PILOT AGREEMENT

THIS PILOT AGREEMENT (the "PILOT Agreement") is made and entered into as of the __Z_l day of June, 2022, by and between the METROPOLITAN DEVELOPMENT AND HOUSING AGENCY ("MDHA") and WCO Clarksville Pike, LP (the "Owner").

WITNESSETH:

WHEREAS, MDHA is a public body and a body corporate and politic organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. §13-20-101, et seq., (the "Act");

WHEREAS, §13-20-104(f) of the Act provides that a metropolitan government may delegate to a housing authority the authority to negotiate and accept in lieu of ad valorem taxes ("In Lieu of Tax Payments") from a party that operates a low income housing tax credit ("LIHTC") property, as such term is defined in the Act (a "LIHTC Property") on property leased by such party from a housing authority;

WHEREAS, MDHA is the housing authority, as defined in the Act, for the Metropolitan Government of Nashville and Davidson County, Tennessee (the "Metropolitan Government");

WHEREAS, by Ordinance No. BL2015-1281 as amended by Ordinance No. BL2016-334 (collectively, the "PILOT Ordinance"), the Metropolitan Government (i) authorized MDHA to negotiate and accept In Lieu of Tax Payments from lessees of LIHTC Property owned by MDHA, and (ii) approved MDHA's program for determining qualifications and eligibility for such In Lieu of Tax Payments (the "PILOT Program");

WHEREAS, Owner plans to acquire land located at 3720 Clarksville Pike, and more particularly described on <u>Exhibit A</u> attached hereto and incorporated herein by this reference (the "**Project Site**");

WHEREAS, Owner intends to construct a 250 unit apartment project, known as Clarksville Pike, on the Project Site and operate it as a LIHTC Property (the "Project");

WHEREAS, MDHA is authorized by law and has deemed it necessary and desirable to acquire the Project Site for the purpose of facilitating the Project in accordance with the PILOT Program, the PILOT Ordinance and the Act;

WHEREAS, the Board of Commissioners of MDHA approved MDHA's purchase of the Project Site and authorized the Executive Director of MDHA to take all actions on behalf of MDHA to undertake the following:

- (A) acquire the Project Site;
- (B) enter into a lease with Owner pursuant to which Owner will (i) lease the Project Site and the Project from MDHA with MDHA having the right to cause Owner to purchase the Project Site and the Project from MDHA upon expiration of the tenth (10th) Tax Year, (ii) construct the Project on the Project Site, and (iii) by recorded agreement, commit to operate the Project as a LIHTC Property in accordance with the requirements of the Internal Revenue Code and the Tennessee Housing Development Agency ("THDA") for a minimum period of fifteen (15) years after the Project is complete (the "Project Lease");
- (C) enter into this PILOT Agreement;
- (D) submit this PILOT Agreement to the Metropolitan Planning Commission to obtain a recommendation of approval or disapproval, as envisioned by the PILOT Ordinance;
- (E) submit this PILOT Agreement to the Metropolitan Council of the Metropolitan Government (the "Metropolitan Council") for approval as required by the PILOT Ordinance; and
- (F) take such other action and execute such other documents as the Executive Director deems necessary or desirable to facilitate construction of the Project and the transactions described above consistent with this PILOT Agreement, the Act, the Project Lease, the Metropolitan Ordinance and the PILOT Program (including MDHA's application and policies and procedures related thereto).

WHEREAS, MDHA intends to acquire the Project Site from Owner and will concurrently enter into the Project Lease; and

WHEREAS, Owner has agreed to make In Lieu of Tax Payments with respect to the Project as described herein.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, and as an inducement to Owner to construct the Project and operate the Project as LIHTC Property, MDHA and Owner agree as follows:

- 1. With respect to Project Site and the real property component of the Project, Owner shall make In Lieu of Tax payments to MDHA who will then remit the payment to the Metropolitan Government, as follows:
 - (a) The In Lieu of Tax Payments shall be equal to the Applicable Ad Valorem Taxes, as defined below, through and including the calendar year in which the construction of the Project is completed.

(b) Commencing on January 1st of the calendar year following the year in which the Project is placed into service ("Tax Year 1") and each tax year subsequent to the Tax Year 1 (Tax Year 1 and each subsequent tax year being referred to herein as a "Tax Year") through the tenth (10th) Tax Year, in Lieu of Tax Payments shall be as follows:

1	\$37,500
2	\$38,625
3	\$39,784
4	\$40,977
5	\$42,207
6	\$43,473
7	\$44,777
8	\$46,120
9	\$47,504
10	\$48,929

Subject to Section 1(e) below, the In Lieu of Tax Payments shall be fixed and shall not fluctuate with the amount of the assessment for the Project Site or the Project or the tax rate in effect for any Tax Year. The amount of the In Lieu of Tax Payments is approximately equal to \$150 per unit within the Project, with a three percent (3%) annual increase. In Lieu of Tax Payments for each Tax Year shall be paid when due but in any event not later than the date on which the Applicable Ad Valorem Taxes would become delinquent.

- (c) After the tenth Tax Year, this Agreement shall expire and Owner shall pay 100% of the Applicable Ad Valorem Taxes.
- (d) The term "Applicable Ad Valorem Taxes" shall mean any real property ad valorem taxes that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project.

- (e) Notwithstanding anything contained herein to the contrary, if THDA or the IRS determines that the Project is not in compliance with LIHTC requirements and is therefore not operated as a LIHTC Property at any time during a Tax Year, and Owner has failed to cure such default within any specified cure period, Owner shall pay 100% of the Applicable Ad Valorem Taxes with respect to such Tax Year.
- (f) Notwithstanding anything contained herein to the contrary, Owner shall pay 100% of the Applicable Ad Valorem Taxes for the periods before Tax Year 1 and after Tax Year 10, if the Project Lease is in effect during such periods.
- 2. Commencing in Tax Year 1 and in each Tax Year subsequent through the (10th) Tax Year, Owner shall provide to MDHA an annual report not later than September 1st of each Tax Year containing the following information:
 - (a) The value of the Project, as estimated by the Owner;
 - (b) The date and remaining term of the Project Lease;
 - (c) The amount of In Lieu of Tax Payments payable in such Tax Year;
 - (d) The date in which the Project is scheduled to return to the regular tax rolls and be eligible to pay 100% of the Applicable Ad Valorem Taxes following the tenth (10th) Tax Year;
 - (e) A calculation of the Applicable Ad Valorem Taxes for such Tax Year that, but for ownership of the Project Site and the Project by MDHA, would have been due and payable to the Metropolitan Government pursuant to Tenn. Code Ann. § 67-5-102 with respect to the Project Site and the Project;
 - (f) A copy of the Owner's most recent Annual Certification as submitted to THDA, certifying compliance with LIHTC requirements; and
 - (g) A copy of any monitoring or compliance reports provided by THDA to the Owner during such Tax Year.
- 3. Commencing with Tax Year 1 and each Tax Year thereafter, Owner shall pay to MDHA a monitoring and reporting fee to be set by MDHA but not to exceed five percent (5%) of the amount In Lieu of Tax Payment due with respect to such Tax Year (the "Annual MDHA Fee"). The Annual MDHA Fee shall be paid not later than fifteenth (15) day of such Tax Year. Unpaid amounts shall bear interest at the rate of four percent (4%) in excess of the average prime rate of interest published from time to time by the Federal Reserve or similar commonly accepted reporting organization if the Federal Reserve ceased to publish such information. Owner's failure to pay the Annual MDHA Fee within thirty (30) days after written notice from MDHA shall constitute a default under this PILOT Agreement in which event Owner shall pay 100% of the Applicable Tax Rate for such Tax Year instead of the In Lieu of

Tax Payment set forth above.

- 4. Owner's payment of the In Lieu of Tax Payments shall satisfy the requirement in Tenn. Code Ann. § 67-5-206(a) that MDHA pay the Metropolitan Government for services, improvements or facilities furnished by the Metropolitan Government for the benefit of the Project.
- 5. This PILOT Agreement may not be assigned to any party other than the assignee of the lessee's interest under the PILOT Lease pursuant to an assignment that is made in accordance with the PILOT Lease, including MDHA consent requirements, if any, specified therein. Each permitted assignee shall assume Owner's obligations under this PILOT Agreement concurrent with the assignment of the PILOT Lease.
- 6. This PILOT Agreement shall be construed in accordance with the laws of the State of Tennessee, and if any one or more of the provisions of this PILOT Agreement shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, legality or unenforceability shall not affect any other provision hereof, but this PILOT Agreement shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein. This PILOT Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.
- 7. This PILOT Agreement is subject to and conditioned upon (i) approval of this PILOT Agreement by the Metropolitan Council as required by the PILOT Ordinance, (ii) Owner's satisfaction of all conditions and requirements imposed by MDHA in connection this PILOT Agreement or the transaction contemplated herein, (iii) MDHA taking title to the Property and entering into a mutually acceptable Project Lease, and (iv) THDA's approval of the Project and allocation of low income housing tax credits, to the extent such approval or allocation has not been received as of the date of this PILOT Agreement.
- 8. MDHA shall remit all In Lieu of Tax Payments received in connection with the Project and/or the Project Lease to the Metropolitan Government within fifteen (15) days of receipt.

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and date first above written.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

By:

Title: Executive Director

WCO Clarksville Pike, LP

By

Title: President

FILED WITH THE METROPOLITAN CLERK

Austin Kyle

Date

EXHIBIT A

LAND IN DAVIDSON COUNTY, TENNESSEE, BEING 4.170 ACRES OUT OF THE FOLLOWING DESCRIBED TRACT OF LAND:

LEGAL DESCRIPTION COMBINING ALL PARCELS BELOW ON MAP 69, PARCEL 24 INST NO. 20000628 0064317 / PARCEL 82 INST NO. 00010413 0000557 PARCEL 26 INST NO. 20020403 0040179 / PARCEL 27 INST NO. 20120420 0033811 PARCEL 28 INST NO. 20120420 0033811 / PARCEL 29 INST NO. 20120420 0033811 PARCEL 44 INST NO. 20000628 0064317 / PARCEL 45 INST NO. 20000628 0064317 PARCEL 46 INST NO. 20000628 0064317 / PARCEL 47 INST NO. 20000628 0064317

LAND LYING IN THE 2ND COUNCILMANIC DISTRICT OF DAVIDSON COUNTY, TENNESSEE, BOUNDED ON THE NORTH BY CHURCH OF THE LIVING GOD AS OF RECORD IN INST NO. DB 20110901 0067854 OF THE REGISTERS OFFICE OF DAVIDSON COUNTY, TENNESSEE (RODCTN) AND HASSAN ALLAI MOGHADOM AS OF RECORD IN INST. NO. DB 00005362 0000829 RODCTN; ON THE EAST BY CURTIS PARTNERS, LLC AS OF RECORD IN INST NO. DB 20160517 0049354 RODCTN, KY-TN CONF ASSOC OF 7TH DAY ADV., INC AS OF RECORD IN INST NO. DC 20100129 0007333 RODCTN, AND CHARLES CAUDELL AS OF RECORD IN INST NO. RD 20040706 0080043 RODCTN; ON THE SOUTH BY MOLLY ANN BOND AS OF RECORD IN INST NO. QC 00009824 0000442 RODCTN, KEVIN OVERSTREET & DONNA FLATT AS OF RECORD IN INST. NO QC 20071214 0144012 RODCTN, PATRICK CHEEK & RYAN BIGGS AS OF RECORD IN INST. NO. DB 20170706 0067765 RODCTN, PATRICK CHEEK & RYAN BIGGS AS OF RECORD IN INST. NO. DB 20150807 0079126 RODCTN, MOLLY A. & VICTOR & VICKY BOND AS OF RECORD IN INST. NO. AF 20200915 0105016 RODCTN, AND AUTOZONE AS OF RECORD IN INST. NO. DB 00009860 0000367 RODCTN; AND ON THE WEST BY CLARKSVILLE PIKE (PUBLIC ROAD, ROW VARIES); AND IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE FOUND IN THE NORTHEAST CORNER OF MOLLY A. & VICTOR & VICKY BOND WHICH IS ALSO THE NORTHWEST CORNER OF PATRICK CHEEK & RYAN BIGGS & THE SOUTHEAST CORNER OF AUTOZONE, SAID POINT ALSO BEING A SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT AND HAVING A TENNESSEE STATE PLANE COORDINATE OF NORTH 680,329.0030 EAST 1,721,494.5210;

THENCE, WITH THE EAST, NORTH & WEST BOUNDARY OF AUTOZONE, THE FOLLOWING CALLS: N 45°24'38" W, FOR A DISTANCE OF 292.94 FEET TO AN IRON PIPE FOUND; S 44°20'24" W, FOR A DISTANCE OF 167.44 FEET TO AN IRON PIN FOUND; S 0°491611 E, FOR A DISTANCE OF 109.49 FEET TO AN IRON PIN FOUND; S 34°41'42" E, FOR A DISTANCE OF 8.89 FEET TO AN IRON PIN FOUND; S 67°30'55" W, FOR A DISTANCE OF 65.13 FEET TO AN IRON PIN SET IN THE EAST ROW OF CLARKSVILLE PIKE;

THENCE, WITH THE EAST ROW OF CLARKSVILLE PIKE, THE FOLLOWING CALLS: ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 3381.73 FEET AN ARC LENGTH OF 153.21 FEET A DELTA ANGLE OF 02° 35' 45", A CHORD BEARING OF N 24°22'17" W, AND A CHORD DISTANCE OF 153.19 FEET TO AN IRON PIN SET:

N 22°48'56" W, FOR A DISTANCE OF 65.72 FEET TO AN IRON PIN SET; N 6°19'56" W, FOR A DISTANCE OF 71.04 FEET TO A CONCRETE MONUMENT FOUND; N 24°54'44" W, FOR A DISTANCE OF 174.57 FEET TO AN IRON PIN SET; N 25°03'23" W, FOR A DISTANCE OF 28.73 FEET TO AN IRON PIN SET IN THE SOUTHWEST CORNER OF HASSAN ALLAI MOGHADOM;

THENCE, WITH THE SOUTH AND EAST BOUNDARY OF HASSAN ALLA! MOGHADOM, THE FOLLOWING CALLS:

N 76°19'35" E, FOR A DISTANCE OF 107.97 FEET TO AN IRON PIN SET; N 9°28'27" W, FOR A DISTANCE OF 195.33 FEET TO A FENCE POST FOUND IN THE SOUTHERN BOUNDARY OF CHURCH OF THE LIVING GOD:

THENCE, WITH THE SOUTH AND EAST BOUNDARY OF CHURCH OF THE LIVING GOD, THE FOLLOWING CALLS:

N 89°56'3" E. FOR A DISTANCE OF 59.12 FEET TO AN IRON PIN FOUND:

N 22°2'47" E, FOR A DISTANCE OF 391.79 FEET TO AN IRON PIN SET IN THE NORTHWESTERN CORNER OF CURTIS PARTNERS, LLC;

THENCE, WITH THE WEST BOUNDARY OF CURTIS PARTNERS, LLC, S 44°28'25" E, FOR A DISTANCE OF 571.89 FEET TO AN IRON PIN FOUND IN THE NORTHWESTERN CORNER OF KY-TN CONF ASSOC OF 7^{TH} DAY ADV., INC.;

THENCE, WITH THE WEST BOUNDARY OF, KY-TN CONF ASSOC OF 7TH DAY ADV., INC THE FOLLOWING CALLS:

S 46°26'38" E, FOR A DISTANCE OF 150.31 FEET TO AN IRON PIN FOUND; S 46°20'13" E, FOR A DISTANCE OF 131.79 FEET TO AN IRON PIN FOUND IN THE NORTHWESTERN CORNER OF CHARLES CAUDELL;

THENCE, WITH THE WEST BOUNDARY OF CHARLES CAUDELL, S 45°46'34" E, FOR A DISTANCE OF 168.18 FEET TO AN IRON PIN SET IN THE NORTHWESTERN CORNER OF MOLLY ANN BOND; THENCE, WITH THE NORTHWEST BOUNDARY OF MOLLY ANN BOND, S 43°52'58" W, FOR A DISTANCE OF 249.91 FEET TO AN IRON PIN SET IN THE NORTHEASTERN ROW OF BELLEFIELD AVENUE;

THENCE, WITH THE NORTHEASTERN ROW OF BELLEFIELD AVENUE, N 45°46'34" W, FOR A DISTANCE OF 153.78 FEET TO AN IRON PIN SET;

THENCE, CROSSING THE ROW OF BELLEFIELD AVENUE AND WITH THE NORTHWESTERN BOUNDARY OF OVERSTREET AND CHEEK/BIGGS, S 40°19'60" W, FOR A DISTANCE OF 246.44 FEET TO THE POINT OF BEGINNING CONTAINING 500,492.9 SQ.FT. OR 11.490 ACRES MORE OR LESS BASED ON A FIELD RUN SURVEY BY WILSON & ASSOCIATES, PC, JULY 3, 2019.

BEING ALL OF THE PROPERTY CONVEYED TO JERRY N. & BELINDA VANATTA BY INST NO. 20000628 0064317 RODCTN JERRY N. & BELINDA VANATTA BY INST NO. 00010413 0000557 RODCTN JERRY N. & BELINDA VANATTA INST NO. 20020403 0040179 RODCTN JERRY N. & BELINDA VANATTA INST NO. 20120420 0033811 RODCTN JERRY N & BELINDA VANATTA INST NO. 20120420 0033811 RODCTN JERRY N. & BELINDA VANATTA INST NO. 20120420 0033811 RODCTN JERRY N. & BELINDA VANATTA INST NO. 20000628 0064317 RODCTN JERRY N. & BELINDA VANATTA INST NO. 20000628 0064317 RODCTN JERRY N. & BELINDA VANATTA INST NO. 20000628 0064317 RODCTN AND JERRY N. & BELINDA VANATTA INST NO. 20000628 0064317 RODCTN.

Being same property conveyed to 3720 Clarksville Pike, LLC by Instrument No. 20200812-0090027, filed in the Register's Office for Davidson County, Tennessee.

A portion of the subject property having been conveyed to ECG Acquisitions, LLC, by Memorandum of Ground Lease by and between Nashville JV, LLC, a New York limited liability company, (Landlord), and ECG Acquisitions, LLC, a Tennessee limited liability company, (Tenant), and filed for record as Instrument No. 20220110-0002965, in the Register's Office for Davidson County, Tennessee. Said Memorandum of Ground Lease was executed pursuant to the terms of that certain Ground Lease dated as of July 20, 2021, as amended by that certain First Amendment to Ground Lease dated as of November 2, 2021.

Said property is further described as:		
Land in Davidson County, Tennessee, for record as Instrument NoTennessee.	, being Lot No. 1 on the Final Plat of Brattonview at Bordeaux, fi , in the Register's Office for Davidson County,	iled



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY Planning Department
Metro Office Building
800 Second Avenue South
Nashville, Tennessee 37201
615.862.7150
615.862.7209

Memo

To: MDHA

From: Metropolitan Nashville Planning Department

Date: June 10, 2022

Re: Planning Commission Recommendation for PILOT Agreement

This memo fulfills the Planning Commission obligations as outlined in the MDHA Housing Tax Credit PILOT Program General Program Description which was attached as Exhibit A to BL2016-435. The memo consists of two parts.

PART I: RECOMMENDATION ON GENERAL PLAN CONSISTENCY

Project: 3720 Clarksville Pike (Parcels 6912004400, 6912002600, 6912002700,

6912002800, 0691200290)250 multi-family residential units
All units income and rent restricted

Zoning: Specific Plan-Mixed Use (SP-MU) is a zoning district category that provides for additional flexibility of design, including the relationship of streets to buildings, to provide the ability to implement the specific details of the General Plan. This Specific Plan includes residential uses in addition to office and/or commercial uses.

Policy: T3 Suburban Mixed Use Corridor (T3 CM) is intended to enhance suburban mixed use corridors by encouraging a greater mix of higher density residential and mixed use development along the corridor. T3 CM areas are located along pedestrian friendly, prominent arterial-boulevard and collector-avenue corridors that are served by multiple modes of transportation and are designed and operated to enable safe, attractive, and comfortable access and travel for all users. T3 CM areas provide high access management and are served by highly connected street networks, sidewalks, and existing or planned mass transit.

Conservation (CO) is intended to preserve environmentally sensitive land features through protection and remediation. CO policy applies in all Transect Categories except T1 Natural, T5 Center, and T6 Downtown. CO policy identifies land with sensitive environmental features including, but not limited to, steep slopes, floodway/floodplains, rare or special plant or animal habitats, wetlands, and unstable or problem soils. The guidance for preserving or enhancing these features varies with what Transect they are in and whether or not they have already been disturbed.

Project Details:

The site is approximately 4.5 acres located on the north side of Clarksville Pike, generally north of the intersection of Clarksville Pike and Ashland City Highway. The site is comprised of several parcels.

The site is zoned Specific Plan (SP) which was approved in 2019 for approximately 11.5 acres. The SP includes the parcels in this application, as well as some additional parcels to the north. This portion of the SP was approved for several detached mixed-use and multi-family structures. The other portions of the SP include multi-family and well as attached townhomes. The approved site plan also includes two new public streets located interior to the site to improve vehicular and pedestrian circulation across the 11 acre site.

The application submitted with this request included the following project details: a 250 unit LIHTC development consisting of 84 one bedroom units, 123 two bedroom units, and 43 three bedroom units. All units are income and rent restricted using income averaging of 60 percent of area median income (AMI). The project also includes 4,000 square feet of commercial space, a leasing and community room, fitness center, and laundry room.

Planning Department Analysis:

There are two policies on the site. The primarily policy on the site is Suburban Mixed Use Corridor (T3 CM). The intent of this policy is to enhance suburban mixed use corridors by encouraging a greater mix of higher-density residential and mixed use development along the corridor, prioritizing higher intensity mixed use and commercial uses at intersections with preference given to residential uses between intersections; creating buildings that are compatible with the general character of suburban neighborhoods; and a street design that moves vehicular traffic efficiently while accommodating sidewalks, bikeways, and existing or planned mass transit. The proposed development is located along Clarksville Pike, which is classified as an arterial boulevard in the Major and Collector Street Plan (MCSP). The development includes high intensity residential development as well as a commercial use component which is consistent with the intent of the policy.

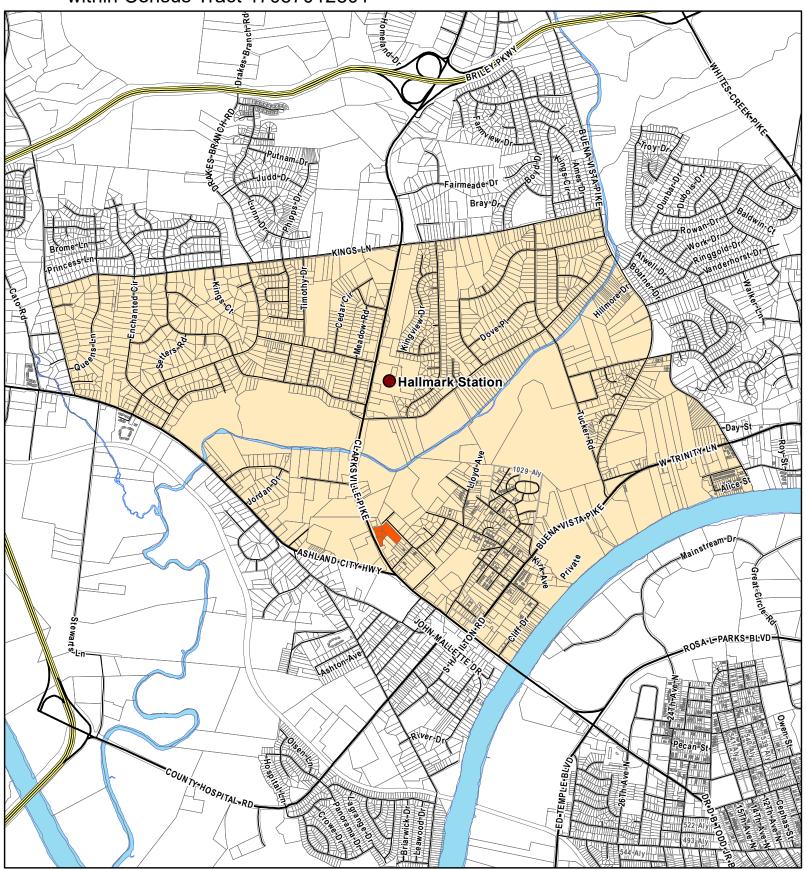
The second policy on the site is Conservation (CO) which is located at a limited portion of the northeast area of the site, due to a stream buffer. Metro Stormwater has reviewed the requested development and recommended approval.

Planning Determination: The proposed development on the site is meets the intent of the T3 CM policy on the site to provide mixed-use developments along corridors. This project is consistent with the NashvilleNext adopted general plan and the Community Character Policies.

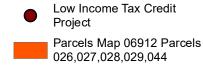
PART II: LIST OF FEDERALLY SUBSIDIZED MULTI-FAMILY PROPERTIES WITHIN THE CENSUS TRACT

See attached map.

Federally Subsidized Multi-Family Projects within Census Tract 47037012801



Low Income Tax Credit Project	# of Units
Hallmark Station	66





Certification of Consistency with the Consolidated Plan

U.S. Department of Housing and Urban Development

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Con solidated Plan. (Type or clearly print the following information:)

Applicant Name:	WCO Clarksville Pike, LP	
Project Name:	Clarksville Pike	
Location of the Project:	3720 Clarksville Pike	
J	Nashville, TN	
Name of the Federal		
Program to which the applicant is applying:	4% LIHTC	
Name of Certifying Jurisdiction:	MDHA	
Certifying Official of the Jurisdiction		
Name:	Emel Alexander	
Title:	Director of Community Development	
Title.		
Signature:	(1941)	
Date:	6/6/22	