

**GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
MARY, QUEEN OF ANGELS, 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 Mary, Queen of Angels, Inc., hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing units as further defined in the "SCOPE OF PROGRAM." Mary, Queen of Angels, Inc. will be adding 214 affordable housing units located at 30 White Bridge Pk., Nashville, TN 37205 to be owned by St Marys Place Partners, LP ("Leasehold Property Owner"). The recipient's budget request, financial statements or audit, 501(c)3 letter, and/or charter documents are incorporated herein. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a 30-year term. Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project submitted in the application and any of its amendments, which application is incorporated herein, and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in their application or proposal for grant funding which is incorporated herein. The funds will be granted by Metro by to the Recipient and thereafter to Leasehold Property Owner, and used by Leasehold Property Owner to construct the affordable housing on the property using tax exempt bonds and low-income housing tax credits to develop 214 affordable rental units. These funds shall be expended consistent with the Grant Budget, included in Attachment A. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a line-item shall require the prior written approval of Metro. However, in no event will the total amount of the Grant funds provided to Recipient go above the awarded Grant amount of \$1,980,000.

Additional Conditions for Rental Properties:

- 1. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
- 2. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances and tenant incomes. The Grantee shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the compliance period.
- 3. Upon reasonable advance written notice and during regular business hours, the Grantee will allow Metro or a Metro-approved contractor to conduct on-site inspections of the Grantee for compliance with Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations and utility allowances.

4. Compliance restrictions on both tenant income and maximum rents shall apply for thirty (30) years from the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project.
5. for a tenant an agreed upon lease term Recipient shall not increase rents during the initial lease term, but such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.

B. GRANT CONTRACT TERM:

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

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed One Million Nine Hundred Eighty Thousand Dollars (\$1,980,000). The Grant Budget, attached and incorporated herein as part of Attachment A, shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

- C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.
- C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

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

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

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

- 25% - cabinets, counters, drywall, trim and doors are installed (75% complete)

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

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

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

2) **Construction Grant Draw Process**

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

All invoices shall be sent to:

Barnes Housing Trust Fund
 Planning Department – Housing Division
 800 2nd Avenue South
 Nashville, TN 37210
 (615) 862-7190

Said payment shall not exceed the maximum liability of this Grant Contract.

Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of the end of the Grant Contract. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and

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

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

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

Metropolitan Housing Trust Fund Commission

John Cooper, Mayor

Metropolitan Council of Nashville and Davidson County

D. STANDARD TERMS AND CONDITIONS:

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

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

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

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

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

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

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. Reporting. The Recipient must submit an Interim Program Report, to be received by the Metropolitan Housing Trust Commission / Barnes Housing Trust Fund, by no later than

September 1, 2023 and a Final Program Report, to be received by the Metropolitan Housing Trust Fund Commission within 45 [forty-five] days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract in the form required by Metro.

- D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D. 13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D. 14. Indemnification and Hold Harmless.
- (a) Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
- (b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
- (c) Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
- (d) Grantee's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.

- D. 18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D. 20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D. 21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D. 22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D. 23. Inspection. The Grantee agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D. 24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

For contract-related matters and enquiries regarding invoices:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
800 2nd Avenue South
Nashville, TN 37210
(615) 862-7190
Ashley.Brown2@Nashville.Gov

Recipient:

Mary, Queen of Angels, Inc.
Richard Borofski, Chief Executive Officer
34 White Bridge Pk.
Nashville, TN 37205
(615) 760-4424
Richard.Borofski@MaryQueenOfAngels.com

Elmington Capital Group
Hunter Nelson, Partner
118 16th Ave S, Ste. 200
Nashville, TN 37203
(615) 490-6711
hunter@elmingtoncapiatl.com

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

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

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

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THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON
COUNTY:

APPROVED AS TO PROGRAM SCOPE:

Gina Emmanuel

Gina Emmanuel, Chair,
Metropolitan Housing Trust Fund
Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Kelly Flannery

Kelly Flannery, Director
Department of Finance

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APPROVED AS TO FORM AND
LEGALITY:

Alexandra X. Rivera
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:

Mary, Queen of Angels, Inc.

By: *Richard Bookert*

Title: Chief Executive Officer

Sworn to and subscribed to before me a
Notary Public, this 17th day
of October, 2022.

Notary Public

Mary A Seaman

My Commission
expires

My Commission Expires May 07, 2024



BARNES HOUSING TRUST FUND RENTAL BUDGET

Unit Address	30 White Bridge Pike, Nashville, TN 37205				
Development Type	New Construction				
Accessible Bus Line Routes	Yes, closest bus stop is on corner of White Bridge Pike & Post Pl				
Number of Studios	0				
Number of 1 Bedrooms	150				
Number of 2+ Bedrooms	64				
Square Feet	161,610				
Number of Stories	4				
Acquisition Costs					
Vacant Land					
Land with Structure					
Title & Recording	\$	30,000			
Legal	\$	510,000			
Total	\$	540,000			
Predevelopment Costs					
Appraisal	\$	5,000			
Survey	\$	10,000			
Relocation (if applicable)					
Insurance	\$	350,000			
Architect	\$	883,920			
Engineering	\$	195,000			
Planning/Zoning					
Other	\$	5,682,108			
Total	\$	7,126,028			
Construction Costs					
Structure					
Footer/Foundation	\$	2,806,139			
Framing	\$	8,073,611			
Electrical	\$	4,004,382			
Plumbing	\$	2,844,941			

BARNES HOUSING TRUST FUND RENTAL BUDGET

Roofing	\$	790,095			
HVAC	\$	1,687,878			
Drywall/Insulation	\$	3,798,685			
Paint/Stain	\$	896,700			
Windows/Doors	\$	1,443,475			
Floor Coverings	\$	654,901			
Cabinets	\$	1,577,666			
Brick/Siding	\$	2,996,325			
Sub-Total	\$	31,574,799			
Other					
Site Work	\$	6,392,677			
Appliances	\$	545,099			
Decks/Porches	\$	-			
Side Walks/Driveways	\$	-			
Landscaping	\$	119,091			
Utility Hookups	\$	-			
Building Permits/Fees	\$	94,517			
Demolition	\$	-			
Fees	\$	1,719,817			
Materials and Labor Market Contingency Cost Overrun					
Sub-Total	\$	8,871,201			
Construction Contingency	\$	2,022,300			
Profit (if organization has own construction crew)					
Sub-Total	\$	2,022,300			
Total Construction Cost	\$	50,134,328			
Cost per Unit					
Developer's Fee (capped at 20%)	\$	12,200,000			

BARNES HOUSING TRUST FUND RENTAL BUDGET

Total Cost/Unit	\$	234,273				

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

	Annual Inflation Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
REVENUE							
Gross Rent	2%	\$ 2,410,464	\$ 2,458,673	\$ 2,507,847	\$ 2,558,004	\$ 2,609,164	\$ 2,661,347
Vacancy Rate	5%	\$ (123,305)	\$ (125,771)	\$ (128,287)	\$ (130,852)	\$ (133,470)	\$ (136,139)
Adjusted Gross Income		\$ 2,287,159	\$ 2,332,902	\$ 2,379,560	\$ 2,427,151	\$ 2,475,694	\$ 2,525,208
Other Income	2%	\$ 55,640	\$ 56,753	\$ 57,888	\$ 59,046	\$ 60,227	\$ 61,431
Operational Subsidies							
Gross Income		\$ 2,342,799	\$ 2,389,655	\$ 2,437,448	\$ 2,486,197	\$ 2,535,921	\$ 2,586,639
Operating Expenses							
Administrative	3%	\$ 376,248	\$ 387,535	\$ 399,161	\$ 411,136	\$ 423,470	\$ 436,175
Maintenance/Upkeep	3%	\$ 111,280	\$ 114,618	\$ 118,057	\$ 121,599	\$ 125,247	\$ 129,004
Utilities/Trash	3%	\$ 139,100	\$ 143,273	\$ 147,571	\$ 151,998	\$ 156,558	\$ 161,255
Taxes	3%	\$ 16,050	\$ 16,532	\$ 17,027	\$ 17,538	\$ 18,064	\$ 18,606
Insurance	3%	\$ 96,300	\$ 99,189	\$ 102,165	\$ 105,230	\$ 108,386	\$ 111,638
Legal	3%	\$ 1,070	\$ 1,102	\$ 1,135	\$ 1,169	\$ 1,204	\$ 1,240
Advertising	3%	\$ 1,605	\$ 1,653	\$ 1,703	\$ 1,754	\$ 1,806	\$ 1,861
Supplies	3%	\$ 2,675	\$ 2,755	\$ 2,838	\$ 2,923	\$ 3,011	\$ 3,101
Exterminating	3%	\$ 27,820	\$ 28,655	\$ 29,514	\$ 30,400	\$ 31,312	\$ 32,251
Other	2%	\$ 212,242	\$ 216,486	\$ 220,816	\$ 225,232	\$ 229,737	\$ 234,332
Total Operating Expense	3%	\$ 984,390	\$ 1,011,799	\$ 1,039,988	\$ 1,068,979	\$ 1,098,796	\$ 1,129,463
Reserve for Replacement	3%	\$ 53,500	\$ 55,105	\$ 56,758	\$ 58,461	\$ 60,215	\$ 62,021
Net Operating Income		\$ 1,304,909	\$ 1,322,751	\$ 1,340,702	\$ 1,358,757	\$ 1,376,910	\$ 1,395,155
DEBT SERVICE - Sources		\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)
Total Debt Service							
Debt Coverage Ratio		155%	157%	159%	125%	127%	128%
Operating Reserve	NA- capitalized in S&U						
TOTAL CASH FLOW		\$ 217,503	\$ 235,344	\$ 253,295	\$ 271,350	\$ 289,503	\$ 307,748

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

	Annual Inflation Rate	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
REVENUE							
Gross Rent	2%	\$ 2,938,342	\$ 2,997,109	\$ 3,057,051	\$ 3,118,192	\$ 3,180,556	\$ 3,244,167
Vacancy Rate	5%	\$ (150,308)	\$ (153,315)	\$ (156,381)	\$ (159,508)	\$ (162,699)	\$ (165,953)
Adjusted Gross Income		\$ 2,788,034	\$ 2,843,794	\$ 2,900,670	\$ 2,958,684	\$ 3,017,857	\$ 3,078,215
Other Income	2%	\$ 67,825	\$ 67,825	\$ 67,825	\$ 67,825	\$ 67,825	\$ 67,825
Operational Subsidies	0%						
Gross Income		\$ 2,855,859	\$ 2,911,619	\$ 2,968,495	\$ 3,026,509	\$ 3,085,682	\$ 3,146,039
Operating Expenses							
Administrative	3%	\$ 505,646	\$ 520,815	\$ 536,440	\$ 552,533	\$ 569,109	\$ 586,182
Maintenance/Upkeep	3%	\$ 149,551	\$ 154,038	\$ 158,659	\$ 163,418	\$ 168,321	\$ 173,371
Utilities/Trash	3%	\$ 186,939	\$ 192,547	\$ 198,323	\$ 204,273	\$ 210,401	\$ 216,713
Taxes	3%	\$ 269,662	\$ 277,752	\$ 286,084	\$ 294,667	\$ 303,507	\$ 312,612
Insurance	3%	\$ 129,419	\$ 133,302	\$ 137,301	\$ 141,420	\$ 145,662	\$ 150,032
Legal	3%	\$ 1,438	\$ 1,481	\$ 1,526	\$ 1,571	\$ 1,618	\$ 1,667
Advertising	3%	\$ 2,157	\$ 2,222	\$ 2,288	\$ 2,357	\$ 2,428	\$ 2,501
Supplies	3%	\$ 3,595	\$ 3,703	\$ 3,814	\$ 3,928	\$ 4,046	\$ 4,168
Exterminating	3%	\$ 37,388	\$ 38,509	\$ 39,665	\$ 40,855	\$ 42,080	\$ 43,343
Other	2%	\$ 258,721	\$ 263,896	\$ 269,174	\$ 274,557	\$ 280,048	\$ 285,649
Total Operating Expense		\$ 1,544,515	\$ 1,588,264	\$ 1,633,273	\$ 1,679,579	\$ 1,727,221	\$ 1,776,237
Reserve for Replacement	3%	\$ 71,900	\$ 74,057	\$ 76,278	\$ 78,567	\$ 80,924	\$ 83,351
Net Operating Income		\$ 1,239,444	\$ 1,249,299	\$ 1,258,944	\$ 1,268,363	\$ 1,277,538	\$ 1,286,451
DEBT SERVICE - Sources		\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)
Total Debt Service							
Debt Coverage Ratio		114%	115%	116%	117%	118%	119%
Operating Reserve							
TOTAL CASH FLOW		\$ 152,037	\$ 161,892	\$ 171,538	\$ 180,956	\$ 190,131	\$ 199,044

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

Year 7	Year 8	Year 9	Year 10
\$ 2,714,574	\$ 2,768,865	\$ 2,824,243	\$ 2,880,728
\$ (138,862)	\$ (141,639)	\$ (144,472)	\$ (147,361)
\$ 2,575,712	\$ 2,627,227	\$ 2,679,771	\$ 2,733,366
\$ 62,660	\$ 63,913	\$ 65,191	\$ 66,495
\$ 2,638,372	\$ 2,691,139	\$ 2,744,962	\$ 2,799,861
\$ 449,260	\$ 462,738	\$ 476,620	\$ 490,918
\$ 132,874	\$ 136,860	\$ 140,966	\$ 145,195
\$ 166,093	\$ 171,075	\$ 176,208	\$ 181,494
\$ 19,165	\$ 19,739	\$ 20,332	\$ 20,942
\$ 114,987	\$ 118,437	\$ 121,990	\$ 125,650
\$ 1,278	\$ 1,316	\$ 1,355	\$ 1,396
\$ 1,916	\$ 1,974	\$ 2,033	\$ 2,094
\$ 3,194	\$ 3,290	\$ 3,389	\$ 3,490
\$ 33,219	\$ 34,215	\$ 35,242	\$ 36,299
\$ 239,019	\$ 243,799	\$ 248,675	\$ 253,648
\$ 1,161,004	\$ 1,193,443	\$ 1,226,809	\$ 1,261,126
\$ 63,882	\$ 65,798	\$ 67,772	\$ 69,805
\$ 1,413,487	\$ 1,431,898	\$ 1,450,381	\$ 1,468,930
\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)
130%	132%	133%	135%
\$ 326,080	\$ 344,491	\$ 362,975	\$ 381,523

BARNES HOUSING TRUST FUND RENTAL OPERATING PROFORMA

Year 17	Year 18	Year 19	Year 20
\$ 3,309,051	\$ 3,375,232	\$ 3,442,736	\$ 3,511,591
\$ (169,272)	\$ (172,657)	\$ (176,110)	\$ (179,632)
\$ 3,139,779	\$ 3,202,574	\$ 3,266,626	\$ 3,331,958
\$ 67,825	\$ 67,825	\$ 67,825	\$ 67,825
\$ 3,207,604	\$ 3,270,399	\$ 3,334,451	\$ 3,399,783
\$ 603,768	\$ 621,881	\$ 640,537	\$ 659,753
\$ 178,572	\$ 183,929	\$ 189,447	\$ 195,130
\$ 223,215	\$ 229,911	\$ 236,808	\$ 243,913
\$ 321,990	\$ 331,650	\$ 341,599	\$ 351,847
\$ 154,533	\$ 159,169	\$ 163,944	\$ 168,863
\$ 1,717	\$ 1,769	\$ 1,822	\$ 1,876
\$ 2,576	\$ 2,653	\$ 2,732	\$ 2,814
\$ 4,293	\$ 4,421	\$ 4,554	\$ 4,691
\$ 44,643	\$ 45,982	\$ 47,362	\$ 48,783
\$ 291,362	\$ 297,189	\$ 303,133	\$ 309,196
\$ 1,826,668	\$ 1,878,554	\$ 1,931,939	\$ 1,986,866
\$ 85,852	\$ 88,427	\$ 91,080	\$ 93,813
\$ 1,295,084	\$ 1,303,418	\$ 1,311,432	\$ 1,319,105
\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)	\$ (1,087,407)
120%	121%	122%	123%
\$ 207,678	\$ 216,011	\$ 224,025	\$ 231,698

Box 43

FILED

STATE OF TENNESSEE

99 FEB-8 P 11

CHARTER

MARY, QUEEN OF ANGELS, INC.

DEPARTMENT OF REVENUE
CLERK OF STATE

BOOK 11402 PG. 335

Pursuant to the provisions of the *Tennessee Non-Profit Corporation Act*, the undersigned incorporators hereby submit the following Charter and state as follows:

ARTICLE I

Name

The name of the Corporation is Mary, Queen of Angels, Inc. (hereinafter referred to as "MQA").

ARTICLE II

Not-for-Profit Public Benefit and Charitable Corporation

The Corporation is a not-for-profit public benefit and charitable corporation.

ARTICLE III

Registered Office

The principal office of the Corporation is 2400 21st Avenue South, Nashville, Tennessee 37212 and the name and address of the registered agent is as follows:

L. Gino Marchetti, Jr.
2908 Poston Avenue
Nashville, TN 37203

ARTICLE IV

Members

The Corporation shall have Members and they shall be Bishop of the Roman Catholic Diocese of Nashville and his Successors and Assigns; Vicar General for the Diocese of Nashville and the Moderator of the Curia for the Diocese of Nashville.

ARTICLE V

Purposes 99 FEB-8 PM 4:11

The specific and primary purposes for which this Corporation is organized and the general nature of the aims and objectives of the Corporation are to engage in general charitable undertakings and endeavors, including, but not limited to, to develop, acquire, construct and maintain buildings and property for providing quality assisted living/Alzheimer care facility containing facilities for recreation, instruction, education and administer to the elderly's physical, social and psychological needs of the elderly residents of the above mentioned facilities; and to do all things necessary, proper and incidental to the carrying out of the above stated objectives and purposes, the charges for such facilities and services to be predicated upon the provision, maintenance and operation thereof on a nonprofit basis. The Corporation is irrevocably dedicated to and operated exclusively for nonprofit purposes, and no part of the income or assets of the Corporation shall be distributed to, nor inure to the benefit of, any individual.

The Corporation is organized exclusively for public benefit and charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (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 this Charter and the Corporation's By-Laws; and the distribution of such property for the purposes herein delineated. The Corporation is organized to engage in any activity, and to exercise any and all powers, rights and privileges, afforded a nonprofit Corporation under the Act. Notwithstanding any other provision of this Charter, the Corporation shall not carry on any other activities not permitted to be carried on by (i) a corporation exempt from federal income tax under Section 501 (c)(3) of the Code, or any

corresponding provision of any future federal tax laws; (ii) a corporation contributions to which are deductible under Sections 170 (c)(2), 2055(a) and 2522(a) of the Code, or any corresponding provisions of any future federal tax law; (iii) a nonprofit corporation organized under the laws of the State of Tennessee pursuant to the Act.

ARTICLE VI

Board of Trustees

The affairs of the Corporation shall be managed by a Board of Trustees, which shall act as the directors of the Corporation, and by such officers as shall be described in the By-Laws of the Corporation. The By-Laws of the Corporation shall set forth the number of trustees who shall comprise its Membership, but the number of Trustees shall not be less than five (5).

ARTICLE VII

Limited Personal Liability of Trustees

No person who is or was a trustee or officer of the Corporation, nor such person's heirs, executors, administrators, or legal representatives (collectively referred to as a "trustee"), shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a trustee. However, this provision shall not eliminate or limit the liability of a trustee (i) for any breach of a trustee's duty of loyalty to the Corporation, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (iii) under Section 48-58-304 of the Act. No repeal or modification of the provisions of this Article, either directly or by the adoption of provisions inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor or a particular individual at the time of such repeal or modification.

ARTICLE VIII

Indemnification and Advancement of Expenses

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Mandatory Indemnification of Trustees and Officers:

(1) To the maximum extent permitted by the provisions of Section 48-58-501, et seq., of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this paragraph 1 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 persons 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, with such indemnification and advancement of expenses actually incurred with respect to the Proceeding, and all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

(a) The Proceeding was instituted by reason of the fact that such person is or was a trustee or officer 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 reasonable cause to believe his or her conduct was not 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.

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(2) Permissive Indemnification of Employees and Agents.

The Corporation may, to the maximum extent permitted by the provisions of Section 48-58-501, et seq., of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this paragraph 2 which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors, administrators and legal representatives, to the same extent as set forth in paragraph 1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation and met the standards of conduct set forth in subparagraph 1(b) above. The Corporation may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by its By-Laws, by contract, or by general or specific action of the Board of Trustees.

(3) Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in paragraphs 1 and 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 law, by this Charter, by a resolution of the Board of Trustees, by the By-Laws of the Corporation, by the purchase and maintenance by the Corporation of insurance on behalf of a

trustee, officer, employee, or agent of the Corporation, or by indemnification all of which means of indemnification and advancement of expenses are hereby specifically authorized.

(4) Non-Limiting Application. The provisions of this Article VIII shall not limit the power of the Corporation to pay or reimburse expenses incurred by a 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.

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

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

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

(c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his 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.

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

ARTICLE IX

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Private Inurement

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its trustees, officers, or other private persons. However, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to it or on its behalf, pay reimbursements for expenses incurred on its behalf, and make payments and distributions in furtherance of the purposes set forth in Article V hereof.

ARTICLE X**No Legislative or Political Activity**

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE XI**Prohibited Transactions**

The Corporation shall make distributions at such time and in such manner as not to subject the Corporation to tax under Section 4942 of the Code. The Corporation shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, or any corresponding provision of any future federal tax laws. The Corporation shall not retain any excess business holdings, as defined in Section 4943 (c) of the Code, or any corresponding provision of any future federal tax laws. The Corporation shall not make any investments in a manner that would subject it to tax under Section 4944 of the Code, or any corresponding provision of any future federal tax laws. The Corporation shall not make any taxable expenditures, as defined in Section 4945(d) of the Code, or any corresponding provisions of any future federal tax laws.

ARTICLE XII

~~Distributions on Dissolution.~~ 11

Upon the dissolution of the Corporation after paying or making provision for the payment of all liabilities of the Corporation then outstanding and unpaid, the Membership of the Corporation shall distribute the assets of the Corporation exclusively for the charitable and educational purposes of the Corporation in such a manner as the Membership shall determine. Any assets not so distributed shall be distributed to one or more organizations then described under Section 501 (c)(3) of the Code, or any corresponding provisions of any future federal tax laws, or to the Federal Government or State or Local Government for exclusively public purposes, as the Board of Trustees shall determine. Any assets not so disposed of by the Membership shall be disposed of by a court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with distribution of assets to be made for such charitable purposes, or to such organizations which are organized and operated exclusively for such purposes, as such court shall determine.

Dated this 5th day of FEBRUARY, 1999.



INCORPORATOR

EXHIBIT B
ORGANIZATIONAL DOCUMENTS

12/3/2004

**MARY QUEEN OF ANGELS, INC.
BYLAWS**

**ARTICLE I
NAME**

The name of the corporation shall be Mary Queen of Angels, Inc.

**ARTICLE II
OFFICES**

The principal office of the corporation shall be located at 2400 21st Avenue, South, City of Nashville, County of Davidson, State of Tennessee. The corporation may have such other offices, either within or without the State of Tennessee, as the Corporate Membership ("The Membership") and the Board of Trustees (the "Board") may determine from time to time.

**ARTICLE III
PURPOSE, POWERS AND USE OF FUNDS**

Section 3.1 Purpose. The purpose of the corporation is as set forth in the corporation's Charter as from time to time amended. Specifically, the corporation is organized to engage in general charitable undertakings and endeavors, including, but not limited to, to develop, acquire, construct and maintain buildings and property for providing quality assisted living/Alzheimer care facility containing facilities for recreation, instruction, education and administer to the elderly's physical, social and psychological needs of the elderly residents of the above mentioned facilities; and to do all things necessary, proper and incidental to the carrying out of the above stated objectives and purposes.

The corporation is organized exclusively for religious, charitable and educational purposes within the meaning of Section 501(c) (3) of the Internal Revenue code of 1986, as amended (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 this Charter and the corporation's bylaws; and the distribution of such property for the purposes herein delineated. The corporation is organized to engage in any activity, and to exercise any and all powers, rights and privileges, afforded a nonprofit corporation under the Act. Notwithstanding any other provision of this Charter, the corporation shall not carry on any other activities not permitted to be carried on by (i) a corporation exempt from federal income tax under Section 501 (c) (3) of the Code, or any corresponding

provision of any future federal tax laws; (ii) a corporation, contributions to which are deductible under Sections 170(c)(2), 2055(a) and 2522(a) of the Code, or any corresponding provisions of any future federal tax laws; or (iii) a nonprofit corporation organized under the laws of the State of Tennessee pursuant to the Act.

Section 3.2 Powers. The corporation shall have the right to receive by gift, devise, legacy, or endowment, real or personal property generally or for any specific activity in the furtherance of its objects.

The corporation shall have the right to buy, hold, sell, or convey property, both real and personal, for the conduct of its affairs and the furtherance of its objects.

The corporation shall have the right to borrow money, to execute notes evidencing the same, and to secure payment thereof by mortgage, pledge, or otherwise, and generally the corporation shall have the right to make contracts, acquire and transfer property in the furtherance of its objects, the same as natural persons possess, and it shall at all times have the right and power of like corporations under the laws of the State of Tennessee.

Section 3.3 Use of Funds. In making distributions to effectuate the religious, charitable and educational purposes of the corporation, as delineated in Section 3.1 above, the Board shall have the authority to make distributions of both income and principal in such proportions and amounts as the Board, in its sole discretion, determines advisable, provided that all such distributions are consistent with all applicable federal tax laws and regulations, as herein provided. The corporation is not formed for financial or pecuniary gain, and no part of the assets, income, or profits of the corporation is distributable to, or inures to, the benefit of its trustees or officers or any other private person, except as provided in Section 5.10, Section 6.8 and Article XIII as reimbursement or advancement of expenses, and except to make payments and distributions in furtherance of the purposes of 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 propaganda, or otherwise attempting to influence legislation; and no part of the activities of the corporation shall be the participation in, or intervention in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE IV MEMBERS

Section 4.1 Members. The Membership of this Corporation shall be the Bishop who shepherds the Diocese of Nashville as its Ordinary, the Vicar(s) General, and the Moderator of the Curia. Should the Diocese of Nashville become canonically impeded or vacant, the one who assumes governance of the diocese shall serve as a Member of this Corporation until the impeded situation is remedied or a new ordinary bishop takes possession of the Diocese of Nashville. Should the Vicar(s) General lose his/their office due to the transfer of the ordinary bishop or any other reason by which the Diocese might

become canonically vacant, he/they remain Member(s) of this Corporation pending the eventual appoint of a successor(s).

Section 4.2 Manner of Acting. Each Member shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Membership. The act of a majority of Members present at a meeting at which a quorum is present shall be the act of the Membership, except as may otherwise be specifically provided by law, by the Charter, or by the By-laws (hereinafter the "By-laws"). Absentee voting and proxy voting shall be permitted. In the event of a tie vote, the vote of the Bishop of the Roman Catholic Diocese of Nashville or his successor shall count as two (2) votes.

Section 4.3 Board Appointments. The Members shall appoint individuals to serve on the Board from the list of nominations provided to the Members by the Board.

Section 4.4 Annual Meeting of Membership. The annual meeting of Members of the Corporation (the "Membership") shall be held during the month of May. The purpose of the annual meeting shall be to appoint members of the Board and officers of Mary Queen of Angels, Inc. and transact such other business as may properly be brought before the meeting. Notice of the annual meeting shall be mailed to the Membership at least twenty (20) days prior to the annual meeting.

Section 4.5 Special Meetings. Special meetings of the Membership may be called by the Bishop at any time. The call for such a meeting shall set forth the purpose of the meeting and no other business shall be transacted at that time. Notice of a special meeting shall be given at least five (5) days prior thereto.

Section 4.6 Quorum. Presence in person or by proxy of the Membership representing a majority of the corporation shall constitute a quorum at any meeting of the Membership of the corporation.

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 (the "Board"), which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these By-laws. The Board, 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 the By-laws, the *Code of Canon Law*, and the *Norms of the Diocese of Nashville*.

Section 5.2 Number, Tenure, and Qualifications. The Board shall consist of the following Trustees described as follows:

- (a) **Regular Trustees.** The number of regular Trustees of the Corporation shall be no less than five (5) and no more than fifteen (15), provided however, the number of Trustees may be increased or decreased from time to time by the corporate members by amendment of the By-law, but no decrease shall have the effect of shortening the term of an incumbent Trustee or reduce the number of Trustees below five (5). Trustees shall be nominated by the Board and appointed by the Membership for three (3) year terms expiring on June 30th. Each Trustee shall hold office until his term shall have expired and his successor shall have been appointed and qualified, or until his earlier resignation, removal from office, or death. A retiring Trustee may succeed himself, provided, however, a Trustee may serve for not more than two (2) consecutive full terms. 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.
- (b) **Ex Officio.** The ex officio, non-voting members of the Board shall be the Bishop and the Administrator/Chief Executive Officer of Mary Queen of Angels, Inc.
- (c) **Life Trustees.** Life Trustees of the Board shall be nominated by the Board for approval by the Membership and shall be those individuals who have exhibited a strong commitment to the mission of Mary Queen of Angels through their years of service. Life Trustees may attend all meetings of the Board, but shall have no vote.

Section 5.3 Regular Meetings. A regular meeting of the Board shall be held quarterly at a time and place designated by the Board without any notice other than this By-law. The Board may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution.

Section 5.4 Special Meetings. Special meetings of the Board may be called at the request of the Bishop, the President, or at the request of any Trustee with the agreement of fifty percent (50%) of the Board. The President shall affix the time and place of any special meeting.

Section 5.5 Notice of Meetings. Written or printed notice stating the place, day and hour of any special meeting shall be delivered either personally or by mail, to each member entitled to vote at such meeting, not less than five (5) days, before the date of such meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these By-laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address shown as it appears on the records of the corporation, with postage thereon prepaid. The business to

be transacted at, or the purpose of, any special meeting of the Board must be specified in the notice of such meeting and no other business shall be transacted at that time.

Section 5.6 Quorum. A majority of the total number in office shall constitute a quorum for the transaction of business at any meeting of the Board. The members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or of such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The trustees shall be promptly furnished a copy of the minutes of the meetings of the Board.

Section 5.7 Action without a Meeting. Any action required or permitted to be taken at a meeting by the Board, or by any committee thereof, may be taken without a meeting if all voting members of the Board or committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the numbers of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board. The action must be evidenced by one (1) or more written consents describing the action taken, signed in one (1) or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention or the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board or committee. A consent signed under this Section shall have the same force and effect as a meeting vote of the Board, or any committee thereof, and may be described as such in any document.

Section 5.8 Board Decisions. The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these By-laws.

Section 5.9 Vacancies. Any vacancy occurring in the Board and any Trusteeship to be filled by reason of an increase in the number of trustees shall be filled by the nomination by the Board and appointment by the Membership. A trustee appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office. Each such nomination by the Board shall be subject to the approval or disapproval of the Membership at the next regular or special meeting of the Membership.

Section 5.10 Compensation. Trustees, as such shall not receive any stated salaries for their services, but by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any Trustee from serving the corporation in any other capacity and receiving compensation therefore.

Section 5.11 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 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 of dissent shall not apply to a Trustee who voted in favor of such action.

Section 5.12 Removal. Any or all of the Trustees may be removed for cause or without cause by vote of a majority of the Board of Trustees, by the corporate member, or by the Bishop. For purposes of this provision, "cause" shall mean final conviction of a felony, declaration of unsound mind by court orders, adjudication of bankruptcy, nonacceptance of office, conduct prejudicial to the interest of the Corporation or absence from three (3) or more consecutive meetings of the Board. Removal of a Trustee shall also constitute removal as an officer of the Corporation and as a member of all committees of the Board.

Section 5.13 Resignation. A Trustee may resign his membership at any time by tending his resignation in writing to the President. 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.

Section 5.14 Administrator. The Board of Trustees shall, with the prior approval of the Bishop, hire and appoint an Administrator/Chief Executive Officer of the Corporation. The Administrator/Chief Executive Officer shall have such duties as the Board and the Membership shall from time to time determine. The Administrator/Chief Executive Offer shall make such reports to the Board of Trustees at its regular meetings as the Board may deem necessary or advisable.

Section 5.15 Limitation of Powers. The Board may not, without the approval of the majority of the Membership present at any regular or special meeting of such Membership called for that purpose, do any of the following:

- (a) Modify, or permit the modification of, the purpose of the corporation, or otherwise amend, or permit the amendment of, the Charter or the By-laws of the corporation;
- (b) Authorize capital expenditures in excess of the amount as may from time to time be set by the members of the corporation at any meeting of such members;
- (c) Adopt, or permit the adoption of, any annual or long term capital or operational budget of the corporation;
- (d) Authorize or permit the corporation to engage in, or enter into, any transaction providing for the sale, lease, exchange, mortgage, pledge, creation of a security interest in, or other disposition of, all or substantially all the assets of the corporation;

- (e) Sell, lease or mortgage any real property owned by the corporation;
- (f) Organize or acquire, or authorize or permit the organization or acquisition of any subsidiary or affiliate of the corporation;
- (g) Approve or permit the approval of any variance in the annual budget approved by the Corporate Members;
- (h) Select or retain, or permit the selection or retention of, general or special legal counsel or auditors for the Corporation;
- (i) Approve or authorize any borrowing of money, or guarantee the debt of others, by the corporation; or
- (j) Exercise any of the rights and duties of governance which are reserved to the Bishop either by the *Code of Canon Law* or the *Norms of the Diocese of Nashville*.

ARTICLE VI OFFICERS

Section 6.1 Number. There shall be a President, Vice-President, Secretary and Treasurer of the Corporation, each of whom shall be elected in accordance with the provisions of this Article. The Board may also appoint such assistant officers, as the Board may from time to time deem necessary or appropriate.

Section 6.2 Election and Term of Office. The Officers of the corporation shall be members of the Board and shall be elected annually from among the Board Membership by the Board of Trustees at its annual meeting. Those individuals elected by the Board of Trustees at its annual meeting shall be approved and appointed by the Membership of the Corporation at their annual meeting. The officers shall be appointed every year to serve a one (1) year term. If the election of officers is not held at such meeting, such appointing shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board subject to the approval by the Membership. Each officer shall hold office until his or her successor has been duly appointed and qualifies. A retiring officer may not succeed himself or herself in his or her office, but may be eligible for election to another office or to the Board.

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 and the Executive Committee, and shall in general perform all of the duties, and have all the authority, incident to the office of the chief executive officer of a corporation, and such other duties as may from time to time be prescribed by the Board. The President may sign, with the Secretary-Treasurer or any other proper officer authorized by the Board,

any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or these By-laws to some other officer or agent of the corporation, or shall be required by law or these By-laws 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 shall perform the duties of the President and when so acting, shall have all the powers of, and be subject to, all the restrictions upon the President. The Vice-President shall perform such other duties as may from time to time be assigned to him or her by the President or by the Board.

Section 6.5 Secretary. The Secretary or his or her representative(s), approved by the Board, shall keep the minutes of the proceedings of the Board in one or more book(s) provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; be custodian of the corporate records and of the seal, if any, of the corporation and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the corporation under its seal; keep a register of the post office address of each member of the Board, which address shall be furnished to the Secretary by each trustee.

Section 6.6 Treasurer. The Treasurer shall also be responsible for all funds and securities of the corporation; monies due and payable to the corporation from any source whatsoever, all monies in the name of the corporation in banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article XI of the By-laws; authorize the disbursement of the funds of the corporation in accordance with the directives of the Board, and render to the Membership at its annual meeting and at such other times as may be requested by the Board, an accounting of all the transactions of the Treasurer and of the financial condition 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 by the Board.

Section 6.7 Removal. The Board may by a two-third (2/3) vote and with the prior approval of the Corporate Members remove any officer when in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by a nomination from the Board, said nomination to be approved by the Membership for the unexpired portion of the term.

Section 6.8 No Compensation: Reimbursement of Expenses. The officers of the corporation shall serve without compensation. Reasonable expenses incurred by all of the officers of the corporation in the course of coordinating the affairs of the corporation shall be reimbursed by the corporation upon proper substantiation.

ARTICLE VII EXECUTIVE COMMITTEE

Section 7.1 Appointment. An Executive Committee shall be composed of the President, Vice-President, Treasurer, and Secretary of the Corporation and such other members as appointed by the Board of Trustees. The designation of such committee and the delegation of authority thereto shall not operate to relieve the Board of Trustees, or any member thereof, of any responsibility imposed by law.

Section 7.2 Authority. 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 these By-laws. The executive committee shall not have the authority of the Board of Trustees in reference to amending the Articles of Inc.; adopting a plan of merger or consolidation; selling, leasing or otherwise disposing of all or substantially all the property and assets of the Corporation otherwise than in the usual and regular course of its business; voluntarily dissolving the Corporation or revoking a voluntary dissolution; or amending the By-laws of the Corporation. The Executive Committee shall only act to bind the Corporation those instances reasonably deemed to be of an emergency nature.

Section 7.3 Meetings. Regular meetings of the Executive Committee may be held without notice at such times and places as the executive committee may designate. Special meetings of the Executive Committee may be called by any member with a concurrence of a majority of the Executive Committee thereof upon not less than five (5) days notice, stating the place, date and hour of the meeting, which notice may be written or oral, and if mailed, shall be deemed to be delivered when deposited in the United States mail, addressed to the member of the Executive Committee at his business address. The notice of the meeting of the Executive Committee shall state the business proposed to be transacted at the meeting.

Section 7.4 Quorum. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof, and action of the executive committee must be authorized by the affirmative vote of a majority of all members (whether present or not) at a meeting at which a quorum is present.

Section 7.5 Action Without a Meeting. Any action required or permitted to be taken by the executive committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all members of the Executive Committee.

Section 7.6 Procedure. The Executive Committee may fix its own rules of procedure which shall not be inconsistent with the By-laws. It shall keep regular minutes

of its proceedings and report same to the Board of Trustees for its information at the meeting thereof held after such proceedings shall have been had.

ARTICLE VIII ADMINISTRATOR

Section 8.1 There shall be an Administrator/Chief Executive Officer of the Corporation who shall be selected, appointed and hired by the Board with prior approval of the Bishop of the Roman Catholic Diocese of Nashville. Said Administrator/Chief Executive Officer is vested with the duties and powers conferred upon him by the Precepts and Norms of the Roman Catholic Diocese of Nashville and in accordance with Canon Law. Said Administrator/Chief Executive Officer is charged with the day to day operation of the Corporation and serves at the direction of the Board in consultation with the Bishop of the Roman Catholic Diocese of Nashville. The Administrator/Chief Executive Officer, in addition to the other responsibilities of the office, shall cooperate with the Board and the Administrator/Chief Executive Officer shall make such reports to the Board at its regular meetings as the Board may determine necessary or advisable.

ARTICLE IX COMMITTEES

Section 9.1 Committees of the Board. All committees shall consist of three (3) or more members, shall be under the control and serve at the pleasure of the President, shall have charge of such duties as may be assigned to them by the President or these By-laws, shall maintain a permanent record of their actions and proceedings and shall regularly submit a report of their actions to the Board, 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, without vote.

Section 9.2 General Provisions for Standing Committees.

- a) Unless otherwise provided herein, the President shall appoint the Chair and the members of all standing committees at each annual meeting of the Board, or as soon as practicable thereafter. Except as provided herein, the President shall appoint the Chair of each standing committee from among the membership of the Board to hold office for a term of one (1) year, commencing immediately following the annual meeting of the Membership at which they are appointed and ending after the close of the next annual meeting at which their successors are appointed and qualified, or until their earlier death, resignation or removal. Should the President appoint as Chair of a standing committee a member who is not serving on the Board, the appointment shall be approved by the Board.

- b) A member of a standing committee may resign at any time by giving written notice both to the President and the Chair of the committee from which the member is resigning.
- c) The Board may remove a member of a standing committee when, in its judgment, the best interests of the Corporation will be served by such removal.
- d) The President shall fill all vacancies in standing committees.
- e) Meetings of standing committees may be called by their respective Chair or by the President. Each committee shall meet as often as necessary to perform its functions.
- f) Each standing committee may adopt rules for its own governance, provided such rules are not inconsistent with the law, the Charter or these By-laws.
- g) A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any committee meeting. The act of a majority of the members of a standing committee present at a meeting at which a quorum is present shall be the act of the committee. Unless otherwise provided, a Chair of a standing committee shall be entitled to vote on any question before the committee. Except for the Chair, committee members need not necessarily be members of the Board.
- h) Each standing committee may invite additional individuals with expertise or familiarity in a pertinent area to meet with and assist the committee. Such individuals shall not vote or be counted in determining the existence of a quorum and may be excluded from any executive session of the committee.

Section 9.3 Standing Committees. The Board shall maintain the following standing committees, and such additional standing committees as it may determine from time to time to be necessary or desirable for its proper functioning:

(a) **Finance Committee.** This Committee is composed of the Treasurer, who serves as its Chair, and at least three (3) other members. The Finance Committee reports at each regularly scheduled Board meeting, considers the details of the operating budgets prepared by the Administrator/Chief Executive Officer and oversees major capital initiatives. The Finance Committee makes a detailed estimate of the income and operating expenses for the ensuing year, submits an annual budget for the upcoming year, and supervises the audit of the accounts of the Corporation. This Committee is also responsible for developing and recommending to the Board investment policies for the assets of Mary Queen of Angels, Inc.

This committee also engages outside auditors, reviews the management letter from the auditors, oversees a complete auditor's report of agency finances, corporate governance and resolves conflict of interest situations. The Committee provides progress reports on audit related issues to the Board.

This Committee reviews all aspects of building operations and develops and periodically reviews a plan for repair and replacement of all capital elements.

(b) **Marketing and Development Committee.** This Committee reviews all existing and proposed programs of MQA. The Committee monitors program operations and planning for MQA, implementation of quality control measures and occupancy. The Committee oversees the development of a marketing plan for MQA and monitors marketing activities pursuant to this plan. The Committee also works to raise the visibility of MQA through those public relations and communications efforts it deems appropriate.

This Committee also develops future services and programs of MQA. It recommends resource development guidelines for MQA, including, but not limited to annual giving, planned giving, any capital campaigns and all fund raising activities or events in support of the ministries and conducted in the name of Mary Queen of Angels, Inc.

(c) **Nominating Committee.** This Committee is responsible for the identification and review of applications and recommendation of prospective members to the Board; to committees of the Board; and recommendations for Board Officers; and will make recommendations to the full Board for appointment and approval by the Members of the Corporation. This committee will also ensure an effective rotating system and maintain a list of member terms.

ARTICLE X CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS AND GIFTS

Section 10.1 Contracts and Employment of Agents. The Board may authorize any trustee, officer or agent of the corporation, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. The Board shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, scholarship consultants and other counsel, legal, investment or otherwise, as the Board 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 10.2 Checks, Drafts, or Orders. All checks, drafts, or 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 or agent or agents of the

Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice-president of the corporation.

Section 10.3 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board may select.

Section 10.4 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 as set forth in the By-laws. Such authority may be general or confined to specific instances.

Section 10.5 Investment Authority. The Board shall be authorized to retain assets contributed to the Corporation, even though such assets may constitute an over-concentration in one or more similar investments. Further, the Board 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. The Board may also accept on behalf of the Corporation any contribution, gift, bequest or device of any purpose of the Corporation.

ARTICLE XI STANDARDS OF CONDUCT

Section 11.1 Standards of Conduct. A Trustee or an officer of the Corporation shall discharge his or her duties as a trustee or an officer, including duties as a member of a committee:

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

Section 11.2 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, or other persons as to matters the trustee or officer reasonably believes are within the person's professional or expert competence; or
- (c) With respect to a trustee, a committee of the Board 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 11.3 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 11.2 unwarranted.

Section 11.4 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 11.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Section 11.5 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 11.6 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 making of any such loan shall be personally liable to the Corporation for the amount of such loan until the repayment thereof.

ARTICLE XII CONFLICTS OF INTEREST

Section 12.1 General. A conflict of interest transaction is a transaction with the Corporation in 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 a family member of such trustee or officer or is an 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 12.2.

Section 12.2 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, or to a committee consisting entirely of members of the Board, and the Board 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.

Section 12.3 Quorum Requirements. For purposes of Section 12.2, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the members of the Board, or of a committee consisting entirely of members of the Board, 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 who have no direct or indirect interest in the transaction vote to authorize, approve, 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 12.2(a) if the transaction is otherwise approved as provided in Section 12.2.

ARTICLE XIII INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 13.1 Mandatory Indemnification of Trustees and Officers. To the maximum extent permitted by the provisions of Sections 48-58-501 *et seq.*, of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a 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 threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

- (a) The Proceeding was instituted by reason of the fact that such person is or was a trustee or officer 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 13.2 Permissive Indemnification of Employees and Agents. The Corporation may, to the maximum extent permitted by the provisions of Section 48-58-501, *et seq.*, of the Act, as amended from time to time (provided, however, that if any amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 13.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation and met the standards of conduct set forth in Subsection 13.1(b) above. The corporation may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by the Charter, by these By-laws, by contract, or by general or specific action of the Board.

Section 13.3 Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in Sections 13.1 and 13.2 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, 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 for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.

Section 13.4 Non-Limiting Application. The provisions of this Article XIII 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 the time when he or she has not been made a named defendant or respondent to the Proceeding.

Section 13.5 Prohibited Indemnification. Notwithstanding any other provision of this Article XIII, 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 heirs, executors, administrators or legal representatives:

- (a) If a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or 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.

Section 13.6 Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article XIII, 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 XIV BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Corporate Members, Board, committees having and exercising any of the authority of the Board, and shall keep at the principal office a record giving the names and addresses of the members of the Board entitled to vote.

ARTICLE XV NOTICES AND WAIVER OF NOTICE

Except as provided by the se By-laws, the notices provided for in these By-laws shall be communicated in person, by telephone, facsimile, telegraph, teletype, e-mail or by mail or private carrier. Written notice is effective at the earliest of (i) receipt, (ii) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with

first-class postage affixed thereon, (iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by on behalf of the addressee, or (iv) with other than first-class, registered, or certified postage affixed. Whenever any notice is required to be given to any Corporate Member, trustee, officer or committee member of the Corporation under the provisions of these by-laws, the Charter, or the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVI FISCAL YEAR

The fiscal year of the Corporation shall begin on July 1 and end on the following June 30.

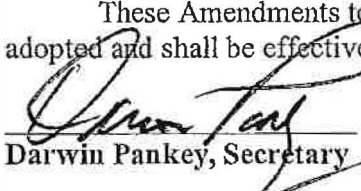
ARTICLE XVII AMENDMENTS

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 a two-thirds (2/3) majority of the full Board, with the approval of the Corporate Members at any annual or special meeting, except to the extent that such alteration, amendment or repeal is inconsistent with Article XVIII hereof.

ARTICLE XVIII EXEMPT STATUS

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

These Amendments to the By-laws of Mary Queen of Angels, Incorporated are adopted and shall be effective this 14th day of November, 2004.


Darwin Pankey, Secretary


Robert Holland, President

APPROVED by the Corporate Members this 7th day of December, 2004.

In. David R. Choby
Reverend David R. Choby, Administrator
of the Roman Catholic Diocese of Nashville

D. Perkin
Reverend David R. Perkin, Moderator of the Curia

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

Date: May 29, 2015

Person to Contact:

R. Meyer ID# 0110429

Toll Free Telephone Number:

877-829-5500

Employer Identification Number:

53-0196617

Group Exemption Number:

0928

United States Conference of Catholic
Bishops
3211 4th Street, NE
Washington, DC 20017-1194

Dear Sir/Madam:

This responds to your May 19, 2015, request for information regarding the status of your group tax exemption.

Our records indicate that you were issued a determination letter in March 1946, that you are currently exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(i).

With your request, you provided a copy of the *Official Catholic Directory for 2015*, which includes the names and addresses of the agencies and instrumentalities and the educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories, and possessions that are subordinate organizations under your group tax exemption. Your request indicated that each subordinate organization is a non-profit organization, that no part of the net earnings thereof inures to the benefit of any individual, and that no substantial part of their activities is for promotion of legislation. You have further represented that none of your subordinate organizations is a private foundation under section 509(a), although all subordinates do not all share the same sub-classification under section 509(a). Based on your representations, the subordinate organizations in the *Official Catholic Directory for 2015* are recognized as exempt under section 501(c)(3) of the Code under GEN 0928.

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

Subordinate organizations under a group exemption do not receive individual exemption letters. Most subordinate organizations are not separately listed in Publication 78 or the EO Business Master File. Donors may verify that a subordinate organization is included

Exhibit A

in your group exemption by consulting the *Official Catholic Directory*, the official subordinate listing approved by you, or by contacting you directly. IRS does not verify the inclusion of subordinate organizations under your group exemption. See IRS Publication 4573, *Group Exemption*, for additional information about group exemptions.

Each subordinate organization covered in a group exemption should have its own EIN. Each subordinate organization must use its own EIN, not the EIN of the central organization, in all filings with IRS.

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

Sincerely,

A handwritten signature in black ink that reads "Tamera Ripperda". The signature is written in a cursive style with a large, sweeping initial "T".

Tamera Ripperda
Director, Exempt Organizations

CALIFORNIA • MICHIGAN • MINNESOTA • MISSISSIPPI • MISSOURI • WEST VIRGINIA • NEW YORK • NEVADA
• ALABAMA • COLORADO • ARIZONA • MAINE • TEXAS • UTAH • ALASKA •
• IOWA • LOUISIANA • WISCONSIN • TENNESSEE • IDAHO •
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2015

The Official Catholic Directory

Anno
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2015

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Diocese of Nashville

(Diocesis Nashvillensis)



Most Reverend

DAVID R. CHOBY

Bishop of Nashville; ordained September 6, 1974; appointed Bishop of Nashville December 20, 2005; ordained February 27, 2006. Office: 2400 21st Ave., S., Nashville, TN 37212.

Chancery Office: 2400 21st Ave. S., Nashville, TN 37212. Tel: 615-383-6393; Fax: 615-292-8411.

Web: www.dioceseofnashville.com

ESTABLISHED JULY 28, 1837.

Square Miles 16,302.

Established Diocese of Nashville, comprising entire State of Tennessee, July 28, 1837; comprising Middle and East Tennessee, January 6, 1971, after the establishment of the Diocese of Memphis; comprising the following thirty eight Counties of Middle Tennessee, September 8, 1888, after the establishment of the Diocese of Knoxville: Bedford, Cannon, Cheatham, Clay, Coffee, Davidson, DeKalb, Dickson, Franklin, Giles, Grundy, Hickman, Houston, Humphreys, Jackson, Lawrence, Lewis, Lincoln, Macon, Marshall, Maury, Montgomery, Moore, Overton, Perry, Putnam, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, VanBuren, Warren, Wayne, White, Williamson and Wilson.

Primary Patron: St. Joseph, Spouse of the Blessed Virgin Mary.

Secondary Patroness: Our Lady of Guadalupe.

For legal titles of parishes and diocesan institutions, consult the Chancery Office.

STATISTICAL OVERVIEW

Personnel			
Bishop	1		
Priests: Diocesan Active in Diocese	39		
Priests: Diocesan Active Outside Diocese	4		
Priests: Retired, Sick or Absent	11		
Number of Diocesan Priests	54		
Religious Priests in Diocese	26		
Total Priests in Diocese	80		
Extern Priests in Diocese	17		
Ordinations:			
Diocesan Priests	10		
Transitional Deacons	5		
Permanent Deacons	29		
Permanent Deacons in Diocese	98		
Total Brothers	1		
Total Sisters	2		
Parishes			
Parishes	52		
With Resident Pastor:			
Resident Diocesan Priests	30		
Resident Religious Priests	13		
Without Resident Pastor:			
Administered by Priests	8		
Administered by Deacons	1		
Missions	3		
Pastoral Centers	2		
Closed Parishes	1		
Professional Ministry Personnel:			
Brothers	2		
Sisters	4		
Lay Ministers	25		
Welfare			
Catholic Hospitals	4		
Total Assisted	554,500		
Homes for the Aged	2		
Total Assisted	320		
Day Care Centers	3		
Total Assisted	495		
Special Centers for Social Services	8		
Total Assisted	61,000		
Educational			
Diocesan Students in Other Seminaries	26		
Total Seminarians	26		
Colleges and Universities	1		
Total Students	647		
High Schools, Diocesan and Parish	2		
Total Students	1,530		
High Schools, Private	1		
Total Students	255		
Elementary Schools, Diocesan and Parish	15		
Total Students	3,413		
Elementary Schools, Private	2		
Total Students	646		
Catechesis/Religious Education:			
High School Students	1,186		
Elementary Students	7,058		
Total Students under Catholic Instruction	14,761		
Teachers in the Diocese:			
Priests	2		
Sisters	11		
Lay Teachers	267		
Vital Statistics			
Receptions into the Church:			
Infant Baptism Totals	1,605		
Minor Baptism Totals	215		
Adult Baptism Totals	133		
Received into Full Communion	355		
First Communions	1,932		
Confirmations	1,632		
Marriages:			
Catholic	256		
Interfaith	164		
Total Marriages	420		
Deaths	469		
Total Catholic Population	80,698		
Total Population	2,520,103		

Former Bishops—Rt. Revs. RICHARD PIUS MILES, O.P., D.D., cons. Sept. 16, 1838; died Feb. 21, 1860; JAMES WHELAN, O.P., D.D., cons. May 8, 1859; resigned May, 1865; died Feb. 18, 1878; P. A. FEELIAN, cons. Nov. 1, 1865; created first Archbishop of Chicago, Sept. 10, 1880; died July 12, 1902; JOSEPH RADENACHER, D.D., cons. June 24, 1863; transferred to Ft. Wayne, July 13, 1893; died Jan. 12, 1900; THOMAS S. BYRNE, D.D., cons. July 25, 1894; died Sept. 4, 1923; Most Rev. ALPHONSE J. SMITH, D.D., cons. March 25, 1924; died Dec. 16, 1935; WILLIAM L. ADRIAN, D.D., cons. April 16, 1935; died Feb. 13, 1972; JOSEPH A. BUNICK, D.D., cons. March 24, 1955; retired April 8, 1975; died June 26, 1994; JAMES B. NIEDERGESSES, D.D., cons. May 20, 1975; retired Oct. 18, 1992; died Nov. 16, 2007; EDWARD U. KMIEC, D.D., S.T.L. ord. Dec. 20, 1961; appt. Titular Bishop of Simidicea and Auxiliary Bishop of Trenton Aug. 26, 1982; cons. Nov. 3, 1982; appt. Bishop of Nashville Oct. 13, 1992; installed Dec. 3, 1992; appt. Bishop of Buffalo Aug. 12, 2004.

Vicars General—Very Revs. DAVID R. PERKIN, J.C.L., V.G., 2400 21st Ave., S., Nashville, 37212; DEXTER S. BREWER, J.C.L., J.V.

Moderator of the Curia and Vicar General—Very Rev. DAVID R. PERKIN, J.C.L., V.G., The Catholic Center, 2400 21st Ave., S., Nashville, 37212.

Deans—Revs. PHILIP M. BREEN, Central Deanery; MICHAEL O'BRYAN, Northeast Deanery; DAVID GAFFNY, Northwest Deanery; VACANT, Southeast Deanery; VACANT, Southwest Deanery.

Chancery Office—2400 21st Ave. S., Nashville, 37212. Tel: 615-383-6393; Fax: 615-292-8411. Office Hours: Mon.-Fri. 8-4:30; All official business

should be directed to this office.

Chancellor—Deacon HANS M. TOECKER.

Executive Assistant to the Bishop—Ms. ELIZABETH CLAY.

Accounting Systems—Mr. WILLIAM J. WHALEN, CFO, Mr. DOUG ANDERSON, Controller; TERESA OSBORNE, Asst. Controller, Catholic Community Investment and Loan.

Diocesan Tribunal—2400 21st Ave. S., Nashville, 37212. Tel: 615-783-0273; Fax: 615-783-0779.

Judicial Vicar—Very Rev. DEXTER S. BREWER, J.C.L., J.V.

Adjutant Judicial Vicar—Very Rev. DAVID R. PERKIN, J.C.L., V.G.

Director of Tribunal—Ms. JANETTE BUCHANAN, J.C.L.

Defenders of the Bond—Revs. JOHN C. HENRICK; JOHN SIMS BAKER; Ms. CHERRY HEAD CLARK, J.C.L.

Advocates—Revs. JOHN HAMMOND; DAVID CARTER; Mrs. ERIN STRACENER.

Judges—Most Rev. DAVID R. CHOBY, D.D., J.C.L.; Very Rev. DEXTER S. BREWER, J.C.L., J.V.; Rev. JAMES K. MALLETT (Retired); Very Rev. DAVID R. PERKIN, J.C.L., V.G.; Ms. JANEITE BUCHANAN, J.C.L.

Formal Case Instructor—Mrs. ERIN STRACENER.

Documentary Case Instructor—Mrs. ERIN STRACENER.

Auditors—All priests and deacons assigned in the Nashville and Knoxville dioceses.

Secretary-Notaries—Mrs. LORRAINE LINDSTROM; Mrs. ERIN STRACENER.

Presbyteral Council—Revs. STEPHEN J. WOLF; MARK SAPPENFIELD; MICHAEL O. JOHNSON; THOMAS KALAN, C.M.I.; MARK BECKMAN; PHILIP M. BREEN; EDWARD F. STEINER III; J. PATRICK CONNOR, V.G.

(Retired); PATRICK J. KIRBY; Very Rev. DAVID R. PERKIN, J.C.L., V.G.; Revs. JOSEPH V. MCMAHON; JEAN BAPTISTE KYABUTA.

Diocesan Finance Board—Most Rev. DAVID R. CHOBY, D.D., J.C.L.; Very Revs. DAVID R. PERKIN, J.C.L., V.G.; DEXTER S. BREWER, J.C.L., J.V.; Mr. MICHAEL J. KANE; Mr. JOHN SCHNEIDER; Mr. WILLIAM HILL; Mr. JOHN CROMOS; Mr. EDWARD STACE; Mr. WILLIAM P. VARLEY; Mr. GEORGE SMITH; Mr. WILLIAM J. WHALEN; Mr. PAT WATSON, Chair.

DIONASH—A Partnership acting as Nominee for marketable securities for the Diocese of Nashville.

Diocesan Offices and Directors

The following offices and agencies are located at the Chancery unless otherwise indicated.

Archives and Records—Deacon HANS M. TOECKER; Ms. BAIBARA BALTZ, Archives Coord.

Campaign for Human Development—Mr. WILLIAM P. SINCLAIR, A.C.S.W., Dir., St. Mary Villa, 30 White Bridge Rd., Nashville, 37205.

Campus Ministries—VACANT.

University Catholic—Rev. JOHN SIMS BAKER, 2417 W. End Ave., Nashville, 37240. Tel: 615-322-0104.

MTSU-Murfreesboro—Rev. MARK SAPPENFIELD, St. Rose of Lima Church, 1601 N. Tennessee Blvd., Murfreesboro, 37130. Tel: 615-893-1843.

Austin Peay-Clarksville—Deacon THOMAS F. WINTERS, Immaculate Conception, 709 Franklin St., Clarksville, 37040. Tel: 931-645-6275.

Tenn. Tech-Cookeville—Mr. CLARK JAMESON; Mrs. MARY JAMESON, St. Thomas Aquinas Church, 421 N. Washington Ave., Cookeville, 38501. Tel: 931-526-2575.

Fisk-Mcharry-Tennessee State University Campus Ministries—Deacon HENRY HARRINGTON JII, St. Vincent de Paul Church, 1700 Heiman St., Nashville, 37208. Tel: 615-320-0695.

Univ. of South-Seawaco—Rev. JEAN BAPTISTE KYABUTA, Good Shepherd Church, 2021 Dechard Blvd., Dechard, 37324. Tel: 931-967-0961.

Catholic Charismatic Renewal—Rev. JOHN L. KIRK, Bishop's Liaison; Mrs. TERESA SEIBERT, Assoc. Liaison.

Catholic Charities of Tennessee, Inc.—Mr. WILLIAM P. SINCLAIR, A.C.S.W., Dir., St. Mary Villa, 30 White Bridge Rd., Nashville, 37205. Tel: 615-352-3087; Fax: 615-352-8591.

Catholic Medical Association, Nashville Chapter—RACHEL KAISER, M.D., Pres, Email: rtkaiser@bellsouth.net. Web: www.cathmed.org.

Catholic Public Policy Commission of TN—JENNIFER MURPHY, Exec. Sec.

Catholic Relief Services—Deacon HANS M. TOECKER, Dir.

Catholic Social Services of Nashville—Ms. EILEEN BERNAN, Dept. Dir., St. Mary Villa, 30 White Bridge Rd., Nashville, 37205. Tel: 615-352-3087.

Catholic Youth Office and Search Program—Mr. WILLIAM STALEY, 2011 W. End Ave., Nashville, 37203. Tel: 615-327-0674.

Cemeteries—Mr. WILLIAM J. WHALEN, C.F.O.

Censor Librorum—Rev. JAMES K. MALLET (Retired).

Priest Benefit Foundation—Revs. JOHN C. HENRICK; MARK HUNT; MICHAEL BALTBUS; Very Revs. DAVID R. PERKIN, J.C.L., V.G.; DEXTER S. BREWER, J.C.L., J.V.; Revs. STEPHEN A. KLEASE; JOHN SINIS BAKER; MR. WILLIAM J. WHALEN; TERRY ROBINSON, P.H.R.

Clergy Personnel Board—Revs. STEPHEN A. KLEASE; MARK BECKMAN; Very Rev. DAVID R. PERKIN, J.C.L., V.G.

Continuing Education of Priests—Rev. EDWARD F. STEINER III, Dir.

Cursillo—JOE MCLAUGHLIN, Lay Dir.; Deacon MARTIN DESCHENES, Assoc. Spiritual Advisor.

Permanent Diaconate Office—Deacon RONALD B. DEAL Jr., Dir.

Diocesan Communications Director—RICK MUSSACHIO.

Diocesan Planning—Rev. STEPHEN A. KLEASE, Dir.

Hispanic Ministry—Rev. DAVID RAMIREZ, Dir.; Mrs. ANABELL C. TREWINO, Asst. Dir.

Korean Catholic Community of St. Joseph—Rev. HAE-UN KIM, 5565 Pettus Rd., Antioch, 37013. Tel: 615-727-1225. Email: koreancc@comcast.net.

Holy Childhood Association—Deacon HANS M. TOECKER, Dir.

Human Resources—TERRY ROBINSON, P.H.R., Dir.

Lay Retirement Administrative Board—Mr. WILLIAM J. WHALEN; D. SCOTT DONNELLAN; RITA RAYMER; CHRISTOPHER P. KELLY; Mr. JOHN SCHNEIDER; Very Rev. DEXTER S. BREWER, J.C.L., J.V.; TERRY ROBINSON, P.H.R.

Liturgical Life—Rev. LEON GERALD STRANGE.

Ministry Formation—SHERI ISHAM, Office of Catechetical Formation, Catechetical Coord., Mr. THOMAS SAMORAY, Engaged Couple Formation, Prog. Coord.

Newspaper—"The Tennessee Register" RICK MUSACCHIO, Editor in Chief.

Prison Ministry—TERRANCE HORGAN, Ph.D., Criminal Justice Advocacy.

Pontifical Mission Societies—Deacon HANS M. TOECKER, Dir.

Catholic Charities Refugee Services—KELLYE BRANSON, Dir., 10 S. 6th St., Nashville, 37206. Tel: 615-259-3567; Fax: 615-259-2851.

Schools Office—THERESE WILLIAMS, Supt., 30 White Bridge Rd., Nashville, 37205. Tel: 615-352-3087.

Stewardship and Development—Mr. RONALD SZEJNER.

Victim Assistance Coordinator—Deacon HANS M. TOECKER, 2400 21st Ave., S., Nashville, 37212. Tel: 615-783-0765; Fax: 615-292-8411. Email: hans.toecker@dioceseofnashville.com.

Vietnamese Ministry—Rev. PETER DO QUANG CHAU, P.O. Box 55, Ashland City, 37015. Tel: 615-792-4255.

Vocations—Most Rev. DAVID R. CHOBY, D.D., J.C.L., 2400 21st Ave. S., Nashville, 37212; Mr. THOMAS SAMORAY, Dir. Vocations Awareness. Tel: 615-783-0754.

CLERGY, PARISHES, MISSIONS AND PAROCHIAL SCHOOLS

CITY OF NASHVILLE

(DAVIDSON COUNTY)

1—CATHEDRAL OF THE INCARNATION (1909) Revs. Edward F. Steiner III; Jay Neely; Deacons Mark Faulkner; Thales Fincham; Joe Holzmer; James W. McKenzie. Church: 2015 W. End Ave., 37203. Tel: 615-327-2330; Fax: 615-320-5650.

Catechesis/Religious Program—Robin Baskins, D.R.E. Students 178.

2—ST. ANN (1921) Rev. Philip M. Breen; Deacons John P. Casey; James Walsh; Jim Holzmer; Martin Mullay, Pastoral Assoc. Church: 5101 Charlotte Ave., 37209. Tel: 615-298-1782; Fax: 615-297-4326.

School—(Grades K-8) Tel: 615-269-0568; Fax: 615-297-1383. Dr. Adelaide Nicholson, Prin.; Judy Graham, Librarian. Lay Teachers 14; Students 123.

Catechesis/Religious Program—Students 80.

3—ASSUMPTION (1859) Attended by St. Pius X Church, Nashville. Rev. Leon Gerald Strange. In Res., Rev. Francis G. Appen. Church: 1227 Seventh Ave. N., 37208. Tel: 615-256-2729.

Catechesis/Religious Program—Students 89.

4—CHRIST THE KING (1937) Very Rev. Dexter S. Brewer; Rev. John Hammond; Deacons Andrew D. McKenzie; Robert H. True; David Lybarger; John C. Krenson; Brian Schulz. Church: 3001 Belmont Blvd., 37212. Tel: 615-292-2884; Fax: 615-383-0026.

School—(Grades K-8), 3105 Belmont Blvd., 37212. Tel: 615-292-9465; Fax: 615-292-2477. Sherry Woodman, Prin.; Rhonda Keckley, Librarian. Lay Teachers 24; Students 262.

Catechesis/Religious Program—Students 222.

5—CHURCH OF THE MOST HOLY NAME (1857) Rev. Joseph P. Edwidge Carr; Deacon Robert L. Mahoney. Church: 521 Woodland St., 37206. Tel: 615-254-8847; Fax: 615-730-8352.

Catechesis/Religious Program—Mary Catherine Dean, D.R.E. Students 49.

6—ST. EDWARD (1952) Revs. Mark J. Nolte; Daniel J. Rehill; Deacons Brian Edwards; Edgardo Jayme. Church: 188 Thompson Ln., 37211. Tel: 615-833-5520; Fax: 615-833-3738.

School—(Grades K-8), 190 Thompson Ln., 37211. Tel: 615-833-6770; Fax: 615-833-9739. Dr. Lisa Redmon, Prin. Lay Teachers 27; Students 361.

Catechesis/Religious Program—Students 161.

7—ST. HENRY (1955) Revs. Michael O. Johnston; Anthony Mutuku; Deacons Jack Srouji; Martin Deschenes; Gregory Meinhart. Church: 6401 Harding Pike., 37205. Tel: 615-352-2259; Fax: 615-356-6321.

School—(Grades K-8) Tel: 615-352-1328; Fax: 615-356-9293. Sr. Ann Hyacinth Genow, O.P. Prin; Mrs. Kerry Connor, Librarian. Dominican Sisters of St. Cecilia Congregation 4; Lay Teachers 37; Students 692.

Catechesis/Religious Program—Tel: 615-353-0668. Beth Holzapfel, D.R.E. Students 178.

8—HOLY ROSARY (1954) Revs. Mark Hunt; James Panckal, C.M.I.; Deacons Gilbert P. Huhlein; Wayne Gregory; Mark White; Mike Wilkins.

Church: 192 Graylynn Dr., 37214. Tel: 615-889-4065; Fax: 615-889-3421.

School—(Grades PreK-8), 190 Graylynn Dr., 37214. Tel: 615-883-1108; Fax: 615-885-5100. Dr. Betty Reynolds, Prin. Lay Teachers 27; Students 352.

Catechesis/Religious Program—Students 67.

9—ST. MARY OF THE SEVEN SORROWS (1847) Rev. John Sims Baker; Mary Hazen, D.R.E. Mailing Address: P.O. Box 190606, 37219. Church: 330 Fifth Ave. N., 37219. Tel: 615-256-1704; Fax: 615-256-7307.

Catechesis/Religious Program—Students 27.

10—ST. MARY VILLA PARISH COMMUNITY (1982) Rev. Paul Hostettler. Church: 34 White Bridge Rd., 37205. Tel: 615-352-3087; Fax: 615-352-8591.

11—ST. PATRICK (1890) Very Rev. David R. Perkin; Deacon Thomas H. Cook. Church: 1219 2nd Ave. S., 37210. Tel: 615-256-6498; Fax: 615-256-6476.

Catechesis/Religious Program—Students 3.

12—ST. PIUS X (1958) Rev. Leon Gerald Strange. Church: 2800 Tucker Rd., 37218. Tel: 615-244-4093; Fax: 615-244-4093.

School—St. Pius X Classical Academy, (Grades PreK-8), 2750 Tucker Rd., 37218. Tel: 615-255-2049; Fax: 615-255-2049. Lori Paton, Prin.; Bro. Tom Eaton, Librarian. Lay Teachers 12; Students 86.

Catechesis/Religious Program—Cynthia Catignani, D.R.E.

13—ST. VINCENT DE PAUL (1932) Rev. Athanasius Abunalo; Deacons Henry Harrington Jr.; William Hill. Church: 1700 Heiman St., 37208. Tel: 615-320-0695; Fax: 615-320-0698.

Catechesis/Religious Program—Mary Hernandez, D.R.E. Students 18.

CENTERVILLE, HICKMAN CO., CHRIST THE REDEEMER (1983) Attended by Holy Trinity, Hohenwald. Rev. Joseph K. Dowling. Mailing Address: P.O. Box 323, 37033. Tel: 931-796-3738. Church: 1515 Woodland Dr., 37033. Tel: 931-729-4669.

Catechesis/Religious Program—Melanie Harris, D.R.E. Students 23.

CLARKSVILLE, MONTGOMERY CO., IMMACULATE CONCEPTION (1845) Revs. David J. Gaffny; Theophilus Ebulume; Christiano Nunes de Silva; Deacons Dominick Azzara; Robert Berberich; Timothy Winters; Juan Garza; Manuel Martinez. Res.: 709 Franklin St., 37040. Tel: 931-645-6275; Fax: 931-552-0331.

School—Immaculate Conception School, (Grades K-8), 1901 Madison St., 37043. Tel: 931-645-1865; Fax: 931-645-1160. Stephanie Stafford, Prin.; Rebecca Dean, Librarian. Lay Teachers 14; Students 140.

Catechesis/Religious Program—Students 405.

COLUMBIA, MAURY CO., ST. CATHERINE (1843) Rev. Davis Chackaleckel, M.S.F.S.; Deacons Price Keller; Daniel McCulley; Raymond Seibold. In Res., Rev. Louis E. Rojas, S.A.C., Hispanic Ministry. Church & Mailing Address: 3019 Cayce Ln., 38401. Tel: 931-388-3803; Fax: 931-381-8837.

Catechesis/Religious Program—Tel: 931-381-6784. Jeanette Sparkman, D.R.E. Students 195.

COOKEVILLE, PUTNAM CO., ST. THOMAS AQUINAS (1951) Revs. Chad Puthoff, S.D.S.; Paul Nguyen. Church: 421 N. Washington Ave., 38501. Tel: 931-526-2575; Fax: 931-526-5869.

Catechesis/Religious Program—Tel: 931-526-4411. Valerie Richardson, D.R.E. Students 193.

DECHERD, FRANKLIN CO., GOOD SHEPHERD (1900) Rev. Jean Baptiste Kyabuta; Deacon Philip Johnson. Church: 2021 Dechard Blvd., 37324. Tel: 931-967-0961; Fax: 931-967-3569.

School—(Grades PreK-8), 2037 Dechard Blvd., 37324. Tel: 931-967-5673. Kelly Doyle, Prin. Lay Teachers 5; Students 31.

Catechesis/Religious Program—Students 37.

Mission—St. Margaret Mary 9458 Old Alto Hwy., Alto, Franklin Co. 37324.

DICKSON, DICKSON CO., ST. CHRISTOPHER (1951) Rev. Mathew Perumpally; Deacon James Tucker. Church: 713 W. College St., 37055. Tel: 615-446-3927; Fax: 615-446-7339.

Catechesis/Religious Program—Michelle Brenner, D.R.E.; Amber Gonzales, D.R.E.; Kathy Tucker, D.R.E. Students 151.

DOVER, STEWART CO., ST. FRANCIS OF ASSISI (1982) Rev. David J. Gaffny. Mailing Address: P.O. Box 307, 37058-0307. Church: 1489 Doneison Pkwy, Rte. 79, 37058. Tel: 931-232-9422.

Catechesis/Religious Program—Tel: 931-232-1924. Anne Tenplon, D.R.E. Students 38.

FAYETTEVILLE, LINCOLN CO., ST. ANTHONY (1983) Rev. George Panthanickal, C.M.I. Church: 1900 Huntsville Hwy., 37334. Tel: 931-433-6525; Fax: 931-433-6283.

Catechesis/Religious Program—Students 111.

OUTSIDE THE CITY OF NASHVILLE

ANTIOCH, DAVIDSON CO.

1—ST. IGNATIUS OF ANTIOCH (1976) Rev. Titus Augustine, C.M.I.; Deacons Doug Shafer; John Downey; Ron Shaw; Bob Ochoa. Church: 601 Bell Rd., 37013. Tel: 615-367-0085; Fax: 615-367-1712.

Catechesis/Religious Program—Louise Gregory, D.R.E. Students 171.

2—OUR LADY OF GUADALUPE (2007) Rev. Fernando Lopez, Assoc. Adm. 3112 Nolensville Pike, 37211. Tel: 615-333-8660.

Catechesis/Religious Program—Teresa Beltran, D.R.E.; Hernan Andrade, D.R.E. Students 307.

ASHLAND CITY, CHEATHAM CO., ST. MARTHA (1975) Rev. Peter Do Quang Chau. Mailing Address: P.O. Box 55, 37015. Church: 3331 Bell St., 37015. Tel: 615-792-4255; Fax: 615-792-4255.

Catechesis/Religious Program—Teresa Frain, D.R.E. Students 101.

BENTWOOD, WILLIAMSON CO., HOLY FAMILY (1989) Revs. Joseph V. McMahon; Justin N. Raines; Deacons Ronald B. Deal Jr.; John Calzavara; James Booth. Church & Mailing Address: 9100 Crockett Rd., 37027. Tel: 615-373-4696; Fax: 615-377-3823.

Catechesis/Religious Program—Tel: 615-373-4351. Catherine Birdwell, D.R.E. Students 1,102.

- FRANKLIN, WILLIAMSON CO.
1.—ST. MATTHEW (1979) Revs. Mark Beckman; Dominic Maximilian Ofori; Deacons John W. Myers; Bill Forte.
Church: 535 Sneed Rd. W., 37069. Tel: 615-646-0378; Fax: 615-646-5230.
School—(Grades K-8), 533 Sneed Rd. W., 37069. Tel: 615-662-4044; Fax: 615-662-6822. Barbey Magness, Prin.; Marcia Newman, Librarian. Lay Teachers 32; Students 419.
Catechesis/Religious Program—Sr. Lauren Cole, R.S.M., D.R.E. Students 258.
- 2.—ST. PHILIP (1843) Revs. Marneni Showraiah, O.F.M.; Tien Tran, Pastoral Assoc.
Church: 113 2nd Ave. S., 37064. Tel: 615-794-4236; Fax: 615-794-3083.
Catechesis/Religious Program—Tel: 615-794-8588. Michael Miller, Youth Ministry Coord. Catechesis; Mary Grundstaff, Catechesis of the Good Shepherd Coord. Students 587.
- GALLATIN, SUMNER CO., ST. JOHN VIANNEY (1929) Rev. Stephen G. Gideon.
Church: 449 N. Water St., 37066. Tel: 615-452-2977; Fax: 615-452-0323.
School—(Grades PreK-8) Tel: 615-230-7048; Fax: 615-206-9839. Jennifer McCormick, Prin. Lay Teachers 11; Students 124.
Catechesis/Religious Program—Students 170.
- HENDERSONVILLE, SUMNER CO., OUR LADY OF THE LAKE (1969) Revs. Eric L. Fowlkes; Thomas Kalam, C.M.I.; Sr. Maria Edwards, R.S.M., Pastoral Assoc.; Deacons James F. Carr; John Lamers; Mike Rector.
Church & Mailing Address: 1729 Stop Thirty Road, 37075. Tel: 615-824-3276; Fax: 615-824-7989.
Catechesis/Religious Program—Cyndi Sabatino, D.R.E. Students 832.
- HOHENWALD, LEWIS CO., HOLY TRINITY (1983) Rev. Joseph K. Dowling.
Church: 610 Kimmins St., 38462. Tel: 931-796-3738; Fax: 931-796-3738.
Catechesis/Religious Program—Darie McCarthy, D.R.E. Students 19.
- JOELTON, DAVIDSON CO., ST. LAWRENCE (1885) [CEM] Rev. Abraham M. Panthalianickal; Deacon Rock Hsenberg.
Church: 5655 Clarksville Hwy., 37080. Tel: 615-876-2127; Fax: 615-876-7923.
Catechesis/Religious Program—
- LAFAYETTE, MACON CO., HOLY FAMILY (1982) Rev. Victor Subb.
Res.: Tel: 615-688-4104.
Church: 901 Vinson Rd., 37083. Tel: 615-666-6466.
Catechesis/Religious Program—Faye Fitzpatrick, D.R.E. Students 72.
Mission—Divine Savior Celina, Clay Co.
- LAWRENCEBURG, LAWRENCE CO., SACRED HEART (1870) [CEM] Rev. Joseph Mundakal, C.M.I.
Mailing Address: P.O. Box 708, 38464.
Church: 222 Berger St., 38464. Tel: 931-762-3183; Fax: 931-762-5128.
School—(Grades K-8), 220 Berger St., 38464. Tel: 931-762-6125; Fax: 931-762-6125. Rosemary Harris, Prin. Lay Teachers 6; Students 80.
Catechesis/Religious Program—Students 75.
- LEBANON, WILSON CO., ST. FRANCIS CABBINI (1953) Rev. Michael O'Bryan; Deacon James A. Dixon.
Church: 300 S. Tarver Ave., 37087. Tel: 615-444-0524; Fax: 615-444-3704.
Catechesis/Religious Program—Students 237.
- LEWISBURG, MARSHALL CO., ST. JOHN THE EVANGELIST (1982) Rev. Jose Kiriamadam, C.M.I.
Church: 1061 S. Ellington, 37091. Tel: 931-359-5017; Fax: 931-359-5281.
Catechesis/Religious Program—Students 72.
- LOBRETTO, LAWRENCE CO., SACRED HEART (1872) [CEM] Rev. Lukas Arulappa, M.S.F.S.; Deacon Samuel Beckman.
Mailing Address: P.O. Box 86, 38469.
Church: 305 Church St., 38469. Tel: 931-853-4370; Fax: 931-853-4373.
School—(Grades PreK-8), 307 Church St., 38469. Tel: 931-853-4388; Fax: 931-853-4388. Ms. Tina A. Neese, Prin. Lay Teachers 8; Students 71.
Catechesis/Religious Program—Emily Evers, D.R.E. Students 20.
- MADISON, DAVIDSON CO., ST. JOSEPH (1953) Revs. Timmy P. Joseph, M.S.F.S.; Terence McGowan; Deacons Gordon W. McBride Sr.; Theodore B. Welsh; Don Craighead; Michael R. Koczynski.
Church: 1225 Gallatin Pike S., 37115-4698. Tel: 615-865-1071; Fax: 615-868-4900.
School—(Grades K-8) Tel: 615-865-1491; Fax: 615-612-0228. Jackie Sullenbarger, Interim Prin.; Susan Guyton, Librarian. Dominican Sisters of St. Cecilia Congregation 2; Lay Teachers 28; Students 329.
Catechesis/Religious Program—Sharyn Curbo, D.R.E. Students 131.
- MANCHESTER, COFFEE CO., ST. MARK (2000) Rev. Stephen A. Klasek; Deacon Ronald F. Munn.
Res.: 304 W. Gizzard St., Tullahoma, 37388. Tel: 931-465-3050; Fax: 931-461-9652.
Church & Mailing: 2941 McMinnville Hwy., 37349. Tel: 931-723-4107; Fax: 931-723-4123.
Catechesis/Religious Program—Students 77.
- MC EWEN, HUMPHREYS CO., ST. PATRICK'S (1855) [CEM] Rev. Michael Baitrus.
Church & Mailing Address: 175 St. Patrick's St., 37101. Tel: 931-582-3633; Fax: 931-582-3303.
School—(Grades PreK-8) Tel: 931-582-3493; Fax: 931-582-6386. Sr. Mary Grace Watson, O.P., Prin. Dominican Sisters of St. Cecilia Congregation 2; Lay Teachers 7; Students 91.
Catechesis/Religious Program—Alyssa Ginter, D.R.E. Students 26.
- MC MINNVILLE, WARREN CO., ST. CATHERINE (1958) Rev. David Cooney, S.D.S.
Church: 1024 Faulkner Spring Rd., 37110. Tel: 931-473-4932; Fax: 931-473-0799.
Catechesis/Religious Program—Judy Davis, D.R.E.; Janice Saylor, D.R.E. Students 155.
- MURFREESBORO, RUTHERFORD CO., ST. ROSE OF LIMA (1929) Revs. Mark Sappenfield; Delphinus Mutajuka; Deacons Thomas McGrane; Roger F. Huber; Peter Senieh; John D'Amico.
Church & Res.: 1601 N. Tennessee Blvd., 37130. Tel: 615-893-1843; Fax: 615-895-1150.
School—(Grades K-8) Tel: 615-898-0555; Fax: 615-890-0977. Sr. Marie Hannah, O.P., Prin.; Holly Bruser, Librarian. Sisters 3; Teachers 23; Students 323.
Catechesis/Religious Program—Michael Lewis, D.R.E. Students 527.
- OLD HICKORY, WILSON CO., ST. STEPHEN (1942) Rev. Patrick J. Kibby; Deacons Gordon S. Rose; Hans Toecker; Fred Bourland; Robert A. Montini; Tom Samoras; Steve Molnar.
Church: 14544 Lebanon Rd., 37138. Tel: 615-758-2424; Fax: 615-754-0043.
Catechesis/Religious Program—Scott Goudeau, D.R.E.; Greg Karn, D.R.E. Students 451.
- PULASKI, GILES CO., IMMACULATE CONCEPTION (1941) Rev. George Panthalianickal, C.M.I.; Deacon W. Michael Hume, Parish Coord.
Mailing Address: 100 Chapel Rd., 38478. Tel: 931-363-5776.
Catechesis/Religious Program—JoAnn Beam, D.R.E. Students 17.
- SANT JOSEPH, LAWRENCE CO., ST. JOSEPH (1872) Attended by Sacred Heart, Loretto. Rev. Lukas Arulappa, M.S.F.S.
Mailing Address: P.O. Box 86, Loretto, 38469. Tel: 931-853-4370; Fax: 931-853-4373.
Church: American Blvd., St. Joseph, 38481.
- SHELBYVILLE, BEDFORD CO., ST. WILLIAM (1941) Rev. Richard Gagnon, S.D.S.
Church: 719 N. Main St., 37160. Tel: 931-684-8745; Fax: 931-684-6154.
Catechesis/Religious Program—Mr. Dan Strasser, D.R.E.; Mrs. Dan Strasser, D.R.E. Students 50.
- SMITHVILLE, DEKALB CO., ST. GREGORY (1982) Attended by St. Catherine, McMinnville. Rev. David Cooney, S.D.S.
Mailing Address: P.O. Box 712, 37166.
Church: 712 Main St., 37166. Tel: 931-473-4932; Fax: 931-473-0799.
Catechesis/Religious Program—Ana Jarvis, D.R.E. Students 75.
- SMYRNA, RUTHERFORD CO., ST. LUKE (1982) Rev. Jacob Dio, M.S.F.S.; Deacons Simeon Panagatos; Ernie Gartung Jr.
Church: 10682 Old Nashville Hwy., 37167. Tel: 615-459-9672; Fax: 615-459-3989.
Catechesis/Religious Program—Denise M. Leaver, D.R.E. Students 160.
- SPARTA, WHITE CO., ST. ANDREW (1982) Rev. John Panturo, S.D.S.
Church: 829 Valley View Dr., 38583. Tel: 931-738-2140; Fax: 931-738-2592.
Catechesis/Religious Program—Students 29.
- SPRING HILL, MAURY CO., CHURCH OF THE NATIVITY Rev. John L. Kirk; Deacon Timothy Conley.
2001 Campbell Station Pkwy., Ste. C-7, 37174. Tel: 615-302-4004. Web: www.nativitycatholic.net.
Catechesis/Religious Program—Students 234.
- SPRINGFIELD, ROBERTSON CO., OUR LADY OF LOURDES (1946) [CEM] Rev. Prentice C. Dean, Admin.; Deacon Michael Morris.
Church: 103 Golf Club Ln., 37172. Tel: 615-384-6200; Fax: 615-384-5837.
Catechesis/Religious Program—Matthew Coffey, D.R.E. Students 145.
Mission—St. Michael [CEM] Cedar Hill, Robertson Co.
- TENNESSEE RIDGE, HOUSTON CO., ST. ELIZABETH ANN SETON (1977) Attended by St. Patrick, McEwen.
Church & Mailing Address: 755 State Rte. 49, 37178. Tel: 931-721-3769; Fax: 931-721-3775.
Catechesis/Religious Program—Students 18.
- TULLAHOMA, COFFEE CO., ST. PAUL THE APOSTLE (1954) Rev. Stephen A. Klasek; Deacon Ronald F. Munn.
Church: 304 W. Grizzard St., 37388. Tel: 931-455-3050; Fax: 931-461-9652.
Catechesis/Religious Program—Students 42.
- WAYNESBORO, WAYNE CO., ST. CECILIA (1982) Attended by Holy Trinity, Hohenwald. Rev. Joseph K. Dowling.
Mailing Address: Holy Trinity Church, 610 Kimmins St., Hohenwald, 38462.
Church: 526 Hwy. 64 E., 38485. Tel: 931-796-3738; Fax: 931-796-3738.
Catechesis/Religious Program—Jennifer Ostrowski, D.R.E. Students 7.
- On Special Assignment:
Very Rev.—
Perkin, David R., J.C.L., V.G., Moderator of the Curia & Vicar Gen.
- On Duty Outside the Diocese:
Revs.—
Campion, Owen F., Our Sunday Visitor, 200 Noll Plaza, Huntington, IN 46750.
Raines, Justin N., Pontifical North American College, Rome, Italy
- Graduate Studies:
Revs.—
Fye, Michael, North American College, Rome
Halladay, Phillip, North American College, Rome
- Unassigned:
Rev.—
Sappenfield, John P.
- Retired:
Revs.—
Connor, J. Patrick, V.G., 9126 Sawyer Brown Rd., 37221.
Mallett, James K., 728 Bacon Tr., #61, Chattanooga, 37412.
McMurry, John E., S.S.
McMurry, Vincent def., S.S.
Miller, James Norman
Murray, James B., 10605 Bishop Dozier Dr., Cordova, 38016.
Niedergesces, Bernard
- Permanent Deacons:
Ambriz, Anselmo, St. Luke
Andrade, Hernan, Our Lady of Guadalupe
Asencio, Luis, Our Lady of Guadalupe
Azzara, Dominic D., Immaculate Conception, Clarksville
Bainbridge, Frank, (Retired)
Batchelder, James M., Jr., (Retired)
Beckman, Samuel C., Sacred Heart, Loretto
Berberich, Robert R., Immaculate Conception, Clarksville
Booth, W. James, Holy Family, Brentwood
Bougrat, Raphael, St. Philip, Franklin
Bourland, Fred, St. Stephen, Old Hickory
Calzavara, John, St. Edward, Nashville
Carr, James F., Our Lady of the Lake, Hendersonville
Carroll, John B., (Retired)
Casey, Bernard J., (On Duty Outside the Diocese)
Casey, John P., St. Ann, Nashville
Catalano, Michael, St. Henry, Nashville
Cheasty, John C., (On Duty Outside the Diocese)
Coen, Joseph, Sr., (Retired)
Conley, Timothy, Church of the Nativity
Cook, Thomas H., St. Patrick, Nashville
Craighead, Don, St. Joseph, Madison
D'Amico, John, St. Rose of Lima
Deal, Ronald R., Jr., Holy Family, Brentwood
Deschenes, Martin, St. Henry, Cursilla, Nashville
Desmond, Mark, (On Duty Outside the Diocese)
Dixon, James A., St. Francis Cabrini, Lebanon
Downey, John, St. Ignatius of Antioch
Edwards, Brian, John Paul II High School, Hendersonville
Faulkner, Mark C., Cathedral of the Incarnation, Nashville
Finchum, Thales, Cathedral of the Incarnation, Nashville
Forte, William, St. Matthew
Francescon, Samuel A., (Retired)
Gartung, Ernest, St. Luke
Garza, Juan, Immaculate Conception, Clarksville
Graham, Robert L., (Retired)
Gregory, L. Wayne, Holy Rosary, Nashville
Harrington, Henry, Jr., St. Vincent de Paul, Nashville
Hasenberg, Rock, St. Joseph, Madison
Henry, James R., (Retired)
Hill, William, St. Vincent de Paul, Nashville
Holzemer, James, St. Ann

Holzmer, Joe, Cathedral
 Huber, Roger F., St. Rose of Lima, Murfreesboro
 Huhlein, Gilbert P., Holy Rosary, Nashville
 Hume, W. Michael, Immaculate Conception, Springfield
 Jayme, Edgardo, St. Edward, Nashville
 Johnson, Philip, Good Shepherd
 Keany, James, St. Thomas Aquinas, Cookeville
 Keller, I. Price, St. Catherine, Columbia
 Kopczynski, Michael R., (Unassigned)
 Krenson, John G., Cathedral of the Incarnation, Nashville
 Lammers, John, Our Lady of the Lake
 Levinson, Ken, St. Luke, Smyrna
 Lovell, David, (Unassigned)
 Lybarger, David, Christ the King, Nashville
 Maboney, Robert L., Holy Name, Nashville
 Martinez, Hector, St. Francis Cabrini
 Martinez, Juan, Immaculate Conception, Clarksville
 McBrayer, J. Harold, Jr., St. Mary Villa Parish Community, Nashville
 McBride, Gordon W., Sr., St. Joseph, Madison

McCulley, Daniel, St. Catherine
 McGrane, Thomas J., St. Rose Lima, Murfreesboro
 McKenzie, Andrew D., Christ the King, Nashville
 McKenzie, James W., Cathedral of the Incarnation, Nashville
 Meinhart, Gregory, St. Henry, Nashville
 Melchior, Daniel, St. Anthony, Fayetteville
 Miller, Thomas, (Unassigned)
 Molnar, Stephen, St. Stephen
 Montini, Robert A., St. Stephen, Old Hickory
 Morris, Michael, Our Lady of Lourdes
 Mulloy, Martin, St. Ann, Nashville
 Munn, Ronald F., St. Mark, Manchester; St. Paul the Apostle, Tullahoma
 Myers, John W., St. Matthew, Franklin
 Ochoa, Roberto, St. Ignatius
 Panagatos, Simeon W., St. Luke, Smyrna
 Pineda, Jose G., St. Luke, Smyrna
 Pyles, Daniel, Nashville VA Hospital
 Randall, Ralph, (Retired)
 Rector, Michael, Our Lady of the Lake
 Rose, Gordon, St. Stephen, Old Hickory

Samoray, Tom, St. Ignatius
 Schulz, Brian, Christ the King
 Seibul, Raymond, St. Catherine, Columbia
 Semich, Peter, St. Rose of Lima, Murfreesboro
 Shafer, L. Douglas, St. Ignatius of Antioch, Antioch
 Shaw, Ronald, St. Ignatius
 Srouji, Jack, St. Henry, Nashville
 Stanford, James E., (Retired)
 Steinbrecher, Kenneth, Holy Rosary, Nashville
 Taylor, Paul, St. Francis Cabrini
 Toecker, Hans M., St. Stephen, Old Hickory; Chancellor
 True, Robert H., Christ the King, Nashville
 Tucker, James, St. Christopher, Dickson
 Walsh, James, (Retired)
 Walter, James, (On Duty Outside of Diocese)
 Weaver, Matthew, (On Duty Outside of Diocese)
 Weller, Richard, (Retired)
 Welsh, Theodore B., St. Joseph, Madison
 Wilkins, Michael, Holy Rosary
 Winters, Timothy F., Immaculate Conception, Clarksville

INSTITUTIONS LOCATED IN THE DIOCESE

[A] COLLEGES

NASHVILLE. *Aquinas College*, 4210 Harding Pike, 37205. Tel: 615-297-7545; Fax: 615-279-3891. Email: admissions@aquinascollege.edu. Web: www.aquinascollege.edu. Sisters Ann Marie Karlovic, O.P., Chm., Bd. Dirs.; Mary Sarah Galbraith, O.P., Pres.; Mary Brendyna, O.P., Vice Pres., Academic Affairs; Joseph Pearce, Dir., Ctr. for Faith & Culture; Mark Hall, Librarian; Rev. Kevin Goldrick, Chap. & Campus Ministry; Bro. Ignatius Perkins, O.P., Dean, School of Nursing; Sr. Mary Cecilia Goodrum, O.P., Vice Pres. for Student Life; Daniel Donnelly, Vice Pres., Admin.; Connie Hansom, Dir., Admissions; Rachel Leach, Dir., Alumni; Mario Martinez, Dir., Community Rels. & Campus Min.; Andrew Shafer, Vice Pres., Advancement; Tom Costa, Dir., Devel.; Jesse Fortney, Vice Pres., Enrollment Mgmt.; Debra Welsh, Controller. Dominican Sisters of St. Cecilia Congregation. Priests 1; Brothers 1; Sisters 13; Lay Teachers 111; Students 647.

[B] HIGH SCHOOLS, DIOCESAN

NASHVILLE. *Father Ryan High School* (1925) Corporate Title: Father Ryan High School, Inc., 700 Norwood Dr., 37204. Tel: 615-383-4200; Fax: 615-383-9056. Email: mcintyre@fatherryan.org. Web: www.fatherryan.org. Mr. James McIntyre, Pres.; Rev. Gervan Menezes, Chap.; Mr. Paul Davis, Prin.; Christi Foreman, Librarian. Priests 1; Lay Teachers 87; Students 955.
Father Ryan Board of Trust, Devel. & Alumni Office, 770 Norwood Dr., 37204. Tel: 615-269-7926.

HENDERSONVILLE. *Pope John Paul II High School, Inc.* (2002) 117 Caldwell Dr., 37075. Tel: 615-822-2375; Fax: 615-822-6226. Email: info@jp2hs.org. Web: www.jp2hs.org. Faustin N. Weber, Headmaster; Ms. Joan Lunge, Librarian. Lay Teachers 65; Students 114.

[C] HIGH SCHOOLS, PRIVATE

NASHVILLE. *St. Cecilia Academy* (1860) *The Dominican Campus*, 4210 Harding Pike, 37205. Tel: 615-298-4525; Fax: 615-783-0561. Email: capric@stcecilia.edu. Web: www.stcecilia.edu. Sr. Mary Thomas Huffman, O.P., Prin.; Linda Braddock, Librarian.
St. Cecilia Academy. Conducted by the St. Cecilia Congregation of Dominican Sisters. Sisters 9; Lay Teachers 32; Students 250.

[D] ELEMENTARY SCHOOLS, PRIVATE

NASHVILLE. **St. Bernard Academy*, (Grades PreK-8), 2020 24th Ave. S., 37212. Tel: 615-385-0440; Fax: 615-783-0241. Web: www.stbernardacademy.org. Carl Sabo, Head of School; Jennifer Kitchell, Librarian.
Saint Bernard Academy Corporation. Sisters 1; Lay Teachers 27; Students 300.
Overbrook School (1938) (Grades PreK-8), 4210 Harding Pike, 37205. Tel: 615-292-5134; Fax: 615-783-0560. Web: www.overbrook.edu. Sr. Mary Gertrude, O.P., Prin.; Frank Cronin, Asst. Prin.; Margaret Lang, Office Mgr.; Erin Polley, Librarian. The St. Cecilia Congregation of Dominican Sisters. Sisters 5; Lay Teachers 29; Students 342.

[E] CHILD-CARING INSTITUTIONS

NASHVILLE. **St. Bernard After School Program*, 2020 24th Ave. S., 37212. Tel: 615-298-1298; Fax: 615-783-0241. Suzanne Southworth, Dir. Lay Staff 6; Students 60.
St. Mary Villa Child Development Center, 30 White Bridge Rd., 37205. Tel: 615-356-6336; Fax: 615-

356-6421. Email: claire.givens@stmaryvilla.org. Claire Givens, Exec. Dir. Total Staff 44; Children 106.

St. Mary Villa, Inc., 30 White Bridge Rd., 37205. Tel: 615-356-6336; Fax: 615-356-6421.

[F] GENERAL HOSPITALS

NASHVILLE. *Saint Thomas Health Foundations* (1978) 4220 Harding Rd., 37205. Tel: 615-222-6800; Fax: 615-222-6159. Web: sths.com/foundation.php.

Saint Thomas Midtown Hospital, 2000 Church St., 37236. Tel: 615-284-5555; Fax: 615-284-1592. Web: www.baptisthospital.com. Bernard J. Sherry, Pres. & CEO.

Saint Thomas Midtown Hospital Chaplains 3; Bed Capacity 683; Patients Assisted Annually 196,327; Lay Staff 3,144.

Saint Thomas West Hospital (1898) 4220 Harding Rd., 37205. Tel: 615-222-2111; Fax: 615-222-6502. Email: nshlsth@stth.org. Web: www.saintthomashealth.com. Bernie Sherry, Pres. & CEO; Rev. John Raphael, Chap.; Jerry Kearney, Vice Pres. Mission.

Saint Thomas West Hospital Ascension Health, St. Louis, MO. Chaplains 7; Lay Staff 1,951; Bed Capacity 541; Patients Assisted Annually 204,926.
St. Thomas Health Foundation Tel: 615-222-6800; Fax: 615-222-6159.

St. Thomas Network aka St. Thomas Health Services (1986) 4220 Harding Rd., 37205. Tel: 615-222-2111; Fax: 615-222-6502.
Saint Thomas Network (fka Saint Thomas Health Services)

Covenant Care, Inc. Tel: 615-222-2111; Fax: 615-222-6502.

Seton Corporation (2001) 4220 Harding Rd., 37205. Tel: 615-252-3286; Fax: 615-252-6386. Email: jhardcastle@boulccummings.com. Web: www.stthomas.org. Jay Hardcastle, Attorney.

CENTERVILLE. *Saint Thomas Hickman Community Hospital aka Saint Thomas Hickman Community Hospital* 135 E. Swan St., 37033-1466. Tel: 931-729-4271; Fax: 931-729-4612. Email: jack.keller@baptisthospital.com. Web: www.hickmanhospital.com. Jack Keller, CEO/Admin.

Hickman Community Health Care Services, Inc. dba Hickman Community Hospital (fka Baptist Hickman Community Health Care Services, Inc. dba Baptist Hickman Community Hospital) Bed Capacity 25; Patients Assisted Annually 36,759; Lay Staff 156.

MURFREESBORO. *Saint Thomas Rutherford Foundation*, 1700 Medical Center Pkwy., 37129. Tel: 615-396-4996; Fax: 615-396-4997. Web: www.sths.com/rutherford.

Saint Thomas Rutherford Foundation
St. Thomas Rutherford Hospital, 1700 Medical Center Pkwy., 37129. Tel: 615-396-4101; Fax: 615-396-4119. Gordon Ferguson, Pres. & CEO.
Middle Tennessee Medical Center, Inc. Chaplains 2; Bed Capacity 286; Patients Assisted Annually 116,451; Lay Staff 1,122.

[G] HOMES FOR THE AGED

NASHVILLE. *Villa Maria Manor, Inc. dba Villa Maria Manor* 32 White Bridge Rd., 37205. Tel: 615-352-3084; Fax: 615-352-0553. Email: sclinton@VillaMariaManor.org. Mr. David Glascoe, Mng. Agent. Residents 230; Total Staff 10.

[H] CONVENTS AND RESIDENCES FOR SISTERS

NASHVILLE. *St. Cecilia Convent* Motherhouse and Novitiate of St. Cecilia Congregation of Dominican Sisters, 801 Dominican Dr., 37228-1905. Tel: 615-256-5486; Fax: 615-687-3512. Web: www.nashvilledominican.org. Sisters Ann Marie Karlovic, O.P., Prioress Gen.; Mary Raymond Thyne, O.P., Prioress. Sisters in Residence 162; Novices 19; Postulants 16.

Mercy Convent, 2629 Pennington Bend Rd., 37214. Tel: 615-885-1863; Fax: 615-885-4304. Sr. Beth Higgins, R.S.M., Coord.; Rev. James Panackal, C.M.I.
Sisters of Mercy of Nashville, TN, Inc. Sisters 19.

[I] CAMPS AND COMMUNITY CENTERS

FAIRVIEW. *Camp Marymount* Catholic summer camp for boys and girls, 1318 Fairview Blvd., 37062. Tel: 615-799-0410; Fax: 615-799-2261. Email: info@campmarymount.com. Web: www.campmarymount.com. Tommy Hagey, Dir.

[J] RENEWAL CENTERS

LIBERTY. *Carmel Center of Spirituality*, P.O. Box 117, 37095. Tel: 615-636-1631. Email: gwhitescatering@gmail.com. P.O. Box 117, 37095. Revs. Thomas Kalam, C.M.I., Dir.; Davy Kavungal, C.M.I.; James Narithookil, C.M.I.; James Panackal, C.M.I.; Gregory White, Admin.

[K] MISCELLANEOUS

NASHVILLE. *Catholic Community Foundation of Middle Tennessee, Inc.* (2011) 2400 21st Ave. S., 37212. Tel: 615-783-0278; Fax: 615-292-8411. Web: www.ccfmtn.org.

Catholic Community Investment and Loan, Inc., 2400 21st Ave. S., 37212.

Catholic Foundation of Tennessee, Inc., 2400 21st Ave. S., 37212. Tel: 615-783-0267; Fax: 615-783-0774.

**Catholic Media Productions, Inc.*, 700 Harpeth Knoll Ct., 37221. Tel: 615-646-4041; Fax: 615-662-7454. Email: JimWalsh@webelieveshow.org. Web: www.webelieveshow.org. James F. Walsh Jr., Chm. & CEO.

Diocesan Properties, Inc. dba Marina Manor East Apartments 2400 21st Ave. S., 37212. Tel: 615-383-6893; Fax: 615-292-8411. Mr. William J. Whalen, Sec. & Treas.

Dominican Campus, 4210 Harding Pike, 37205. Tel: 615-383-3230; Fax: 615-383-3196. Email: muehe@dominicancampus.org. Rev. John O'Neill.

Endowment for the Advancement of Catholic Schools, Trust, 2400 21st Ave. S., 37212. Tel: 615-383-6393; Fax: 615-292-8411. Most Rev. David R. Choby, D.D., J.C.L.

Frassati USA Inc., P.O. Box 50571, 37205. Tel: 615-844-3777.

**St. Henry Property Development, Inc. dba The Cloister* 30 White Bridge Rd., 37205. Tel: 615-760-4424; Fax: 615-352-8591. Email: david@maryqueenofangels.com. David Glascoe, Admin.

Ladies of Charity of Nashville, Inc., 2216 State St., 37203. Tel: 615-327-3453; 615-327-3430; Fax: 615-321-3312. Affiliated with the Ladies of Charity of the United States of America, LCUA, and the Association of International Charities, AIC.

Ladies of Charity Welfare Agency, Inc. (1617) 2212 State St., 37203. Tel: 615-327-3430; Fax: 615-321-3312. Email: locwelfare@bellsouth.net. Mrs. Terri Puma, Exec. Dir.

Mary, Queen of Angels, Inc. (1999) 30 White Bridge Rd., 37205. Tel: 615-760-4424; Fax: 615-352-8591.

Email: david@maryqueenofangels.com. Web: www.maryqueenofangels.com. Mr. David Glascoe, CEO.

Mid-Tennessee Rural Outreach Association, 30 White Bridge Rd., 37205. Tel: 615-352-3087.

Mid-Tennessee Rural Outreach Association; Assumption-St. Vincent North Nashville Outreach Association.

Parish Twinning Program of the Americas, 309 Windemere Woods Dr., 37215. Tel: 615-298-3002; Fax: 615-298-2253. Email: parishprogram@aol.com. Web: www.parishprogram.org. Theresa Patterson, Exec. Dir.

Priests Eucharistic League, c/o 2400 21st Ave. S., 37212.

*Visitation Hospital Foundation, 237 Old Hickory Blvd., Ste. 201, 37221. Tel: 615-673-3501; Fax: 615-673-3503. Email: visitationHF@aol.com. Theresa Patterson, Exec. Dir.; Jeff Patterson, Assoc. Dir.; Fran Rajotte, Dir. Devel. & Communications.

HERMITAGE Diocesan Council of Catholic Women, 5092 Bell Rd., 37076. Tel: 615-260-7364. Rev. Kevin Dowling, Dir.

RELIGIOUS INSTITUTES OF MEN REPRESENTED IN THE DIOCESE

For further details refer to the corresponding bracketed number in the Religious Institutes of Men or Women section.

[0275]—Carmelites of Mary Immaculate—C.M.I.

[0520]—Franciscan Friars (Prov. of Sacred Heart)—O.F.M.

[0570]—Glenmary Home Missioners—G.H.M.

[0690]—Jesuit Fathers and Brothers—S.J.

[]—Missionaries of St. Francis de Sales (Annecy, France)—M.S.F.S.

[1200]—Society of the Divine Savior (Milwaukee, WI)—S.D.S.

RELIGIOUS INSTITUTES OF WOMEN REPRESENTED IN THE DIOCESE

[0760]—Daughters of Charity of St. Vincent de Paul (East Central Prov., Evansville, IN)—D.C.

[1070-03]—Dominican Sisters—O.P.

[1070-07]—Dominican Sisters—O.P.

[1070-09]—Dominican Sisters—O.P.

[2575]—Institute of the Sisters of Mercy of the Americas (Baltimore, MD; Cincinnati, OH)—R.S.M.

[]—Sacred Heart Congregation (Mexico)

[]—Sacred Heart Congregation (India)—S.H.

[1680]—School Sisters of St. Francis—O.S.F.

[]—Sisters for Christian Community (St. Louis)—S.F.C.C.

[0990]—Sisters of Divine Providence (St. Louis Prov.)—C.D.P.

[1705]—Sisters of St. Francis of Assisi—O.S.F.

[3270]—Sisters of the Most Precious Blood—C.P.P.S.

DIOCESAN CEMETERIES

NASHVILLE. Calvary Cemetery, 1001 Lebanon Rd., 37210.

NECROLOGY

† Carmona, William. San Antonio, TX Assumption Seminary—Died Sept. 10, 2014

An asterisk (*) denotes an organization that has established tax-exempt status directly with the IRS and is not covered by the USCCB Group Ruling.

LINKS

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ABOUT US

Villa Maria Manor is located on the St. Mary Villa campus in the heart of Belle Meade, one of Nashville's most desirable neighborhoods. With a wide array of amenities and floor plans to choose from, Villa Maria Manor is the practical, more affordable lifestyle solution for many seniors.

Our apartments are open to all, regardless of race, creed, or national origin.

OUR MISSION

Villa Maria Manor provides affordable, high quality housing and a variety of supportive services for low-income elderly, and disabled people.

MANAGEMENT TEAM

Administrative:

Iris Rilea - Executive Director
Deborah Linder - Administrative Assistant
Cheryl Lewis - Receptionist

Social Services:

Jacqueline Smith - Social Worker

Activities:

Kimberly Tyson - Activities Director

Maintenance:

Charles Summers - Operations Manager
Ted Marlin - Maintenance
Bradley Summers - Maintenance

Housekeeping:

Renee Sanders - Housekeeping

Transportation:

Danny Myers - Van Driver

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Financial Statements and Supplementary Information

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)



VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5 - 6
Notes to the Financial Statements	7 - 17
Supplementary Information:	
Balance Sheet Data	18
Statement of Profit and Loss Data	19
Statement of Cash Flows Data	20
Computation of Surplus Cash, Distributions and Residual Receipts - Annual	21
Schedule of Property and Equipment	22
Schedule of Supporting Data Required by HUD	23
Schedule of Expenditures of Federal Awards	24
Notes to Schedule of Expenditures of Federal Awards	25
Schedule of Findings and Questioned Costs	26
Schedule of the Status of Prior Audit Findings, Questioned Costs, and Recommendations	27
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28 - 29
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	30 - 31
Certification of Project Owner	32
Management Agent's Certification	33



INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Villa Maria Manor, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Villa Maria Manor, Inc. (the "Organization"), HUD Project No. 086-11096, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Villa Maria Manor, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 18 to 23 is presented for purposes of additional analysis as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

L B M C, P C

Brentwood, Tennessee
September 23, 2021

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Statements of Financial Position

June 30, 2021 and 2020

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
Current assets:		
Cash - operating	\$ 997,766	\$ 368,648
Accounts receivable	1,757	-
Prepaid expenses	<u>11,749</u>	<u>104,293</u>
Total current assets	<u>1,011,272</u>	<u>472,941</u>
Deposits held in trust - funded:		
Tenant security deposits	<u>76,691</u>	<u>75,839</u>
Restricted cash - deposits and funded reserves:		
HUD repair and replacement reserve	-	482,051
Repair and replacement reserves	974,968	829,243
Operating reserve	2,160,200	2,047,235
Bus fund	<u>35,894</u>	<u>34,148</u>
Total restricted cash - deposits and funded reserves	<u>3,171,062</u>	<u>3,392,677</u>
Assets whose use is limited - debt service reserve	<u>525,000</u>	<u>525,000</u>
Investments - operations	<u>3,642,523</u>	<u>2,942,990</u>
Property and equipment, net:		
Building and building improvements (Leasehold Estate)	10,138,880	10,095,023
Building equipment	6,305	38,861
Motor vehicles	34,375	34,375
Furniture and fixtures	50,197	61,604
Construction in progress	<u>33,192</u>	<u>111,492</u>
	10,262,949	10,341,355
Accumulated depreciation	<u>7,852,133</u>	<u>8,164,238</u>
Property and equipment, net	<u>2,410,816</u>	<u>2,177,117</u>
Total assets	<u>\$ 10,837,364</u>	<u>\$ 9,586,564</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities:		
Accounts payable	\$ 75,926	\$ 41,495
Accounts payable to related party	12,315	-
Accrued wages payable	25,532	11,111
Accrued payroll taxes payable and withholdings	3,661	3,495
Current portion of long-term debt	470,916	134,615
Current portion of capital lease	9,475	9,065
Miscellaneous current liabilities	<u>2,886</u>	<u>3,317</u>
Total current liabilities	600,711	203,098
Tenant security deposits	76,727	75,858
Long-term debt, excluding current portion, net	6,700,022	6,894,335
Capital lease, excluding current portion	31,072	40,547
Interest rate swap	<u>84,051</u>	<u>-</u>
Total liabilities	7,492,583	7,213,838
Net assets:		
Without donor restrictions	3,308,887	2,342,726
With donor restrictions	<u>35,894</u>	<u>30,000</u>
Total net assets	<u>3,344,781</u>	<u>2,372,726</u>
Total liabilities and net assets	<u>\$ 10,837,364</u>	<u>\$ 9,586,564</u>

See accompanying notes to the financial statements.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Statements of Activities

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions:		
Revenue:		
Rental income	\$ 3,223,159	\$ 2,390,650
Investment income, net	861,816	329,815
Miscellaneous income	<u>97,091</u>	<u>97,826</u>
Total revenue	<u>4,182,066</u>	<u>2,818,291</u>
Project expenses:		
Administrative	402,074	381,509
Operating and maintenance	464,250	397,398
Utilities	269,223	242,720
Taxes and insurance	152,754	145,551
Financial expense - interest	305,844	329,987
Depreciation	312,562	425,318
Loss on disposal of equipment	303	9,204
Loss on debt refinance	<u>480,379</u>	<u>-</u>
Total project expenses	2,387,389	1,931,687
Entity expenses, net	<u>828,516</u>	<u>242,234</u>
Total expenses	<u>3,215,905</u>	<u>2,173,921</u>
Change in net assets without donor restrictions	966,161	644,370
Change in net assets with donor restrictions - interest income	<u>5,894</u>	<u>-</u>
Change in net assets	<u>972,055</u>	<u>644,370</u>
Net assets at beginning of year	<u>2,372,726</u>	<u>1,728,356</u>
Net assets at end of year	<u>\$ 3,344,781</u>	<u>\$ 2,372,726</u>

See accompanying notes to the financial statements.

Exhibit A

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Statements of Cash Flows

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Rental receipts	\$ 3,220,550	\$ 2,388,158
Interest and dividend income, net	316,971	283,310
Miscellaneous receipts	<u>104,628</u>	<u>106,228</u>
	<u>3,642,149</u>	<u>2,777,696</u>
Administrative expenditures	(340,303)	(369,254)
Operating and maintenance expenditures	(464,250)	(397,398)
Utilities expenditures	(269,223)	(242,720)
Taxes and insurance expenditures	(60,210)	(153,777)
Financial expenditures	<u>(216,658)</u>	<u>(323,200)</u>
	<u>(1,350,644)</u>	<u>(1,486,349)</u>
Net cash provided by operating activities	<u>2,291,505</u>	<u>1,291,347</u>
Cash flows from investing activities:		
Purchases of property and equipment	(546,564)	(268,237)
Purchases of investments	<u>(156,331)</u>	<u>(125,155)</u>
	<u>(702,895)</u>	<u>(393,392)</u>
Net cash used by investing activities	<u>(702,895)</u>	<u>(393,392)</u>
Cash flows from financing activities:		
Proceeds from mortgage payable	3,917	-
Payments of mortgage payable	(301,143)	(129,371)
Payments of capital lease	(9,065)	(585)
Payments of deferred financing costs	(46,300)	-
Net entity expenditures	<u>(828,516)</u>	<u>(242,234)</u>
	<u>(1,181,107)</u>	<u>(372,190)</u>
Net cash used by financing activities	<u>(1,181,107)</u>	<u>(372,190)</u>
Increase in cash, cash equivalents and restricted cash	407,503	525,765
Cash, cash equivalents, and restricted cash at beginning of year	<u>3,761,325</u>	<u>3,235,560</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 4,168,828</u>	<u>\$ 3,761,325</u>
Composition of cash, cash equivalents and restricted cash:		
Cash - operating	\$ 997,766	\$ 368,648
Total restricted cash - deposits and funded reserves	<u>3,171,062</u>	<u>3,392,677</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 4,168,828</u>	<u>\$ 3,761,325</u>

See accompanying notes to the financial statements.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Statements of Cash Flows, Continued

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ <u>972,055</u>	\$ <u>644,370</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	312,562	425,318
Amortization and write-off of deferred financing costs	5,135	6,787
Loss on debt refinance	480,379	-
Loss on disposal of equipment	303	9,204
Net unrealized gains on investments	(543,202)	(39,753)
Interest rate swap expense	84,051	
Net entity expenses	828,516	242,234
(Increase) decrease in operating assets:		
Accounts receivable	(1,757)	1,312
Prepaid expenses	92,544	(8,226)
Tenant security deposits	(852)	(2,154)
Increase (decrease) in operating liabilities:		
Accounts payable	34,431	6,760
Accounts payable to related party	12,315	-
Accrued wages payable	14,421	3,774
Accrued payroll taxes payable and withholdings	166	1,145
Miscellaneous current liabilities	(431)	(1,683)
Tenant security deposits	<u>869</u>	<u>2,259</u>
Total adjustments	<u>1,319,450</u>	<u>646,977</u>
Net cash provided by operating activities	<u>\$ 2,291,505</u>	<u>\$ 1,291,347</u>
Supplemental cash flow information:		
Cash earned during the year for capital gains	\$ <u>111,381</u>	\$ <u>63,601</u>
Cash paid for interest	\$ <u>196,258</u>	\$ <u>290,414</u>
Purchase of property and equipment financed by capital lease	\$ <u>-</u>	\$ <u>50,197</u>

See accompanying notes to the financial statements.

Exhibit A

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

(1) Nature of operations

Villa Maria Manor, Inc. (the "Organization") is a Tennessee not-for-profit public benefit and charitable corporation incorporated in February 1978 in the State of Tennessee. Its members are the Bishop, the Vicars General, and the Moderator of the Curia for the Catholic Diocese of Nashville. The Organization, its assets, and its affairs are managed by its Board of Trustees. The Organization is irrevocably dedicated to, and operated exclusively for, not-for-profit purposes including, but not limited to, developing, acquiring, constructing and maintaining buildings and property for providing quality housing for the elderly and other needy persons on a not-for-profit basis.

The Organization is subject to Section 8 Housing Assistance Payments ("HAP") agreements with the U.S. Department of Housing and Urban Development ("HUD"), and a significant portion of the Organization's rental income (approximately \$2,213,000 and \$1,426,000 for the years ended June 30, 2021 and 2020, respectively) is received from HUD via a pass-through program with the Tennessee Housing Development Agency. Under its HUD agreement, the Organization may not increase rents charged to tenants without HUD approval.

During the year ended June 30, 2011, the Organization signed a twenty year extension of the HAP agreement. Funding of the contract is subject to annual appropriation.

Until December 2020, the Organization was also subject to the provisions of Section 223(f)/207 of the National Housing Act ("NHA") and was regulated by HUD and the Organization previously executed a deed of trust, assignment of leases and rents, and security agreement in favor of Berkeley Point Capital, LLC (the "Lender") and HUD, and entered into a regulatory agreement with HUD. In December 2020, the Organization refinanced the HUD-insured loan with a financial institution.

(2) Summary of significant accounting policies

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") and have been consistently applied in the preparation of the financial statements.

(a) Basis of presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

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. Net assets with donor restrictions consist of the bus fund and associated earnings on these restricted funds.

(b) Revenue recognition

The Organization primarily leases multifamily residential apartment units under operating leases generally due on a monthly basis with terms of approximately one year or less, which are recorded as operating leases. Rental lease revenues are recognized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 840, *Leases*, using a method that represents a straight-line basis over the term of the lease. In addition, in circumstances where a lease incentive is provided to tenants, the incentive is recognized as a reduction of lease revenue on a straight-line basis over the reasonably assured lease term.

Revenues of the Organization also include investment income which is generally recognized on a monthly basis.

Substantially all miscellaneous income is earned from laundry revenue and tenant charges. Miscellaneous income is recognized in accordance with ASC 606, *Revenue from Contracts with Customers*. The guidance requires that revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

(c) Investments

Investments in marketable securities with readily determinable fair values are shown at their fair values in the statements of financial position. The Organization's investments and restricted deposits are classified as Level 1 investments under the guidance pertaining to fair value measurements and disclosures, in which values are based on unadjusted quoted prices in active markets. Investment income shown in the statements of activities includes interest, dividends, and realized and unrealized gains and losses, net of investment expenses.

(d) Property and equipment

During June 2014, the Organization entered into an Amended Use Agreement (the "Agreement") with the Catholic Diocese of Nashville (the "Diocese"). Under the Agreement, the Diocese is named as the owner of the real property and improvements that constitute the apartment building (the "Site") and the Diocese grants use of the Site to the Organization through June 2059 at one dollar per year. The Site is presented as a Leasehold Estate in the accompanying statements of financial position. At the end of the Agreement's term, or upon earlier termination of the Agreement, the Organization is to surrender and deliver the Site into the possession of the Diocese.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

The Organization capitalizes all expenditures in excess of \$500 for new property and equipment, which are stated at cost and are depreciated over the estimated useful lives of the related assets as indicated below.

	<u>Method</u>	<u>Useful Life</u>
Building and building improvements	Straight-line	15 - 40 years
Building equipment	Straight-line	5 years
Motor vehicles	Straight-line	7 years
Furniture and fixtures	Straight-line	5 - 10 years

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

(e) Debt issuance costs

Debt issuance costs incurred in connection with obtaining long-term debt are amortized on a straight-line basis over the term of the loan, which approximates the effective interest rate. Amortization expense totaled \$3,084 and \$6,787 for years ended June 30, 2021 and 2020, respectively, and is included in interest expense in the accompanying statements of activities. Amortization expense is expected to be approximately \$3,100 each year through 2035.

(f) Derivative instruments

The Organization uses derivatives to manage risks related to interest rate movements. Interest rate swap contracts designated and qualifying as cash flow hedges are reported at fair value. The gain or loss on the hedge is included in the statements of activities. The Organization's interest rate risk management strategy is to stabilize cash flow requirements by maintaining interest rate swap contracts to convert variable-rate debt to a fixed rate.

(g) Income taxes

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

As of June 30, 2021 and 2020, the Organization has accrued no interest and no penalties related to uncertain tax positions. It is the Organization's policy to recognize interest and/or penalties related to income tax matters in income tax expense. The Organization files a U.S. Federal information tax return annually.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

(h) Long-lived assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

(i) Distributions

The Organization's regulatory agreement with HUD stipulated, among other things, that the Organization would not make distributions of assets or income to any of its officers or directors.

(j) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain 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. Accordingly, actual results could differ from those estimates.

(k) COVID-19 pandemic

In January 2020, the Secretary of the U.S. Department of Health and Human Services declared a national public health emergency due to a novel strain of coronavirus ("COVID-19"). In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic, and the global pandemic began to affect the Organization's facilities, employees, communities, business operations and financial performance, as well as the broader U.S. economy and financial markets. The Organization is committed to protecting the health of its facilities and has been responding to the evolving COVID-19 situation while taking steps to provide quality care and protect the health and safety of employees. The Organization is closely following infectious disease protocols, as well as recommendations by the Centers for Disease Control and Prevention and local health officials.

COVID-19 is impacting the Organization's business and may have an impact on its financial results that the Organization is not currently able to quantify. Continuing disruptions to the Organization's business as a result of the COVID-19 pandemic could continue to have an effect on its results of operations, financial condition and cash flows.

(l) Events occurring after reporting date

Management of the Organization has evaluated events and transactions that occurred between June 30, 2021 and September 23, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

(m) Reclassifications

Certain reclassifications have been made to the 2020 financial statements in order for them to conform to the 2021 presentation. These reclassifications have no effect on net assets or change in net assets as previously reported.

(3) Liquidity and availability

As of June 30, 2021, \$997,766 of cash, \$1,757 of accounts receivable, and \$3,642,523 of investments, if liquidated, are available for general expenditures within one year of the statement of financial position date. Of these funds, those in excess of daily requirements are invested in short-term investments. None of these financial assets are subject to donor or other restrictions limiting their use. In addition, as of June 30, 2021, cash and investments of \$3,660,168 have been designated by the board of directors for operations, debt service, and repair and replacement expenditures.

As of June 30, 2020, \$368,648 of cash, and \$2,942,990 of investments, if liquidated, were available for general expenditures within one year of that date. Of these funds, those in excess of daily requirements were invested in short-term investments. None of these financial assets were subject to donor or other restrictions limiting their use. In addition, as of June 30, 2020, cash and investments of \$3,401,478 had been designated by the board of directors for operations, debt service, and repair and replacement expenditures. Additional cash was available in a separate fund of \$482,051 for repair and replacement as required by HUD as of June 30, 2020; however, these funds were only available upon approval by HUD

(4) Credit concentrations

The Organization had approximately \$4.2 million and \$3.2 million of cash and reserves as of June 30, 2021 and 2020, respectively, on deposit with Catholic Community Investment and Loan, Inc. ("CCIL"). CCIL is a not-for-profit corporation established to loan funds to parishes, schools and other institutions subject to the canonical jurisdiction of the Bishop of Nashville, as well as to invest pooled deposits. The funds on deposit with CCIL are not secured.

The Organization generally maintains reserves in excess of federally insured amounts. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to cash.

The Organization is subject to canonical restrictions on the deposit, investment and use of its funds under certain circumstances.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

(5) Investments

Investments as of June 30, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Fixed income money market fund	\$ 343,176	\$ 795,073
Balanced mutual fund	<u>3,824,347</u>	<u>2,672,917</u>
	<u>\$ 4,167,523</u>	<u>\$ 3,467,990</u>

The investment balances above include the debt service reserve of \$525,000 at June 30, 2021 and 2020.

The following schedule summarizes net investment income for 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest, dividend and capital gain income	\$ 324,508	\$ 290,063
Unrealized gains on investments	550,739	46,505
Investment expenses	<u>(7,537)</u>	<u>(6,753)</u>
	<u>\$ 867,710</u>	<u>\$ 329,815</u>

Interest, dividend and capital gain income at June 30, 2021 includes \$5,894 of interest income related to the bus fund, which is included with net assets with donor restrictions.

(6) Restricted cash - deposits and funded reserves and assets whose use is limited

In connection with the mortgage payable (Note 7), HUD previously required the Organization to establish a HUD restricted Repair and Replacement Reserve in the initial amount of \$214,000; the Organization made additional deposits to the reserve of \$46,716 during fiscal year 2021 until the mortgage was refinanced and no longer insured through HUD. HUD approval was required for withdrawals from the reserve and, in December 2020, HUD approved the withdrawal of the entire balance totaling \$528,888 as part of the refinance.

The Organization has also established a board of directors designated repair and replacement reserve, debt service reserve and operating reserve in prior years.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

(7) Long-term debt

Long-term debt as of June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
HUD-insured mortgage payable due in monthly installments of \$34,982, including interest at 3.98%, paid in full in December 2020; secured by Leasehold Estate.	\$ -	\$ 7,226,334
Mortgage payable due in monthly principal installments ranging from \$39,084 to \$46,935, plus interest at a variable rate (see below for details of interest rate swap agreement), through December 2035; secured by Leasehold Estate.	<u>7,215,496</u>	<u>-</u>
Total long-term debt	7,215,496	7,226,334
Less current portion	(470,916)	(134,615)
Less debt issuance costs	<u>(44,558)</u>	<u>(197,384)</u>
Long-term debt, excluding current portion, net of debt issuance costs	\$ <u>6,700,022</u>	\$ <u>6,894,335</u>

In December 2020, the Organization refinanced and entered into a new mortgage payable with a financial institution. The Organization incurred debt issuance costs of \$46,300. Prior to December 2020, the mortgage payable was held by a lender, insured by HUD, and bound by certain prepayment restrictions. As a result of the refinance, the Organization was required to pay a prepayment penalty of \$286,388. The Organization also wrote off the existing debt issuance costs totaling \$193,991 as part of the refinance. The prepayment penalty and write off of debt issuance costs are included in loss on debt refinance in the accompanying statements of activities.

A summary of future maturities of long-term debt as of June 30, 2021 is as follows:

<u>Year</u>	
2022	\$ 470,916
2023	474,750
2024	478,548
2025	482,442
2026	486,438
Thereafter	<u>4,822,402</u>
	\$ <u>7,215,496</u>

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

The provisions of the mortgage payable place certain restrictions and limitations upon the Organization. These include maintenance of certain financial ratios and restrictions or limitations on sales or rentals of property and additional borrowings.

In December 2020 in conjunction with the refinance of the mortgage payable, the Organization also entered into an interest rate swap agreement with a financial institution, having an original notional principal amount of \$7,450,000, the purpose of which is to reduce or eliminate the risk associated with interest rate fluctuations. The Organization does not engage in trading this derivative. The notional principal amount is being amortized over the life of the agreement and, at June 30, 2021, the remaining notional principal amount totaled \$7,215,496. Under the terms of the loan agreement, the interest rate on the notional principal amount is based on the U.S. prime rate, subject to a floor of 4.00%. The interest rate swap agreement provides for the Organization to pay a monthly interest rate of 0.83% and expires December 1, 2030. Due to interest rate fluctuations, the Organization would incur a cost upon early termination or sale of the contract. A liability thereon of \$84,051 has been reported in the accompanying statements of financial position as of June 30, 2021.

(8) Capital lease obligation

The Organization has entered into a capital lease agreement to finance the acquisition of a television system for its residents. The capitalized cost of the television system utilized under the capital lease was \$50,197 and related accumulated depreciation amounted to \$4,929 and \$327 at June 30, 2021 and 2020, respectively.

Future minimum annual lease payments payable under the capital lease as of June 30, 2021 are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 11,079
2023	11,079
2023	11,079
2025	<u>11,079</u>
Total minimum lease payments	44,316
Less amount representing interest	<u>3,769</u>
Present value of minimum lease payments under capital lease	40,547
Less current portion	<u>9,475</u>
Capital lease obligations, excluding current portion	\$ <u>31,072</u>

**VILLA MARIA MANOR, INC.
HUD Project No. 086-11096**

Notes to the Financial Statements

June 30, 2021 and 2020

(9) Balances and transactions with Diocesan and other entities

The Organization had balances and transactions with Diocesan and other entities as follows:

	<u>2021</u>	<u>2020</u>
Statements of Financial Position:		
Cash - operating - CCIL	\$ 3,157,766	\$ 2,415,683
Cash - restricted for bus - CCIL (e)	\$ 35,894	\$ 34,148
Repair and replacement reserve - CCIL	\$ 974,968	\$ 829,243
Accounts payable to related party (b) (c)	\$ 12,315	\$ -
Statements of Activities:		
Interest income - CCIL	\$ 168,048	\$ 164,644
Lease income - Mary, Queen of Angels, Inc. (a)	\$ 12,000	\$ 12,000
Administrative expense - Management fees - Mary, Queen of Angels, Inc. (b)	\$ 105,288	\$ 105,288
Administrative expense - Financial services - Mary, Queen of Angels, Inc. (c)	\$ 60,000	\$ 60,000
Administrative expense - Campus food service - Mary, Queen of Angels, Inc. (d)	\$ 22,772	\$ 19,380
Payments to support Diocesan Ministries - Catholic Diocese of Nashville (f)	\$ 533,328	\$ -

- (a) The Organization has entered into a sub-use agreement with Mary, Queen of Angels, Inc. to lease administrative office space.
- (b) Management fees for facilities management services provided to the Organization by Mary, Queen of Angels, Inc.
- (c) Financial services fees for accounting and bookkeeping services provided to the Organization by Mary, Queen of Angels, Inc.
- (d) Campus food service fees payable for food program services provided to the Organization by Mary, Queen of Angels, Inc.
- (e) Cash held with CCIL designated for the purchase of a new bus.
- (f) Effective November 2020, the Organization commenced monthly payments of \$66,666 to the Catholic Diocese of Nashville to advance the mission of the Diocese and its related ministries.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

(10) Employee benefit plan

The Organization sponsors a contributory retirement plan. The plan is available to all employees working more than 1,000 hours per year. The Organization matches participants' contributions up to 3% of salary with contributions totaling \$12,733 and \$12,536 in 2021 and 2020, respectively.

(11) Functional expenses

The categories of expenses reported in the financial statements are attributed to both program and supporting functions. These expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated based on management's estimates of time and effort or square footage of the building involved for each program and supporting functions. No category of expenses was attributed directly to a program or supporting function. In total, the Organization's functional expenses for 2021 and 2020 are as follows:

	2021		
	<u>Program</u>	<u>Supporting</u>	<u>Total</u>
Administrative	\$ 50,914	\$ 351,160	\$ 402,074
Operating and maintenance	462,656	1,594	464,250
Utilities	263,839	5,384	269,223
Taxes and insurance	109,105	43,649	152,754
Financial expense - interest	301,408	4,436	305,844
Depreciation	306,311	6,251	312,562
Loss on disposal of equipment	297	6	303
Loss on refinance of debt	480,379	-	480,379
Entity expenses	<u>248,028</u>	<u>580,488</u>	<u>828,516</u>
Total	\$ <u>2,222,937</u>	\$ <u>992,968</u>	\$ <u>3,215,905</u>

	2020		
	<u>Program</u>	<u>Supporting</u>	<u>Total</u>
Administrative	\$ 50,027	\$ 331,482	\$ 381,509
Operating and maintenance	396,268	1,130	397,398
Utilities	237,866	4,854	242,720
Taxes and insurance	103,249	42,302	145,551
Financial expense - interest	323,387	6,600	329,987
Depreciation	416,812	8,506	425,318
Loss on disposal of equipment	9,020	184	9,204
Entity expenses	<u>195,074</u>	<u>47,160</u>	<u>242,234</u>
Total	\$ <u>1,731,703</u>	\$ <u>442,218</u>	\$ <u>2,173,921</u>

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to the Financial Statements

June 30, 2021 and 2020

(12) Self-insurance

The Organization is partially self-insured for employee medical benefit claims through a claims-made policy. Under the policy, the Organization is responsible for paying up to \$3,600 in medical expenses for each participating employee during an insurance plan year. Any additional medical claims incurred are paid by the employee and the insurance provider. The liability related to employee medical benefit claims, which is included within miscellaneous current liabilities, was \$2,886 and \$3,317 as of June 30, 2021 and 2020, respectively. The amount of actual claims incurred could differ materially from this estimate.

SUPPLEMENTARY INFORMATION

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Balance Sheet Data
Supporting Data Required by HUD
Statements of Financial Position
June 30, 2021

		<u>Assets</u>	
Current assets:			
1120	Cash - operating		\$ 997,766
1140	Accounts receivable		1,757
1200	Prepaid expenses		<u>11,749</u>
1100T	Total current assets		<u>1,011,272</u>
Deposits held in trust - funded:			
1191	Tenant security deposits		<u>76,691</u>
Restricted cash - deposits and funded reserves:			
1330-010	Repair and replacement reserve		974,968
1330-010	Operating reserve		2,160,200
1330-010	Bus fund		<u>35,894</u>
1300T	Total restricted cash - deposits and funded reserves		<u>3,171,062</u>
1330-010	Assets whose use is limited - debt service reserve		<u>525,000</u>
1510	Investments - operations		<u>3,642,523</u>
Property and equipment, net:			
1420	Building and building improvements (Leasehold Estate)		10,138,880
1440	Building equipment		6,305
1480	Motor vehicles		34,375
1460	Furniture and fixtures		50,197
1490	Construction in progress		<u>33,192</u>
1400T			10,262,949
1495	Accumulated depreciation		<u>7,852,133</u>
1400N	Property and equipment, net		<u>2,410,816</u>
1000T	Total assets		<u>\$ 10,837,364</u>

Liabilities and Net Assets

Current liabilities:			
2110	Accounts payable		\$ 75,926
2113	Accounts payable - entity		12,315
2120	Accrued wages payable		25,532
2121	Accrued payroll taxes payable and withholdings		3,661
2125	Current portion of capital lease		9,475
2170	Current portion of long-term debt		470,916
2190	Miscellaneous current liabilities		<u>2,886</u>
2122T	Total current liabilities		600,711
2191	Tenant security deposits		<u>76,727</u>
2306	Capital lease, excluding current portion		31,072
2320	Long-term debt, excluding current portion, net		6,700,022
2390	Interest rate swap		<u>84,051</u>
2300T	Total long-term liabilities		<u>6,891,872</u>
2000T	Total liabilities		<u>7,492,583</u>
3131	Net assets without donor restrictions		3,308,887
3132	Net assets with donor restrictions		<u>35,894</u>
3130	Total net assets		<u>3,344,781</u>
2033T	Total liabilities and net assets		<u>\$ 10,837,364</u>

See accompanying notes to the financial statements.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096
Statement of Profit and Loss Data
Supporting Data Required by HUD
Year ended June 30, 2021

5120	Rent revenue	\$ 1,010,417
5121	Tenant assistance payments	<u>2,212,742</u>
5100T	Total rent revenue	3,223,159
5152N	Net rental revenue	<u>3,223,159</u>
5410	Financial revenue - project operations	<u>861,816</u>
5400T	Total financial revenue	<u>861,816</u>
5910	Laundry and vending revenue	16,093
5920	Tenant charges	80,559
5990	Miscellaneous revenue	<u>439</u>
5900T	Total other revenue	<u>97,091</u>
5000T	Total revenue	<u>4,182,066</u>
6210	Advertising and marketing	10,164
6310	Office salaries	167,920
6311	Office expenses	19,662
6320	Management fee	105,288
6331	Administrative rent free unit	32,438
6340	Legal expense - project	12,285
6350	Audit expense	21,063
6351	Bookkeeping fees/accounting services	12,840
6390	Miscellaneous administrative expenses	<u>20,414</u>
6263T	Total administrative expenses	<u>402,074</u>
6450	Electricity	168,113
6451	Water	89,861
6452	Gas	<u>11,249</u>
6400T	Total utilities expense	<u>269,223</u>
6510	Payroll	220,076
6515	Supplies	85,094
6520	Contracts	74,054
6570	Vehicle and maintenance equipment operation and repairs	43,909
6590	Miscellaneous operating and maintenance expenses	<u>41,420</u>
6500T	Total operating and maintenance expenses	<u>464,553</u>
6711	Payroll taxes (projects' share)	28,499
6720	Property & liability insurance (hazard)	60,600
6722	Workmen's compensation	700
6723	Health insurance and other employee benefits	<u>62,955</u>
6700T	Total taxes and insurance	<u>152,754</u>
6820	Interest on first mortgage (or bonds) payable	290,435
6850	Mortgage insurance premium/service charge	15,409
6890	Miscellaneous financial expenses	<u>480,379</u>
6800T	Total financial expenses	<u>786,223</u>
6000T	Total cost of operations before depreciation	<u>2,074,827</u>
5060T	Profit (loss) before depreciation	2,107,239
6600	Depreciation expenses	<u>312,562</u>
5060N	Operating profit or (loss)	<u>1,794,677</u>
7105	Entity revenue	25,695
7190	Other expenses	<u>854,211</u>
7100T	Net entity expenses	<u>828,516</u>
3247	Change in net assets without donor restrictions from operations	<u>966,161</u>
3249	Change in net assets with donor restrictions from operations - interest income	<u>5,894</u>
3250	Change in total net assets from operations	<u>\$ 972,055</u>

Exhibit A

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096
Statement of Cash Flows Data
Supporting Data Required by HUD
Year ended June 30, 2021

Cash flows from operating activities		
S1200-010	Rental receipts	\$ 3,220,550
S1200-020	Interest receipts	316,971
S1200-030	Miscellaneous receipts	<u>104,628</u>
S1200-040	Total receipts	<u>3,642,149</u>
S1200-050	Administrative expenditures	(340,303)
S1200-110	Operating and maintenance expenditures	(464,250)
S1200-090	Utilities expenditures	(269,223)
S1200-150	Taxes and insurance expenditures	(60,210)
S1200-220	Miscellaneous financial	<u>(216,658)</u>
S1200-230	Total disbursements	<u>(1,350,644)</u>
S1200-240	Net cash provided by operating activities	<u>2,291,505</u>
Cash flows from investing activities:		
S1200-330	Purchases of property and equipment	(546,564)
S1200-310	Purchases of investments	(156,331)
S1200-250	Decrease in HUD repair and replacement reserve	482,051
S1200-255	Increase in restricted cash and board-designated reserves	<u>(260,436)</u>
S1200-350	Net cash used by investing activities	<u>(481,280)</u>
Cash flows from financing activities:		
S1200-365	Proceeds from mortgage payable	3,917
S1200-360	Payments of mortgage payable	(301,143)
S1200-150	Payments of capital lease	(9,065)
S1200-450	Payments of deferred financing costs	(46,300)
S1200-455	Net entity expenditures	<u>(828,516)</u>
S1200-460	Net cash used by financing activities	(1,181,107)
S1200-470	Net increase in operating cash	<u>629,118</u>
S1200-480	Cash at beginning of year	<u>368,648</u>
S1200T	Cash at end of year	<u>\$ 997,766</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
3250	Change in net assets	<u>\$ 972,055</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
6600	Depreciation	312,562
S1200-486	Amortization of deferred financing costs	5,135
S1200-602	Loss on disposal of equipment	303
S1200-602	Loss on debt refinance	480,379
S1200-602	Net unrealized gains on investments	(543,202)
S1200-602	Interest rate swap expense	84,051
S1200-602	Net entity expenses	828,516
(Increase) decrease in operating assets:		
S1200-490	Accounts receivable	(1,757)
S1200-520	Prepaid expenses	92,544
S1200-530	Tenant security deposits	(852)
Increase (decrease) in operating liabilities:		
S1200-540	Accounts payable	34,431
S1200-540	Accounts payable to related party	12,315
S1200-560	Accrued liabilities	14,587
S1200-602	Miscellaneous current liabilities	(431)
S1200-580	Tenant security deposits	<u>869</u>
	Total adjustments	<u>1,319,450</u>
S1200-610	Net cash provided by operating activities	<u>\$ 2,291,505</u>

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Computation of Surplus Cash, Distributions and Residual Receipts - Annual

June 30, 2021

PART A - COMPUTE SURPLUS CASH			
1. Cash (Accounts 1110, 1120, 1191, 1192)	S1300-010	\$ 1,074,457	
2. Tenant Subsidy vouchers due for period covered by financial statements			
3. Other (describe)			
(a) Total Cash	S1300-040		\$ 1,074,457
4. Accrued mortgage interest payable	S1300-050	\$	
5. Delinquent mortgage principal payments			
6. Delinquent deposits to reserve for replacements			
7. Accounts payable (due within 30 days)	S1300-075	88,241	
8. Loans and notes payable (due within 30 days)	S1300-080	44,213	
9. Deficient Tax Insurance or MIP Escrow Deposits			
10. Accrued expenses (not escrowed)	S1300-100	32,079	
11. Prepaid Rents	2210		
12. Tenant security deposits liability	2191	76,727	
13. Other	S1300-110	923	
(b) Less Total Current Obligations	S1300-140		\$ 242,183
(c) Surplus Cash (Deficiency) (Line(a) minus Line(b))	S1300-150		\$ 832,274

VILLA MARIA MANOR, INC.
 HUD Project No. 086-11096

Schedule of Property and Equipment

Year ended June 30, 2021

	<u>Asset Cost</u>			
	<u>Cost Beginning of Period</u>	<u>Additions at Cost</u>	<u>Sales and Retirements</u>	<u>Cost End of Period</u>
Building and building improvements	\$ 10,095,023	\$ 624,864	\$ 581,007	\$ 10,138,880
Building equipment	38,861	-	32,556	6,305
Motor vehicles	34,375	-	-	34,375
Furniture and fixtures	61,604	-	11,407	50,197
Construction in progress	<u>111,492</u>	<u>31,032</u>	<u>109,332</u>	<u>33,192</u>
	<u>10,341,355</u>	<u>\$ 655,896</u>	<u>\$ 734,302</u>	<u>10,262,949</u>
	<u>Accumulated Depreciation</u>			
	<u>Balance Beginning of Period</u>	<u>Current Year Provision</u>	<u>Adjustments</u>	<u>Balance End of Period</u>
Total accumulated depreciation	<u>8,164,238</u>	<u>\$ 312,562</u>	<u>\$ 624,667</u>	<u>7,852,133</u>
Net book value	<u>\$ 2,177,117</u>			<u>\$ 2,410,816</u>

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Schedule of Supporting Data Required by HUD

Year ended June 30, 2021

(A) Replacement reserve

In accordance with the provisions of the Regulatory Agreement, restricted cash was held by Berkeley Point Capital, LLC to be used for replacement of property with the approval of HUD as follows until the refinance in December 2020:

1320P	Beginning balance	\$	482,051
1320INT	Interest income		121
1320DT	Monthly deposit		46,716
1320WT	HUD approved withdrawals		<u>(528,888)</u>
	Balance at June 30, 2021	\$	<u>-</u>

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing (Federal CFDA Number)</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Community Planning and Development, Department of Housing and Urban Development:			
Pass-through program:			
Tennessee Housing Development Agency, Section 8 Housing Assistance Program	14.195	086-11096	\$ <u>2,212,742</u>
Total expenditures of federal awards			\$ <u>2,212,742</u>

See accompanying notes to schedule of expenditures of federal awards.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

(1) Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule"), includes the federal award activity of Villa Maria Manor, Inc., (the "Organization"), HUD Project No. 086-11096, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

(2) Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

(3) U.S Department of Housing and Urban Development ("HUD") Loan Program

The Organization had a HUD-insured loan under Section 223(f) of the National Housing Act. The loan was refinanced in December 2020 and is no longer insured under Section 223(f) of the National Housing Act. There was no balance outstanding on the HUD-insured loan at June 30, 2021.

VILLA MARIA MANOR, INC.
HUD Project No. 086-11096

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

(1) SUMMARY OF AUDITORS' RESULTS

- (a) The auditors' report expresses an unmodified opinion on whether the financial statements of Villa Maria Manor, Inc. (the "Organization"), HUD Project No. 086-11096, were prepared in accordance with accounting principles generally accepted in the United States of America.
- (b) No material weaknesses were identified during the audit of the financial statements.
- (c) No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.
- (d) No material weaknesses were identified during the audit of the major federal award program.
- (e) The auditors' report on compliance for the major federal award program for the Organization expresses an unmodified opinion.
- (f) Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
- (g) The program tested as a major program was the HUD Section 8 Housing Assistance Program, CFDA No. 14.195.
- (h) The threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) The Organization was determined to be a low-risk auditee.

(2) FINDINGS - FINANCIAL STATEMENTS AUDIT

None

(3) FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

None

**VILLA MARIA MANOR, INC.
HUD Project No. 086-11096**

Schedule of the Status of Prior Audit Findings, Questioned Costs, and Recommendations

Year ended June 30, 2021

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Financial Statement Findings

There were no prior findings reported

Federal Award Findings and Questioned Costs

There were no prior findings reported.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees
Villa Maria Manor, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Villa Maria Manor, Inc. (the "Organization"), HUD Project No. 086-11096 (a non-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

LBMC, PC

Brentwood, Tennessee
September 23, 2021



**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE FOR THE MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Trustees
Villa Maria Manor, Inc.:

Report on Compliance for the Major Federal Program

We have audited Villa Maria Manor, Inc.'s (the "Organization"), HUD Project No. 086-11096 (a non-profit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the major federal program for the year ended June 30, 2021. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on the Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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

LBMC, PC

Brentwood, Tennessee
September 23, 2021

**VILLA MARIA MANOR, INC.
HUD Project No. 086-11096**

CERTIFICATION OF PROJECT OWNER

We hereby certify that we have examined the accompanying financial statements and supplemental data of Villa Maria Manor, Inc., HUD Project No. 086-11096 and, to the best of our knowledge and belief, the same are accurate and complete.

DocuSigned by:
Lori Copeland
2A9A2109169542B...

Lori Copeland, Treasurer

DocuSigned by:
Robert W Fidler
642205D860E2438...

Robert Fidler, President

September 23, 2021

**VILLA MARIA MANOR, INC.
HUD Project No. 086-11096**

MANAGEMENT AGENT'S CERTIFICATION

I hereby certify that I have examined the accompanying financial statements and supplemental data of Villa Maria Manor, Inc., HUD Project No. 086-11096 and, to the best of my knowledge and belief, the same are accurate and complete.

Managing Agent: Mary Queen of Angels, Inc.

Richard Borofski

Richard Borofski, Managing Agent Representative
September 23, 2021

Managing Agent Tax Identification Number: 62-1774571

**GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
SOUTHEAST COMMUNITY CAPITAL CORPORATION dba PATHWAY LENDING**

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 Southeast Community Capital Corporation dba Pathway Lending, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing units as further defined in the "SCOPE OF PROGRAM." Southeast Community Capital Corporation dba Pathway Lending will be adding 228 affordable housing units located at 616 North Dupont, Madison, TN 37115. The recipient's budget request, financial statements or audit, 501(c)3 letter, and/or charter documents are incorporated herein. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a 30-year term. Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project submitted in the application and any of its amendments, which application is incorporated herein, and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will use funds solely for the purposes set forth in their application or proposal for grant funding which is incorporated herein. The funds will be granted by Metro by to the Recipient and thereafter to Leasehold Property Owner, and used by Leasehold Property Owner to construct the affordable housing on the property using tax exempt bonds and low-income housing tax credits to develop 228 affordable rental units. These funds shall be expended consistent with the Grant Budget, included in Attachment A. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a line-item shall require the prior written approval of Metro. However, in no event will the total amount of the Grant funds provided to Recipient go above the awarded Grant amount of \$1,980,000.

Additional Conditions for Rental Properties:

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

4. Compliance restrictions on both tenant income and maximum rents shall apply for thirty (30) years from the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project.
5. Recipient shall not increase rents during an agreed upon lease term, but such prohibition shall not apply to any renewal of the lease, nor shall it affect the portion of rent paid by another federal, state, or local program with respect to the tenant or units benefitting from the grant funds.

B. GRANT CONTRACT TERM:

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

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed One Million Nine Hundred Eighty Thousand Dollars (\$1,980,000). The Grant Budget, attached and incorporated herein as part of Attachment A, shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

- C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason. The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.
- C.3. Payment Methodology. The Recipient shall be compensated for actual costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon execution of the Grant Contract and receipt of a request for payment, the Recipient may be eligible to receive reimbursement for milestones as completed based upon the Grant Budget.

a. **Grant Draws**

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

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

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

- 25% - cabinets, counters, drywall, trim and doors are installed (75% complete)

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

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

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

2) Construction Grant Draw Process

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

All invoices shall be sent to:

Barnes Housing Trust Fund
 Planning Department – Housing Division
 800 2nd Avenue South
 Nashville, TN 37210
 (615) 862-7190

Said payment shall not exceed the maximum liability of this Grant Contract.

Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of the end of the Grant Contract. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and

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

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

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

Metropolitan Housing Trust Fund Commission

John Cooper, Mayor

Metropolitan Council of Nashville and Davidson County

D. STANDARD TERMS AND CONDITIONS:

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

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

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

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

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

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

- D.8. Monitoring. The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. Reporting. The Recipient must submit an Interim Program Report, to be received by the Metropolitan Housing Trust Commission / Barnes Housing Trust Fund, by no later than

September 1, 2023 and a Final Program Report, to be received by the Metropolitan Housing Trust Fund Commission within 45 [forty-five] days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract in the form required by Metro.

- D.10. Strict Performance. Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.
- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D. 13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D. 14. Indemnification and Hold Harmless.
- (a) Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
- (b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
- (c) Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
- (d) Grantee's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D. 18 Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient

shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.

- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D. 20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D. 21 Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D. 22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D. 23. Inspection. The Grantee agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D. 24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

For contract-related matters and enquiries regarding invoices:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
800 2nd Avenue South
Nashville, TN 37210
(615) 862-7190
Ashley.Brown2@Nashville.Gov

Recipient:

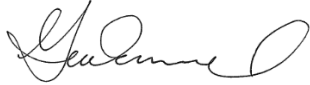
Southeast Community Capital Corporation dba Pathway Lending
Clint Gwin, President and CEO
201 Venture Circle
Nashville, TN 37228
(615) 425-7171
clint.gwin@pathwaylending.org

- 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:



Gina Emmanuel, Chair,
Metropolitan Housing Trust Fund
Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:



Kelly Flannery, Director
Department of Finance

APPROVED AS TO FORM AND
LEGALITY:



Assistant Metropolitan Attorney

APPROVED AS TO RISK AND
INSURANCE:



Director of Risk Management Services

APPROVED BY METROPOLITAN
GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY:

Metropolitan Clerk

RECIPIENT:

Southeast Community Capital Corporation
dba Pathway Lending

By: 

Title: President & CEO

Sworn to and subscribed to before me a
Notary Public, this 3rd day
of October, 2022.

Notary Public



My Commission
expires May 9, 2023

Birchstone Village

02-Jun-22

Units	Type	'SQ.FT	My Rents	Annual	Monthly	Rents per RCS
70	Beds 1br/1ba 40% Sec 8	781	1025	861,000	71,750	1025
10	Beds 1br/1ba 60%	781	950	114,000	9,500	950
60	Beds 2br/2ba 50% Sec 8	1164	1200	864,000	72,000	1,200
28	Beds 2br/2ba 50% Sec 8	1164	1300	436,800	36,400	1,300
8	Beds 2br/2ba 60%	1164	1135	108,960	9,080	1,135
27	Beds 3br/2ba 50% Sec 8	1293	1500	486,000	40,500	1,500
25	Beds 3br/2ba 60%	1293	1308	392,400	32,700	1308
0	Beds 4br/2ba	0	0	-	-	-
228	Average	1093	1193	3,263,160	271,930	158,150.00
Net Square Footage		241,460		16,734.15	1,394.51	
Common Area		Club House	10,500		1,469.89	
Total Square Footage		Gross Footage	273,691	11.254	75.38	

MORTGAGE ASSUMPTIONS	
Number of Units	228
Permanent Interest Rate	5.000%
Pay Rate	5.786%
YEARS	40.00
Exp Per unit per Annum	\$ 6,900
Occupancy Percentage	93%
Construction Period	18

Total annual income		\$ 3,263,160	
		252,895	\$ 3,034,738.80
Other Income		15	\$ 40,000
Total Income			\$ 3,074,739
Expenses		786,600	\$ 1,573,200
NOI		\$ 1,501,539	
Equity @	\$ -	0%	0
Max Loan	\$ 19,011,000	100%	550,014
Debt service	Rounded Amt	0.0%	1,365
Permanent Bond Loan	83,333	\$ 19,000,000	27%
Amazon Collateralized Bonds	0	\$ 17,500,000	
Total Bonds	0	\$ 36,500,000	

Vacancy 7%

total hap contract 2,647,800

Total Amazon Funding		\$ 102,000
23,256,000.00		
Annual Payments		
\$ 465,120	2.00%	Interest Only Pmt
\$ 850,140	\$ 40	Amort Pmt

Construction Contract	\$ 42,636,000.00	\$ 187,000.00	\$ 155.78
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Amazon Total Contribution		
48%	\$ 17,500,000.00	TE Coll Bonds
\$ 0.16	\$ 5,756,000.00	Soft 3rd
	\$ 23,256,000.00	total Amazon
52%	\$ 19,000,000.00	R-4 TE Bond

SOFT COSTS:			
Construction Interest	2,630,240.00	2,700,000	0.05
Taxes and Insurance		25,000	2,131,800
Soft Hard Contingency net of Working Capital		2,131,800	9,350
Architect/Engineer		550,000	
Financing Fee /Bridge Loan Fee	1.50%	717,500	
Relocation		592,000	
Club House and Rent Up		500,000	
Inspection Fee	0.25%	47,500	
Recording, Title, Closing		225,000	
Bond Costs		400,000	
Impact Fees		400,000	
Compliance Fees, THDA		136,800	
Other Closing and/Dev Costs		250,000	
THDA Bond & Credit Fee		543,444	
Total Soft Costs		\$ 9,219,044	
Property Cost,	0	6,400,000	

Total Replacement **58,255,044**

SOURCE AND USE

USES			
Total Development Cost	\$ 51,855,044		
Property Cost	6,400,000		
Operating Deficit	1,336,614		
Replacement Reserve			
Developer Fee	25.00%	12,000,000	
Total Requirements		\$ 71,591,658	
SOURCES			
1st Mortgage Amount TE Bonds		\$ 19,000,000	26.54%
Amazon Mezzaine/+ TE Bonds		23,256,000	32.48%
Equity		26,461,512	36.96%
Total Sources	\$ -	\$ 68,717,512	95.99%
Estimate of Deferred Fee	2,874,146		4.01%

Credits Percentage				
THDA Max Award	86.00%	3,000,000	\$ 25,800,000	\$ 13,158
Gross Syndication Proceeds	THDA REQUEST	86.00%	3,080,000	\$ 26,461,512
	Method B	86.00%	5,531,357	\$ 47,522,101
		0.00%	-	\$ 24,260



BILL GARRETT, Davidson County

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Fees: 8.00 Taxes: 0.00



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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

SOUTHEAST COMMUNITY CAPITAL CORPORATION
BARBARA HARRIS
201 VENTURE CIR
NASHVILLE, TN 37228-1603

September 24, 2015

Filing Acknowledgment

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

Control # : 381683 Status: Active

Filing Type: Nonprofit Corporation - Domestic

Document Receipt

Receipt # : 002246962	Filing Fee:	\$20.00
Payment-Check/MO - BRADLEY ARANT BOULT CUMMINGS LLP, Nashville, TN		\$20.00

Amendment Type: Amended and Restated Formation Documents Image # : B0133-6902
Filed Date: 09/24/2015 11:23 AM

This will acknowledge the filing of the attached amended and restated formation document 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.

Tre Hargett
Secretary of State

Processed By: Charmayne Blair

FILED

**FOURTH AMENDED AND RESTATED CHARTER
OF
SOUTHEAST COMMUNITY CAPITAL CORPORATION**

Pursuant to Section 48-60-106 of the Tennessee Nonprofit Corporation Act, as amended from time to time (the "Act"), Southeast Community Capital Corporation adopts the following Fourth Amended and Restated Charter.

The original Charter of the Corporation was filed with the Secretary of State of Tennessee on or about December 21, 1999. The Amended and Restated Charter of the Corporation was filed with the Secretary of State of Tennessee on or about December 8, 2000. The Second Amended and Restated Charter of the Corporation was filed with the Secretary of State of Tennessee on or about November 21, 2001. The Third Amended and Restated Charter of the Corporation was filed with the Secretary of State of Tennessee on or about November 15, 2005. The control number of the Corporation is 0381683.

This Fourth Amended and Restated Charter contains one or more amendments to the Third Amended and Restated Charter of the Corporation and was approved by the entire Board of Directors of the Corporation on September 10, 2015.

This Fourth Amended and Restated Charter supersedes the original Charter of the Corporation and all restatements of and amendments thereto.

ARTICLE I: NAME AND FILING

The name of the nonprofit corporation is Southeast Community Capital Corporation (the "Corporation"). The Charter is being filed pursuant to the Act.

ARTICLE II: NOT-FOR-PROFIT PUBLIC BENEFIT CORPORATION

The Corporation is a nonprofit public benefit corporation. It is intended that the Corporation shall have the status of a corporation that 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 (hereinafter referred to as the "Code"), as an organization described in Section 501(c)(3) of the Code. It also is intended that the Corporation shall not be a private foundation by reason of being described in Section 509(a)(1) of the Code.

ARTICLE III: OFFICE, REGISTERED AGENT AND INCORPORATOR

The principal office of the Corporation is located at 201 Venture Circle, Nashville, Davidson County, Tennessee 37228.

The registered office of the Corporation is located at 1600 Division Street, Suite 700, Nashville, Davidson County, Tennessee 37203, and the name of the registered agent at this address is Emily H. Bowman.

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The incorporator of the Corporation is James M. McCarten, whose mailing address is 900 Riverview Tower, 900 S. Gay Street, Knoxville, Tennessee 37902-1810.

ARTICLE IV: MEMBERS

The Corporation will not have members.

ARTICLE V: PURPOSE

The Corporation is organized exclusively for religious, charitable, scientific, literary and educational purposes within the meaning of Section 501(c)(3) of the Code. Specifically, the Corporation is a community based financial organization focused on job creation through the development of funding programs designed to assist low to moderate income communities and entrepreneurs throughout the United States.

The Corporation is organized to engage in any activity, and to exercise any and all powers, rights and privileges afforded a nonprofit corporation under the Act. Notwithstanding any other provision of this Charter, the Corporation shall not carry on any activities not permitted to be carried on by a corporation organized as a nonprofit corporation under the laws of the State of Tennessee pursuant to the Act which is exempt from federal income tax under Section 501(c)(3) of the Code, contributions to which are deductible under Sections 170(c)(2), 2055(a) or 2522(a) of the Code.

ARTICLE VI: BOARD OF DIRECTORS

The affairs of the Corporation shall be managed by a Board of Directors, whose members, designated as directors, shall act as the directors of the Corporation, and by such officers, as shall be described in the Bylaws of the Corporation. Directors shall be appointed as provided in the Bylaws of the Corporation, which shall further provide the number, term and qualification of directors. Pursuant to Section 48-57-104, any action to be taken at a meeting of the Board of Directors may be taken without a meeting and without prior notice if consents in writing setting forth the action so taken are signed by directors having not less than the minimum number of votes that would be required to authorize or take such action at a meeting at which all directors entitled to vote on the action were present and voted. Unless otherwise set forth in a resolution of the Board of Directors, actions taken by written consent shall be effective when written consents signed by sufficient directors to take the action are delivered to the Corporation.

ARTICLE VII: LIMITED PERSONAL LIABILITY OF DIRECTORS AND OFFICERS

1. Directors. No person who is or was a director of the Corporation, nor such person's heirs, executors, administrators, or legal representatives (collectively referred to as a "director"), shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director. However, this provision shall not eliminate or limit the liability of a director (a) for any breach of a director's duty of loyalty to the Corporation, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (c) under Section 48-58-302 of the Act.

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2. Officers. To the fullest extent allowed by Section 48-58-601 of the Act, no person who is or was an officer of the Corporation, nor such person's heirs, executors, administrators, or legal representatives (collectively referred to as an "officer") shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as an officer of the Corporation.

3. No Adverse Effect. No repeal or modification of the provisions of this Article, either directly or by the adoption of provisions 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 VIII: INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

1. Mandatory Indemnification of Directors and Officers. To the maximum extent permitted by the provisions of Sections 48-58-501, *et seq.*, of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this paragraph 1 which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a "director" (as defined in Section 45-58-501(2) to include an individual who is or was a director of the Corporation, is or was a member of a committee of the Board of Directors of the Corporation, or an individual, who, while a director of the Corporation or an individual serving on a committee of the Board of Directors of the Corporation, is or was serving at the Corporation's request as a director, member of a committee of the Board of Directors, officer, partner, trustee, employee, or agent of another foreign or domestic for-profit or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise) or officer of the Corporation or to such person's heirs, executors, administrators and legal representatives, (hereinafter, a "Director") for the defense of any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit, or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is, or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

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

(b) The Director or officer conducted himself 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 interest 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 Director or officer did not meet the standard of conduct herein described.

2. Non-Exclusive Application. The right to indemnification and advancement of expenses set forth in paragraph 1 is contractual between the Corporation and the Director, and is not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by law, by this Charter, by a resolution of the Board of Directors, by the Bylaws of the Corporation, by the purchase and maintenance by the Corporation of insurance on behalf of a director, officer, employee, or agent of the Corporation, or by an agreement with the Corporation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.
3. Non-Limiting Application. The provisions of this Article VIII shall not limit the power of the Corporation to pay or reimburse expenses incurred by a Director or officer 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.
4. Prohibited Indemnification. Notwithstanding any other provision of this Article VIII, the Corporation shall not indemnify or advance expenses to or on behalf of any director, officer, employee, or agent of the Corporation, or any such person's heirs, executors, administrators, or legal representatives:
- (a) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or
 - (b) 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; or
 - (c) 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; or
 - (d) If a judgment or other final adjudication adverse to such person establishes acts or omission not in good faith or which involve intentional misconduct; or
 - (e) If a judgment or other final adjudication adverse to such person establishes a violation of Section 48-58-302 of the Act.
5. Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article VIII, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

ARTICLE IX: NO PRIVATE INUREMENT

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 persons. However, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to it or on its behalf, pay reimbursements for expenses incurred on its behalf, and make payments and distributions in furtherance of the purposes set forth in Article V hereof.

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ARTICLE X: DISTRIBUTIONS ON DISSOLUTION

Upon the dissolution of the Corporation, after paying or making provision for the payment of all liabilities of the Corporation then outstanding and unpaid, the Board of Directors shall distribute the assets of the Corporation exclusively for the charitable, scientific, literary and educational purposes of the Corporation within the meaning of Section 501(c)(3) of the Code, in such manner as the Board of Directors shall determine. Any assets not so distributed shall be distributed to one or more governmental units then described under Section 170(c)(1) of the Code, or to one or more organizations then described under Section 501(c)(3) of the Code and Section 170(c)(2) of the Code, as the Board of Directors shall determine. Any assets not so disposed of by the Board of Directors shall be disposed of by a court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with the distribution of assets to be made for such charitable purposes, or to such governmental units then described under Section 170(c)(1) of the Code, or to such organization or organizations then described in Section 501(c)(3) of the Code and Section 170(c)(2) of the Code, as such court shall determine.

This Charter shall be effective upon the filing with the Secretary of State of the State of Tennessee.

[Signature page follows]

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IN WITNESS WHEREOF, the undersigned officer has executed this Fourth Amended and Restated Charter this 10th day of September 2015.

SOUTHEAST COMMUNITY CAPITAL
CORPORATION

By: Clinton B. Gwin
Clinton B. Gwin, President

FIFTH AMENDED AND RESTATED BYLAWS
OF
SOUTHEAST COMMUNITY CAPITAL CORPORATION

**SECTION 1
NAME**

The name of the corporation is Southeast Community Capital Corporation (the “Corporation”).

**SECTION 2
OFFICES**

The principal office of the Corporation in the State of Tennessee shall be located at 201 Venture Circle, Nashville, Davidson County, Tennessee 37228, or at such other place as shall be lawfully designated by the Board of Directors, hereinafter sometimes called the “Board.” The Corporation may have such other offices, either within or without the State of Tennessee, as the Board may designate or as the affairs of the Corporation may require from time to time.

**SECTION 3
PURPOSES**

Section 3.1 - Purpose

The purpose(s) for which the Corporation is formed shall be as provided in its Charter. The aims of the Corporation are to be carried out through any and all lawful activities, including others not specifically stated in the Charter but incidental to such stated aims and purposes, whether directly by the Corporation or indirectly through contributions to any other corporation, trust, fund or foundation whose purposes are charitable, scientific, literary or educational, provided that any such activity or contribution shall conform to any applicable restrictions or limitations set forth in the Corporation’s Charter or which are imposed upon corporations described in Section 501(c)(3) of the Internal Revenue Code and the Regulations thereunder or on any Corporation contributions which are deductible under Section 170(c)(2) of the Internal Revenue Code as presently enacted, or corresponding provisions of any subsequent United States Internal Revenue laws.

Section 3.2 - Expanded Purpose

Without limiting the foregoing, the specific purpose of the Corporation is to be a community-based financial institution, of a charitable nature, which provides charitable, educational and financial programs. To assist in job creation, the Corporation will provide technical and financial assistance to underserved small businesses, underserved segments of the market place, and other businesses (i) whose participation in the free enterprise system has been hampered due to social and/or economic disadvantages associated with its formation, organization and/or location in the United States or (ii) which lack adequate access to capital and financial services.

**SECTION 4
NO MEMBERS**

The Corporation shall have no members.

**SECTION 5
BOARD OF DIRECTORS**

Section 5.1 - General

The affairs of the Corporation shall be managed by a Board of Directors (each a “Director” and all together the “Board of Directors” or “Board”), each of whom shall be of legal age. Directors need not be residents of the State of Tennessee.

Section 5.2 - Number

The Board of Directors shall consist of no less than five (5) and no more than eleven (11) individuals who voluntarily serve. The directors shall come from the Corporation’s service area of the Southeastern United States. The Board may increase its size by electing individuals from its strategic community and economic partners. All directors shall have equal and full voting responsibilities as members of the Board.

Section 5.3 - Election and Terms

The Board shall be self-perpetuating. The directors shall be elected for staggered terms not to exceed three (3) years, with approximately one-third (1/3) of the directors terms expiring each year. Unless otherwise provided herein, each director shall be entitled to one (1) vote and action by the Board shall be determined by the majority of the votes cast. Each director shall hold office until the expiration of the term for which he is elected, and thereafter until his successor has been elected and qualified, or until removed as provided in Paragraph 5.6 below. Each director whose term is expiring shall nevertheless be entitled to vote in filling the board seats becoming vacant. In addition to the statutory directors prescribed above, the Board shall have the right and privilege to name individuals to the Corporation’s Board as advisory directors who shall only serve in an *ex officio* (non-voting) capacity for a term not to exceed one (1) year. The directors of the Corporation may also name non-voting *Emeritus* directors to recognize exceptional service to the Corporation.

Section 5.4 - Vacancy

Vacancies occurring in the Board by death, resignation, refusal to serve, or otherwise, shall be filled for the unexpired term by the remaining directors at any regular or special meeting.

Section 5.5 - Resignation

Any director may resign at any time by giving written notice to the President, the Secretary or to the Board of Directors. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the Board.

Section 5.6 - Removal

Any director may be removed at any time with or without cause by a two-thirds (2/3) vote of all the directors (not including the director who is the subject of the vote).

Section 5.7 - Committees

The Board, by resolution adopted by a majority of the entire Board, may designate an executive committee, consisting of three (3) or more directors, and other committees consisting of three (3) or more persons, who may or may not be directors, and may delegate to such committee or committees all such authority of the Board that the directors may legally delegate. Each committee shall report any action taken to the Board at the Board meeting following the taking of such action, unless the Board otherwise requires. The Board may designate one or more directors as alternate members of any such committee, who may replace any absent members at any meeting of the committee. Each such committee, and each member of any committee, shall serve at the pleasure of the Board. The designation of any such committee and the delegation thereto of authority shall not relieve any director of any responsibility imposed by law. So far as applicable, the provisions of law relating to the conduct of meetings of the Board shall govern meetings of the executive and other committees.

SECTION 6 MEETINGS OF THE BOARD

Section 6.1 - Place of Meetings

The meetings of the Board shall be held at the principal office of the Corporation or at any place within or without the United States that the Board may from time to time designate.

Section 6.2 - Annual Meetings

The Board shall hold its annual meeting each year after the close of the Corporation's fiscal year, provided the notice of the meeting designates such meeting as the annual meeting. Such other regular meetings of the Board shall be held at such time and place as may be specified by resolution of the Board.

Section 6.3 - Special Meetings

Special meetings of the Board may be called at any time by the Chair or by two (2) or more directors.

Section 6.4 - Notice Requirements

Notice of annual meetings and of any special meetings, setting forth the place and the day and hour of the meeting, shall be given to each director, by any usual means of communication not less than five (5) days before the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting need be specified in the notice or any waiver of notice of special meeting.

Section 6.5 - Waiver of Notice

A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action at the meeting. Whenever the Board is authorized to take any action after notice to any person or persons, or the lapse of a prescribed period of time, the action may be taken without such requirements if at any time before or after the action is completed the person or persons entitled to such notice or entitled to participate in the action to be taken submit a signed waiver of notice or of such requirement.

Section 6.6 - Quorum

At all meetings of the Board, a majority of the total directors then in office shall constitute a quorum for the transaction of business. When a quorum is once present to organize the meeting, it is not broken by the subsequent withdrawal of any of those present, and a meeting may be adjourned despite the absence of a quorum. Any or all Directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means shall be deemed to be present in person at the meeting.

Section 6.7 - Voting of Directors

The vote of a majority of directors at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a vote of a greater number is required by law or by these Bylaws.

Section 6.8 - Presumption of Assent

A director who is present at a meeting of the Board shall be presumed to have concurred in any action taken at the meeting unless he objects at the beginning of the meeting (or promptly upon his arrival) to holding it or transacting business at the meeting, and his dissent or abstention from the action taken is entered in the minutes of the meeting, or he delivers written notice of his dissent or abstention to the presiding officer of the meeting before the meeting's adjournment. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 6.9 - Action by Consent

Pursuant to Section 48-57-104 of the Tennessee Nonprofit Corporation Act, as amended from time to time (the "Act"), any action to be taken at a meeting of the Board of Directors may be taken without a meeting and without prior notice if consents in writing setting forth the action so taken are signed by directors having not less than the minimum number of votes that would be required to authorize or take such action at a meeting at which all directors entitled to vote on the action were present and voted. An electronic transmission may be used to consent to an action, if it contains or is accompanied by information indicating (i) the date the transmission was signed and (ii) authorization by the Director, his or her agent, or his or her attorney-in-fact. Unless otherwise set forth in a resolution of the Board of Directors, actions taken by written consent shall be effective when written consents signed by sufficient directors to take the action are delivered to the Corporation. If action is

taken by less than unanimous written consent of the voting Directors, the Corporation must give the non-consenting voting Directors written notice of the action taken not more than ten (10) days after the written consents sufficient to take the action have been delivered to the Corporation.

SECTION 7
COMPENSATION OF DIRECTORS

Section 7.1 - No Compensation

Directors as such shall not receive any compensation for their services as directors, but the Board may, by resolution, authorize reimbursement of expenses incurred in the performance of their duties. Such authorization may prescribe the procedure for approval and payment of such expenses by designated officers of the Corporation.

Section 7.2 - Other Positions

Nothing herein shall preclude a director from serving the Corporation in any other capacity and receiving compensation for such services.

SECTION 8
OFFICERS

Section 8.1 - Titles of Officers

The Corporation shall have a president, a secretary and such other officers as are appointed by the Board of Directors. One person may be appointed to more than one office, except that the offices of president and secretary or president and treasurer, if the office of treasurer is appointed, may not be held by the same person.

Section 8.2 - Election

All officers shall be elected or appointed at the annual meeting of the Board.

Section 8.3 - Term of Office

The officers of the Corporation shall be appointed for terms of one (1) year. Each officer shall hold office until the expiration of the term for which he is elected and thereafter until his successor has been elected or appointed and qualified, except where removed from office as hereinafter provided.

Section 8.4 - Removal

Any officer may be removed by the vote of a majority of the entire Board 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 shall not of itself create contract rights.

Section 8.5 - Duties

All officers as between themselves and the Corporation shall have such authority to perform such duties in the management of the Corporation, in addition to those described in these Bylaws, as usually appertain to such officers of corporations not for profit, except as may be otherwise prescribed by the Board of Directors.

Section 8.6 - Compensation

The Board shall determine the compensation, or provide for determination of the compensation, of all officers of the Corporation.

SECTION 9 CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 9.1 - Authorization

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. 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 9.2 - Funds

All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation in such banks, trust, or other depositories, including, but not limited to, stocks and bonds brokerage firms, as the Board of Directors may select, or as may be designated by any officer or officers or agent or agents of the Corporation to whom such power may be delegated by the Board of Directors.

Section 9.3 - Acceptance of Gifts

The Board of Directors or any officer or officers or agent or agents of the Corporation to whom such authority may be delegated by the Board, may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

Section 9.4 - Bond

At the direction of the Board of Directors, any officer or employee of the Corporation shall be bonded. The expense of furnishing any such bond shall be paid by the Corporation.

SECTION 10
CONFLICTS OF INTEREST

Section 10.1 - Purpose

The purpose of the conflict of interest provisions is to protect the Corporation'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 Corporation or might result in a possible excess benefit transaction. These provisions are intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 10.2 - Definitions.

(a) 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.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

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

Section 10.3 - Procedures

(a) 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.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

1. An interested person may make a presentation at the Board of Director's 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.

2. The Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the Board of Directors or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) Manner of Approval. A transaction in which a director or officer of the Corporation has a conflict of interest may be approved if:

1. A more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement; or

2. 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.

(e) Violations of the Conflicts of Interest Policy.

1. If the Board of Directors or committee has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

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

Section 10.4 - Records of Proceedings

The minutes of the Board of Director's meetings 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 was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

(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 10.5 - Compensation

(a) A voting member Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

SECTION 11 RECORDS AND REPORTS

Section 11.1 - Corporate Records

The Corporation shall keep as permanent records minutes of all meetings of the Board of Directors, a record of all actions taken by the Board of Directors without a meeting, and appropriate accounting records.

Section 11.2 - Records at Principal Office

The Corporation shall keep at all times a copy of the following records at its principal office:

- (a) its Charter and all amendments thereto;
- (b) these Bylaws and all amendments thereto;
- (c) the minutes of all meetings of the Board of Directors and the records of all actions taken without a meeting;
- (d) financial statements;
- (e) a list of the names and addresses of its current directors and officers; and
- (f) annual reports delivered to the Tennessee Secretary of State.

Section 11.3 - Annual Financial Statements

The Corporation shall prepare annual financial statements and such other information to comply with the requirements of the applicable provisions of the Act. Further, the Corporation shall file all required tax returns.

***SECTION 12
SEAL***

The Corporation may have a corporate seal which may be altered at pleasure of the Board of Directors; but the presence or absence of such seal on any instrument, or its addition thereto, shall not affect its character or validity or legal effect in any respect.

***SECTION 13
LIABILITY AND INDEMNIFICATION***

Section 13.1 - Limited Liability of Directors

The liability of the directors of this Corporation shall be governed by the Charter of the Corporation to the extent the Charter is in compliance with the Act.

Section 13.2 - Indemnification of Directors and Officers

The indemnification of directors and officers shall be in accordance with the Charter of the Corporation, to the extent the Charter is in compliance with the Act.

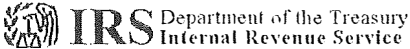
***SECTION 14
AMENDMENT***

These Bylaws may be amended or repealed, and new Bylaws may be adopted, by the vote of a majority of the entire Board. The resulting Bylaws may contain any provision for the regulation and management of business of the Corporation not inconsistent with law and the Charter. Any amendment of the Charter inconsistent with these Bylaws shall operate to amend the Bylaws pro tanto, and those Bylaws or parts of Bylaws which merely summarize or restate the provisions of the Charter or the provisions of the Act or other law applicable to the Corporation shall be operative with respect to the Corporation only so far as they are descriptive of existing law and of the Charter as amended.

The undersigned hereby certifies that the foregoing Fifth Amended and Restated Bylaws amend and restate the Fourth Amended and Restated Bylaws of the Corporation for the purposes of implementing certain amendments, which were approved and duly adopted by the Board of Directors of the Corporation at a properly called meeting of the Directors on September 10th, 2015.



Holland Helton
Secretary of the Corporation



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248662390
June 06, 2011 LTR 4168C E0
62-1823596 000000 00

00020484
BODC: TE

SOUTHEAST COMMUNITY CAPITAL
CORPORATION
201 VENTURE CIR
NASHVILLE TN 37228-1603



019870

Employer Identification Number: 62-1823596
Person to Contact: MR. PATTERSON
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your May 25, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in AUGUST 2006.

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

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

Please refer to our website www.irs.gov/efc for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

Exhibit B

0248662390
June 06, 2011 LTR 4168C E0
62-1823596 000000 00
00020485

SOUTHEAST COMMUNITY CAPITAL
CORPORATION
201 VENTURE CIR
NASHVILLE TN 37228-1603

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

Sincerely yours,



S. A. Martin, Operations Manager
Accounts Management Operations



Financing Businesses. Strengthening Communities.

MORE THAN A LENDER

ORGANIZATIONAL OVERVIEW | JANUARY 2021



Pathway Lending

Financing Businesses. Strengthening Communities.

OUR MISSION

To provide lending solutions and educational services that propel the creation, development, and growth of underserved small businesses, affordable housing and sustainable communities.



Pathway Lending

Major nonprofit CDFI lender that finances businesses and strengthens communities in the Southeast region

20+ years helping entrepreneurs of all stages and industries grow, succeed and access capital

More than **\$153.6 million** in loans outstanding and **70 partner institutions** who invest in our mission

Headquartered in Nashville, TN. Serving businesses and communities across **Tennessee** and in parts of Alabama, Arkansas, Kentucky, Mississippi

Safe, sound and profitable options for bank partners to invest in communities they serve and meet CRA requirements

LOW-INCOME CENSUS TRACTS AND ENTREPRENEURS

CENSUS TRACTS WITH HIGH RATES OF POVERTY AND UNEMPLOYMENT

AFRICAN AMERICAN-OWNED BUSINESSES

WOMAN-, HISPANIC- AND VETERAN-OWNED BUSINESSES

RESIDENTS OF AFFORDABLE MULTIFAMILY HOUSING COMMUNITIES



Capital Access is key.

We believe supporting a variety of capital access needs is key to building stronger businesses and capturing economic opportunity.

A Capital Solution:

As a CDFI, we provide our clients access to a variety of capital solutions as they start, grow, or transition their businesses.

01 Financial Capital

We connect entrepreneurs with the loan capital they need to recover, grow, and thrive. With diverse products that reflect the needs of local markets, we help clients build a successful track record and pave the way to access traditional bank loans.

02 Human Capital

Financial literacy and business acumen are crucial for long-term success. Realizing the potential for entrepreneurs to bolster our shared economic system demands investments in human capital with relevant offerings to develop these critical capacities.

03 Social Capital

Successful businesses rely on social networks to get the resources they need. In our work, we create inclusive spaces where diverse entrepreneurs can thrive, and making connections across our network of stakeholders.

PATHWAY LOAN CATALOG



SMALL BUSINESS LOANS

TRADITIONAL TERM LOANS

REVOLVING LINES OF CREDIT

SBA MICROLOANS

PROPEL LOANS (An alternative to high-cost online loans)

COMMERCIAL FACILITIES LOANS

COMMERCIAL REAL ESTATE

ENERGY EFFICIENCY & RENEWABLE ENERGY

AFFORDABLE MULTIFAMILY HOUSING

INNOVATIVE FINANCING

FLEX FUND (Patient capital for growth-minded small businesses).

PATHWAY LEARNING | COACHING TO CAPITAL

PATHWAY LEARNING | ONLINE

- PATHWAY LEARNING LEVERAGES TECHNOLOGY TO CREATE AND MANAGE CONTENT, DELIVER TRAINING, AND UNDERSTAND THE IMPACT WE GENERATE.
- ONLINE LEARNING MANAGEMENT SYSTEM AVAILABLE 24/7 WITH CONTENT APPROPRIATE FOR BUSINESSES REGARDLESS OF THEIR STAGE OR INDUSTRY.
- SUPPORTS CLASSROOM TRAINING, SELF-PACED LEARNING, AND FOCUSED COMMUNITY GROUPS.

BUSINESS ADVISORY SERVICES

- PATHWAY LEARNING LEVERAGES TECHNOLOGY TO CREATE AND MANAGE CONTENT, DELIVER TRAINING, AND UNDERSTAND THE IMPACT WE GENERATE.
- ONLINE LEARNING MANAGEMENT SYSTEM AVAILABLE 24/7 WITH CONTENT APPROPRIATE FOR BUSINESSES REGARDLESS OF THEIR STAGE OR INDUSTRY.
- SUPPORTS CLASSROOM TRAINING, SELF-PACED LEARNING, AND FOCUSED COMMUNITY GROUPS.

VETERANS BUSINESS OUTREACH CENTER



THE VETERANS BUSINESS OUTREACH CENTER AT PATHWAY LENDING CONNECTS CURRENT AND FORMER MILITARY MEMBERS WHO ARE, OR ASPIRE TO BE, ENTREPRENEURS WITH THE COACHING AND CLASSROOM TRAINING THEY NEED TO SUCCEED.

WOMEN'S BUSINESS CENTER



PATHWAY WOMEN'S BUSINESS CENTER PROVIDES CLASSES, WORKSHOPS, COACHING, AND PEER LEARNING FOR TENNESSEE ENTREPRENEURS, WITH A SPECIAL FOCUS ON WOMEN.

PATHWAY | OTHER PROGRAMS

PAYCHECK PROTECTION PROGRAM LENDER [2021]

Pathway Lending began delivering first draw PPP loans in January 2021 to Tennessee small businesses. With a focus on 1099, self-employed, nonprofit and small business borrowers who had not secured funding in earlier rounds. Pathway delivered significant technical assistance to these businesses and made 196 PPP loans totaling \$4,039,147.67. Women- or minority-owned businesses represented 70.4% of the borrowers.

CARES ACT GRANTS | METRO NASHVILLE [2020-2021]

Pathway Lending administered CARES Act grants for Metro Nashville to aid in COVID-19 recovery, awarding 826 grants totaling \$6.575 million to businesses, music venues, arts nonprofits and farmers market vendors. A significant portion, 45% to minority-owned businesses, and 68% to microbusinesses.

NASHVILLE SMALL BUSINESS RESOURCE FUND [2022]

In 2022, Nashville's Metro Council directed \$18 million for Davidson County small businesses impacted by COVID with half (\$9 million) going to grants small businesses will not have to repay and half (\$9 million) going to low-interest loans recipients will repay at affordable, below-market rates and terms that facilitate ease of repayment.



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southeast Community Capital Corporation and Subsidiaries d/b/a Pathway Lending
Nashville, Tennessee

REPORT ON THE AUDITS OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Southeast Community Capital Corporation and Subsidiaries d/b/a Pathway Lending ("Corporation") which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southeast Community Capital Corporation and Subsidiaries d/b/a Pathway Lending as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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 CONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal 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 consolidated financial statements.

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

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

REPORT ON SUPPLEMENTARY INFORMATION

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The other information on pages i and the additional information on pages 40 - 48 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards on pages 47 - 48 is required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). The board of directors listing on page i and the schedule of expenditures of state financial assistance on page 47 - 48, is required by the *Audit Manual* issued by the Comptroller of the Treasury of the State of Tennessee. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information on pages 40 - 48 has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The board of directors listing on page i has not been subjected to the auditing procedures in the audit of the consolidated financial statements and, accordingly, we express no opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of Southeast Community Capital Corporation and Subsidiaries d/b/a Pathway Lending's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Southeast Community Capital Corporation and Subsidiaries d/b/a Pathway's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeast Community Capital Corporation and Subsidiaries d/b/a Pathway Lending's internal control over financial reporting and compliance.

Kraft CPAs PLLC

Nashville, Tennessee
March 31, 2022

**GRANT CONTRACT
BETWEEN THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
APPALACHIAN HOME & HEALTH, 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 Appalachian Home & Health, Inc., hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing units as further defined in the "SCOPE OF PROGRAM." Appalachian Home & Health, Inc., will be adding up to 238 affordable housing units located at 301 Ben Allen Rd., Nashville, TN 37207. The recipient's budget request, financial statements or audit, 501(c)3 letter, and/or charter documents are incorporated herein. The Recipient is a nonprofit charitable or civic organization.

A. SCOPE OF PROGRAM:

- A.1. Each Property to which these grant funds are provided for shall be subject to a Declaration of Restrictive Covenants ("Declaration") imposing certain affordability requirements to encumber the Property and run with the land over a 30-year term. Terms defined in the Declaration shall have the same meanings when used in this Agreement.
- A.2. The Recipient shall use the funds under this grant in accordance with the affordable housing project submitted in the application and any of its amendments, which application is incorporated herein, and subject to the terms and conditions set forth herein.
- A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in their application or proposal for grant funding which is incorporated herein. These funds shall be expended consistent with the Grant Budget, included in Attachment A. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a line-item shall require the prior written approval of Metro. However, in no event will the total amount of the Grant funds provided to Recipient go above the awarded Grant amount of \$990,000.

Additional Conditions for Rental Properties:

1. Tenants must be income-eligible at the time of initial occupancy, and Recipient must certify all incomes annually and maintain a certified rent roll. In the event a tenant's income increases above the income-requirement for the unit, the tenant is not disqualified from remaining in the unit. However, the tenant's rent shall be adjusted to the corresponding AMI level for the next lease term.
2. The Recipient will provide Metro with a management plan program oversight which includes certification of the rents, utility allowances and tenant incomes. The Grantee shall also provide Metro an annual certification that Barnes rental requirements are being met throughout the compliance period.
3. The Grantee will allow Metro or a Metro-approved contractor to conduct on-site inspections of the grantee for compliance Barnes program requirements including, but not limited to, reviewing tenant income calculations, rent determinations and utility allowances.
4. Compliance restrictions on both tenant income and maximum rents shall apply for thirty (30) years from the date of issuance of the certificate of occupancy for the final building within the project. If a certificate of occupancy is not issued, the compliance period will begin on the date of recordation of the notice of completion for the project.

5. Recipient shall not increase rents during a lease term.

B. GRANT CONTRACT TERM:

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

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of Metro under this Grant Contract exceed Nine Hundred Ninety Thousand Dollars (\$990,000). The Grant Budget, attached and incorporated herein as part of Attachment A, shall constitute the maximum amount to be provided to the Recipient by Metro for all of the Recipient's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Recipient.

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

C.2. Compensation Firm. The maximum liability of Metro is not subject to escalation for any reason.

The Grant Budget amount is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless the grant contract is amended.

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

a. Grant Draws

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

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

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

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

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

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

2) Construction Grant Draw Process

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

All invoices shall be sent to:

Barnes Housing Trust Fund
Planning Department – Housing Division
800 2nd Avenue South
Nashville, TN 37210
(615) 862-7190

Said payment shall not exceed the maximum liability of this Grant Contract.

Final invoices for the contract period should be received by Metro Payment Services by 24 months from the execution of the grant agreement. Any invoice not received by the deadline date will not be processed and all remaining grant funds will expire.

- C.4. Close-out Expenditure and Narrative Report. The Recipient must submit a final grant Close-out Expenditure and Narrative Report, to be received by the Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund within 45 days of the end of the Grant Contract. Said report shall be in form and substance acceptable to Metro and shall be prepared by a Certified Public Accounting Firm or the Chief Financial Officer of the Recipient Organization.
- C.5. Payment of Invoice. The payment of any invoice by Metro shall not prejudice Metro's right to object to the invoice or any matter in relation thereto. Such payment by Metro shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs included therein.
- C.6. Unallowable Costs. The Recipient's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Metro, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.7. Deductions. Metro reserves the right to adjust any amounts which are or shall become due and payable to the Recipient by Metro under this or any Contract by deducting any amounts which are or shall become due and payable to Metro by the Recipient under this or any Contract.
- C.8. Electronic Payment. Metro requires as a condition of this contract that the Recipient shall complete and sign Metro's form authorizing electronic payments to the Recipient. Recipients who have not already submitted the form to Metro will have thirty (30) days to complete, sign, and return the form. Thereafter, all payments to the Recipient, under this or any other contract the Recipient has with Metro, must be made electronically.
- C.9. Recipient agrees and understands that procurement of goods and services for the grant project must comply with state and local law and regulations, including the Metropolitan Procurement Code. Recipient will provide Metro with all plans and specifications needed for these procurement purposes. Recipient will promptly review, and either approve or disapprove, in good

faith and with reasonable grounds all estimates, amendments to scope of work, and all work performed by a contractor prior to payment.

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

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

Metropolitan Housing Trust Fund Commission

John Cooper, Mayor

Metropolitan Council of Nashville and Davidson County

D. STANDARD TERMS AND CONDITIONS:

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

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

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

- D.6. **Nondiscrimination.** The Recipient hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Recipient on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification which is in violation of applicable laws. The Recipient shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.7. **Records.** All documents relating in any manner whatsoever to the grant project, or any designated portion thereof, which are in the possession of Recipient, or any subcontractor of Recipient shall be made available to the Metropolitan Government for inspection and copying upon written request by the Metropolitan Government. Furthermore, said documents shall be made available, upon request by the Metropolitan Government, to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. Said records include, but are not limited to, all drawings, plans, specifications, submittals, correspondence, minutes, memoranda, tape recordings, videos or other writings or things which document the grant project, its design and its construction. Said records expressly include those documents reflecting the cost of construction, including all subcontracts and payroll records of Recipient.
- Recipient shall maintain documentation for all funds provided under this grant contract. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be maintained for a period of three (3) full years from the date of the final payment. The books, records, and documents of Recipient, insofar as they relate to funds provided under this grant contract, shall be subject to audit at any reasonable time and upon reasonable notice by Metro or its duly appointed representatives. Records shall be maintained in accordance with the standards outlined in the Metro Grants Manual. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.8. **Monitoring.** The Recipient's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by Metro or Metro's duly appointed representatives. The Recipient shall make all audit, accounting, or financial records, notes, and other documents pertinent to this grant available for review by the Metropolitan Office of Financial Accountability, Internal Audit or Metro's representatives, upon request, during normal working hours.
- D.9. **Reporting.** The Recipient must submit an **Interim Program Report**, to be received by the Metropolitan Housing Trust Commission / Barnes Housing Trust Fund, by no later than September 1, 2023 and a **Final Program Report**, to be received by the Metropolitan Housing Trust Fund Commission within 45 [forty-five] days of the end of the Grant Contract. Said reports shall detail the outcome of the activities funded under this Grant Contract in the form required by Metro.
- D.10. **Strict Performance.** Failure by Metro to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not

be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment by the appropriate parties as indicated on the signature page of this Grant.

- D.11. Insurance. The Recipient shall maintain adequate public liability and other appropriate forms of insurance, including other appropriate forms of insurance on the Recipient's employees, and to pay all applicable taxes incident to this Grant Contract.
- D.12. Metro Liability. Metro shall have no liability except as specifically provided in this Grant Contract.
- D.13. Independent Contractor. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the Recipient and Metro or to create the relationship of principal and agent between or among the Recipient and Metro. The Recipient shall not hold itself out in a manner contrary to the terms of this paragraph. Metro shall not become liable for any representation, act, or omission of any other party contrary to the terms of this paragraph.
- D.14. Indemnification and Hold Harmless.
- (a) Recipient shall indemnify, defend, and hold harmless Metro, its officers, agents and employees from any claims, damages, penalties, costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Recipient, its officers, employees and/or agents, including its sub or independent contractors, in connection with the performance of the contract, and any claims, damages, penalties, costs and attorney fees arising from any failure of Recipient, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.
- (b) Metro will not indemnify, defend or hold harmless in any fashion the Recipient from any claims, regardless of any language in any attachment or other document that the Recipient may provide.
- (c) Recipient shall pay Metro any expenses incurred as a result of Recipient's failure to fulfill any obligation in a professional and timely manner under this Contract.
- (d) Grantee's duties under this section shall survive the termination or expiration of the grant.
- D.15. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.16. State, Local and Federal Compliance. The Recipient agrees to comply with all applicable federal, state and local laws and regulations in the performance of this Grant Contract.
- D.17. Governing Law and Venue. The validity, construction and effect of this Grant Contract and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of the State of Tennessee. The venue for legal action concerning this Grant Contract shall be in the courts of Davidson County, Tennessee.
- D.18. Attorney Fees. Recipient agrees that, in the event either party deems it necessary to take legal action to enforce any provision of the Grant Contract, and in the event Metro prevails, Recipient shall pay all expenses of such action including Metro's attorney fees and costs at all stages of the litigation.
- D.19. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings,

representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

- D. 20. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D. 21. Licensure. The Recipient and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses. Recipient will obtain all permits, licenses, and permissions necessary for the grant project.
- D. 22. Waiver. No waiver of any provision of this contract shall affect the right of any party thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default.
- D. 23. Inspection. The Grantee agrees to permit inspection of the project and/or services provided for herein, without any charge, by members of the Grantor and its representatives.
- D. 24. Assignment—Consent Required. The provisions of this contract shall inure to the benefit of and shall be binding upon the respective successors and assignees of the parties hereto. Except for the rights of money due to Recipient under this contract, neither this contract nor any of the rights and obligations of Recipient hereunder shall be assigned or transferred in whole or in part without the prior written consent of Metro. Any such assignment or transfer shall not release Recipient from its obligations hereunder. Notice of assignment of any rights to money due to Recipient under this Contract must be sent to the attention of the Metro Department of Finance.
- D.25. Gratuities and Kickbacks. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparations of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement of a contract or subcontract or to any solicitation or proposal therefore. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or a person associated therewith, as an inducement for the award of a subcontract or order. Breach of the provisions of this paragraph is, in addition to a breach of this contract, a breach of ethical standards which may result in civil or criminal sanction and/or debarment or suspension from participation in Metropolitan Government contracts.
- D.26. Communications and Contacts. All instructions, notices, consents, demands, or other communications from the Recipient required or contemplated by this Grant Contract shall be in writing and shall be made by facsimile transmission, email, or by first class mail, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

Metro:

For contract-related matters and enquiries regarding invoices:

Metropolitan Housing Trust Fund Commission / Barnes Housing Trust Fund
Planning Department – Housing Division
800 2nd Avenue South
Nashville, TN 37210
(615) 862-7190
Ashley.Brown2@Nashville.Gov

Recipient:

Appalachian Home & Health, Inc.
Robert B. Sharp, President
2543 Tall Ln
Knoxville, TN 37820
865-603-0054
appalachianhomehealth@gmail.com

The Clear Blue Company
Ashley Horton, Affordable Housing Specialist
601 Woodland
Nashville, TN 37206
(239) 989-7096
ashley@theclearbluecompany.com

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

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

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

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THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON
COUNTY:

APPROVED AS TO PROGRAM SCOPE:

Gina Emmanuel

Gina Emmanuel, Chair,
Metropolitan Housing Trust Fund
Commission

APPROVED AS TO AVAILABILITY OF
FUNDS:

Kelly Flannery

Kelly Flannery, Director
Department of Finance

APPROVED AS TO FORM AND
LEGALITY:

Alexandra X. Rivera

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:

Appalachian Home & Health, Inc.

By: *[Signature]*

Title: Executive Director

Sworn to and subscribed to before me a
Notary Public, this 27 day
of October, 2022.

Notary Public

Carolyn Pelfrey

My Commission
expires 03/07/2020



USES OF FUNDS	Actual	Elig Basis 30 % PV	Elig Basis 70 % PV	Percent Total Cost	Dollars Per Unit	Dollars Per Square Ft	Other Measure
To Purchase Land and Buildings							
Land	\$4,750,000						\$475,000
Existing Structures							Dollars/ Acre
Demolition							
Other							
Other							
Subtotal	\$4,750,000	\$0	\$0	6.73%	\$19,958		
For Site Work							
Site Work	\$500,000		\$500,000				
Other							
Other							
Subtotal	\$500,000	\$0	\$500,000	0.71%	\$2,101		
For Rehabilitation and New Construction							
New Building	\$41,750,000		\$41,750,000				
Rehabilitation							
Accessory Building							
General Requirements	\$2,535,000		\$2,535,000				6.00%
Contractor Overhead	\$845,000		\$845,000				2.00%
Contractor Profit	\$2,535,000		\$2,535,000				6.00%
Permits & other const't	\$357,170		\$357,170				
FFE/Tech	\$442,500		\$442,500				
Tap Fees (electric/sewer)	\$845,000		\$845,000				
Subtotal	\$49,309,670	\$0	\$49,309,670	69.90%	\$207,183	\$230.47	
For Contingency							
Construction Contingency	\$2,412,755		\$2,412,755				
Other							% Hard Costs
Subtotal	\$2,412,755	\$0	\$2,412,755	3.42%	\$10,138	\$11.28	4.84%
For Architectural and Engineering Fees							
Architect Fee - Design	\$909,500		\$909,500				% Const Cost
Architect Fee - Supervision	\$130,500		\$130,500				2.11%
Real Estate Attorney	\$120,000		\$120,000				
Other Fees - SURVEY	\$20,000		\$20,000				
Other Fees - SOILS	\$10,000		\$10,000				
Other Fees - ENGINEERING	\$122,000		\$122,000				
Other Fees - COST CERTIFICATION	\$30,000		\$30,000				
Subtotal	\$1,342,000	\$0	\$1,342,000	1.90%	\$5,639	\$6.27	
For Interim Costs							
Bond Issuance Fees							Cons't Loan
Construction Interest	\$1,000,000		\$1,000,000				\$50,000,000
Construction Loan Origin Fee	\$470,000		\$470,000				
Bank Inspections & Legal	\$35,000						
Taxes During Construction							
Subtotal	\$1,505,000	\$0	\$1,470,000	2.13%	\$6,324	\$7.03	
For Financing Fees and Expenses							
Credit Report							
Permanent Loan Origin Fee	\$190,000						
Permanent Loan Credit Enhancement							
Cost of Issuance/Underwriters Discount							
Title and Recording	\$75,000						
Counsel's Fee	\$45,000						
Other							
Other							
Subtotal	\$310,000	\$0	\$0	0.44%	\$1,303		
For Soft Costs							
Property Appraisal	\$5,000		\$5,000				
Market Study	\$10,000		\$10,000				
Environmental Study	\$10,000		\$10,000				
Tax Credit Fees	\$350,011						
Monitoring Fees	\$600 per unit		\$142,800				
THDA bond fees							
Other							
Subtotal	\$517,811	\$0	\$25,000	%	\$2,176		

For Syndication Costs								
Organizational (Partnership)	\$36,000							
Bridge Loan Fees & Expenses								
Tax Opinion								
Other								
Other								
Subtotal	\$36,000	\$0	\$0	0.05%	\$151			% Equity 0.08%
For Developer's Fees								
Developer's Overhead								
Developer's Fee	\$8,258,914		\$8,258,914			REL. ENT. %	0.00%	28.84%
Consultants								% Total Cost
Subtotal	\$8,258,914	\$0	\$8,258,914	11.71%	\$34,701		0.00%	15.00%
For Project Reserves								
Rent-up Reserve	\$250,000							
Operating Reserve	\$1,350,000							
Mortgage Reserves								
Other								
Subtotal	\$1,600,000	\$0	\$0	2.27%	\$6,723			
TOTAL USES OF FUNDS	\$70,542,150	\$0	\$63,318,339					

PROFORMA CASH FLOW ANALYSIS

Year	1	2	3	4	5	6	7	8
Total Potential Rent Income	\$3,310,560	\$3,376,771	\$3,444,307	\$3,513,193	\$3,583,457	\$3,655,126	\$3,728,228	\$3,802,793
Less Vacancy	(\$231,739)	(\$236,374)	(\$241,101)	(\$245,923)	(\$250,842)	(\$255,859)	(\$260,976)	(\$266,195)
Effective Income	\$3,078,821	\$3,140,397	\$3,203,205	\$3,267,269	\$3,332,615	\$3,399,267	\$3,467,252	\$3,536,597
Administrative Expenses								
Accounting	\$30,000							
Advertising	\$35,000							
Legal	\$20,000							
Management	\$153,941							
Office Expenses	\$75,000							
Subtotal	\$313,941							
Maintenance Expenses								
Turning Units Maintenance	\$53,550							
Exterminator	\$15,000							
Grounds	\$40,476							
Repairs	\$50,000							
Maintenance Salary	\$100,000							
Subtotal	\$259,026							
Operating Expenses								
Electrical	\$35,000							
Water / Sewer	\$99,960							
Syndicator Asset Management Cost	\$5,000							
Trash removal	\$25,000							
Payroll / PR Taxes/Insurance	\$70,000							
Management Salary	\$120,000							
Hazard Insurance	\$104,006							
Subtotal	\$458,966							
Real Estate Taxes	\$190,400	\$800 per unit						
Total Annual Expenses	\$1,222,333	\$1,259,003	\$1,296,773	\$1,335,676	\$1,375,747	\$1,417,019	\$1,459,530	\$1,503,315
Replacement Reserve	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500
NOI	\$1,796,988	\$1,821,894	\$1,846,932	\$1,872,093	\$1,897,368	\$1,922,748	\$1,948,223	\$1,973,782
Developers Proposed Debt Service								
Perm Mgt Debt Service	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189
Subordinate Loan #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subordinate Loan #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer's Proposed Cash Flow	\$307,799	\$332,705	\$357,743	\$382,904	\$408,179	\$433,559	\$459,034	\$484,593

Year	9	10	11	12	13	14	15
Total Potential Rent Income	\$3,878,849	\$3,956,426	\$4,035,554	\$4,116,265	\$4,198,591	\$4,282,562	\$4,368,214
Less Vacancy	(\$271,519)	(\$276,950)	(\$282,489)	(\$288,139)	(\$293,901)	(\$299,779)	(\$305,775)
Effective Income	\$3,607,329	\$3,679,476	\$3,753,065	\$3,828,127	\$3,904,689	\$3,982,783	\$4,062,439
Expenses	\$1,548,415	\$1,594,867	\$1,642,713	\$1,691,995	\$1,742,755	\$1,795,037	\$1,848,888
Replacment Reserve	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500
NOI	\$1,999,414	\$2,025,108	\$2,050,852	\$2,076,632	\$2,102,435	\$2,128,246	\$2,154,050
Developers Proposed Debt Service							
Perm Mgt Debt Service	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189	\$1,489,189
Subordinate Loan #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subordinate Loan #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer's Proposed Cash Flow	\$510,226	\$535,920	\$561,663	\$587,443	\$613,246	\$639,057	\$664,862

Exhibit C

AMENDED AND RESTATED BYLAWS
OF
APPALACHIAN HOME & HEALTH, INC.

THESE AMENDED AND RESTATED BYLAWS ("Bylaws") constitute the code of rules adopted by **APPALACHIAN HOME & HEALTH, INC.**, a Tennessee nonprofit corporation (the "Corporation"), for the regulation and management of its affairs.

WHEREAS, the Corporation was organized by the Board of Directors of the Corporation (the "Board") as a nonprofit corporation under the Tennessee Nonprofit Act (the "Act"), pursuant to certain Bylaws of Appalachian Home and Health, Inc. (the "Original Bylaws") and the Charter filed with the Tennessee Secretary of State on August 14, 2009 (the "Charter").

NOW, THEREFORE, in consideration of the mutual rights, duties, and covenants hereinafter set forth, and other good and valuable consideration, all of the Directors of the Board agree to the continuation of the Corporation as a nonprofit corporation pursuant to the Act upon the following terms and conditions which restate, amend and supersede those set forth in the Original Bylaws.

ARTICLE I
Purpose

(1) Purpose

The Corporation shall be organized and operated as a not for profit public benefit corporation under the provisions of the Act. As more particularly set forth in its Charter, the Corporation shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, and in particular to provide persons of low and moderate income, elderly persons and handicapped persons with housing facilities and services to meet their needs.

ARTICLE II
Board of Directors

(1) Powers

The Board of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Charter, Act, state statute, common law, court decisions, and these bylaws.

(2) Qualifications

Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin. Employees of the Corporation are ineligible to serve on the Board.

(3) Number of Directors

The Board shall consist of three (3) Directors. Upon majority resolution of the Board, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three (3) or increasing the total number of Directors to more than nine (9). Until the first meeting for electing the Directors occurs, the initial Board shall consist of the persons listed in the Charter as constituting the initial Board.

(4) Classes of Directors

The Board shall be divided into three classes, with each having as nearly equal in number as possible, designated: Class I, Class II, and Class III. In case of any increase or decrease, from time to time, in the number of Directors, the number of Directors in each class shall be apportioned as nearly as equal as possible. No decrease in the number of Directors shall shorten the term of any incumbent Director.

(5) Election and Terms of Directors

The Directors shall be elected at a duly noticed meeting of the Board. Candidates receiving the highest number of votes of the Directors present and voting at that meeting shall be elected as Directors. A Director may succeed himself or herself in office. Each Director shall serve for a term ending on the date of the fifth annual meeting of the Board following the annual meeting at which such director was elected; *provided, that* each Director initially appointed to Class I shall serve for an initial term expiring at the Corporation's first annual meeting following the effectiveness of this provision; each Director initially appointed to Class II shall serve for an initial term expiring at the Corporation's second annual meeting following the effectiveness of this provision; and each Director initially appointed to Class III shall serve for an initial term expiring at the Corporation's third annual meeting following the effectiveness of this provision; *provided further,* that the term of each Director shall continue until the election and qualification of a successor and be subject to such Director's earlier death, resignation or removal. Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board or at a special meeting called for that purpose. When a re-appointment or replacement is made, the re-appointment or replacement shall be considered effective on the date that the prior term expired (i.e., the new term does not begin on the date of the election). Directors whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen.

(6) Resignation

Any Director may resign at any time by delivering written notice to the Secretary or President of the Board. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

(7) Removal

Any Director may be removed without cause, at any time, by a majority of the entire Board, at a Regular or Special Meeting called for that purpose. Any Director under

consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

(8) Vacancies

Vacancies shall be filled by majority vote of the remaining members of the Board, though less than a quorum, and the Director filling the vacancy shall serve for the remainder of the term of the directorship that was vacated. Vacancies shall be filled as soon as practical. Any Director may make nominations to fill vacant directorships.

(9) Compensation

Directors shall not receive any salaries or other compensation for their services, but, by resolution of the Board, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested Board approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director.

ARTICLE III

Committees

(1) Nominating Committee

The President shall appoint, and the Board shall confirm two (2) Directors of the Corporation to a nominating committee. The nominating committee shall invite suggestions for the directorships and offices which are vacant or about to expire, allowing thirty (30) days for suggestions. The nominating committee shall then nominate candidates for the required directorships and offices of the Corporation as provided in these bylaws and report such nominations to the Corporation at least thirty (30) days before the annual meeting of the Board.

(2) Additional Committees

The Board may from time to time designate and appoint additional standing or temporary committees by majority vote of the Board. Such committees shall have and exercise such prescribed authority as is designated by the Board. The Directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Charter and these bylaws.

(3) Term of Appointment

Each member of a committee shall continue as such until the next annual meeting of the Board or until a successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

(4) Chairman

The Board shall appoint one member of each committee as chairman thereof.

(5) **Vacancies**

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.

(6) **Quorum**

Unless the Board directs otherwise, a majority of the whole committee shall constitute a quorum; and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE IV

Code of Ethics and Conflicts of Interest

(1) **Board Ethics**

It is imperative to the success of the Corporation that there be a fully informed, responsive, and reasonable Officers and Directors. To this end, each Director and Officer shall conduct themselves at all times in the best interest of the Corporation. In this regard, each Director and Officer shall abide by the following "Code of Ethics". No code or set of rules can be framed which will particularize all of the duties of a Director or Officer. The following Code of Ethics is to be considered a general guide, yet the enumeration of particular duties should not be construed as a denial of the existence of other equally imperative duties, though not specifically mentioned.

(2) **Attendance**

Directors shall put forth their best efforts to attend all meetings and constructively participate in those meetings.

(3) **Business Judgment**

Directors and Officers shall exercise good judgment in the control and use of confidential information that may from time to time come into their possession.

(4) **Board Interference with Operations**

Except for voting at properly called meetings of the Board, Directors shall refrain from entering into the day-to-day administration of the Corporation unless they are doing so upon express authority given to them by a properly adopted resolution of the Board.

(5) **Conflicts of Interest**

Any possible conflict of interest shall be disclosed to the Board and members of committees with governing board-delegated powers considering the proposed transaction or arrangement. Such conflict must be resolved pursuant to the Conflict of Interest Policy adopted by the Board and attached hereto as Exhibit A.

ARTICLE V

Board Meetings

(1) Place of Board Meetings

Regular and Special Meetings of the Board will be held at 2543 Tall Pine Lane, Knoxville, Tennessee 37920, or at any other place that the President may designate.

(2) Regular and Special Meetings

Regular meetings of the Board shall be held each month, or more frequently as deemed necessary by the Board. Special Meetings may be called by the President or any three Directors. An orientation meeting will be held each year for the new members of the Board.

(3) Notice of Board Meetings

Notice of the date, time, and place of Regular Meetings shall be given to each board member by regular mail, telephone (including voice mail), facsimile, or e-mail no less than seven (7) nor more than thirty (30) days' notice prior to the meeting. Notice of the date, time, and place of special meetings shall be given to each board member using the same methods, but with no less than two (2) days' notice prior to the meeting, with the exception of special meetings held to amend the Charter or bylaws, for which a seven (7) day written notice by mail or facsimile shall be required specifying the proposed amendment.

(4) Waiver of Notice

Attendance by a Director at any meeting of the Board for which the Director did not receive the required notice will constitute a waiver of notice of such meeting unless the Director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting.

(5) Quorum

A majority of the incumbent Directors (not counting vacancies) shall constitute a quorum for the purposes of convening a meeting or conducting business. At Board meetings where a quorum is present, a majority vote of the Directors attending shall constitute an act of the Board unless a greater number is required by the Charter or by any provision of these bylaws.

(6) Actions without a Meeting

Any action required or permitted to be taken by the Board under the Act, the Charter, and these bylaws may be taken without a meeting, if a quorum of Directors individually and collectively consent in writing, setting forth the action to be taken. Such written consent shall have the same force and effect as an action of the Board when a quorum is present.

(7) Telephone and Similar Meetings

Directors may participate in and hold a meeting by means of conference telephone and similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express

purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

- (8) **Proxy Voting Prohibited**
Proxy voting is not permitted.

ARTICLE VI Officers

- (1) **Roster of Officers**
The Corporation shall have a President, Secretary, and Treasurer (the "Officers"). The Corporation may have, at the discretion of the Board, such other officers as may be appointed by the Directors. One person may hold two or more offices, except those serving as President or Secretary.
- (2) **Election and Removal of Officers**
All Officers shall serve five (5) year terms. The election shall be conducted at the Board's first meeting of the fiscal year and following the election of the new Directors filling expired terms, or as soon as practical thereafter. Officers shall remain in office until their successors have been selected. Officers may serve consecutive terms without limit. The election of officers shall be by majority vote of the Board attending the meeting.
- (3) **Vacancies**
If a vacancy occurs during the term of office for any elected officer, the Board shall elect a new officer to fill the remainder of the term as soon as practical, by majority vote of Directors present.
- (4) **President**
- * The President will supervise and control the affairs of the Corporation and shall exercise such supervisory powers as may be given her by the Board.
 - * The President will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the Board. The President shall preside at all board meetings and shall exercise parliamentary control in accordance with Roberts Rules of Order.
 - * The President shall serve as an ex-officio member of all standing committees, unless otherwise provided by the Board or these bylaws.
 - * The President shall, with the advice of the Board and in accordance with the requirements of these bylaws, set the agenda for each meeting of the Board.
- (5) **Secretary**
- * The Secretary will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Charter, or by these bylaws.
 - * The Secretary shall attest to and keep the bylaws and other legal records of the Corporation, or copies thereof, at the principal office of the Corporation.

- * The Secretary shall take or ensure that someone takes minutes of all meetings of the committees and Board, and shall keep copies of all minutes at the principal office of the Corporation.
- * The Secretary shall keep a record of the names and addresses of the Directors at the principal office of the Corporation.
- * The Secretary shall, with the approval of the Board, set up procedures for any elections held by the Corporation. The Secretary shall keep a record of all votes cast in such elections.
- * The Secretary shall ensure that all records of the Corporation, minutes of all official meetings, and records of all votes, are made available for inspection by any member of the Board at the principal office of the Corporation during regular business hours.
- * The Secretary shall see that all notices are duly given in accordance with these bylaws or as required by law.
- * The Secretary shall see that all books, reports, statements, certificates, and other documents and records of the Corporation are properly kept and filed.

(6) Treasurer

- * The Treasurer will have charge and custody of all funds of the Corporation, will oversee and supervise the financial business of the Corporation, will render reports and accountings to the Directors as required by the Board, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Charter, or by these bylaws, or which may be assigned from time to time by the Board.
- * The Treasurer shall give to the Corporation a bond with one or more sureties for the faithful performance of the duties of the office and for the restoration to the Corporation--in the case of his or her death, resignation, retirement, or removal from office--all books, papers, vouchers, money, and other property of whatever kind in his or her possession or under his control belonging to the Corporation. The amount of the bond shall be determined by the Board.
- * The Treasurer and the staff of the Corporation shall devise a plan providing for the acceptance and disbursement of all funds of the Corporation which shall be approved by the Board.
- * The Treasurer, with the approval of the Board, shall set up all checking, savings, and investment accounts of the Corporation and deposit all such funds in the name of the Corporation in such accounts.
- * The Treasurer's signature shall be the authorized signature for all checking, savings, and investment accounts of the Corporation unless the Treasurer, with the approval of the Board, designates another member of the Board or employee of the Corporation as the authorized signatory for a particular type of disbursement.
- * The Treasurer shall prepare a monthly report for the Board, providing an accounting of all transactions and of the financial conditions of the Corporation.
- * The Treasurer shall keep all financing records, books, and annual reports of the financial activities of the Corporation at the principal office of the Corporation and make them available at the request of any Director or member of the public during regular business hours for inspection and copying.

ARTICLE VII
Rules of Procedure

The proceedings and business of the Board shall be governed by Robert's Rules of Parliamentary Procedure unless otherwise provided herein.

ARTICLE VIII
Executive Director

The Board may, upon resolution, appoint an Executive Director to serve at the board's discretion and to carry out whatever tasks the board from time to time resolves. The Executive Director shall be paid an annual salary set by the Board. Subject to such supervisory powers as are vested in the Board, the Executive Director shall supervise, direct, and control the business of the Corporation and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board or by these bylaws.

The Executive Director may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Articles of Incorporation and these bylaws. The Executive Director shall generally be expected to attend all meetings of the Board and meetings of the general membership.

ARTICLE IX
Indemnification

(1) Insurance

To the extent permitted by Tennessee law, the Corporation may purchase and maintain insurance on behalf of any individual who is or was a director, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another entity on behalf of and at the direction of the Corporation.

(2) Indemnification of Directors and Officers

To the maximum extent permitted by the provisions of Sections 48-58-501 et seq. of the Act, the Corporation shall indemnify and advance the reasonable expenses actually incurred, including counsel fees, by any person who is or was a director or officer of the Corporation, or to such person's heirs, executors and administrators, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal ("Proceeding"), to which such person is, was or is threatened to be made a party, so long as (a) such person was made a party to a Proceeding because the individual is or was a director or officer of the Corporation, and (b) the individual reasonably believed (i) in the case of the individual's official capacity with the Corporation, that the individual's conduct was in the Corporation's best interest; and (ii) in all other cases, that the individual's conduct was at

least not opposed to the Corporation's best interest. The termination of a Proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct herein described.

(3) Indemnification of Employees and Agents

To the maximum extent permitted by the provisions of Sections 48-58-501 et seq., of the Act, the Corporation shall indemnify and advance the reasonable expenses actually incurred, including counsel fees, by any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors and administrators, for the defense of any Proceeding to which such person was made a party, so long as that the individual's conduct was at least not opposed to the Corporation's best interest. The termination of a Proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent is not, of itself, determinative that the employee or agent did not meet the standard of conduct herein described.

(4) Limits on Indemnification

The Corporation may not indemnify a trustee, officer, employee, or agent of the Corporation, or such person's estate or personal representative, as described in paragraphs (2) and (3) above if:

- (a) the individual was adjudged liable to the Corporation in connection with a Proceeding by or in the right of the Corporation;
- (b) the individual was adjudged liable on the basis that personal benefit was improperly received by the director in connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in the director's official capacity;
- (c) the individual was adjudged to have breached the duty of loyalty to the Corporation;
- (d) the judgment or other final adjudication adverse to the individual established an act or omission not in good faith or which involved intentional or a knowing violation of the law; or
- (e) the individual was adjudged liable for an unlawful distribution under Section 48-58-304 of the Act.

(3) Indemnification Not Exclusive of Other Rights

The indemnification provided in Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Charter or bylaws, or any agreement, vote of disinterested directors, or otherwise as to any action in any official capacity while holding such office. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee, trustee, or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE X
Operations

(1) Execution of Documents

Unless specifically authorized by the Board or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the President (or such other person designated by the Board), pursuant to the general authorization of the Board. All conveyances of land by deed shall be signed by the President and must be approved by a resolution of the Board.

(2) Disbursement of Funds

All checks, drafts or other orders for the payment of money, notes or other evidences of the 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 other manner as may from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

(3) Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

(4) Gifts

The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

(5) Corporate Seal

The corporate seal (of which there may be one or more exemplars) shall be in such form as the Board may from time to time determine.

(6) Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board meetings and Committees. The Corporation will keep at its principal place of business the original or a copy of its bylaws, including amendments to date certified by the Secretary of the Corporation.

(7) Inspection of Books and Records

All books and records of this Corporation may be inspected by any Director for any purpose at any reasonable time on written demand.

(8) Loans to Management

The Corporation will make no loans to any of its Directors or Officers.

(9) Amendments

The Board may adopt amendments to the Charter by a vote of two-thirds of Directors present at a meeting where a quorum is present, subject to the limitations imposed by the Charter. The bylaws may be amended at any time by a vote of the majority of Directors at a meeting where a quorum is present.

(10) Fiscal Year

The Board is authorized to fix the fiscal year of the Corporation and to change the same from time to time as it deems appropriate.

(11) Internal Revenue Code

All references in these bylaws to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, to the corresponding provisions of any applicable future United States Internal Revenue law, and to all regulations issued under such sections and provisions.

(12) Construction

Wherever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these bylaws shall be invalid or inoperative, then, so far as is reasonable and possible: (a) the remainder of these bylaws shall be considered valid and operative; and (b) effect shall be given to the intent manifested by the portion held invalid and inoperative.

(13) Headings

The headings of the Articles and Sections of these bylaws are only for the convenience of reference and shall not change or affect the interpretation thereof.

(14) Relation to Charter

These Bylaws are subject to, and governed by, the Charter.

ARTICLE XI
Tax-Exempt Status

(1) Tax-Exempt Status

The affairs of the Corporation at all times shall be conducted in such a manner as to assure its status as a “publicly supported” organization as defined in Section 509 (a) (1) or Section 509 (a) (2) or Section 509 (a) (3) of the Internal Revenue Code, and so in other ways to qualify for exemption from tax pursuant to Section 501 (c) (3) of the Internal Revenue Code.

ARTICLE XI
Definitions

(1) Definitions

The capitalized words and phrases used in these Bylaws shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such words and phrases):

“Act” shall mean the Nonprofit Corporation Act as adopted in the State of Tennessee, as the same may from time to time be amended (including corresponding provisions of any succeeding law).

“Board” means the Board of Directors of the Corporation, which shall govern the Corporation in accordance with the Act.

“Bylaws” means these Amended and Restated Bylaws of Appalachian Home & Health, Inc., a Tennessee nonprofit corporation.

“Charter” means the Charter of the Corporation filed with the Tennessee Secretary of State on August 14, 2009, as amended.

“Corporation” means Appalachian Home & Health, Inc., a Tennessee nonprofit corporation.

“Directors” means a voting member of the Board of the Corporation.

“Officers” means the President, Secretary, Treasurer and such other officers as may be appointed by the Directors of the Corporation

“Original Bylaws” means the Bylaws of Appalachian Home and Health, Inc.

CERTIFICATION

I HEREBY CERTIFY that these Bylaws were properly adopted by the Board of Directors of Appalachian Home & Health, Inc., a Tennessee nonprofit corporation at its meeting held on February 18, 2022.


Secretary

EXHIBIT A

APPALACHIAN HOME & HEALTH, INC.

CONFLICT OF INTEREST POLICY

The purpose of the conflict of interest policy ("Policy") is to protect Appalachian Home & Health, Inc., a Tennessee nonprofit corporation (the "Corporation") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE I

Definitions

(1) **Definitions**

The capitalized words and phrases used in this Policy shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such words and phrases):

"Act" shall mean the Nonprofit Corporation Act as adopted in the State of Tennessee, as the same may from time to time be amended (including corresponding provisions of any succeeding law).

"Board" means the Board of Directors of the Corporation, which shall govern the Corporation in accordance with the Act.

"Control" or "Controlled By" means (i) having the power, directly or indirectly, to elect or remove a majority of the members of the Board; or (ii) being subject to a majority of the risk of loss from the Corporation's activities entitled to receive a majority of the Corporation's residual returns.

"Conflicting Interest Transaction" means a transaction effected or proposed to be effected by the Corporation (or by an entity controlled by the Corporation) (i) to which, at the Relevant Time, a Director or Officer is a party; (ii) respecting which, at the Relevant Time, the Director or Officer had knowledge and a Material Financial Interest known to the Director or Officer; or (iii) respecting which, at the Relevant Time, the Director or Officer knew that a Related Person was a party or had a Material Financial Interest.

"Corporation" means Appalachian Home & Health, Inc., a Tennessee nonprofit corporation.

"Directors" means a voting member of the Board of the Corporation.

“Interest Person” means the Director or Officer with a Material Financial Interest or Material Relationship.

“Material Financial Interest” means a financial interest in a transaction that would reasonably be expected to impair the objectivity of the Director’s or Officer’s judgment when participating in action on the authorization of the transaction.

“Material Relationship” means a familial, financial, professional, employment or other relationship that would reasonably be expected to impair the objectivity of the Director’s or Officer’s judgment when participating in the action to be taken.

“Officers” means the President, Secretary, Treasurer and such other officers as may be appointed by the Directors of the Corporation.

“Qualified Director” means a Director, who, at the time action is to be taken under Section 48-58-703 of the Act, is not a Director (i) as to whom the transaction is a Director’s or Officer’s Conflicting Interest Transaction; or (ii) has a Material Relationship with another Director as to whom the transaction is a Director’s or Officer’s Conflicting Interest Transaction (the presence of one (1) or more of the following circumstances shall not automatically prevent a Director from being a Qualified Director: (a) nomination or election of the Director by the current Board by any Director who is not a qualified Director with respect to the matter (or by any person that has a Material Relationship with that Director), acting alone or participating with others; or (b) service as a Director of another corporation of which a Director who is not a Qualified Director with respect to the matter (or any individual who has a Material Relationship with that Director), is or was also a Director.

“Related Person” means (i) the Director’s or Officer’s spouse; (ii) a child, stepchild, grandchild, parent, stepparent, grandparent, sibling, stepsibling, half-sibling, aunt, uncle, niece or nephew (or spouse of any thereof) of the Director or Officer or of the Director’s or Officer’s spouse; (iii) an individual living in the same home as the Director or Officer; (iv) an entity (other than the Corporation or an entity controlled by the Corporation) controlled by the Director or Officer or any person specified in clauses (i)-(iii) above; (v) a domestic or foreign (a) business or nonprofit corporation (other than the Corporation or an entity controlled by the Corporation) of which the Director or Officer is a director but only with respect to a transaction or proposed transaction to which the Corporation and the other business or nonprofit corporation are parties or proposed parties and that is a transaction or proposed transaction that is or should be considered by the Board; (b) unincorporated entity of which the Director or Officer is a general partner or a member of the governing body; or (c) individual, trust or estate from whom or of which the Director or Officer is a director, guardian, personal representative or like fiduciary; or (vi) a person that is or an entity that is controlled by an employer of the Director or Officer.

“Relevant Time” means: (i) the time at which the Directors’ action respecting the transaction is taken in compliance with Section 48-58-703 of the Act; or (ii) if the transaction is not brought before the Qualified Directors at the time the Corporation (or an

entity controlled by the Corporation) becomes legally obligated to consummate the transaction.

“Required Disclosure” means disclosure of (i) the existence and nature of the Interested Person’s conflicting interest; and (ii) all facts known to the Interested Person respecting the subject matter of the transaction that a Director or Officer free of such conflicting interest would reasonably believe to be material in deciding whether to proceed with the transaction.

ARTICLE II

Disclosure; Procedures

(1) Duty to Disclose

In connection with any actual or possible Conflicting Interest Transaction, the Interest Person must make the Required Disclosure to the Board.

(2) Determining Whether a Conflict of Interest Exists

After receipt of the Required Disclosure, and after any discussion with the Interested Person, the Interested Person shall leave the meeting of the Board while the determination of a conflict of interest is discussed and voted upon. The Qualified Directors shall decide if a conflict of interest exists.

(3) Procedures for Addressing the Conflict of Interest

- (a) An Interested Person may make a presentation at the Board’s meeting, but after such presentation, the Interested Person shall leave the meeting during discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- (b) The President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Qualified Directors shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the Qualified Directors shall determine by a majority vote whether the transaction or arrangement is in the Corporation’s best interest and for its own benefit and whether the transaction is fair and reasonable to the corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(4) Violations of the Conflict of Interest Policy

- (a) If any Director or committee member has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of such Interested Person and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(5) Records of Proceedings

The minutes of the Board shall contain the following:

- (a) the names of the persons who disclosed or otherwise were found to have a Material Financial Interest or Material Relationship in connection with an actual or possible conflict of interest, the nature of the Material Financial Interest or Material Relationship, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- (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 therewith.

ARTICLE III

Compensation Committees

(1) Compensation Committees

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

ARTICLE IV

Statements; Periodic Reviews

(1) Statements

Each Director, Officer and member of a committee with Board delegated powers shall sign a statement which affirms that such person:

- (a) has received a copy of the Policy,
- (b) has read and understands the Policy,
- (c) has agreed to comply with the Policy, and

(d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

(2) Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted at the direction of the Board.

Secretary of State
Division of Business Services
312 Rosa L. Parks Avenue
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 08/17/09
REQUEST NUMBER: 6585-0708
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 08/14/09 0925
EFFECTIVE DATE/TIME: 08/14/09 0925
CONTROL NUMBER: 0608190

TO:
APPALACHIAN HOME & HEALTH, INC.
2543 TALL LANE

KNOXVILLE, TN 37820

RE:
APPALACHIAN HOME & HEALTH, INC.
CHARTER - NONPROFIT

CONGRATULATIONS UPON THE INCORPORATION OF THE ABOVE ENTITY IN THE STATE OF TENNESSEE, WHICH IS EFFECTIVE AS INDICATED.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH THE WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: CHARTER - NONPROFIT

ON DATE: 08/14/09

FROM:
DOUGLAS K HEMBREE, M.D.
2543 TALL PINE LN

KNOXVILLE, TN 37920-0000

	FEES	
RECEIVED:	\$100.00	\$0.00
TOTAL PAYMENT RECEIVED:		\$100.00

RECEIPT NUMBER: 00004659053
ACCOUNT NUMBER: 00640781



SS-4451

Tre Hargett
TRE HARGETT
SECRETARY OF STATE

Exhibit C

State of Tennessee



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

CHARTER
(Nonprofit Corporation)

OFFICE OF THE
SECRETARY OF STATE
2009 AUG 14 AM 9:25
TENNESSEE

FILED

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: Appalachian Home & Health, Inc.

2. Please complete all of the following sentences by checking one of the two boxes in each sentence:

This corporation is a public benefit corporation / mutual benefit corporation.

This corporation is a religious corporation / not a religious corporation.

This corporation will have members / not have members.

3. The name and complete address of the corporation's initial registered agent and office in Tennessee is:

Douglas K. Hembree, M.D. 2543 Tall Pine Lane Knoxville TN 37920 Knox
Name Street Address City State Zip Code County

4. List the name and complete address of each incorporator:

Douglas K. Hembree, M.D. 2543 Tall Pine Lane Knoxville TN 37920
Name Street Address City State Zip Code

Name Street Address City State Zip Code

Name Street Address City State Zip Code

5. The complete address of the corporation's principal office is:

2543 Tall Pine Lane Knoxville TN 37820
Street Address City State/Country Zip Code

6. The corporation is not for profit.

7. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time are:

Date _____ Time _____ (Not to exceed 90 days.)

8. Insert here the provisions regarding the distribution of assets upon dissolution: All assets of this corporation shall upon dissolution be paid to or delivered unto Kingswood School. This 501c3 has an address as of the date hereof of 105 Rowdy Row PO Box 5000 Tate Springs Bean Station, TN 37708.

9. Other provisions: _____

8/6/09
Signature Date

Douglas K Hembree M.D.
Incorporator's Signature

Douglas K. Hembree, M. D.
Incorporator's Name (typed or printed)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAR 31 2010**

APPALACHIAN HOME AND HEALTH INC
2543 TALL PINE INC
KNOXVILLE, TN 37920

Employer Identification Number:
27-0802957
DLN:
400061014
Contact Person:
RENEE RAILY NORTON ID# 31172
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
August 14, 2009
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

Exhibit C

APPALACHIAN HOME AND HEALTH INC

Sincerely,

A handwritten signature in black ink that reads "Robert Choi". The signature is written in a cursive style with a large, prominent initial "R".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)

Exhibit C

Return this part with any correspondence
so we may identify your account. Please
correct any errors in your name or address.

CP 575 E

9999999999

Your Telephone Number Best Time to Call

(865) 577-6259 after 5:PM

DATE OF THIS NOTICE: 08-26-2009

EMPLOYER IDENTIFICATION NUMBER: 27-0802957

FORM: SS-4

NOBOD

INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0923
|||||

APPALACHIAN HOME & HEALTH INC
2543 TALL PINE LN
KNOXVILLE, TN 37920



Appalachian Home and Health

The purpose of our organization is to provide or improve permanent residential structures which will be occupied by households whose income is at or below 120% of the area median income, the elderly or those groups or individuals deemed to have special needs who wish to live in the Metro area. In addition to this, the organization will also assist these households, the elderly and those with special needs in attaining necessary services which are not otherwise available to them.


Robert B. Sharp, President of AHH, Inc.

**APPALACHIAN HOME & HEALTH, INC.
KNOXVILLE, TENNESSEE**

AUDIT REPORT

DECEMBER 31, 2021 AND 2020

APPALACHIAN HOME & HEALTH, INC.
KNOXVILLE, TENNESSEE

DECEMBER 31, 2021 AND 2020

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-2
Statement of Financial Position	3-4
Statement of Activities	5
Statement of Functional Expenses	6-7
Statement of Cash Flows	8
Notes to Financial Statements	9-13

CRANE, THOMPSON & JONES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

225 WEST FIRST NORTH STREET
SUITE 300, MILLENNIUM SQUARE
P.O. BOX 1779
MORRISTOWN, TENNESSEE 37816-1779
PHONE: (423) 586-7650

248 BRUCE STREET
SUITE 8
SEVIERVILLE, TENNESSEE 37862
PHONE: (865) 366-1450
FAX: (423) 586-0705

INDEPENDENT AUDITORS' REPORT

Board of Directors
Appalachian Home & Health, Inc.
Knoxville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Appalachian Home & Health, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of Appalachian Home & Health, Inc., as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Appalachian Home & Health, Inc., 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 Appalachian Home & Health, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 Appalachian Home & Health, Inc.'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 Appalachian Home & Health, Inc.'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.

Craige, Thompson & Jones, P.C.

Morristown, Tennessee

May 12, 2022

APPALACHIAN HOME & HEALTH, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 14,476	\$ 34,894
Accounts receivable	-	850
Prepaid Expenses	<u>122,916</u>	<u>6,070</u>
Total current assets	<u>137,392</u>	<u>41,814</u>
NOTES RECEIVABLE	<u>80,000</u>	<u>14,000</u>
FIXED ASSETS		
Land	40,000	40,000
Building	<u>371,538</u>	<u>371,538</u>
	411,538	411,538
Less accumulated depreciation	<u>(67,552)</u>	<u>(54,041)</u>
Fixed assets, net	<u>343,986</u>	<u>357,497</u>
TOTAL ASSETS	<u>\$ 561,378</u>	<u>\$ 413,311</u>

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

Exhibit C

APPALACHIAN HOME & HEALTH, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ -
Deferred revenue	1,200	-
Current portion of long-term debt	<u>19,199</u>	<u>19,199</u>
 Total current liabilities	 20,399	 19,199
DEPOSITS		
Tenant security deposits	1,200	1,200
LONG-TERM DEBT	289,835	309,835
LONG-TERM LIABILITIES		
Note payable - other	<u>81,250</u>	<u>-</u>
TOTAL LIABILITIES	<u>392,684</u>	<u>330,234</u>
NET ASSETS		
Without donor restrictions	<u>168,694</u>	<u>83,077</u>
 TOTAL NET ASSETS	 <u>168,694</u>	 <u>83,077</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 561,378</u>	<u>\$ 413,311</u>

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

Exhibit C

APPALACHIAN HOME & HEALTH, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
	<u>2021</u>	<u>2020</u>
REVENUES		
Rent potential	\$ 36,240	\$ 36,240
Vacancy loss	-	-
Rent concessions	(2,640)	(2,640)
Miscellaneous	180	3,916
Application fees	-	-
Developer fees	<u>87,019</u>	<u>-</u>
Total revenue	<u>120,799</u>	<u>37,516</u>
EXPENSES		
Program services	32,782	36,155
Management and general	<u>2,400</u>	<u>2,400</u>
Total expenses	<u>35,182</u>	<u>38,555</u>
CHANGE IN NET ASSETS	85,617	(1,039)
Net assets, beginning of year	<u>83,077</u>	<u>84,116</u>
Net assets, end of year	<u>\$ 168,694</u>	<u>\$ 83,077</u>

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

Exhibit C

APPALACHIAN HOME & HEALTH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Expenses	Management and General	Total Expenses
Accounting fees	\$ 3,595	\$ -	\$ 3,595
Interest	-	-	-
Management fees	-	2,400	2,400
Marketing	-	-	-
Professional fees	3,472	-	3,472
Travel	370	-	370
Miscellaneous administrative expense	4,142	-	4,142
Office expense	2,497	-	2,497
Other Taxes	70	-	70
Property insurance	1,231	-	1,231
Property taxes	3,278	-	3,278
Repairs	617	-	617
Trash	-	-	-
Supplies	-	-	-
Utilities	-	-	-
Total expenses before depreciation expense	19,272	2,400	21,672
Depreciation	13,510	-	13,510
TOTAL EXPENSE	\$ 32,782	\$ 2,400	\$ 35,182

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

APPALACHIAN HOME & HEALTH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Expenses	Management and General	Total Expenses
Accounting fees	\$ 5,775	\$ -	\$ 5,775
Interest	540	-	540
Management fees	-	2,400	2,400
Marketing	4	-	4
Professional fees	3,823	-	3,823
Travel	442	-	442
Miscellaneous administrative expense	3,865	-	3,865
Office expense	2,363	-	2,363
Other Taxes	100	-	100
Property insurance	1,213	-	1,213
Property taxes	3,303	-	3,303
Repairs	1,217	-	1,217
Trash	-	-	-
Supplies	-	-	-
Utilities	-	-	-
Total expenses before depreciation expense	22,645	2,400	25,045
Depreciation	13,510	-	13,510
TOTAL EXPENSE	\$ 36,155	\$ 2,400	\$ 38,555

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

APPALACHIAN HOME & HEALTH, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 85,617	\$ (1,039)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,510	13,510
(Increase) decrease in operating assets		
Accounts receivable	850	(850)
Note Receivable	(66,000)	36,500
Prepaid insurance	(116,846)	(6,070)
Increase (decrease) in operating liabilities		
Accounts Payable	-	(300)
Deferred Revenue	1,200	(600)
Tenant security deposits	-	-
	<u>(81,669)</u>	<u>41,151</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds - other note payable	81,250	-
Notes payable	(19,999)	(14,459)
	<u>61,251</u>	<u>(14,459)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,418)	26,692
Cash and cash equivalents - beginning	<u>34,894</u>	<u>8,202</u>
Cash and cash equivalents - ending	<u>\$ 14,476</u>	<u>\$ 34,894</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 540</u>

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

APPALACHIAN HOME & HEALTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE A - ORGANIZATION

Nature of Activities

Appalachian Home & Health, Inc., is a not-for-profit voluntary health agency exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The organization was formed to provide housing support and/or housing and medical aid and to develop and operate low-income housing facilities for the indigent population of the Appalachian region of Tennessee.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements are prepared on the accrual basis. Income is recognized when earned and expenses are recognized when incurred.

The financial statements of Appalachian Home & Health, Inc., have been prepared in accordance with U. S. generally accepted accounting principles (US GAAP), which require Appalachian Home & Health, Inc., to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Appalachian Home & Health, Inc.'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 Appalachian Home & Health, Inc., or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Capitalization Policy

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of the donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives range from 5 to 40 years. Appalachian Home & Health, Inc.'s policy is to capitalize renewals and betterments

APPALACHIAN HOME & HEALTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. Appalachian Home & Health, Inc.'s management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts is \$0 at December 31, 2021 and 2020.

Allocated Expenses

Expenses by function have been allocated between program and supporting services classifications on the basis of time records and on estimates made by the Organization's management, as well as actual utilization.

Estimates

The preparation of financial statements in conformity with 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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes amounts deposited in checking accounts, savings accounts, and certificates of deposit with local banks.

Income Taxes

Appalachian Home & Health, Inc., is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Appalachian Home & Health, Inc., has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Appalachian Home & Health, Inc., has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

APPALACHIAN HOME & HEALTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Organization recognizes revenue in accordance with ASC Topic 606 *Revenue from Contracts with Customers*. The standard was effective for fiscal years beginning after December 31, 2018, and provides a set of five criteria for recognizing revenue from explicit or implicit contracts with customers. The organization has evaluated the five criteria and determined there are no changes in how they recognize rental revenues from tenants. The organization enters into a rental lease agreement with a tenant. The lease agreement specifies obligations for both the lessor and lessee, including rental rate, term of rental, and due dates for rent payments. Revenue is earned when both parties satisfy their obligations under the contract. Rent revenue recognized for residential units is earned when a tenant pays rent for the current month in exchange for living in the residential unit. Advance receipts of rent revenue will be deferred until earned, which will be the future month the prepaid rent is related to. All leases between the Partnership and tenants of the property are operating leases.

NOTE C – AVAILABILITY & LIQUIDITY

The following represents Appalachian Home & Health, Inc.'s current assets at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 14,476	\$ 34,894
Accounts and notes receivable	80,000	14,850
Total financial assets	94,476	49,744
Less amounts not available to be used within one year:		
Notes receivable	<u>(80,000)</u>	<u>(14,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 14,476</u>	<u>\$ 35,744</u>

Appalachian Home & Health, Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$10,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

APPALACHIAN HOME & HEALTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE D - MORTGAGE PAYABLE

Note payable – Citizens National Bank - due in monthly installments of \$1,667 including variable interest of prime less 4%. Final maturity payment due September 2031. \$ 309,034

Future maturities of long-term debt are estimated as follows:

December 31,

2022	20,004
2023	20,004
2024	20,004
2025	20,004
2026	20,004
Thereafter	<u>209,014</u>
Total	\$ <u>309,034</u>

NOTE E – CONCENTRATION OF CREDIT RISK

Appalachian Home & Health, Inc., maintains bank accounts at one bank. The Federal Deposit Insurance Corporation (FDIC) insures accounts at an institution up to \$250,000. At December 31, 2021 and 2020, the organization had no uninsured cash balances.

NOTE F – RELATED PARTY RECEIVABLES

Appalachian Home & Health, Inc., has a related party receivable totaling \$80,000 and \$50,500 for the years ended December 31, 2021 and 2020, respectively. Appalachian Home & Health, Inc., loaned funds to Fairway Apartments Morristown, LP, during 2017, 2019, and 2021. The receivable balance as of December 31, 2021 and 2020, was \$64,000 and \$14,000, respectively. Additionally, Appalachian Home & Health, Inc., disbursed funds totaling \$16,000 to H&H Residential Development during 2021. There is no stated interest rate or repayment terms for the balance of the loans. Fairway Apartments Morristown, LP, and H&H Residential Development are related parties.

NOTE G – RELATED PARTIES

Appalachian Home & Health, Inc., is the 100 percent owner of Appalachian Fairway, Inc., the general partner in Fairway Apartments Morristown, LP; the 100 percent owner of AHH The Phoenix, Inc., which is the 51 percent owner of The Phoenix at Corinth 2016 GP, LLC; and the 100 percent owner of the general partner interest in Watson Glades Place 2017, LP. The entities have not generated any income or loss to pass to the Organization. The entities have not been consolidated because they are not generating any operating results as of December 31, 2021 and 2020.

APPALACHIAN HOME & HEALTH, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE H - SUBSEQUENT EVENTS

Appalachian Home & Health, Inc., has evaluated subsequent events through May 12, 2022, which is the date the financial statements were available to be issued. Appalachian Home & Health, Inc., is not aware of any material subsequent events.

NOTE I – UNCERTAIN INCOME TAX POSITIONS

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021 and 2020.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2018.

NOTE J – NOTE PAYABLE – OTHER

Appalachian Home & Health, Inc., has a note payable to a member of the board of directors in the amount of \$81,250. The note is secured by the closing of Governor's Place Apartments and will be repaid at that time.

NOTE K - MANAGEMENT FEE

The Organization has a management agreement in place with Fourmidable South, LLC, an unrelated party, under which Fourmidable South, LLC, agreed to manage the apartments. The property management agreement provides for monthly payments to Fourmidable South, LLC, equal to the greater of 6% of gross rent collected from the Project or \$2,400.