period greater than one year, is estimated by discounting the future cash flows using the federal prime rate. At December 31, 2024 and 2023, this discount rate used was 7.5% and 8.5%, respectively. The discount is amortized on the straight-line basis over the promise period, with the discount amortization being recorded as a component of contributions.

Home Connection uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on historical experience, an assessment of economic conditions, and management's analysis of specific promises made. Promises to give are written off when deemed uncollectible. At December 31, 2024 and 2023, management deemed all promises to give to be fully collectible, and, therefore, no allowance has been recorded.

See Note 4 for further details.

## **WESTMINSTER HOME CONNECTION**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2024 AND 2023**

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Grant Revenue and Receivables**

Grant revenue is recognized when eligible expenses are incurred under the terms of the grant. Grant funds received prior to the incurrence of eligible expenses are recorded as deferred grant revenue in the statement of financial position until such expenses are incurred.

Home Connection uses the allowance method to determine uncollectible grants receivable. The allowance is based on historical experience, an assessment of economic conditions, and management's analysis of specific grants receivable. Grants receivable are written off when deemed uncollectible. At December 31, 2024 and 2023, management deemed all grants receivable to be fully collectible, and, therefore, no allowance has been recorded.

##### **Property and Equipment**

Expenditures for additions, major renewals and betterment of property and equipment with a cost more than \$750 are capitalized. The fair value of donated property and equipment is similarly capitalized. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are charged to expense as incurred. Depreciation is computed by using the straight-line method over the estimated useful lives of the individual assets. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities.

See Note 6 for further details.

##### **Donated Facilities and Services**

Donated facilities are recognized at fair value on the date contributed. Donated services are recognized, at fair value, if they create or enhance nonfinancial assets or require specialized skills and would be purchased by Home Connection if not contributed. Donated services are recognized as contributions and expensed at their estimated fair values at date of receipt.

Home Connection received a substantial amount of donated services from unpaid volunteers which did not meet the criteria for recognition under generally accepted accounting principles.

See Notes 5 and 8 for further details.

##### **Income Taxes**

As mentioned in Note 1, Home Connection is a Tennessee nonprofit corporation, and a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Home Connection is not classified as a private foundation.

Home Connection is required to file an annual Return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service.

## **WESTMINSTER HOME CONNECTION**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2024 AND 2023**

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Income Taxes (Continued)**

In addition, certain nonprofit corporations are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that Home Connection is not subject to unrelated business income tax. Accordingly, no provision for income taxes is included in the accompanying financial statements.

##### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. See Note 10 for further details.

##### **Estimates**

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

##### **Events Occurring after Reporting Date**

Home Connection has evaluated events and transactions that occurred between December 31, 2024 and March 6, 2025, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

##### **Reclassifications**

Certain reclassifications have been made to prior year amounts for consistency with the current year presentation. These reclassifications had no effect on the reported change in net assets.



# WESTMINSTER HOME CONNECTION

## NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2024 AND 2023

### NOTE 3 – LIQUIDITY

Financial assets available for general expenditures within one year of December 31, 2024 and 2023, consist of the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,145,294	\$ 918,355
Certificates of deposit, maturing within 12 months	358,076	350,279
Promises to give	268,420	437,308
Grants receivable	<u>142,394</u>	<u>92,778</u>
Financial assets available to meet general expenditures	<u>\$ 1,914,184</u>	<u>\$ 1,798,720</u>
Less amounts not available to be used within one year:		
Promises to give to be received in one to five years	<u>(89,700)</u>	<u>(233,000)</u>
Financial assets not available to be used within one year	<u>(89,700)</u>	<u>(233,000)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,824,484</u>	<u>\$ 1,565,720</u>

As part of Home Connection's liquidity plan, excess cash is held in bank accounts and money market funds.

### NOTE 4 – PROMISES TO GIVE

Unconditional promises to give consist of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Within one year	\$ 178,720	\$ 204,308
In one to five years	100,000	265,000
Gross promises to give	278,720	469,308
Less unamortized discount on promises to give	<u>(10,300)</u>	<u>(32,000)</u>
Promises to give, net	<u>\$ 268,420</u>	<u>\$ 437,308</u>

### NOTE 5 – RELATED PARTY TRANSACTIONS

Home Connection has an arrangement with WPC for dedicated office, storage and parking spaces located on the grounds of WPC. Home Connection uses copiers and similar office tools. The estimated fair value of facilities in the amount of \$8,000 has been reported in the accompanying Statements of Activities for both 2024 and 2023.

**WESTMINSTER HOME CONNECTION****NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023****NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Vehicles, tools and equipment	\$ 145,911	\$ 145,911
Less accumulated depreciation	<u>(84,995)</u>	<u>(65,408)</u>
Property and equipment, net	<u>\$ 60,916</u>	<u>\$ 80,503</u>

**NOTE 7 – LINE OF CREDIT**

Home Connection had a revolving line of credit agreement with a financial institution with a maximum availability of \$50,000. Interest was payable monthly at the bank's index rate. The line of credit agreement expired on September 21, 2023.

**NOTE 8 – DONATED SERVICES**

The estimated fair value of donated services, consisting of management, accounting and grant services, totaling \$47,000 and \$53,000 for 2024 and 2023, respectively, has been reported in the accompanying Statements of Activities.

**NOTE 9 – NET ASSETS**

Net assets with donor restrictions have been restricted for the following purposes at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for a specified purpose:		
Critical home repairs and mobility modifications	\$ 627,281	\$ 626,423
Expanded capacity to repair and modify additional homes	222,000	160,000
Purchase of truck	20,000	-
For the operations of subsequent years	<u>156,200</u>	<u>226,000</u>
Total net assets with donor restrictions	<u>\$ 1,025,481</u>	<u>\$ 1,012,423</u>

**WESTMINSTER HOME CONNECTION****NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023****NOTE 9 – NET ASSETS (CONTINUED)**

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restrictions during 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Critical home repairs and mobility modifications	\$ 419,875	\$ 141,003
Expanded capacity to repair and modify additional homes	98,000	-
Operations	91,500	57,000
Tornado disaster recovery	-	3,296
Total net assets released from restrictions	<u>\$ 609,375</u>	<u>\$ 201,299</u>

**NOTE 10 – FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Such expenses are allocated using three overall methods. Salaries and employee benefits are allocated on the basis of estimates of time and effort; office and legal, development and fundraising, information technology, food, transportation and insurance are allocated based on review of individual cost items, with any costs that were not specifically identifiable allocated based on estimates of time and effort; occupancy is allocated on the basis of percentage of accumulated other costs.

**NOTE 11 – EMPLOYEE BENEFIT PLAN**

Home Connection has a Simple IRA plan (the "Plan") for its employees. Home Connection matches 3% of eligible employees' compensation. Home Connection matched \$14,471 and \$10,273 during 2024 and 2023, respectively.

**NOTE 12 – CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject Home Connection to concentrations of credit risk principally consist of promises to give. Promises to give represent concentrations of credit risk to the extent they are receivable from concentrated sources. At December 31, 2024 and 2023, there were two promises to give representing 89% and 84%, respectively, of the net promises to give.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

Grant expenditures are subject to review and audit by the grantors in the normal course of operations. Any reviews and audits could result in disallowance of expenditures, and therefore, a return of grant funds to the grantor. Management believes that unallowable expenditures have not been incurred under any of its grants. Accordingly, no provision has been made for any potential return of funds to any of its grantors.

# **WESTMINSTER HOME CONNECTION**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2024 AND 2023**

### **NOTE 14 – REVENUE DETAILS**

Revenue, support and gains without donor restrictions is further detailed as follows:

	<b>2024</b>	<b>2023</b>
Revenues, support and gains without donor restrictions:		
Contributions:		
Foundations and corporations	\$ 355,987	\$ 325,775
Individuals	810,884	558,420
Government-Local	121,692	88,790
Investment Income	51,189	21,505
Revenue In-Kind	55,000	61,000
Total revenues, support and gains without donor restrictions	<u>\$ 1,394,752</u>	<u>\$ 1,055,490</u>