

AGENDA
MONTHLY MEETING OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD
OF THE CITY OF CHATTANOOGA, TENNESSEE

January 24, 2022

1. Call to Order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Approval of the Minutes for the November 29, 2021, meeting.
4. Recognition of Persons Wishing to Address the Board and Procedures.
5. A RESOLUTION RATIFYING THAT THE CHAIR WAS HEREBY AUTHORIZED TO EXECUTE A JOINDER OF A DEED OF TRUST, ASSIGNMENT, SECURITY AGREEMENT AND FIXTURE FILING ON DECEMBER 23, 2021, RELATIVE TO TSO CHATTANOOGA DEVELOPMENT, LP C/O THE SIMPSON ORGANIZATION, INC. AND ATLANTA CAPITAL BANK, N.A. **(HEB-2022-01)**
6. Other Business.
7. Adjournment.



HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD
City of Chattanooga, Tennessee
SPECIAL MONTHLY MEETING MINUTES
John P. Franklin City Council Building
Council Assembly Room
1000 Lindsay Street
Chattanooga, TN 37402
for
November 29, 2021
2:00 p.m.

Present were Board Members: Hicks Armor (Chair), Gregg Gentry (Vice-Chair), Richard Johnson (Secretary), Charles D. Paty, Alexa LeBoeuf, and Johnika Everhart. Absent was Dr. John W. Schaerer.

Also present were Phillip Noblett (Counsel to the Board); Taylor Brooks (Adams and Reese LLP); Timothy L. Mickel (Evans, Harrison, Hackett, PLLC); Ethan Collier; Joshua Haston (LDG Multifamily, LLC); Martina Guilfoil, Justin Tensun and Grecie Moralls (CNE); Sandra Gober and Jermaine Freeman (Economic Development); and Steve Barrett (Husch Blackwell).

Mr. Armor called the meeting to order, confirmed the meeting advertisement, and established that a quorum was present to conduct business with six members present.

MINUTES APPROVAL FOR THE SEPTEMBER 20, 2021, MEETING

On motion of Mr. Johnson, seconded by Mr. Paty, the minutes of the September 20, 2021, meeting, were unanimously approved as submitted.

There was no person present wishing to address the Board.

1. Mr. Armor presented the next order of business: **“A RESOLUTION AUTHORIZING AND APPROVING ALL DOCUMENTS, INSTRUMENTS, ACTIONS, AND MATTERS NECESSARY OR APPROPRIATE FOR, OR PERTAINING TO, THE ISSUANCE, SALE, AND DELIVERY BY THE HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, OF ITS MULTIFAMILY HOUSING REVENUE BONDS (THE RESERVE AT MOUNTAIN PASS APARTMENTS PROJECT) SERIES 2021A IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED THIRTY-TWO MILLION TWO HUNDRED EIGHTY-NINE THOUSAND DOLLARS (\$32,289,000) AND TAXABLE SERIES 2021B IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FOURTEEN MILLION DOLLARS (\$14,000,000).” (HEB2021-11)**

Mr. Joshua Haston (LDG Multifamily, LLC) spoke on this resolution. This is a property off of Central Avenue, 240 apartments units, geared towards families earning no more than 80% AMI. They worked for a long time with the community, as well as the Housing Authority and the Economic Development office.

Mr. Armor asked how many are going to be at what rate? Are all of them at 80% of the AMI? Mr. Haston stated the entire property is 100% affordable, meaning all units are up to 80% AMI. Specifically, there are 126 units that are set aside at 60% AMI, 54 units set aside at 80% AMI, and the remaining 60 units are set aside at 30% AMI. That was made possible by the partnership with the Housing Authority. They awarded a project based under the contract of this property and providing extremely low income units. The whole property is mixed of two and three bedrooms. The two bedroom units are at 1,072 sq. ft. The three bedroom units are at 1,185 sq. ft.

Mr. Noblett stated there is a one-page summary in the packet which talks about The Reserve at Mountain Pass, and how many of the units will be two bedrooms, and how many will be three bedrooms. There are 122 beds and 123 beds.

Mr. Gentry asked if these were on-line. Mr. Haston stated that they will start construction site work assuming next month with the first units coming on-line at 14-15 months after that. It would be in Spring of 2021 with construction completion around this time in 2022.

Mr. Johnson asked what is there currently? Mr. Haston stated it is currently a vacant land and was formerly the Trotter Elementary School. The address is 4905 Central Avenue. It is just across the street from the Vesicol Plant past the railroad tracks almost in Alton Park.

Mr. Paty asked if it will be on the public transportation lines? Mr. Haston stated yes, there is a line that runs directly from the site and will be also providing additional bus shelters. There are sidewalks. The sidewalks are nice and that street was repaved about a year ago. They will be repairing the back side which is Kirkman Street from the rear entrance of the property.

Mr. Johnson asked if this was their first project of this nature? Mr. Haston stated no, that they are one of the largest developers in this side of the country. They have over 19,000 apartment units of this nature. In Nashville, there is close to 800 units. This will be the first one in Chattanooga.

Ms. Everhart asked if it takes Section 8 vouchers? Mr. Haston stated that they will accept Section 8 vouchers. They are not allowed to turn away anyone. There are also two trenches as well. The Housing Authority will have some sections as well.

Mr. Noblett thought the Board would be asking more about the question of a \$32 million bond issuance and another Series B which is for \$14 million. Mr. Haston stated that the first trench is a tax-exempt bond amount which was awarded by the Tennessee Housing Development Agency. The second trench is a taxable bond amount. They needed that to cover all the construction costs. The \$32 million was not enough to cover the construction costs. The taxable amount is not THDA.

Mr. Armor asked why they are doing the taxable part? Mr. Haston stated the THDA only allocated a certain percentage which determines how much they will allocate. The \$32 million is the maximum based upon credit due to construction costs and inflation. Ms. Barnett's associate is here today and can talk about taxable and non-taxable if the Board needs to hear that part.

Mr. Paty would like to know whether there is a property tax deferment or will they be paying the property taxes on this property? Mr. Haston stated that at some point they will have a deferment and will be paying 100% of the property taxes going towards schools but have a plan to abate. That will be for the first 13 years. Beyond that it goes up to 20% per year. By year 17, it is at 100% ad valorem property taxes. Mr. Armor stated it is basically like a normal PILOT where they take whatever it is, cap it for 10 years, and phase-in on the next.

Mr. Gentry asked what about the common areas for residents at the complex? Mr. Haston stated that they will renovate a community clubhouse that will house the leasing office. In addition to that, there is a community room about 1,200 sq. ft. that is open to residents. They also opened it up to communities in the past. Also in the clubhouse is a business center and fitness center.

Mr. Armor asked if there have been any community meetings of what is going to occur? Mr. Haston stated yes. This property was rezoned back in 2018 and will have additional community meetings as well.

Mr. Johnson stated that this would be in Councilwoman Dotley's district? Mr. Haston stated yes. The City Council approved this project. This is the largest amount that the Board has ever approved. Mr. Noblett stated that there were none this large. Mr. Armor stated that is why the taxable amount exceeds \$32 million.

Mr. Noblett asked why they were coming to this Board for a bond issuance. Mr. Haston stated that by law the IRS are required to issue at least 50% of the construction cost on the tax-exempt bonds. Those bonds are usually issued due to local entities such as this Board. In Nashville, they also have bonds. Other bond issuers that could issue the bonds could have been the Industrial Development Board. They are typically issued through a non-profit such as the Board.

Mr. Johnson asked if the current lenders were in place, is it contingent upon the Board's approval? Mr. Haston stated yes. Mr. Noblett stated R-4 Capital Funding LLC is the purchaser of the bonds, and Regions Bank will be serving as the Bond Trustee. Mr. Haston stated that is correct. Mr. Noblett asked if this rate is favorable through this Board? Mr. Haston stated yes.

Mr. Johnson asked what is the down side? Mr. Noblett stated you would not have 240 affordable housing units here in the community, and it is a flat piece of ground. Mr. Armor stated the City is not carrying the debt responsibility for it. The Board has the authority for affordable housing. That is the reason they are coming to this Board.

Ms. Everhart asked if it is zoned for Calvin Donaldson Elementary School? Mr. Haston did not know. Ms. Gober stated that it is Trotter Elementary School on Central Avenue. Ms. Everhart thinks the surrounding housing is the Village and Willard Housing. Ms. Everhart asked Mr. Haston if he has a compare and contrast as to what the Village is for and what the Willard Homes offers to residents. They will be the same residents that need the housing. Mr. Haston would say that he does not know. It is market rate Class A housing.

Mr. Noblett stated that according to the Bylaws, any time that you have a resolution authorizing the issuance of bonds, there has to be a roll call vote. After further discussion, the resolution to approve the bond issuance was unanimously approved by roll call vote 6-0.

DISCUSSION ITEM ON THE CNE APPLICATION
WITHDRAWAL FOR AFFORDABLE HOUSING FUNDS

Ms. Martina Guilfoil stated that she does not have any more to say and that they really needed to move forward with the project. Sellers do not wait four months for a body like this to debate the benefits for using affordable housing funds to buy the project. CNE went ahead and closed but did confirm with Ethan Collier. Ms. Guilfoil thought it was really important because of the conversation that the Board understand what is going on in Mill Town and why he has used the city ordinance to eradicate dilapidated, vacant properties in the neighborhood. This Board was very influential and thinks it is important that the methodology that gets perpetrated in the community that there is real information that happens. Ms. Guilfoil invited Mr. Collier, and his attorney is going to do a presentation.

Mr. Armor asked about a clarification. The HEB did not meet for a four-month period or there was a time – Ms. Guilfoil stated that it was going to be a long time and needed to close. When CNE came to the Board, they were in a time crunch and wanted to take the properties down right away because vagrants were in there and disrupting the properties. The sellers wanted to close. Mr. Armor stated the reason he asked is that we have a regularly scheduled monthly meeting and then just like this special meeting, the Board meets that way. Mr. Armor was a little bit disturbed about it not being critical, but the comment that it could not wait. Mr. Armor is concerned because as a community body we volunteer, but we try to meet monthly. The only reason we do not meet monthly is that his decision is when the secretary comes and says we have no business. Mr. Armor is always trying to meet people’s needs like this meeting is a special called meeting. If we did not do something, Mr. Armor would like to be appraised of it.

Mr. Paty stated that Mr. Armor was not able to be at the meeting when they came before this body last. What happened was there was some question about whether or not there was a conflict of interest with Mr. Collier and the way this process came about. There was a motion made and seconded and approved 3-2 to defer action on the request. Because of that deferred action on the request, CNE went ahead and withdrew their request and moved forward because of their time constraints. Ms. Guilfoil stated yes, there were time constraints, as well as there seemed to be some concern that there was a conflict of interest because Mr. Collier had sued this property owner, and CNE negotiated with the property owner to buy the property. Also they were talking with Collier using them to bulldoze the four dilapidated properties and was that a conflict. Based upon all of the conversation, it was just easier for CNE to close on the properties and use a different

contractor to take the properties down so there would not be an appearance of impropriety regardless of how ultimately the conversation goes. CNE went ahead and did it. CNE wants to come back to this body for the affordable housing fund once they know what they are going to build there. CNE will come back then and ask for subsidy instead on the front end will come in after they figure out what they are going to build.

Mr. Johnson agrees with everything Mr. Paty said. This was not a reflection at least from his perspective on CNE's creditability. Mr. Johnson thinks that CNE does wonderful work, is a great community partner, and is truly an asset. Our Chairman indicated that it was an issue of timing. We just really wanted a little more information. That is why the Board deferred it instead of just turning it down. The Board really does not have any questions about CNE and respects what CNE does and hopes that CNE does come back to the Board. Ms. Guilfoil stated it was fine. It just worked out time wise. The conversation about the concerns of using a lawsuit as a way to eradicate vacant and blighted housing, she thought really merited having the principal come and talk about why he used that as a tool because he is in the neighborhood working to create affordable housing within his development and working with residents. Ms. Guilfoil thought it was important, and he was willing to provide real information about the lawsuits and why they use that as a tool. Mr. Armor wants to make sure and was not criticizing.

COMMENTS BY ETHAN COLLIER'S ATTORNEY, TIM MICKEL:

Mr. Armor asked for the comments to be limited to nine minutes. Most of our guidelines do that. Attorney Tim Mickel wants this to be a conversation and understanding. As Ms. Guilfoil said, they got the call to perhaps come and explain to the Board, from a legal basis, what it is they have been doing in Mill Town to help eradicate some of the blight issues and some of the abandoned properties with an understanding of being transparent with the Board and community about what is going on.

Mr. Ethan Collier asked Mr. Mickel if he could do this more from the legal perspective of what they are trying to do. Mr. Mickel talked about the Tennessee Neighborhood Protection Act and how we have come to use it over in the Oak Grove area to try to assist in some revitalization and some blight in that area. Mr. Mickel gave a presentation:

Background:

From around 2017-2019, Ethan Collier began approaching various community organizations with the concept of funding construction of affordable housing units through the concurrent sale and construction market rate housing. This is part of the concept that underlines this. Both of the types of properties being constructed solely at the same time. In 2019, he formed C.B. Collier for the purpose of acquiring land in and around the Standard Coosa Thatcher Mill Site in the Oak Grove community as part of the Mill Town concept that he had developed with certain under-community partners. The three major community partners in this particular development are Collier Construction (Ethan), CNE, and Benwood. All three of these entities have played a pivotal role in rolling out this idea. This is a labor of love of Mr. Collier, and he has put his heart and soul into it.

Mr. Mickel presented the Oak Grove community off of google earth. It is a pretty defined area. It centers largely around the Standard Coosa Thatcher Mill area which is what we see in the photograph. One thing he will point out is Ethan Collier, because he knew he was going to be so involved in this project, wanted to be a part of the revitalization. He has actually bought and acquired the property where he has moved his permanent office. He is a member of this community as well. Moving forward, a few things to understand about Oak Grove (this information was obtained off of the internet and the data site there) (it is only as accurate as the internet) (some of it appeared on numerous sites or approximately). Approximately 2,200 residents live within the Oak Grove community. Approximately .79 square miles comprise that area. The median age is 27, 33% of the folks who live there are married, and 27% have at least one child. There is a high turnover of the occupants there. It is a transient community which is consistent with a community that is full of both affordable housing but also families. The community is culturally diverse. It is roughly an equal mix of African American, Hispanic, and Caucasian. It is one of the most diverse communities in town in terms of the numbers. We look at them side-by-side it is like 33, 33, 33. Very interesting community. We get to the issue of what brings us to that particular community. The answer is the Standard Coosa Thatcher Mill Site.

History:

In the 1920s, Standard Coosa Thatcher was a thriving local cotton facility that made cotton into yarn. After some major investments in 1912 and 1925, there were three mills there running side-by-side that became the Standard Coosa Thatcher. It thrived largely because of the availability of electrical power in the region. The mills up north were using water, and we could use electricity so we can do it cheaper and better, and the industry moved south. You can see the way the mill thrived with generations of Chattanoogaans working there. It became something in the community center with its own restaurants and things that the mill workers would go to showed a bit of a Mill Town surrounding directly the mill.

The mill prospered in the 1960s. You can see the mill there being very vibrant, active, and a lot of things happening. Generations of Chattanoogaans making work there. Standard Coosa Thatcher was notorious for the great benefits that it offered its employees. Moving forward, we get to the 1980s. The 1980s saw a recession and also a major down turn again of the textile industry. Here we are in 1997, this a few years before Standard Coosa Thatcher files bankruptcy. You can begin to see some of the areas surrounding the mill beginning to look less vibrant already in 1997.

In 2017, when they first became involved in this site, this is the condition that we saw the mill in when C.B. Collier was formed in order to try to revitalize this site in this neighborhood. Coming forward, here are the artist renderings of the concept of Mill Town. The idea that the three community partnerships came up with is that the Mill Town will combine new construction, revitalize existing construction, and the mill building itself created diverse, equitable, sustainable community in Oak Grove. That is the vision.

You can see as exhibited in the particular artist rendering that truly there are all sides of housing, different types of development, stand-alone housing, townhomes, and smaller apartment size housing that overall the concept is to build 450 units by design in this particular area. C.B. Collier, along with its community partners, have committed that 20% of these units will be affordable housing. By its definition of affordable housing, it is affordable to households whose income is no more than 50% to 80% of the AMI as defined by HUD. You are looking at 450 doors, 20% of that being guaranteed affordable housing, at 90 affordable housing units being scattered throughout this revitalized community. As part of its agreements, Collier is to make lots available to CNE for purchases needed at a rate comparable with CNE's business model, and then it is to facilitate the construction and development of affordable housing on behalf of CNE. Collier is to work with CNE throughout the process to construct through Collier Construction housing units that meet CNE's affordable housing initiatives.

Right now there are 80 doors/units under construction. You can see compare and contrast this to the earlier photo of the mill that we have in the area. You can see that Collier has already begun to clear lots, demolition, exit portions of the mill, and begin work now. This photograph is actually a little behind times, but if you went there now, you would see about 70-80 units being started. Currently, there is about a \$20 million investment in this development. We anticipate by its end \$180 million development in the revitalization of this area.

As we heard from the last speaker, there is a recognized, dire need for affordable housing in this community and in particularly in the Oak Grove community. Something that is interesting is a 2019 (inaudible) found that 58% of future Tennessee buyers (people 9-24), prefer a diverse community compared 12% now who prefer a (inaudible) community. Gen-Z's commitment to diversity is real. What we are going to see out of new home buyers you may say to yourself, I wouldn't live in this community, my parents wouldn't live in this community, my friends wouldn't, but your kids would. That is the difference. You are looking at building a community that is much more in keeping with societal requirements right now than they were 10-15 years ago. That is the concept here and ultimately this is what we are shooting for.

Issues:

What are our problems? What are our risks? What are our hazards? The first thing is we begin to see issues with the surrounding neighborhood itself. In 2013, Chattanooga Times-Free Press article, Rachel Collins, who at the time was the President of the Oak Grove Neighborhood Association says, the Oak Grove neighborhood is full of prostitutes, abandoned homes, and boarded up houses that attract drug dealers, gang activity, and crime. We see that. We begin to get on-site and we begin to think about there are city codes that address these types of things.

Here we have Section 21-126, it addresses vacant structures and land and says basically that all vacant structures and land shall be maintained in a clean, safe, secure, and sanitary condition, so as not to cause blighting problems. There is Chattanooga City Code that says when you board up a house, you cannot board it up for longer than a year without work starting and proceeding in a timely manner to bring the property into compliance and return it to a habitable condition. The owner shall be required to do that.

If the owner does not do it, then the City might do it. The City might take a lien against the property for doing it. We get there and we begin to see it is not so clear. What we begin to see is like this particular property, boarded up windows and doors, and condemnation signs on one property. Two other properties are boarded up windows and doors, and condemnation signs. We begin to watch these. Again, on two properties – boarded up windows and doors, condemnation. We begin to watch these, and we are out there. We see that nothing is happening to these properties. They continue to sit in this condition for long periods of time approaching now well over a year. Probably well over two years from when we first started. Then we look and see that there are other city codes that essentially restrict the ability to repair or store automobiles outside of garages on community property. We encounter this site which are actually adjoining properties at one of the properties there on 18th Street. That is the same property just two different shots but two different lots. We see those things, and we wonder why is the City not doing anything about it. We ask, we go to the City, inspector's office, codes enforcement and they say well, we really don't do anything about these particular properties and these particular neighborhoods (paraphrased). That is the answer they get. We begin to look at why and get answers like well, lack of municipal funds and manpower. We just don't have the people to do it.

There are different demographics at those particular locations. We all know that property does not exist in Riverview. It does not go a week in Riverview without the City getting some kind of complaint. That is one of the things too is the proliferation of citizen complaints play a role in this. How many people are complaining and calling their City Council person about these properties?

Mr. Mickel does not want to make the City out to be a bad actor in all of this. That is not the intent here. What we understand is there are also legitimate concerns about misplacement of the tenants and on occupants in these properties. Nobody wants to displace a family from a home that is their only chance of survival. But we also realize is that there are certain equities that come out of this non-enforcement which include that we begin to see more and more blighted areas with vacant condemned homes. We begin to see the complaints about problems with vacant homes that we saw in the 2013 article, and you begin to see criminal activity in those vacant properties. What you begin to see, and this is the thing that has struck Mr. Mickel, that is most problematic, is a continued reliance of passive investors on historical non-enforcement because what he is hearing more and more is feedback. Members of the community are not coming to us or Mr. Collier and saying what are you doing here, why are you doing this? What he is hearing are investors' attorneys calling him up and saying they bought this property because we knew that the City was not going to enforce these codes, now you are making us try to enforce, and this is not right. The sort of logic that goes into that the person who is trying to get the codes enforced is doing something wrong in this paradigm.

Mr. Collier came to Mr. Mickel's firm and asked if there was some way in the world because the City actually suggested to him you can do this. A private landowner can do this now. Mr. Collier came to his firm and said how can we do it? We did the research. What we found out is that there is something that is called the Neighborhood Preservation Act. It is an exciting tool for someone who is trying to revitalize a neighborhood like we are in Oak Grove. What we found was it was originally enacted in 2012 primarily to deal with Memphis and Memphis' blight problems. But it addresses hardships that are encountered by a community when certain

community standards and municipal ordinances are going unenforced. What it does is it provides a private person or entity with an opportunity to step in where the municipality can't or refuses to enforce its own codes.

It changed in 2018 and that is significant because in 2018, the legislature changed it so that the action itself, the lawsuit was against the property, not the owner. That is significant because now you are actually going against the property not a person and with the prior act that we were having some problems with stagnation because they could not get all of the owners sued or noticed.

Now, however, you can give notice through publication and other methods which allows these lawsuits to move forward in the courts. In either case, the changes by the legislature exhibit a public policy that the legislature wants these cases brought, and it wants them moving through the system at a pretty diligent pace. It only applies to certain communities, so not everybody can use it, but Chattanooga certainly falls within the parameters of it, and allows an acceptable petitioner to file a petition for public nuisance against a property naming the property as a defendant and seeking an order that the property is a public nuisance and requiring abatement of the nuisance. An acceptable petitioner is defined as to include the owner or legal occupant of the property that is adversely impacted or any other interested person.

City's Role:

What is the City's role in the lawsuit? The City has a very limited role in the lawsuit. The act requires the City be given notice of the lawsuit. The City is not technically a named defendant in the action. The action is not brought against the City. The City's role is limited to inspecting the property within a designated time period and reporting back to the Court as to its condition. Is the property compliant or is it not? The Court then is called upon to hold a hearing, takes all of the evidence into consideration, and determines whether the property is a public nuisance as defined by the act.

A public nuisance under the act has specific statutory definitions. The one that we find ourselves most interested in is the 5th one which essentially says anything that is a violation of any local building, housing, air pollution, sanitation, health, fire, zoning or safety code ordinance or regulation applicable to any subject parcel. Thinking back about the City Code provisions that was referenced earlier, all of these properties that they have moved against are well out of compliance with the City Code. What we are arguing to the Court is their failure to adhere to the City Code over a long period of time which makes them a private nuisance under the act. The Court then looks at all of the evidence and determines if it is a public nuisance. If it is a nuisance, then the Court asks the owner of the property to come forward with a schedule for remediation of the property. The owner has the first cut at saying this is what I will do to make this property compliant. The Court has the opportunity to look at that and say that is fine. That is good enough.

If the owner shows no willingness to do that or if the owner does not do anything, then what the Court can do is appoint a Receiver. What the Receiver then does, has a super lien over the property, and the Receiver can go out and essentially decide what to do with the property – sell it at auction, remediate, demolish the property, whatever is in the best interest of the property is what the Receiver can do.

When Mr. Collier came to Mr. Mickel and asked them to get involved, he gave them two directives: (1) we are displaced, no tenants, no property owners – that is the primary directive; and the two lower directives are that we decided that we would only move against vacant properties that have been condemned and are otherwise in longstanding violation of city ordinances; and (2) Mr. Mickel showed the photograph of the property that had all of the cars surrounding it, they decided in that one particular instance that they would sue to enforce the automobile ordinances with the eye toward the fact that would not necessarily displace or cause the landowner to have to vacate the property. He would only need to comply with the ordinances.

Outcomes:

What are the outcomes? We file 12 lawsuits against offending properties in the general area of Mill Town. Of those, eight lawsuits have been dismissed with prejudice by C.B. Collier as the owners have taken some action to bring the property into compliance with city ordinances. Three lawsuits have been dismissed without prejudice as the owners have shown proof that the properties are under contract with new purchasers who are on notice of the fact that we have the property sued, that we have removed the suit. If you do not do something to improve the property, the suits are coming back. In each of those 11 to be clear, C.B. Collier has born its own attorneys' fees and out of the 12 that we have one reluctant owner has refused to do anything to bring the property into compliance with city ordinances. We are about to have to start addressing that. Mr. Noblett's office is about to get a call from Mr. Mickel on that.

Mr. Mickel wants this to be clear. The one property that is holding out is not an individual owner occupant of the property. It is another investment company who does not like that we are calling its hand. It has been condemned. It is a condemned property that the investment company does not want to do anything about right now. This is what they are looking for: We want to make clear, we are not asking that these things be rebuilt, revitalize anything. We are more than satisfied as are the other community members with this outcome right here. A vacant lot that is seen in distraught. What have we gotten out of it? Buying from community members who appreciate the remediation of the blighted properties. We have buy-in for city commission members. This is committed by Councilwoman Coonrod's district. She loves the fact that this is happening. We see an increase in the quality of life, an increase of property values, and the last slide which is a Fourth of July community celebration that took place on the property attended by numerous community members and luminaries who are from that particular community, and who all have voiced their appreciation for what is being done. Mr. Mickel hopes that gives a little more positive and thorough understanding of what is happening in Oak Grove.

Questions from the Board:

Ms. Everhart appreciates the explanation. Her concern is still the same as what it was which is that what was deferred from the beginning was we just wanted more information because there is so many lawsuits filed that somebody is getting the same thing that they want in a different way. When you are suing, you are asking for these owners, whoever they are, to be compliant under the city ordinance. But the ones that are dismissed are the ones that was being asked about at the time, it was dismissed from the lawsuit, if she is correct, but asking the City for money to knock it down for the same result. The question was, is that a conflict of interest? Ms. Everhart

thinks that is okay, and we have the right as a board to review before making a decision. If there are this many lawsuits filed, it is dismissed on the discretion of we are going to ask for money to remedy the situation in the same way that you are going to remedy it by a lawsuit. That was the question. It is not that we do not think the work is being done or that Mr. Collier does a great job, he has a phenomenal business, but just wanted to look more into the throws of it to make sure that there is no conflict that arises from that. Ms. Everhart does not know if this shows that there is still no conflict.

Mr. Mickel was not really asked to come to address a conflict or legal issue of whether there is a conflict or not. The reason he understands that Ms. Guilfoil asked him to come is that she just wanted the counsel of the Board to have some understanding of what was happening. With respect to the conflict issue, there are a lot of issues that go in determining whether it is a conflict or not as Mr. Noblett knows and anyone else knows that has looked at it. At the point in time that CNE was making that application, that lawsuit had been dismissed and that property had actually been sold to CNE at that particular time it was under contract. Mr. Mickel does not see there is a conflict, but he does not want to stand in Mr. Noblett's view to try to make that determination.

Mr. Johnson stated that the question may be is the Receiver. Who would be the Receiver? Do you see that as being like the Wrecker Board having certain wrecker companies? Mr. Mickel stated that the Receiver is essentially is anybody the Court wants to appoint. It varies from a lot of compliance statutes because a lot of times the Receiver is the person who has to have an official duty. In the case of the Neighborhood Protection Act, they do not. It could be essentially anyone that the Court determines is an appropriate person. To avoid those sorts of conflicts, obviously the Receiver need not be a city official. In his mind, he never thought about the Receiver being a city official. He does not know who the Court would appoint. That would be up to the Court. His guess would be some sort of real estate professional who knows what is best to do to address the problems with the property.

Mr. Johnson stated also what he thought was a little unusual was longstanding. We probably need to have some parameters in there - over 12 months, over whatever. Mr. Mickel stated they are in the City Code. When he says longstanding, the City Code requires that a property once it is properly boarded up that within 12 months it be made habitable. What they are seeing is that properties are being boarded up and left for years and then when you go to the landowner and say your property is not compliant, you do not get a response. That is the issue we are running into and of course there is some gamesmanship involved because there are certain things that you can do to bring you compliant with this particular part of the code. Then once it becomes compliant with the boarding statute, how it has to be boarded, they then say now we got a year to do anything. It may have been improperly boarded for 12 months. Now we start the clock, and now we get 12 more months to make it habitable. You do see a little bit of gamesmanship with respect to those properties.

Mr. Armor thanked Mr. Collier for being here and appreciates all of the development he has done. Mr. Armor lives near some it. Mr. Armor has seen what he has done on South Broad Street and over on North Market Street. Mr. Armor has been watching his dredging of the waterway. Mr. Armor wants to see what he is going to do with that. Mr. Collier is going to build some homes around it.

There being no further business, a motion was made by Mr. Johnson, seconded by Mr. Paty to adjourn the meeting at 3:00 p.m.

Respectfully submitted,

Richard A. Johnson, Secretary

APPROVED:

Hicks Armor, Chair

RESOLUTION

A RESOLUTION RATIFYING THAT THE CHAIR WAS HEREBY AUTHORIZED TO EXECUTE A JOINDER OF A DEED OF TRUST, ASSIGNMENT, SECURITY AGREEMENT AND FIXTURE FILING ON DECEMBER 23, 2021, RELATIVE TO TSO CHATTANOOGA DEVELOPMENT, LP C/O THE SIMPSON ORGANIZATION, INC. AND ATLANTA CAPITAL BANK, N.A.

NOW THEREFORE, BE IT RESOLVED BY THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, That it is hereby ratifying that the Chair was hereby authorized to execute a Joinder of a Deed of Trust, Assignment, Security Agreement and Fixture Filing on December 23, 2021, relative to TSO Chattanooga Development, LP c/o The Simpson Organization, Inc. and Atlanta Capital Bank, N.A.

ADOPTED: January 24, 2022

HEALTH, EDUCATIONAL AND HOUSING FACILITY
BOARD OF THE CITY OF CHATTANOOGA

Hicks Armor, *Chair*

ATTEST:

Richard Johnson, *Secretary*

Prepared by and after recordation to be returned to:

David J. Burge, Esq.
Smith, Gambrell & Russell
1105 W. Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309-3608

MAXIMUM PRINCIPAL INDEBTEDNESS
FOR TENNESSEE RECORDING TAX PURPOSES
IS \$20,000,000.00

THIS DEED OF TRUST CONSTITUTES A FIXTURE FILING PURSUANT TO T.C.A. § 47-9-502(c). THE NAME OF THE DEBTOR (GRANTOR HEREIN) IS TSO CHATTANOOGA DEVELOPMENT, LP, AND THE NAME OF THE SECURED PARTY (BENEFICIARY HEREIN) IS ATLANTIC CAPITAL BANK, N.A., ITS SUCCESSORS AND ASSIGNS. THE ADDRESSES OF THE DEBTOR AND SECURED PARTY ARE SET FORTH IN THIS DEED OF TRUST. THE DESCRIPTION OF THE ITEMS AND TYPES OF SECURED PROPERTY COVERED BY THIS FIXTURE FILING IS ALSO CONTAINED IN THIS DEED OF TRUST. THIS FILING RELATES TO FIXTURES.

NOTICE PURSUANT TO T.C.A. § 47-28-104: THIS DEED OF TRUST SECURES OBLIGATORY FUTURE ADVANCES AND IS FOR COMMERCIAL PURPOSES.

DEED OF TRUST, ASSIGNMENT, SECURITY AGREEMENT AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust"), made and entered into as of the ___th day of December, 2021, by and between **TSO CHATTANOOGA DEVELOPMENT, LP**, a Georgia limited partnership ("Grantor"), having an address at c/o The Simpson Organization, Inc., 1170 Peachtree Street, Suite 2000, Atlanta, Georgia 30309; **JENNIFER D. STACEY**, a resident of Williamson County, Tennessee, as trustee ("Trustee"), having an address at 7101 Executive Center Drive, #151, Brentwood, Tennessee 37027; and **ATLANTIC CAPITAL BANK, N.A.**, a national banking association ("Beneficiary"), having an address at 945 E. Paces Ferry Rd NE, Resurgens Plaza, Suite 1600, Atlanta, Georgia 30326; with the consent and joinder of **THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE**, a public corporation created and existing under the laws of the State of Tennessee (the "Authority") as provided in the Joinder attached hereto and incorporated herein;

W I T N E S S E T H:

1.01 THAT FOR AND IN CONSIDERATION of the sum of \$10.00 and other valuable considerations, the receipt and sufficiency whereof are hereby acknowledged, and in order to secure the indebtedness and other obligations of Grantor hereinafter set forth, Grantor does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, deliver, set over, warrant and

confirm unto Trustee, its successors and assigns, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, for the benefit of Beneficiary, its successors and assigns, the following described property (collectively, the "Premises"): all of its respective right, title and interest in, under and to: (a) all Grantor's leasehold estate, interest, rights, privileges and benefits (including, without limitation, any option to purchase the fee simple estate) existing under or created by that certain Lease Agreement dated October 20, 2015, by and between the Authority, as lessor, and Grantor, and recorded in Book GI 10594, Page 169, Hamilton County, Tennessee Register of Deeds (the "PILOT Lease"), as the same may be amended from time to time with the prior written consent of Beneficiary, covering and affecting those certain tracts, pieces or parcels of land (and any easements or other rights or interests in land) more particularly described in Exhibit "A", attached hereto and incorporated herein by reference (the "Land"); (b) all buildings, structures and improvements of every nature whatsoever now or hereafter situated on, under or above the Land (the "Improvements"; together with the Land, the "Property"); (c) all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, tenements, hereditaments and appurtenances, reversions and remainders whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Grantor; (d) all furnishings, furniture, fixtures, machinery, apparatus, equipment, fittings, appliances, building supplies and materials, vehicles (excluding Grantor's personal automobiles), chattels, goods, consumer goods, farm products, inventory, warranties, chattel paper, documents, accounts, general intangibles, trade names, trademarks, service marks, logos (including any names or symbols by which the Property is known, but excluding the name "The Simpson Organization" or similar names, or any service marks, trademarks, or logos associated therewith) and goodwill related thereto, and all other articles of personal property of every kind and nature whatsoever, tangible or intangible, now, heretofore or hereafter arising out of or related to the ownership of the Property, or acquired with proceeds of any loan secured by this Deed of Trust, or located in, on or about the Property, or used or intended to be used with or in connection with the construction, use, operation or enjoyment of the Property, excluding, however, any equipment or other personal property owned by any property manager retained by Grantor (said real and personal property referred to in Subsections 1.01 (c) and (d), together with the Property, being hereinafter referred to as the "Project"); (e) any and all leases, rental agreements and arrangements of any sort now or hereafter affecting the Project or any portion thereof and providing for or resulting in the payment of money to Grantor for the use of the Project or any portion thereof, whether the user enjoys the Project or any portion thereof as tenant for years, invitee, licensee, tenant at sufferance or otherwise, and irrespective of whether such leases, rental agreements and arrangements be oral or written, including those certain leases, if any, more particularly described in Exhibit "B" hereto, and including any and all extensions, renewals and modifications thereof (the "Leases") and guaranties of the performance or obligations of any tenants or lessees thereunder (the "Tenants"), together with all income, rents, issues, profits and revenues from the Leases (including all tenant security deposits and all other tenant deposits, whether held by Grantor or in a trust account, and all other deposits and escrow funds relating to any Leases), and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Grantor of, in and to the same; provided, however, that although this Deed of Trust contains (and it is hereby agreed that this Deed of Trust

contains) a present, current, unconditional and absolute assignment of all of said income, rents, issues, profits and revenues, Grantor and Beneficiary have agreed that so long as there shall exist no "Default" (as hereinafter defined) Grantor shall have a revocable license to collect routine rental payments and revenues including, without limitation, application fees and security deposits, which do not relate to periods more than one month after collection, it being agreed that Beneficiary shall be entitled at all times to possession of all other income, rents, issues, profits and revenues (including deposits), and it being further agreed that upon the occurrence and during the continuance of a "Default" (as hereinafter defined) hereunder such license shall be automatically revoked without the necessity of further action by Beneficiary; provided, further that upon Grantor's cure of any such "Default," the revocable license to collect rental payments and revenues shall be reinstated subject to the terms and conditions hereof; (f) all franchise agreements, management contracts, service contracts, utility contracts, leases of equipment, documents and agreements relating to the construction of any Improvements (including any and all construction contracts, architectural contracts, engineering contracts, designs, plans, specifications, drawings, surveys, tests, reports, bonds and governmental approvals) and all other contracts, licenses and permits now or hereafter affecting the Project or any part thereof and all guaranties and warranties with respect to any of the foregoing (the "Contracts"); (g) any insurance policies or binders now or hereafter relating to the Project, including any unearned premiums thereon; (h) any and all awards, payments, proceeds and the right to receive the same, either before or after any foreclosure hereunder, as a result of any temporary or permanent injury or damage to, taking of or decrease in the value of the Project by reason of casualty, condemnation or otherwise; (i) all utility, escrow and all other deposits (and all letters of credit, certificates of deposit, negotiable instruments and other rights and evidence of rights to cash) now or hereafter relating to the Project or the purchase, construction or operation thereof; (j) all cash funds, deposit accounts, certificates of deposit, negotiable instruments and other rights and evidence of rights to cash, now or hereafter created under or held by Beneficiary pursuant to the "Loan Agreement" (as hereinafter defined) or pursuant to any other of the "Loan Documents" (as hereinafter defined), including any account into which any portion of the "Indebtedness" (as hereinafter defined) may be disbursed by Beneficiary; (k) all claims and causes of action arising from or otherwise related to any of the foregoing, and all rights and judgments related to any legal actions in connection with such claims or causes of action, and all cash (or evidences of cash or of rights to cash) or other property or rights thereto relating to such claims or causes of action; and (l) all extensions, additions, improvements, betterments, renewals and replacements, substitutions, or proceeds of any of the foregoing; and all inventory, accounts, chattel paper, documents, instruments, equipment, fixtures, farm products, consumer goods, general intangibles and other property of any nature constituting proceeds acquired with proceeds of any of the property described hereinabove; all of which foregoing items are hereby declared and shall be deemed to be a portion of the security for the indebtedness and obligations herein described, a portion of the above described collateral being located upon the Land. For purposes of this Deed of Trust, the term "Loan Agreement" shall mean that certain Loan Agreement, dated of even date herewith, by and between Grantor and Beneficiary; and the term "Loan Documents" shall have the meaning ascribed to it in the Loan Agreement; and the term "Guaranty" shall have the meaning ascribed to it in the Loan Agreement; and the term "Guarantor" shall have the meaning ascribed to it in the Loan Agreement.

1.02 TO HAVE AND TO HOLD the Premises and all parts, rights, members and appurtenances thereof, to the use, benefit and behoof of Trustee IN TRUST; and Grantor covenants that Grantor is lawfully seized and possessed of the Premises as aforesaid and has good right to

convey the same, that the same are unencumbered except for those matters expressly set forth in Exhibit "C" hereto, and Grantor does warrant and will forever defend the title thereto against the claims of all persons whomsoever, except as to the matters set forth on Exhibit "C".

1.03 THIS DEED OF TRUST is given IN TRUST to secure the payment of the following described indebtedness (collectively, the "Indebtedness"): (a) the debt evidenced by that certain promissory note dated of even date herewith, made by Grantor to the order of Beneficiary in the principal amount of TWENTY MILLION AND NO/100 DOLLARS (\$20,000,000.00), with the final payment being due on or before December __, 2024, together with any and all renewals, modifications, consolidations, replacements and extensions thereof (the "Note"); (b) any and all additional advances made or costs or expenses actually incurred by Beneficiary to protect or preserve the Premises or the security interest created hereby, or for taxes, assessments or insurance premiums as hereinafter provided, or for performance of any of Grantor's obligations hereunder, or for any purpose referred to in Section 2.08 hereof, or for any other purpose expressly provided herein (whether or not the original Grantor remains the owner of the Premises at the time such advances are made or costs or expenses incurred); and (c) any indebtedness, liabilities, or obligations, now existing or hereafter arising, due or to become due, absolute or contingent, of Grantor to Beneficiary and/or its affiliates under any Financial Contract, but excluding any Excluded Swap Obligation. "Financial Contract" shall mean (1) an agreement (including terms and conditions incorporated by reference therein) which is a rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option equity or equity index swap, bond option, interest rate option, foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, currency option, any other similar agreement (including any option to enter into any of the foregoing); (2) any combination of the foregoing; or (3) a master agreement, schedule or confirmation (oral or written) for any of the foregoing together with all supplements. "Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal. "Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act. "Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

1.04 SHOULD THE INDEBTEDNESS BE PAID according to the tenor and effect thereof when the same shall become due and payable, then this Deed of Trust shall be canceled, surrendered and released of record.

COVENANTS AND AGREEMENTS

2.01 Payment of Indebtedness. Grantor shall pay the Note according to the tenor thereof and the remainder of the Indebtedness promptly as the same shall become due.

2.02 Taxes, Liens and Other Charges. Grantor shall pay, on or before the due date thereof, all (a) taxes, assessments, and other charges of every character whatsoever now or hereafter levied on, assessed, placed or made against the Indebtedness, the Premises, this Deed of Trust, or any other Loan Document, or any interest of Beneficiary in the Indebtedness, the Premises or the Loan Documents; (b) premiums on policies of insurance now or hereafter covering the Premises, and any and all other insurance policies now or hereafter collaterally pledged to Beneficiary; (c) ground rentals or other lease rentals, if any, payable by Grantor; (d) utility charges, whether public or private; and (e) penalties and interest on any of the foregoing. Grantor will promptly pay any tax arising out of the passage of any law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of deeds of trust or security agreements, or debts secured thereby, or the manner of collection thereof. Grantor shall promptly deliver to Beneficiary upon demand receipts showing timely payment in full of all of the above items. Notwithstanding anything herein to the contrary, Grantor shall not be required to pay or discharge any taxes, assessments or other charges so long as Grantor shall in good faith and at Grantor's sole expense contest the same or the validity thereof by appropriate legal proceedings which proceedings shall operate to prevent the collection thereof or other realization thereon and the sale, levy or forfeiture of or upon all or any part of the Premises to satisfy the same.

2.03 Insurance and Condemnation.

(a) Grantor shall procure for, deliver to Beneficiary certificates evidencing, and maintain for the benefit of Beneficiary during the term of this Deed of Trust, original, fully paid insurance policies issued by such insurance companies, in such reasonable and customary amounts, form and substance, insuring the interests of Grantor and with such expiration dates as are reasonably acceptable to Beneficiary, providing "all risk" permanent real and personal property and "all risk" builders risk (for improvements completed or under construction, respectively), public liability (insuring Grantor and any contractor performing work on the Premises), worker's compensation, rent loss, and such other coverage as Beneficiary may from time to time reasonably require, naming Beneficiary as mortgagee and loss payee with respect to all property insurance and as an additional insured with respect to all liability insurance except worker's compensation. Beneficiary acknowledges and agrees that such insurance coverage may be in the form of a "blanket" insurance policy reasonably acceptable to Beneficiary and otherwise satisfying the requirements of this Paragraph 2.03. Grantor shall cause any builder's risk insurance covering any improvements to the Premises to be replaced by permanent insurance promptly upon completion of such improvements and without any lapse in coverage. On or before the expiration date of each policy maintained pursuant to this section, evidence of a renewal or replacement thereof satisfactory to Beneficiary shall be delivered to Beneficiary, together with receipts evidencing the payment of all premiums required to keep such insurance in effect for the full term of such policy. At the request of Beneficiary, Grantor shall provide evidence satisfactory to Beneficiary that all such insurance is in effect. If the Premises or any material part thereof is damaged by fire or any other cause, Grantor will give prompt written notice thereof to Beneficiary.

(b) Grantor shall notify Beneficiary promptly upon obtaining actual knowledge of the institution, or the threatened institution, of any action for the taking through condemnation (which term when used in this Deed of Trust shall include any damage or taking by any governmental or quasi-governmental authority and any transfer by private sale in lieu thereof) of the Premises or any part thereof.

(c) This Section 2.03(c) is subject in all respects to Section 2.03(d) below. Beneficiary shall be entitled to all compensation, awards and other payments arising from any casualty, condemnation or damage to the Premises or any portion thereof and to give receipts and acquittances therefor, and is hereby authorized, at its option, to adjust or compromise any casualty, condemnation or damage claim or cause of action, to commence, appear in and prosecute, in its own or in Grantor's name, any action or proceeding relating to any casualty, condemnation or damage claim or cause of action, and to settle or compromise any claim or cause of action in connection therewith. Each insurance company, condemning authority or other party is hereby authorized and directed to make payment for all such claims and causes of action directly to Beneficiary, instead of to Grantor and Beneficiary jointly. In the event any insurance company, condemning authority or other party fails to disburse directly and solely to Beneficiary but disburses instead either solely to Grantor or to Grantor and Beneficiary jointly, Grantor agrees immediately to endorse and transfer such payments to Beneficiary. Upon the failure of Grantor to endorse and transfer such payments as aforesaid, Beneficiary may execute such endorsements or transfers for and in the name of Grantor and Grantor hereby irrevocably appoints Beneficiary as Grantor's agent and attorney-in-fact so to do. Beneficiary shall not be responsible for any failure to collect any insurance proceeds, any condemnation award or any other payment relating to the Premises, regardless of the cause of such failure. After deducting from any condemnation, insurance or other proceeds received by Beneficiary all expenses of Beneficiary incurred in the collection and administration of such sums, including attorney's fees of outside counsel, Beneficiary may apply the net proceeds or any part thereof, at its option, to any one or more of the following: (i) the payment of the Indebtedness, whether or not due and in whatever order Beneficiary elects, (ii) the repair, replacement or restoration of the Premises or any part thereof, and (iii) any other purposes for which Beneficiary is entitled to advance funds under this Deed of Trust, all without affecting the security interest created by this Deed of Trust; and any balance of such moneys not applied by Beneficiary as aforesaid shall be paid to Grantor or the person or entity lawfully entitled thereto. In the event of the foreclosure of this Deed of Trust or any other transfer of title to the Premises in extinguishment or partial extinguishment of the Indebtedness, all right, title and interest of Grantor in and to all insurance policies then in force (including any premiums paid in advance), all insurance proceeds, all condemnation proceeds and awards and all claims and judgments for damage to the Premises or any portion thereof shall pass to the purchaser or Beneficiary, and said purchaser or Beneficiary shall have the right to receive all awards, proceeds or payments relating thereto to the extent of any unpaid Indebtedness following such sale, with legal interest thereon, whether or not a deficiency judgment on this Deed of Trust or the Note shall have been sought or recovered, and to the extent of reasonable counsel fees, costs and disbursements incurred by Beneficiary in connection with the collection of such award, proceeds or payments.

(d) Notwithstanding the provisions of subparagraphs (b) and (c) above, in the event that all or any part of the Premises is damaged by fire or other casualty or subject to a partial condemnation, and Grantor promptly notifies Beneficiary of its desire to repair and restore the

same, then provided that the following terms and conditions are and remain fully satisfied by Grantor, Beneficiary shall disburse insurance or condemnation proceeds for repair and restoration of the Premises against completed work in accordance with Beneficiary's standard construction loan disbursement conditions and requirements (which may be contained in an agreement which Beneficiary may require Grantor to sign); otherwise, and to the extent of any excess proceeds, Beneficiary shall have the right to apply the proceeds toward reduction of the Indebtedness:

(i) no Default or event which, with the giving of notice or the passage of time, or both, would constitute a Default under any of the Loan Documents shall have occurred and be continuing;

(ii) Grantor shall have delivered evidence reasonably satisfactory to Beneficiary that the Premises can be fully repaired and restored prior to the maturity of the Note;

(iii) the work is performed under a stipulated sum or guaranteed maximum price contract reasonably satisfactory to Beneficiary in accordance with plans and specifications and a budget reasonably satisfactory to Beneficiary and in compliance with all legal requirements;

(iv) Grantor shall have deposited with Beneficiary for disbursement in connection with the restoration the greater of: (1) the applicable deductible under the insurance policies covering the loss; or (2) the amount by which the cost of restoration of the Premises to substantially the same value, condition and character as existed prior to such damage is reasonably estimated by Beneficiary to exceed the net insurance proceeds available for restoration; and

(v) Grantor has paid as and when due all of Beneficiary's reasonable and actual costs and expenses incurred in connection with the collection and disbursement of insurance or condemnation proceeds, including without limitation, inspection, monitoring, engineering and legal fees. If not paid on demand, and at Beneficiary's option, such costs may be deducted from the disbursements made by Beneficiary or added to the sums secured by this Deed of Trust in accordance with the provisions of Section 1 hereof.

In the event the insurance proceeds or condemnation award proceeds equals Fifty Thousand Dollars (\$50,000.00) or less, then provided no Default under the Loan Documents has occurred and is continuing, Grantor shall have the right to retain such insurance proceeds and condemnation awards, and shall be entitled to adjust for and/or settle the same for Grantor's own account without Beneficiary's consent and without Beneficiary being entitled to possession of such insurance proceeds or condemnation awards, and shall promptly restore the Premises as provided in Section 2.05.

2.04 Leases and Contracts. Grantor shall (a) fulfill, perform and observe each and every material condition and material covenant of landlord or lessor contained in each of the Leases and each and every material condition and material covenant of Grantor or owner of the Premises contained in the Contracts; (b) give prompt notice to Beneficiary of any material written claim of default or notice of any event or condition which, with notice or passage of time or both, would constitute a material default under any of the Leases or the Contracts, whether given by or given to Grantor, together with a complete copy of any notice expressing such claim; (c) at no cost or expense to Beneficiary, enforce in a commercially reasonable manner, short of termination, the

performance and observance of each and every material condition and covenant of each of the parties under the Contracts and the Leases; (d) appear in and defend any action against any one or more of Grantor, Beneficiary, and the Premises arising out of, or in any manner connected with, any of the Leases or the Contracts, or the obligations or liabilities of any party thereto or any guarantor thereof; and (e) furnish to Beneficiary upon demand copies of all Leases and Contracts. Grantor shall not, without the prior written consent of Beneficiary or except as otherwise permitted hereunder, (i) enter into new Leases or Contracts; (ii) materially modify any Leases or Contracts; (iii) terminate or accept the surrender of any Leases or Contracts; (iv) waive or release any other party from the performance or observance of any material obligation or condition under any Leases or Contracts; (v) give any consent to any assignment or sublease by any Tenant under any of the Leases; (vi) permit the prepayment of any rents under any of the Leases for more than one month prior to the accrual thereof; or (vii) assign its interest in, to or under any Contracts or Leases or the rents, issues and profits from the Leases or from the Premises to any person or entity other than Beneficiary, except as otherwise expressly permitted by Beneficiary in writing. Grantor shall take no action which will cause or permit the estate of any Tenant under any of the Leases to merge with the interest of Grantor in the Premises or any portion thereof. Grantor shall and does hereby authorize and direct each and every present and future Tenant of all or any part of the Premises to pay all rent (and any other sums due the landlord under the Lease) to Beneficiary and to perform all other obligations of that Tenant for the direct benefit of Beneficiary, as if Beneficiary were the landlord under the Lease with that Tenant, immediately upon receipt of a demand by Beneficiary to make such payment or perform such obligations, it being acknowledged that no such demand by Beneficiary shall constitute or be deemed to constitute any assumption by Beneficiary of any obligations of the landlord under such Lease. Beneficiary agrees not to make any such demand unless there is an existing Default that has not been cured within any applicable notice and cure period hereunder, provided, however, no Tenant shall have any responsibility to ascertain whether such demand is permitted hereunder or whether a default shall have occurred. Grantor hereby waives any right, claim or demand it may now or hereafter have against any such Tenant by reason of such payment of rent or other sums or performance of obligations to or for Beneficiary; and any such payment or performance to or for Beneficiary shall discharge the obligations of the Tenant to make such payment or performance to or for Grantor. Upon the occurrence and during the continuance of a Default, Grantor shall and does hereby authorize and direct each and every present and future party to any Contract (a "Contract Party") to make all payments to Beneficiary and to perform all obligations of that Contract Party for the direct benefit of Beneficiary, as if Beneficiary were the Grantor or owner of the Premises under the Contract with that Contract Party, immediately upon receipt of a demand by Beneficiary to make such payments or perform such obligations, it being acknowledged that no such demand by Beneficiary shall constitute or be deemed to constitute any assumption by Beneficiary of any obligations of the Grantor or owner of the Premises under such Contract. Beneficiary agrees not to make any such demand unless there is an existing Default that has not been cured within any applicable notice and cure period hereunder, provided, however, no Contract Party shall have any responsibility to ascertain whether such demand is permitted hereunder or whether a default shall have occurred. Grantor hereby waives any right, claim or demand it may now or hereafter have against any such Contract Party by reason of such payment or performance of obligations to or for Beneficiary; and any such payment or performance to or for Beneficiary shall discharge the obligations of the Contract Party to make such payment or performance to or for Grantor.

Notwithstanding anything to the contrary contained herein, provided that the terms comply with the requirements set forth below, and further provided no Default exists and is continuing hereunder, Grantor is authorized to enter into Approved Leases for space within the Premises and Contracts with termination rights on thirty (30) days' notice without Beneficiary's prior consent. An "Approved Lease" is (a) any new individual apartment lease to a bona fide tenant in the ordinary course of business at then customary rental rates and (b) any new office or retail space lease that provides (i) a demised premises of not more than 5,000 rentable square feet, (ii) a term of at least five years and (iii) a net annual rent rate of at least \$22.00 (NNN) per square foot. Grantor shall promptly provide Beneficiary with a complete copy of all such executed Approved Leases. So long as no Default exists and is continuing, Grantor shall also be authorized to modify or amend existing Approved Leases in the ordinary course of business, provided that any such Approved Lease, as so amended, would not have required Beneficiary's consent if it contained the same provision when initially executed.

2.05 Operation, Care and Inspection of Premises. Grantor shall maintain the Premises in good condition and repair (normal wear and tear, casualty and condemnation excepted), shall not commit or suffer any material physical waste to the Premises or do or suffer to be done anything which would materially increase the risk of casualty to the Premises or any part thereof or which would result in the cancellation of any insurance policy carried with respect to the Premises. Grantor shall comply in all material respects with all applicable laws, rules, ordinances, regulations, judgments, governmental determinations, restrictive covenants and easements affecting the Premises or any part thereof (the "Requirements") and shall cause the Premises to comply at all times and in all respects with all Requirements, and shall at all times operate the Premises, and perform any construction of any portion thereof, in all respects in accordance with all material Requirements. Grantor shall promptly repair, restore or replace, to the extent and in a manner satisfactory to Beneficiary, any part of the Premises which may be damaged by fire or other casualty or which may be affected by any condemnation proceeding, provided that Beneficiary thereafter makes available to Grantor (pursuant to a procedure reasonably satisfactory to Beneficiary) any net insurance or condemnation proceeds actually received by Beneficiary in connection with such casualty loss or condemnation, to the extent such proceeds are required to defray the expense of such restoration, repair or replacement; provided, however, that the insufficiency of or delay in receipt from the insurer by Grantor of any such net proceeds shall in no way relieve Grantor of its obligation to promptly restore, repair or replace in a reasonable timeframe. Beneficiary and any persons authorized by Beneficiary shall have the right at all reasonable times upon reasonable advance notice to inspect the Premises, any improvements existing or being constructed thereon and all materials used or to be used in such improvements; provided, however, that nothing contained herein shall be deemed to impose upon Beneficiary any obligation to undertake such inspections or any liability for the failure to detect or failure to act with respect to any defect which was or might have been disclosed by such inspections. Notwithstanding anything to the contrary herein, except with respect to casualty and condemnation, no part of the Premises now or hereafter conveyed as security under this Deed of Trust shall be removed, demolished or materially altered without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld. Grantor warrants that to Grantor's actual knowledge, the Premises does not include any cemetery, Indian burial ground or village, or any other matter of archeological significance that would require the notification or consent of any persons or entity (including, without limitation, the Division of Archaeology of the Tennessee Department of Conservation) in connection with any excavation or construction thereon.

2.06 Security Agreement; Fixture Filing. This Deed of Trust is hereby made and declared to be a security agreement encumbering each and every item of personal property included herein as a part of the Premises, in compliance with the provisions of the Uniform Commercial Code as enacted in the jurisdiction applicable thereto (the "Code"). Grantor hereby grants Beneficiary a security interest in such personal property. The remedies for any violation of the covenants, terms and conditions of the security agreement contained in this Deed of Trust shall be as prescribed herein, or as prescribed by general law, or as prescribed by the Code, all at Beneficiary's election in the discretion of Beneficiary. Upon request or demand by Beneficiary, Grantor shall at its expense assemble all personal property which is a part of the Premises, and with respect to which such request or demand is made, and make the same available to Beneficiary at a convenient place upon the Land (or within Improvements upon the Land, as may be appropriate for the protection of such personal property) reasonably acceptable to Beneficiary. Any notice of sale, disposition or other action by Beneficiary with respect to personal property which is a part of the Premises sent to Grantor in accordance with the provisions hereof relating to communications at least ten (10) business days prior to such action shall constitute adequate and reasonable notice to Grantor of such action. Grantor agrees that all property used in connection with the production of income from the Premises or adapted for use therein or which is described or reflected in this Deed of Trust and that is owned by Grantor (i.e., as opposed to property owned by the property manager), is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be, regarded as part of the real estate conveyed hereby and that the filing of any financing statement or statements in the records normally having to do with personal property shall not in any way affect such agreement; provided, however, that Beneficiary may determine in its discretion that certain items of such property constitute personal property and are subject to remedies available with respect to personal property. The mention in any financing statement or statements of rights in and to (a) the proceeds of any insurance policy, or (b) any award in eminent domain proceedings for a taking or for loss of value, or (c) any payment for damage to or losses associated with the Premises, or (d) Grantor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Premises, whether pursuant to a Lease or otherwise, shall not in any way limit any of the rights of Beneficiary as determined by this Deed of Trust or affect the priority of Beneficiary's security interest granted hereby or by any other recorded document, it being understood and agreed that such mention in such financing statement or statements is solely for the protection of Beneficiary in the event any court shall at any time hold with respect thereto, that notice of Beneficiary's priority of interest, to be effective against all persons or against a particular class of persons, must be filed in the Code records. Except with respect to rental payments to the extent specifically provided herein to the contrary, Beneficiary shall have the right of possession of all cash, securities, instruments, negotiable instruments, documents, certificates and any other evidences of cash or other property or evidences of rights to cash or other property which are now or hereafter a part of the Premises, and Grantor shall promptly deliver the same to Beneficiary without further notice from Beneficiary. Grantor hereby irrevocably agrees that Beneficiary may, at the option of Beneficiary, give notice from time to time to any one or more persons or entities who may have or owe or be expected thereafter to have or owe any payment or other property of any nature which is or may become a part of the Premises, of the security interest of Beneficiary therein or of the right, if any, of Beneficiary to possession thereof; and, where Beneficiary has such a right of possession, Beneficiary may demand of such persons or entities delivery of any such payment or other property directly to Beneficiary. If Beneficiary shall at its option so request, Grantor will join in any such notices with

Beneficiary. The names of the “Debtor” and the “Secured Party” (which are Grantor and Beneficiary, respectively), the address of the “Secured Party” from which information concerning the security interest may be obtained, and the address of “Debtor”, are as set forth in Section 4.06, hereof; and a statement indicating the types, or describing the items, of collateral is set forth hereinabove. Grantor agrees to furnish Beneficiary with notice of any change in the name, identity, corporate structure, residence, principal place of business or mailing address of Grantor within ten (10) days of the effective date of any such change. This Deed of Trust shall constitute a financing statement filed as a fixture filing in accordance with Code §9-502 (or any amendment thereto). For purposes of complying with the requirements of Code §9-502, the name of Grantor, as Debtor, and Beneficiary, as Secured Party, and the respective addresses of Grantor, as Debtor, and Beneficiary, as Secured Party, are set forth on the first page of this Deed of Trust; the types or items of collateral are described in this Section and in the definition of the “Premises” appearing in the granting clauses of this Deed of Trust; and the description of the Land is set forth on Exhibit “A” attached hereto. The collateral is or includes and goods that are or are to become fixtures related to the Property.

2.07 Further Assurances; After-Acquired Property. Grantor shall execute and/or deliver (and pay the reasonable and actual costs of preparation and recording thereof) to Beneficiary, upon reasonable demand, any further instrument or instruments so as to evidence, reaffirm, correct, perfect, continue or preserve the obligations of Grantor under the Note or the other Loan Documents, the collateral at any time securing or intended to secure the Note, and the first and prior legal interest of Beneficiary to all or any part of the Premises, whether now owned or hereafter acquired by Grantor. Upon any failure of Grantor so to do, Beneficiary may make, execute, record, file, re-record and/or re-file any and all such instruments for and in the name of Grantor, and Grantor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor to do so. The lien of this Deed of Trust and the interests created hereby will automatically attach, without further act, to all after-acquired property attached to or used in the operation of the Premises or any part thereof. Notwithstanding the foregoing, Grantor’s covenant of future assurances provided in this Section 2.07 shall not obligate Grantor to execute any documents that increase the interest rate payable under the Note or otherwise adversely change any economic term contained in the Loan Documents.

2.08 Expenses. Grantor will pay or reimburse Beneficiary, upon demand therefor, for all reasonable out-of-pocket costs and expenses of any kind (including reasonable attorneys’ fees of outside counsel actually incurred, and fees of auditors, appraisers and inspectors) paid or incurred by Beneficiary relating to the Indebtedness or the Loan Documents, including those paid or incurred in connection with the commitment, negotiation, documentation, preparation, closing, disbursement or administration of the Indebtedness or any one or more of the Loan Documents, or in connection with the collection of any insurance or other proceeds or enforcement of any rights of Beneficiary under or relating to this Deed of Trust or the other Loan Documents (other than collection of the Indebtedness after maturity), including the costs of any suits or proceedings or disputes of any kind in which Beneficiary is made or appears as a party plaintiff or defendant or which are, in the judgment of Beneficiary, expedient to preserve or protect its interest in the Premises (including condemnation, insolvency, bankruptcy or probate proceedings, administrative proceedings, proceedings relating to enforcement of laws or regulations, forfeiture proceedings, and appeals at all levels of appeal, whether before or after entry of judgment or other determination). Grantor will pay any and all interest and penalties owing on account of the

Indebtedness or any one or more of the Loan Documents, including any interest or penalties arising on account of failure or delay in payment of any of the items referred to in this provision. In addition, Grantor shall pay to Beneficiary, upon demand, all reasonable costs and expenses (including reasonable attorneys' fees of outside counsel actually incurred and fees of auditors, appraisers and inspectors) in connection with the collection of the Indebtedness, or any portion thereof, after maturity (whether in due course or by acceleration). All such costs, expenses, penalties and interest paid or incurred by Beneficiary shall be added to the Indebtedness and shall be secured by this Deed of Trust.

2.09 Reports. Grantor shall keep and maintain or shall cause to be kept and maintained, at Grantor's cost and expense and in accordance with sound accounting practices and principles consistently applied, proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Premises and all items of cost in connection with the construction of any improvements which are now or hereafter a portion of the Premises, and Beneficiary and any persons authorized by Beneficiary shall have the right at all reasonable times during normal business hours upon reasonable advance notice to inspect such books, records and accounts and to make copies thereof. Grantor shall provide Beneficiary the following financial reports:

(a) As soon as practicable, but in any event within one hundred twenty (120) days after the end of each calendar year, Grantor shall furnish to Beneficiary unaudited general annual financial statements of Grantor and updated personal financial statements of Guarantor for such year, certified by Guarantor; and

(b) As soon as practicable, but in any event within forty-five (45) days after the end of each calendar quarter, Grantor shall furnish to Beneficiary unaudited quarterly operating statements, rent rolls, leasing reports and Debt Yield calculations of the Premises.

2.10 Single Purpose Entity. Grantor is a single purpose entity whose sole assets are or will be the Premises and whose sole business and purpose is to develop, own and operate the Premises. Grantor shall not engage in any business other than the development, ownership and operation of the Premises, nor shall Grantor create, incur, assume, guarantee or become or remain liable for any obligation or indebtedness whatsoever, other than (i) the Indebtedness, (ii) taxes and assessments payable on the Premises, (iii) amounts, if any payable under the terms of any Leases and Contracts, and (iv) operating expenses reasonably incurred by Grantor to unrelated third parties in connection with the operation of the Premises.

2.11 USA PATRIOT ACT. Grantor represents and warrants to Beneficiary that none of Grantor, any member, shareholder, or partner of Grantor, any party directly or indirectly owning an interest in Grantor, or any Guarantor is (or will be) a person whom Beneficiary is restricted from doing business with under regulations of the office of Foreign Asset Control ("OFAC") of the Department of the Treasury of the United States of America (including, those persons names on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or otherwise be associated with such persons. In addition, Grantor hereby agrees to provide Beneficiary with

any additional information that Beneficiary deems necessary from time to time in order to ensure compliance with all applicable laws concerning money laundering and similar activities.

2.12 Conveyance or Encumbrance.

(a) Except as otherwise set forth herein, Grantor shall not encumber, pledge, convey, transfer or assign any or all of its interest in the Premises, or execute or consent to any instrument or matter which might affect the title to the Premises or which might effect a change in any one or more of the Requirements or acquire any portion of the personal property covered by this Deed of Trust subject to any charge or lien, without the prior written consent of Beneficiary, which consent shall be given or withheld by Beneficiary in its reasonable discretion; and, if Grantor is a corporation, partnership or other artificial entity, there shall be no encumbrance, pledge, conveyance, transfer or assignment of any legal or beneficial interest whatsoever in Grantor without such prior written consent of Beneficiary.

(b) Notwithstanding anything to the contrary contained herein, Grantor shall be permitted to make Minor Permitted Transfers without Beneficiary's prior written consent. If required, Beneficiary shall provide its consent to such Minor Permitted Transfers. "Minor Permitted Transfers" mean any easements, encroachments, or rights of way that do not materially or adversely affect the value or use of the Premises and are required for the development of the Premises and the ordinary development of the Land as provided in the Loan Agreement.

(c) Notwithstanding anything to the contrary contained herein, without Beneficiary's prior consent, any encumbrance, pledge, conveyance, transfer or assignment of the legal or beneficial interests in Grantor is permitted so long as (i) A. Boyd Simpson and/or Melody Mann-Simpson control Grantor and (ii) A. Boyd Simpson and/or Melody Mann-Simpson retain the same direct or indirect ownership interest in and to Grantor that they collectively own on the date hereof and (iii) Grantor provides Beneficiary any PATRIOT Act or other "know your borrower" documentation reasonably required by Beneficiary.

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL IN THE EVENT OF SALE, CONVEYANCE, OR FURTHER ENCUMBRANCE OF THE PREMISES HEREBY CONVEYED

2.13 PILOT Lease. Grantor hereby represents, warrants, and covenants as follows with respect to the PILOT Lease:

(a) Representations, Warranties and Covenants Regarding PILOT Lease. Grantor hereby represents, warrants, and covenants to and with Beneficiary that: (i) the PILOT Lease is in full force and effect in accordance with the terms thereof and has not been modified or amended; (ii) all of the rent, additional rent, and other charges payable under the PILOT Lease prior to the execution hereof have been paid in full; (iii) all of the terms, conditions and agreements contained in the PILOT Lease required to be performed on the part of Grantor prior to the date hereof have been performed, and no default exists under the PILOT Lease; (iv) Grantor has no knowledge of the occurrence of any event that, but for the passage of time or the giving of notice, or both, would constitute a default under the PILOT Lease that could lead to the termination thereof; (v) this Deed of Trust is lawfully executed and delivered in conformity with the PILOT

Lease and is and will be kept a valid lien and security interest on the interest of Grantor therein; (vi) Grantor shall pay in accordance with the PILOT Lease the rentals, additional rental, and other charges payable under the PILOT Lease; (vii) Grantor will perform and observe in accordance with the PILOT Lease all of the terms, covenants and conditions required to be performed and observed by Grantor as lessee under the PILOT Lease, and Grantor will do all things necessary to preserve and keep unimpaired its rights under the PILOT Lease; (viii) Grantor will endeavor to enforce the obligations of the "Board" under the PILOT Lease to the end that Grantor may enjoy all of the rights granted to it as lessee under the PILOT Lease; (ix) Grantor will promptly deliver to Beneficiary a copy of any notice of default under the PILOT Lease; (x) Grantor will, from time to time within thirty (30) days after demand from Beneficiary, deliver to Beneficiary a certificate stating that the PILOT Lease is unmodified and in full force and effect and stating whether Grantor is in default in the performance of any covenants, agreements, or conditions contained in the PILOT Lease and, if so, specifying each such default; and (xi) Grantor will not, whether or not in accordance with the terms of the PILOT Lease, do or knowingly permit anything to be done, the doing of which, or refrain from doing anything to be done, the omission of which, will terminate or impair or tend to impair the security of this Deed of Trust or will be grounds for terminating the PILOT Lease or any option to purchase the fee simple estate contained therein, if any, or, declaring a forfeiture thereof (including, without limitation, the timely exercise of any renewal options contained in the PILOT Lease).

(b) Option to Cure Default. Upon receipt by Beneficiary of any written notice of default under the PILOT Lease, Beneficiary may rely thereon and take such action as Beneficiary deems necessary or desirable to cure such default even though the existence of such default or the nature thereof be questioned or denied by Grantor or by any other party. Grantor hereby expressly grants to Beneficiary, and agrees that Beneficiary shall have, the absolute and immediate right to enter in and upon the Land or any part thereof to such extent and as often as Beneficiary, in its sole but reasonable discretion, deems necessary or desirable to present or to cure any such default. Beneficiary may, but shall not be obligated to, pay and expend such sums of money as Beneficiary in its sole but reasonable discretion deems necessary for any such purpose, and Grantor hereby agrees to pay such sums to Beneficiary, together with interest thereon from the date of each such payment at the default rate set forth in the Note. All sums so paid by Beneficiary, and the interest thereon, shall be added to and become a part of the Indebtedness secured by this Deed of Trust.

(c) Grantor's Estate; No Merger. Anything herein contained to the contrary notwithstanding, it is agreed that the estate of Grantor created by the PILOT Lease and the fee simple estate to the Land will at all times remain separate and apart and retain their separate identities, and no merger of the estate of Grantor with the estate in fee of the fee owner will result with respect to Beneficiary or with respect to any purchaser acquiring the Land at any sale or foreclosure or any assignee in lieu of foreclosure of the estate encumbered by this Deed of Trust without the written consent of Beneficiary. In the event of the acquisition by Grantor at any time of the fee simple estate or any other estate or interest in the Land, or any part thereof, and at the option of Beneficiary, there shall be no merger of such estate or interest with the estate created and existing by virtue of the PILOT Lease, and the PILOT Lease shall remain in full force and effect in accordance with its terms as a separate and distinct estate in such real property; but, such estate or interest will immediately become subject to the lien, security title and security interest of this Deed of Trust, and Grantor shall promptly execute, acknowledge and deliver such appropriate

instruments, if any, as Beneficiary shall request to ratify and confirm that the lien and security interests of this Deed of Trust in favor of Beneficiary automatically extend to, cover and affect such other estate or interests, and that each such instrument shall be in form and substance reasonably satisfactory to Beneficiary and its counsel.

(d) Subrogation. In the event Beneficiary elects to make any payments or to do any act or thing required to be paid or done by Grantor as lessee under the PILOT Lease pursuant to Section 2.13(b) of this Deed of Trust, Beneficiary shall, in addition to all other remedies of Beneficiary, herein be fully subrogated to any and all rights of Grantor as lessee under the terms and provisions of the PILOT Lease, arising from or relating to such payment or performance under the PILOT Lease.

(e) No Surrender or Modification. Without the express written consent of Beneficiary, Grantor will not surrender or subordinate the estate create by the PILOT Lease, terminate or cancel the PILOT Lease, or modify, change, supplement, alter or amend the PILOT Lease either orally or in writing. Any such termination, cancellation, modification, change, supplement, alteration or amendment of the PILOT Lease without the prior written consent of Beneficiary shall be void and of no force and effect. As further security to Beneficiary, upon Beneficiary's request, Grantor agrees to deposit with Beneficiary Grantor's originals of the PILOT Lease and all amendments thereto which Beneficiary shall have the right to retain until all the Indebtedness is fully paid and which shall automatically be and become the property of the purchaser of the Premises if this Deed of Trust is non-judicially foreclosed or if the Land is conveyed by deed in lieu of foreclosure or similar transaction.

DEFAULT AND REMEDIES

3.01 Defaults. The term "Default", wherever used in this Deed of Trust, shall mean any one or more of the following events: (a) failure by Grantor to pay any portion of the Indebtedness when due; or (b) the breach or failure by Grantor or any Guarantor to perform, observe and satisfy all other terms, covenants, conditions and agreements contained in this Deed of Trust or in any of the other Loan Documents or in any Financial Contract beyond any applicable notice and cure period; or (c) any warranty or representation of Grantor or any endorser or Guarantor contained in this Deed of Trust or in any other of the Loan Documents, or any material information relating to the Indebtedness or the Loan Documents given to Beneficiary by Grantor or any partner or officer of Grantor, or by any other party on behalf of or at the request of Grantor, being untrue or misleading in any material and adverse respect when made; provided, however, if the same is susceptible to cure and was unintentional, the same may be cured within ten (10) business days following written notice thereof from Beneficiary; or (d) a levy shall be made under any process on the Premises or any part thereof or any other property of Grantor and Grantor fails to have the same discharged within thirty (30) days of the filing; or (e) the admission in writing by Grantor or any Guarantor of the inability to pay debts generally as they become due; or (f) Grantor or any Guarantor, pursuant to or within the meaning of the Bankruptcy Code, Title 11 U.S.C., or any other present or future federal, state or other common law, case law, statute or regulation relating to bankruptcy, insolvency, appointment of receivers or custodians, dissolution, or other relief for debtors (i) commences a voluntary case, or (ii) consents to or is subject to the entry of any order for relief against it in an involuntary case, or (iii) remains a debtor in an involuntary case for sixty (60) days after the commencement of such case (unless such case was initiated by Beneficiary in

the absence of another Default or claim of Default hereunder for the sole purpose of creating a Default), or (iv) consents to or is subject to the appointment of a receiver, trustee, liquidator, custodian or other party serving a similar function for the Premises or any other property of Grantor or any Guarantor and if such appointment was sought by a third party, Grantor or Guarantor shall have failed to obtain its dismissal within sixty (60) days, or (v) makes a general assignment for the benefit of creditors, or (vi) is subject to the entry of an order for the liquidation of Grantor or any Guarantor; or (g) the entry of a final judgment against or adverse to Beneficiary pursuant to any claim of priority to this Deed of Trust, by title, lien or otherwise in any legal or equitable proceeding in which Beneficiary's title insurance coverage denies coverage; or (h) Grantor or any Guarantor (if a corporation) commences the process of liquidation or dissolution or its charter expires or is revoked, or Grantor or any Guarantor (if a partnership or business association) commences the process of dissolution or partition, or Grantor or any Guarantor (if a trust) commences the process of termination or expires or Grantor or any Guarantor (if an individual) dies (unless within sixty (60) days of the death of such Guarantor, a replacement guarantor acceptable to Beneficiary in its sole discretion is designated and assumes all obligations and liabilities of such Guarantor under his respective Guaranty in a manner acceptable to Beneficiary); or (i) the subjection of the Premises to actual material physical waste, or the removal, demolition, or alteration (casualty, condemnation and normal wear and tear excepted) of any part thereof except as permitted by the Loan Documents without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld or delayed; or (j) any mechanic's, materialmen's, laborer's, statutory or other lien is filed against the Premises or any portion thereof and not totally released or removed as a lien against the Premises and every part thereof (by bonding, payment or otherwise) within thirty (30) days after the date Grantor actually becomes aware of such lien on the Premises; or (k) a final judgment shall be entered in any suit shall be filed against Grantor or any Guarantor which, if adversely determined, could reasonably be expected substantially to impair the ability of Grantor or such Guarantor to perform each and every one of their respective material obligations under the Loan Documents; or (l) the institution of any proceeding seeking the forfeiture of the Premises or any portion thereof or any interest therein as a result of any criminal or quasi-criminal activity by Grantor (or any person so related to Grantor or the Premises that the Premises or any portion thereof or any interest therein might be forfeited on account of the activity of such person); or (m) unless same are being contested in the manner hereby authorized, the failure or inability (whether imposed by law or otherwise) of Grantor to make any payment required under Section 2.02 of this Deed of Trust; or (n) the failure of this Deed of Trust to grant to Beneficiary a valid, binding and enforceable first lien on and/or security title in and to the Premises, including the personal property of Grantor referred to herein.

3.02 Rights of Beneficiary upon Default. If a Default shall have occurred, then the entire Indebtedness shall, at the option of Beneficiary, immediately become due and payable without notice or demand, time being of the essence, and Beneficiary, at its option, may do any one or more of the following (and, if more than one, either concurrently or independently, and in such order as Beneficiary may determine in its discretion), all without regard to the adequacy or value of the security for the Indebtedness:

(a) Enter upon and take possession of the Premises without the appointment of a receiver, or an application therefor; at its option, operate the Premises; at its option, exclude Grantor and its agents and employees wholly therefrom; at its option, employ a managing agent of the Premises; and at its option, exercise any one or more of the rights and powers of Grantor to

the same extent as Grantor could, either in its own name, or in the name of Grantor; and receive the rents, incomes, issues and profits of the Premises. Unless Beneficiary takes title to the Premises, Beneficiary shall have no obligation to discharge any duties of a landlord to any Tenant or to incur any liability as a result of any exercise by Beneficiary of any rights hereunder; and Beneficiary shall not be liable for any failure to collect rents, issues, profits or revenues, nor liable to account for any rents, issues, profits or revenues unless actually received by Beneficiary.

(b) Apply, as a matter of strict right, without regard to the solvency of any party bound for its payment, for the appointment of a receiver to take possession of and to operate the Premises and to collect and apply the incomes, rents, issues, profits and revenues thereof.

(c) Pay, perform or observe any term, covenant or condition of this Deed of Trust and any of the other Loan Documents and all payments made or costs or expenses actually incurred by Beneficiary in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Grantor to Beneficiary with interest thereon at the default rate provided in the Note. The necessity for any such actions and the amounts to be paid shall be determined by Beneficiary in its discretion. Beneficiary is hereby empowered to enter and to authorize others to enter upon the Premises or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Grantor or any person in possession holding under Grantor. Grantor hereby acknowledges and agrees that the remedies set forth in this Paragraph 3.02(c) shall be exercisable by Beneficiary, and any and all out-of-pocket payments made or costs or expenses actually incurred by Beneficiary in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Grantor with interest thereon at the default rate, notwithstanding the fact that such remedies were exercised and such payments made and costs incurred by Beneficiary after the filing by Grantor of a voluntary case or the filing against Grantor of an involuntary case pursuant to or within the meaning of the Bankruptcy Code, Title 11 U.S.C., or after any similar action pursuant to any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to Grantor, Beneficiary, Guarantor, the Indebtedness or any of the Loan Documents.

(d) At the request of Beneficiary, Trustee, or his successor or substitute, after giving notice to Grantor in accordance with Tennessee Code Annotated, Section 35-5-101 and publishing notice of the time and place of sale at least three (3) different times in some newspaper published in a county in which the Premises is located, the first of which publications shall be at least twenty (20) days prior to said sale, shall proceed to sell the Premises, at public auction for cash free from the right of redemption (statutory or otherwise), the equity of redemption (including those rights of redemption contained in Tennessee Code Annotated, Section 66-8-101, et seq.), homestead, dower, elective or distributive share, any right of appraisement or valuation and all other rights and exemptions of every kind, all of which are expressly waived. Any sale made by Trustee hereunder may be as an entirety or in such parcels as Beneficiary may request. To the extent permitted by applicable law, any sale may be adjourned by announcement at the time and place appointed for such sale without further notice except as may be required by law, provided that the rescheduled sale occurs within one (1) year of the originally scheduled sale. The sale by Trustee of less than the whole of the Premises shall not exhaust the power of sale herein granted, and Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Premises shall be sold; and, if the proceeds of such sale of less than the whole of the

Premises shall be less than the aggregate of the indebtedness secured hereby and the expense of executing this trust as provided herein, this Deed of Trust and the lien hereof shall remain in full force and effect as to the unsold portion of the Premises just as though no sale had been made; provided, however, that Grantor shall never have any right to require the sale of less than the whole of the Premises but Beneficiary shall have the right, at its sole election, to request Trustee to sell less than the whole of the Premises. Trustee may, after any request or direction by Beneficiary, sell not only the real property but also the other interests which are a part of the Premises, or any part thereof, as a unit and as a part of a single sale, or may sell any part of the Premises separately from the remainder of the Premises. It shall not be necessary for Trustee to have taken possession of any part of the Premises or to have present or to exhibit at any sale any of the collateral. If the Premises is located in two or more counties, it may all be sold in one of the counties if Trustee so elects. Otherwise, the sale shall occur in the county in which the Premises is located unless Trustee, in his reasonable discretion, elects to conduct the sale elsewhere. The sale shall be held at such location in the county as the foreclosure notice may specify. Any sale shall be made between the hours of 9:00 a.m. and 7:00 p.m. of the day fixed in the foreclosure notice or advertisement in accordance with Tennessee Code Annotated, Section 35-5-109. The power of sale granted herein shall not be exhausted by any sale held hereunder by Trustee or his substitute or successor, and such power of sale may be exercised from time to time and as many times as Beneficiary may deem necessary until all of the Premises has been duly sold and all secured indebtedness has been fully paid. In the event any sale hereunder is not completed or is defective in the opinion of Beneficiary, such sale shall not exhaust the power of sale hereunder and Beneficiary shall have the right to cause a subsequent sale or sales to be made hereunder, provided that any subsequent sale occurs within one (1) year of the originally scheduled sale and notice is given to Grantor as required by Tennessee Code Annotated, Section 35-5-101(f)(3). Any and all statements of fact or other recitals made in any deed or deeds or other conveyances given by Trustee or any successor or substitute appointed hereunder as to nonpayment of the Indebtedness or as to the occurrence of any default, or as to Beneficiary's having declared all of said Indebtedness to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and the properties to be sold having been duly given, or as to the refusal, failure or inability to act of Trustee or any substitute or successor trustee, or as to the appointment of any substitute or successor trustee, or as to any other act or thing having been duly done by Beneficiary or by such Trustee, substitute or successor, shall be taken as prima facie evidence of the truth of the facts so stated and recited. Trustee is hereby released from all obligations imposed by statute which can be waived, including any requirement of qualification or bond. It is agreed that Beneficiary, in the event of any sale of the Premises, may bid and buy as any third person might, but Beneficiary shall not be required to present cash at the sale except to the extent, if any, by which Beneficiary's bid exceeds the amount of the secured indebtedness, including all expenses of collection and sale provided for herein. Trustee may delegate, in his sole discretion, any authority possessed under this Deed of Trust, including the authority to conduct a foreclosure sale. Without limiting the foregoing, Trustee may retain a professional auctioneer to preside over the bidding, and the customary charge for the auctioneer's services shall be paid from sale proceeds as an expense of sale. If prior to or at any foreclosure sale a third party represents to the Trustee in writing that such party holds the next junior lien to this Deed of Trust (whether by judgment lien, junior deed of trust, or otherwise), the Trustee may disburse surplus proceeds to such third party in an amount not to exceed the amount of lien alleged by the third party in its written statement to the Trustee. A foreclosure sale may be adjourned by Trustee and may be reset at a later time and/or date by announcement at the time and

place of the originally advertised sale and without any further publication, provided that the rescheduled sale occurs within one (1) year of the originally scheduled sale and notice is given to Grantor as required by Tennessee Code Annotated, Section 35-5-101(f)(3). The foreclosure sale of the Premises shall be conducted for cash to be tendered upon the conclusion of the bidding; provided, however, (i) Trustee may accept a check issued or certified by a local bank as consideration for the sale, and (ii) if, in his sole discretion, Trustee announces before or after bidding that, upon the failure of the high bidder to complete the sale for cash within one (1) hour, the Premises may be sold to the second highest bidder, and if the high bidder should subsequently fail to complete the purchase within that time, then Trustee may, at his option, close the sale of the Premises to the second highest bidder. Beneficiary or Trustee may, after default, advise third parties of the amount (or estimated amount) of principal, interest and expenses that will be outstanding as of the date of any foreclosure sale and may share any other available information regarding the Premises. Following the occurrence of a default hereunder, any "release" provision included herein or in any other document whereby Beneficiary agreed to release all or part of the Premises upon the payment of less than all of the Indebtedness shall become void and Beneficiary shall no longer be obligated to release any of the Premises until the Indebtedness has been paid in full. Grantor agrees that Grantor will not bid at any sale hereunder and will not allow others to bid on Grantor's behalf unless, at the time of sale, Grantor has cash sufficient to pay at the sale the amount of his bid. Upon any foreclosure sale or sales of all or any portion of the Premises under the power herein granted, Beneficiary may bid for and purchase the Premises and shall be entitled to apply all or any part of the Indebtedness as a credit to the purchase price. In the event of any such foreclosure sale or sales under the power herein granted, Grantor shall be deemed a tenant holding over and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over. Beneficiary, at its option, is authorized to foreclose this Deed of Trust subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Grantor, a defense to any proceedings instituted by Beneficiary to collect the Indebtedness.

(e) Proceed by a suit or suits in law or in equity or by any other appropriate proceeding or remedy (i) to enforce payment of the Note or the performance of any term, covenant, condition or agreement of this Deed of Trust or any of the other Loan Documents or any other right or (ii) to pursue any other remedy available to Beneficiary.

(f) Beneficiary may apply any moneys and proceeds received by Beneficiary as a result of the exercise by Beneficiary of any right conferred under this Section 3.02 in such order as Beneficiary in its discretion may elect against (i) all costs and expenses, including reasonable attorneys' fees of outside counsel, incurred in connection with the operation of the Premises, the performance of Grantor's obligations under the Leases and the collection of the rents thereunder; (ii) all out-of-pocket costs and expenses, including reasonable attorneys' fees of outside counsel, incurred in the collection of any or all of the Indebtedness, including those incurred in seeking to realize on or to protect or preserve Beneficiary's interest in any other collateral securing any or all of the Indebtedness; (iii) any or all unpaid principal on the Indebtedness; (iv) any other amounts owing under the Loan Documents; and (v) accrued interest and charges on any or all of the foregoing. The remainder, if any, shall be paid to Grantor or any person or entity lawfully entitled thereto.

(g) Notwithstanding anything to the contrary, the foregoing right of Beneficiary to accelerate the Indebtedness shall be at Beneficiary's sole and absolute discretion, and Beneficiary shall have the right to accelerate the Note as provided herein without having any obligation to accelerate any Financial Contract.

GENERAL CONDITIONS

4.01 No Waiver; Remedies Cumulative. No delay or omission by Beneficiary to exercise any right, power or remedy accruing upon any Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Default, or acquiescence therein, and every right, power and remedy given by this Deed of Trust to Beneficiary may be exercised from time to time and as often as may be deemed expedient by Beneficiary. No consent or waiver, expressed or implied, by Beneficiary to or of any Default shall be deemed or construed to be a consent or waiver to or of any other Default. No delay, indulgence, departure, act or omission by Beneficiary or any holder of the Note shall release, discharge, modify, change or otherwise affect the original liability under the Note or any other obligation of Grantor or any subsequent purchaser of the Premises or any part thereof, or any maker, surety or Guarantor, or preclude Beneficiary from exercising any right, privilege or power granted herein or alter the security interest or lien hereof. Beneficiary may at any time, without notice to or further consent from Grantor, surrender or substitute any property or other security of any kind or nature whatsoever securing the Indebtedness or release any Guarantor, and no such action will release Grantor's obligations hereunder or alter the effect hereof. No right, power or remedy conferred upon or reserved to Beneficiary hereunder is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the other Loan Documents or now or hereafter existing at law, in equity or by statute.

4.02 Survival of Certain Agreements. Notwithstanding the repayment of the Indebtedness and the cancellation or transfer of the Loan Documents, or any foreclosure of, or sale under power contained in, this Deed of Trust, or the acquisition by Beneficiary of title to the Premises in lieu of foreclosure, or any other realization upon collateral securing the Indebtedness, all agreements of Grantor contained herein or in any of the other Loan Documents to pay the costs and expenses of Beneficiary in connection with the loan contemplated by the Loan Documents and all agreements of Grantor contained herein or in any of the other Loan Documents to indemnify and/or hold harmless Beneficiary shall continue in full force and effect so long as there exists any possibility of expense or liability on the part of Beneficiary; provided, however, in the event Beneficiary takes title to the Property through a deed in lieu of foreclosure or through foreclosure, Grantor shall have no obligation to indemnify, defend and hold Beneficiary harmless from events first arising subsequent to the date of Beneficiary taking title to the Premises.

4.03 No Obligation to Third Parties. The Loan Documents are made solely for the benefit of Beneficiary. No tenant nor any party involved with the construction of any improvements on any part of the Premises nor any other party whatsoever shall have standing to bring any action against Beneficiary as the result of the Loan Documents, or to assume that Beneficiary will exercise any remedies provided herein, and no parties other than Beneficiary and Trustee shall be deemed to be a beneficiary of any provision of the Loan Documents, any and all of which may be freely waived in whole or in part by Beneficiary in its discretion at any time.

Nothing contained in the Loan Documents shall be deemed to impose upon Beneficiary any liability for the performance of any obligation of Grantor under any of the Leases or Contracts. Nothing contained in this Section 4.04 is intended to deprive Grantor of the benefit of any covenant by Beneficiary in favor of Grantor contained in the Loan Documents.

4.04 Miscellaneous. The Loan Documents shall inure to the benefit of and be binding upon Grantor and Beneficiary and their respective heirs, executors, legal representatives, successors, successors-in-title and assigns, subject to all restrictions on transfer herein or in the other Loan Documents. The Indebtedness and the Loan Documents are assignable by Beneficiary, and any assignment of the Loan Documents by Beneficiary shall operate to vest in the assignee all rights and powers conferred upon and granted to Beneficiary by the Loan Documents; and, in the event of any such assignment of the entire interest of Beneficiary in the Loan Documents, Beneficiary shall be relieved of all obligations and liabilities thereafter arising under the Loan Documents; neither the Loan Documents nor the proceeds of the loan contemplated by the Loan Documents may be assigned by Grantor without the prior consent of Beneficiary, which may be given or withheld at the discretion of Beneficiary. The Loan Documents may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge or termination is sought. The Loan Documents contain the entire agreement between Grantor and Beneficiary relating to the loan transaction contemplated thereby and supersede entirely any and all prior written or oral agreements with respect thereto; and Grantor and Beneficiary hereto acknowledge and agree that there are no contemporaneous oral agreements with respect to the subject matter hereof. Nothing contained in the Loan Documents shall be construed to create an agency, partnership or joint venture between Grantor and Beneficiary. All personal pronouns used in the Loan Documents whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of articles and sections in the Loan Documents are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provisions thereof. If more than one person or entity constitutes, collectively, Grantor, all of the obligations of Grantor under the Loan Documents shall be joint and several; and, if Grantor is a partnership, all of the provisions of the Loan Documents referring to Grantor shall be construed to apply to each of the general partners of Grantor and of any and all further tiers of general partners in the structures of Grantor. When anything is described or referred to in the Loan Documents in general terms and one or more examples or components of what has been described or referred to generally is associated with that description (whether or not following the word "including"), the examples or components shall be deemed illustrative only and shall not be construed as limiting the generality of the description or reference in any way. Wherever in the Loan Documents the approval or consent of Beneficiary is required or permitted, or wherever a requirement of Beneficiary or the standard of acceptability or satisfaction of Beneficiary must be determined, such approval, consent or determination of Beneficiary shall not be unreasonably exercised; provided, however, that wherever it is indicated that such approval, consent or determination is to be given or made at the option or in the discretion or judgment of Beneficiary, then Beneficiary may grant or withhold such approval or consent or make such determination without restriction in its reasonable discretion. If any provisions of the Loan Documents or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of each of the Loan Documents and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. Time is of the essence with respect to each and every covenant, agreement and obligation of Grantor under the

Loan Documents. All exhibits referred to in the Loan Documents are by such reference incorporated into the Loan Documents as if fully set forth therein.

4.05 Communications. Unless and except as otherwise specifically provided herein, any and all notices, elections, approvals, consents, demands, requests and responses thereto (“Communications”) permitted or required to be given under the Loan Documents shall be in writing, signed by or on behalf of the party giving the same, and shall be deemed to have been properly given and shall be effective upon the earlier of receipt thereof or deposit thereof in the United States mail, postage prepaid, certified with return receipt requested, to the other party at the address of such other party set forth hereinbelow or at such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance herewith; provided, however, that the time period in which a response to any Communication must be given shall commence on the date of receipt thereof; and provided further that no notice of change of address shall be effective with respect to Communications sent prior to the time of receipt thereof. Receipt of Communications under the Loan Documents shall occur upon actual delivery (whether by mail, telecopy transmission, messenger, courier service, or otherwise) to Grantor or Beneficiary at the address of such party set forth hereinbelow, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) which is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the Communication shall also be deemed to be and constitute receipt. Any Communication, if given to Beneficiary, must be addressed as follows, subject to change as provided hereinabove:

Atlantic Capital Bank, N.A.
945 E. Paces Ferry Rd NE
Resurgens Plaza, Suite 1600
Atlanta, Georgia 30326
Attn: Trey Sipe

With a copy to:

David J. Burge, Esq.
Smith, Gambrell & Russell, LLP
1105 W. Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309-3592

and, if given to Grantor, must be addressed as follows, subject to change as provided hereinabove:

TSO Chattanooga Development, LP
c/o The Simpson Organization, Inc.
1170 Peachtree Street, Suite 2000
Atlanta, Georgia 30309
Attn: A. Boyd Simpson

With a copy to:

Jason W. Howard, Esq.
Alston & Bird, LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424

4.06 Indemnity. Grantor shall protect, defend, indemnify and save harmless Beneficiary and Trustee to the extent of any liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable expenses and attorneys' fees of outside counsel and expenses actually incurred) imposed upon or incurred by Beneficiary or Trustee by reason of (a) any claim for brokerage fees or other such commissions relating to the Premises or the Indebtedness, or (b) failure to pay recording, mortgage, intangibles or similar taxes, fees or charges relating to the Indebtedness or any one or more of the Loan Documents, or (c) the Loan Documents or any claim or demand whatsoever which may be asserted against Beneficiary or Trustee by reason of any alleged action, obligation or undertaking of Beneficiary relating in any way to the Indebtedness. Nothing contained in this Section 4.06 shall be construed to indemnify or hold harmless Beneficiary or Trustee against liability for damages arising out of bodily injury to persons or damage to property to the extent caused by or resulting from the negligence of Beneficiary, its agents or employees ("Beneficiary Caused Bodily Injury or Property Damages"), which shall be deemed an exception to the indemnity and hold harmless provision contained in the immediately preceding sentence; provided, however, that such exception shall be strictly limited to liability for Beneficiary Caused Bodily Injury or Property Damages; and provided, further, that Grantor assumes the burden of proof that any liability for which Beneficiary claims the benefit of the foregoing indemnity and hold harmless provision is, in fact, liability for Beneficiary Caused Bodily Injury or Property Damages. In the event Beneficiary or Trustee incurs any liability, loss or damage arising out of or in any way relating to the loan transaction contemplated by the Loan Documents (including any of the matters referred to in this section), the amounts of such liability, loss or damage shall be added to the Indebtedness, shall bear interest at the interest rate specified in the Note from the date incurred until paid and shall be payable on demand. The indemnity described above shall not cover claims resulting from Beneficiary's gross negligence or willful misconduct relative to the Loan Documents or the Premises.

4.07 Greater Estate. In the event that Grantor is the owner of a leasehold estate with respect to any portion of the Premises and Grantor obtains a fee estate in such portion of the Premises, then, such fee estate shall automatically, and without further action of any kind on the part of Grantor, be and become subject to the lien hereof to the extent permitted by applicable law.

4.08 Applicable Law. This Deed of Trust, without regard for the place of contract, advance of funds or payment, shall be governed, construed and enforced according to the laws of the State of Tennessee.

4.09 Acceptance by Trustee. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

4.10 Substitution of Trustee. Trustee may resign by an instrument in writing addressed to Beneficiary, or Trustee may be removed at any time with or without cause by an instrument in writing executed by Beneficiary. In case of the death, resignation, removal, or disqualification of Trustee, or if for any reason Beneficiary shall deem it desirable to appoint a substitute or successor trustee to act instead of the herein named trustee or any substitute or successor trustee, then Beneficiary shall have the right and is hereby authorized and empowered to appoint a successor trustee, or a substitute trustee, without other formality than appointment and designation in a written instrument, recorded in the same office in which this Deed of Trust is recorded, executed by Beneficiary and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until the Indebtedness secured hereby have been paid in full, or until the Premises is fully and finally sold hereunder. If Beneficiary is a corporation or association and such appointment is executed on its behalf by an officer of such corporation or association, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation or association. Upon the making of any such appointment and designations, all of the estate and title of Trustee in the Premises shall vest in the named successor or substitute trustee and he shall thereupon succeed to, and shall hold, possess and execute, all the rights, powers, privileges, immunities and duties herein conferred upon Trustee. All references herein to "Trustee" shall be deemed to refer to Trustee (including any successor or substitute appointed and designated as herein provided) from time to time acting hereunder.

4.11 Replacement of Note. In the event of loss, theft, destruction, total or partial obliteration, mutilation or inappropriate cancellation of the Note, Grantor will execute and deliver, in lieu thereof, a replacement Note, identical in form and substance to the Note and dated as of the date of the Note upon receipt of a reasonable indemnity from Beneficiary; provided, however, reference shall be made that the Note is being replaced.

4.12 Street Address. The street address of the Premises (if it presently has a street address) is:

728 Market Street, Chattanooga, TN 37402.

4.13 Further Stipulations. The additional covenants, agreements and provisions set forth in Exhibit "D" hereto shall, in the event of any conflict between such further stipulations and any of the other provisions of this Deed of Trust, be deemed to control.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS DEED OF TRUST SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. GRANTOR ACKNOWLEDGES AND AGREES THAT THERE ARE NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT

AND NO SUCH OTHER TERMS AND PROVISIONS MAY BE LEGALLY ENFORCED.
YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER
WRITTEN AGREEMENT

[Signatures on following page]

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust under seal, as of the day and year first above written.

GRANTOR:

TSO CHATTANOOGA DEVELOPMENT, LP,
a Georgia limited partnership

By: Chattanooga Development General Partner,
LP, a Georgia limited partnership, its general
partner

By: TSO Chattanooga GP SPE, Inc., a
Delaware corporation, its general partner

By: _____ SEAL
A. Boyd Simpson, President

JOINDER

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a public corporation created and existing under the laws of the State of Tennessee (hereinafter, singly and collectively referred to as the “Authority”) as of the ____ day of December, 2021, hereby joins in this Deed of Trust for the purpose of granting to Trustee and Beneficiary a security title and lien in and to the Authority’s fee interest in and to the Premises, and the Authority’s interest as ground lessor and landlord as such interest exists under the PILOT Lease. *Capitalized terms not otherwise defined hereunder shall have the meaning ascribed to such term within this Deed of Trust.*

1. General Provisions.

a. The references to the “Premises” in this Deed of Trust shall include, without limitation, the ownership interests of the Authority therein, and all other rights, privileges and interests relative thereto as set forth in this Deed of Trust.

b. Exhibit “A” as referenced and described in this Deed of Trust shall mean and include all of the Authority’s right, title and interest therein.

2. Granting Clause. In order to confirm and establish the grant to Trustee of the interest provided for herein, the Authority agrees and acknowledges that to secure the prompt payment and performance of the Indebtedness, the Authority does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, deliver, set over, warrant and confirm unto Trustee, its successors and assigns, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, for the benefit of Beneficiary, its successors and assigns, all of the Authority’s fee interest in and to the Premises, and the Authority’s interest as ground lessor and landlord as such interest exists under the PILOT Lease, as if the Authority had originally granted and executed this Deed of Trust as a “grantor” thereunder.

3. Rights and Remedies. The Authority acknowledges and agrees upon the occurrence of a Default, the rights and remedies available to Beneficiary and Trustee shall apply to the interest of the Authority in and to the Premises and the PILOT Lease.

4. PILOT Lease Representations, Warranties and Covenants. The Authority represents and warrants with respect to the PILOT Lease that:

a. The PILOT Lease is currently in full force and effect;

b. The PILOT Lease has not been modified or amended, and there are no side letters or other arrangements relating to the Premises;

c. To the best of the Authority’s knowledge, the PILOT Lease is not in default, nor has any event occurred which is, or solely with the passage of time would be, an event of default under the PILOT Lease;

d. To the best of the Authority's knowledge, the rent under the PILOT Lease has been paid to the Authority through the date hereof and no additional rent is presently due under the PILOT Lease;

e. The Authority shall promptly notify Beneficiary in writing of any default by Grantor in the performance or observance of any of the terms, covenants or conditions on the part of Grantor to be performed or observed under the PILOT Lease and shall provide Beneficiary with a reasonable period to cure such failure by Grantor;

f. The Authority recognizes the rights of Trustee and Beneficiary, their successors, assigns and transferees, in and to the PILOT Lease and consents to the exercise by Trustee and Beneficiary of their respective rights under this Deed of Trust upon the occurrence of a Default;

g. Beneficiary may assign or sell its rights in and to the PILOT Lease in accordance with Sections 9.01 of the PILOT Lease;

h. The Authority agrees to recognize Beneficiary and/or any successors, assignees or transferees of Beneficiary's or Grantor's interest in and to the PILOT Lease upon notice given to the Authority by Beneficiary or such successor, assignee or transferee of their interest in and to the PILOT Lease and the Premises as provided in Sections 9.01 and 9.03 of the PILOT Lease;

i. Except as otherwise provided in the PILOT Lease, the Authority shall not enter into or agree to any modifications, extensions, or renewals of the PILOT Lease, or terminate or surrender the PILOT Lease, without the prior written consent of Beneficiary;

j. If the PILOT Lease shall be terminated for any reason, the Authority shall, upon the request of Beneficiary, execute a new lease with Beneficiary or its designee, subject to and in accordance with the terms and provisions of the PILOT Lease;

k. Beneficiary, and its successors and assigns, shall not become liable for the obligations of Grantor under the PILOT Lease until such time as Beneficiary has acquired title to Grantor's interest under the PILOT Lease as a result of any trustee sale or foreclosure or similar liquidation proceeding (without having exercised its rights in respect of the Authority's interest in the PILOT Lease or the Premises), in which event any such liabilities shall be with recourse only to the interest so acquired;

m. The conditions to executing this Joinder as set forth in the PILOT Lease have been unconditionally satisfied as of the date hereof and shall be deemed satisfied at all times that the Indebtedness is outstanding, as such may be modified, amended, consolidated or extended from time to time.

3. Collateral. The Authority hereby consents and agrees that Beneficiary may at any time, and from time to time, without thereby releasing the Authority from any liability hereunder and without notice to or further consent from the Authority, either with or without consideration:

release or surrender any lien or other security of any kind or nature whatsoever held by it or by any person, firm or corporation on its behalf or for its account, securing any Indebtedness hereby secured; substitute for any collateral so held by it, other collateral of like kind, or of any kind; modify the terms of the Loan Documents; grant releases, compromises and indulgences with respect to the Loan Documents and to any persons or entities now or hereafter liable thereunder or hereunder; release any obligor, surety, endorser or accommodation party of any of the Loan Documents; or take or fail to take any action of any type whatsoever. The provisions of this Deed of Trust and this Joinder shall extend and be applicable to all renewals, amendments, extensions, consolidations, restatements and modifications of the Indebtedness and the Loan Documents, and any and all references herein to the Indebtedness and the Loan Documents shall be deemed to include any such renewals, extensions, amendments, consolidations, restatements or modifications thereof.

4. Modifications. Without limiting the generality of the foregoing, the Authority hereby consents to any amendment by Grantor and Beneficiary to this Deed of Trust or any other Loan Documents and agrees that any such amendment may be effectuated without notice to or consent from the Authority, and that the provisions of this Deed of Trust and this Joinder shall extend and be applicable to all such amendments and modifications of this Deed of Trust.

5. Interpretation. This Joinder and this Deed of Trust shall be interpreted as one single instrument and document.

6. Notice. All notices under this Joinder shall be delivered, and the time of delivery determined, in accordance with the terms and provisions of Section 4.05 of this Deed of Trust, addressed as follows:

If to the Authority:

The Health, Educational and Housing Facility Board of The
City of Chattanooga, Tennessee
c/o Phillip A. Noblett, Esq.
Deputy City Attorney
Chattanooga City Attorney's Office
Suite 200
100 E 11th Street
Chattanooga, TN 37402

If to Beneficiary:

Atlantic Capital Bank, N.A.
945 East Paces Ferry Road, NE
16th Floor, Resurgens Plaza
Atlanta, Georgia 30326
Attention: Trey Sipe

with a copy to:

Smith, Gambrell & Russell, LLP
1105 W Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309-3592
Attention: David J. Burge, Esq.

Any such addressee may change its address for such notices to such other address in the United States as such addressee shall have specified by written notice given as set forth above.

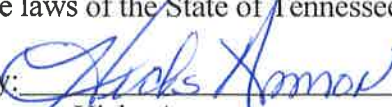
9. Limitation of Liability. The Authority has executed this Joinder solely for the purpose of pledging its interest in the Premises to the lien and security title created hereunder. In no event whatsoever shall the Authority have any liability for the payment of any indebtedness under the Note or any interest that may accrue thereon, or under any of the other Loan Documents, or for any other Indebtedness. In the event that any Default shall occur hereunder, Beneficiary's sole claim against the Authority shall be against the Authority's interest in the Premises and the Authority shall have no liability for any deficiency, it being understood and agreed that the loan evidenced by the Note and other Loan Documents is to Grantor and not the Authority. Nothing contained in this paragraph shall be construed in any way so as to affect or impair the lien and security title created hereunder or Beneficiary's right to the foreclosure thereof, or construed in any way so as to limit or restrict any of the rights or remedies of Beneficiary in any such foreclosure proceedings or other enforcement of the payment of the Indebtedness out of and from the security given therefore in the manner provided herein, or construed in any way so as to limit or restrict any rights and remedies of Beneficiary under any other document or instrument evidencing, securing, or guarantying the Indebtedness. Any liability of the Authority is expressly non-recourse to the Authority beyond its interest in the Project and all Authority Board members are recognized to have individual immunity from any liability under this Joinder.


10. Successors and Assigns. This Joinder is binding on the Authority and its successors and assigns, may be relied upon and shall inure to the benefit of, Beneficiary, its successors and assigns, and may be recorded in any land records pertaining to the Premises.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Authority has executed and sealed this Joinder as of the date first written on page 1 hereof.

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a public corporation created and existing under the laws of the State of Tennessee

By: 
Name: Hicks Armor
Title: Chair

Attest: 
Name: Richard Johnson
Title: Secretary

[AUTHORITY SEAL]

STATE OF GEORGIA

COUNTY OF _____

Acknowledgment

Before me, _____, of the state and county aforesaid, personally appeared A. Boyd Simpson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be President of TSO Chattanooga GP SPE, Inc., the general partner of Chattanooga Development General Partner, LP, the general partner of TSO CHATTANOOGA DEVELOPMENT, LP, a Georgia limited partnership, the within named bargainor, and that he as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the partnership by himself as President.

WITNESS my hand and seal at office in _____, Georgia, this ____ day of _____, 2021.

My commission expires:

Notary Public

[Affix Notary Seal].

STATE OF TENNESSEE

COUNTY OF HAMILTON

Acknowledgment

Before me, Maria Manalla, Notary Public, of the state and county aforesaid, personally appeared Hicks Armor and Richard Johnson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged themselves to be the Chair and Secretary, respectively, of THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a public corporation created and existing under the laws of the State of Tennessee, the within named bargainor, and that they as such officers, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the Authority as such officers.

WITNESS my hand and seal at office in Chattanooga, Tennessee, this 23rd day of December, 2021.

My commission expires:

5/23/2022

Maria Manalla

Notary Public

[Affix Notary Seal]



EXHIBIT "A"

DESCRIPTION OF THE LAND

LAND in Hamilton County, Tennessee, being Lot No. 1, on the Plan of Trafalgar on Market Subdivision, as shown on plat of record in Plat Book 88, Page 172, in the Register's Office for Hamilton County, Tennessee, to which plat reference is hereby made for a more complete description of the property.

TOGETHER WITH the appurtenant non-exclusive right to the use of the alleys leading to and from Revised Lot One (1) and the western line of Cherry Street as shown on the Plat recorded in Plat Book 88, Page 172, in the Register's Office of Hamilton County, Tennessee.

Being the same property conveyed to The Health, Educational and Housing Facility Board of The City of Chattanooga, Tennessee, a Tennessee public corporation by deed of record in Book 10594, Page 166, in the Register's Office of Hamilton County, Tennessee.

Said property was demised to TSO Chattanooga Development, LP, Lessee, by The Health, Educational and Housing Facility Board of The City of Chattanooga, Tennessee, Lessor, by Lease Agreement dated October 20, 2015, of record in Book 10594, Page 169, in the Register's Office for Hamilton County, Tennessee.

EXHIBIT "B"

LEASES

Any and all "Leases" as defined in Subsection 1.01(e) of this Deed of Trust.

EXHIBIT "C"

PERMITTED ENCUMBRANCES

1. Taxes for the year 2022 due and payable, a lien not yet due and payable, and all subsequent years.
2. All items set forth in Schedule B to the Beneficiary's lender title insurance policy insuring this Deed of Trust.

EXHIBIT "D"

FURTHER STIPULATIONS

D-1. Cure of Defaults. Anything herein or in the Note contained to the contrary notwithstanding, the provisions of this Section D-1 shall not pertain to Defaults arising as a result of the events set forth in Subsections 3.01(d) (as the same applies to the Premises or any part thereof), 3.01(e), 3.01(f), 3.01(h), or 3.01(l) hereof, to any Default consisting of a failure to provide insurance as required by Subsection 2.03(a) hereof, to any Default consisting of a failure to comply with Section 2.12 hereof, to any Default consisting of a failure to give a required notice to Beneficiary, to any Default consisting of a failure to repay the Indebtedness at maturity, or to any Default excluded from any provision for cure of defaults contained in any other of the Loan Documents. In the event of the occurrence of a Default which consists solely of the first failure, during the period of 365 days ending on the date of such occurrence of Default, to make a payment to Beneficiary required by any one or more of the Loan Documents, Beneficiary will not, on account of said Default, impose a default rate of interest or late fee, institute any court action under any of the Loan Documents or actually seize or commence advertising to sell any property with respect to which a security interest has been granted to Beneficiary as security for the Indebtedness, if, within ten (10) days of the date of mailing by Beneficiary of notice of said Default to Grantor at Grantor's address provided in Section 4.06 hereof, Grantor makes such payment to Beneficiary, and, if Grantor makes such payment within said period, to the extent the Indebtedness has been accelerated by said Default, the Indebtedness shall, absent any other default, be reinstated by Beneficiary so as to be payable upon the same terms and conditions in effect prior to said Default. In the event of the occurrence of a Default, other than a Default consisting of a failure to make a payment to Beneficiary required by any one or more of the Loan Documents, Beneficiary will not, on account of said Default, impose a default rate of interest or late fee, institute any court action under any of the Loan Documents or actually seize or commence advertising to sell any property with respect to which a security interest has been granted to Beneficiary as security for the Indebtedness, if, within thirty (30) days of the date of mailing by Beneficiary of notice of said Default to Grantor at Grantor's address provided in Section 4.06 hereof, Grantor fully cures said Default to the satisfaction of Beneficiary, provided that if such default cannot reasonably be cured within such thirty (30) day period and Grantor shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Grantor in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days; and, if Grantor so cures said Default within said period, to the extent the Indebtedness has been accelerated by said Default, the Indebtedness shall, absent any other default, be reinstated by Beneficiary so as to be payable upon the same terms and conditions in effect prior to said Default. The terms of Section 4.06 hereof shall apply to the notice to be provided by Beneficiary pursuant to this Section D-1.

D-2. Attorney's Fees. Notwithstanding anything contained in the Note, this Deed of Trust or any of the other Loan Documents to the contrary, whenever Grantor is required to pay

“attorneys’ fees,” “reasonable attorneys’ fees” or some similar fees under any of the Loan Documents, such requirement shall be limited to reasonable fees of outside counsel which are actually incurred at the standard hourly rates of such counsel and actual expenses related thereto and not with regard to any statutory right or presumption to the contrary.



January ,6 2022

Mayor Jim Coppinger
Hamilton County, Tennessee
625 Georgia Avenue
208 Courthouse
Chattanooga, TN 37402

Mayor Tim Kelly
City of Chattanooga, Tennessee
101 E. 11th Street
Chattanooga, TN 37402

RE: Annual Report
Agreement For Payment In Lieu of Taxes

Mr. Mayor,

In accordance with our referenced agreement between TSO Chattanooga Development, LP and The Health, Educational and Housing Facility Board of the City of Chattanooga, TN, attached please find our Annual Report in accordance with Article 8. Annual Report. We are pleased to report that each of the twenty-five Pilot units are currently leased.

Should you have any questions please contact me at your convenience.

Sincerely,

Gail L. Battle
Senior Vice President

✓ cc: Mr. Phillip A. Noblett, Deputy City Attorney – The Health, Educational and Housing Facility Board
Of the City of Chattanooga, TN 100 E. 11th Street, Suite 200 Chattanooga, TN 37402

TSO CHATTANOOGA DEVELOPMENT, LP
SUMMARY OF INVESTMENT - 728 MARKET STREET, CHATTANOOGA, TN
1/6/2022

Land Improvements	\$ 1,500,569
Building - Construction	\$28,165,730
Building Improvements	\$ 3,140,573
Tenant Improvements	\$ 467,896
Furniture, Fixtures & Equipment	\$ 375,345
	<u>\$33,650,113</u>

Certified:

Gail Y. Battis
Genier Vice President
The Simpson Organization, Agent

Market City Center
 TSO Chattanooga Development, LP
 Rent Roll
 1/16/2022

Printed 1/6/2022 11:03:01 AM

Current

Unit	Type	Sq. Feet	Residents	Status	Market Rent	Description	Amount	Move In	Lease Start	Lease End	Move Out	Surety Bonds	Deposits	Balance
405	Lula-A2	683	MC	C	1,030.00	Rent	980.00	10/01/21	10/01/21	09/30/22		0.00	500.00	0.00
						Total	980.00							
406	Cumberl and B1.1F	1109	IPR Southeast LLC	C	2,550.00	Corporate Suite Ren	2,550.00	05/28/21	05/28/21	05/27/22		0.00	1,500.00	2,750.00
						Utilities Package	100.00							
						Total	2,650.00							
407	Lula-A2	683	CT	C	1,030.00	Rent	980.00	10/01/21	10/01/21	01/31/23		1,500.00	0.00	0.00
						Total	980.00							
408	Cloudian d-A1-ADAF	797	IPR Southeast LLC	C	1,700.00	Corporate Suite Ren	1,700.00	05/21/21	05/21/21	05/20/22		0.00	1,500.00	1,850.00
						Utilities Package	100.00							
						Total	1,800.00							
409	Lula-A2	683	Vacant Unit		1,030.00	Total	0.00					0.00	0.00	0.00
						Total	0.00							
410	Craven A1F	797	IPR Southeast LLC	C	1,750.00	Corporate Suite Ren	1,700.00	05/21/21	05/21/21	05/20/22		0.00	1,500.00	1,850.00
						Utilities Package	100.00							
						Total	1,800.00							
411	Lula-A2F	683	RY	C	1,530.00	Corporate Suite Ren	1,530.00	12/01/21	12/01/21	05/31/22		500.00	0.00	0.00
						Rent-Short Term Ren	50.00							
						Furnished Unit	100.00							
						Total	1,680.00							
412	Craven A1F	797	IPR Southeast LLC	C	1,750.00	Corporate Suite Ren	1,700.00	05/28/21	05/28/21	05/27/22		0.00	1,500.00	1,800.00
						Utilities Package	100.00							
						Total	1,800.00							
413	Lula-A2F	683	JM	C	1,530.00	Corporate Suite Ren	1,530.00	05/16/21	08/16/21	02/15/22		500.00	0.00	0.00
						Utilities Package	100.00							
						Total	1,630.00							
414	Craven-A1	797	JB	C	1,250.00	Rent	1,200.00	10/14/21	10/14/21	10/13/22		0.00	0.00	0.00
						Total	1,200.00							
415	Lula-A2	683	BN	C	1,030.00	Rent	980.00	09/30/21	09/30/21	09/29/22		1,500.00	0.00	0.00
						Total	980.00							
416	Craven A1F	797	IPR Southeast LLC	C	1,750.00	Corporate Suite Ren	1,700.00	05/21/21	05/21/21	05/20/22		0.00	1,500.00	1,800.00
						Utilities Package	100.00							
						Total	1,800.00							

418	Craven- A1	797	CH, MH	C	1,250.00	Rent	1,200.00	09/25/21	09/25/21	09/24/22	0.00	500.00	0.00
						Pet Rent - Dog - Dax	10.00						
						Pet Rent - Dog - Draj	10.00						
						<u>Total</u>	<u>1,220.00</u>						
420	Coolidge- B1-ADAF	1134	IPR Southeast, LLC	C	2,700.00	Corporate Suite Ren	2,700.00	05/28/21	05/28/21	05/27/22	0.00	1,500.00	2,800.00
						<u>Utilities Package</u>	<u>100.00</u>						
						<u>Total</u>	<u>2,800.00</u>						
421	Nickajac k-A3F	748	IPR Southeast LLC	C	1,650.00	Corporate Suite Ren	1,600.00	05/21/21	05/21/21	05/20/22	0.00	1,500.00	1,700.00
						<u>Utilities Package</u>	<u>100.00</u>						
						<u>Total</u>	<u>1,700.00</u>						
423	Lula-A2	683	KB	C	1,030.00	Rent	980.00	10/15/21	10/15/21	10/14/22	1,500.00	0.00	0.00
						<u>Total</u>	<u>980.00</u>						
425	Lula-A2	683	RA	C	1,030.00	Rent	980.00	10/08/21	10/08/21	10/07/22	500.00	0.00	0.00
						<u>Total</u>	<u>980.00</u>						
505	A2- PILOT	683	CR	C	950.00	Rent	950.00	06/18/21	06/18/21	06/17/22	500.00	0.00	0.00
						<u>Total</u>	<u>950.00</u>						
506	Cumbert and- B1.1	1109	ZD, AH	C	1,800.00	Rent	1,800.00	09/14/21	09/14/21	09/13/22	1,500.00	0.00	0.00
						Pet Rent - Dog - Ros	10.00						
						<u>Total</u>	<u>1,810.00</u>						
507	A2- PILOT	683	PB	C	950.00	Rent	950.00	06/07/21	06/07/21	06/06/22	1,500.00	0.00	0.00
						Parking: MCC PARK :	60.00						
						<u>Total</u>	<u>1,010.00</u>						
508	A1-ADA- PILOT	797	JW	C	950.00	Rent	950.00	08/13/21	08/13/21	12/12/22	500.00	0.00	0.00
						<u>Total</u>	<u>950.00</u>						
509	A2- PILOT	683	MD, BG	C	950.00	Rent	950.00	07/14/21	07/14/21	07/13/22	0.00	0.00	0.00
						<u>Total</u>	<u>950.00</u>						
510	A1- PILOT	797	TH	C	950.00	Rent	950.00	11/07/20	11/07/20	03/06/22	500.00	0.00	0.00
						Parking: MCC PARK :	60.00						
						\$200 off Monthly-16	-200.00						
						<u>Total</u>	<u>810.00</u>						
511	A2- PILOT	683	PJ	C	950.00	Rent	950.00	09/01/21	09/01/21	08/31/22	1,500.00	0.00	0.00
						<u>Total</u>	<u>950.00</u>						
512	Craven- A1	797	JZ	C	1,250.00	Rent	1,200.00	05/29/20	10/01/21	09/30/22	0.00	500.00	0.00
						Parking: MCC PARK :	60.00						
						<u>Total</u>	<u>1,260.00</u>						
513	A2- PILOT	683	AD	C	950.00	Rent	950.00	08/07/21	08/07/21	12/06/22	500.00	0.00	670.00
						Pet Rent- Cat - Soph	10.00						
						Pet Rent - Dog - Har	10.00						

714	Craven- A1	797	MC	C	1,250.00	Rent Parking: MCC PARK 1 Month to Month Fee <u>Total</u>	1,489.00 60.00 200.00 <u>1,749.00</u>	06/07/19	12/07/19	06/06/20	0.00	500.00	35.00	
715	A2- PILOT	683	SB	C	950.00	Rent <u>Total</u>	950.00 <u>950.00</u>	08/18/21	08/18/21	08/17/22	0.00	500.00	0.00	
716	A1- PILOT	797	WW	C	950.00	Rent Parking: MCC PARK 1 Concession - Rent PE <u>Total</u>	950.00 60.00 -48.00 <u>962.00</u>	07/14/20	07/14/21	11/13/22	500.00	0.00	0.00	
718	A1- PILOT	797	BH	C	950.00	Rent Parking: MCC PARK 1 <u>Total</u>	950.00 60.00 <u>1,010.00</u>	05/18/21	05/18/21	05/17/22	0.00	500.00	0.00	
720	Chickam auga- B1.2	1134	SS	C	1,900.00	Rent <u>Total</u>	1,900.00 <u>1,900.00</u>	06/18/21	06/18/21	10/17/22	0.00	1,500.00	25.00	
721	A3- PILOT	748	JJ	C	950.00	Rent Parking: MCC PARK 1 Pet Rent - Cat - Sedg Concession - 16 Mon Concession - Rent PE <u>Total</u>	950.00 60.00 10.00 -200.00 -38.00 <u>782.00</u>	11/14/20	11/14/20	03/13/22	500.00	0.00	0.00	
723	Lula-A2	683	KJ	C	1,030.00	Rent Parking: MCC PARK 1 <u>Total</u>	1,030.00 60.00 <u>1,090.00</u>	04/29/19	09/15/21	03/14/22	0.00	500.00	0.00	
725	Lula-A2	683	A5	C	1,030.00	Rent <u>Total</u>	980.00 <u>980.00</u>	07/24/21	07/24/21	07/23/22	500.00	0.00	0.00	
727	Foster- B2	903	Vacant Unit		1,450.00	Rent <u>Total</u>	0.00 <u>0.00</u>				0.00	0.00	0.00	
805	A2- PILOT	683	KS	C	950.00	Rent Parking: MCC PARK 1 Pet Rent - Dog - Bail Concession - 16 Mon Concession - PEP WF <u>Total</u>	950.00 60.00 10.00 -200.00 -38.00 <u>782.00</u>	12/14/19	12/14/20	04/13/22	500.00	0.00	0.00	
806	Cumberl and- B1.1	1109	CW	C	1,800.00	Rent Parking: MCC PARK 1 Pet Rent - Cat - Diesel <u>Total</u>	1,800.00 60.00 10.00 <u>1,870.00</u>	06/04/21	06/04/21	10/03/22	0.00	500.00	0.00	
807	Lula-A2	683	CW	C	1,030.00	Rent Parking: MCC PARK 1 \$200 off Monthly-16 <u>Total</u>	1,263.00 0.00 -200.00 <u>1,063.00</u>	01/30/21	01/30/21	05/29/22	0.00	0.00	0.00	1,063.00

823	Lula-A2	683	CK	C	1,030.00		08/14/21	12/13/22	0.00	500.00	0.00
	Parking: MCC PARK 4				60.00						
	Concession - PEP Bel				-55.00						
	Total				1,105.00						
	Rent				980.00	08/14/21			0.00	500.00	0.00
	Total				980.00						
825	A2-PILOT	683	DG	C	950.00		10/19/20	02/18/22	500.00	0.00	0.00
	Parking: MCC PARK 1				60.00						
	\$200 off Monthly-16				-200.00						
	Concession - 5% off I				-38.00						
	Total				772.00						
827	Foster-B2	903	MH	C	1,450.00		07/03/21	11/02/22	0.00	500.00	-144.00
	Total				1,450.00						
905	Lula-A2	683	EH, JR	C	1,030.00		06/25/21	06/24/22	500.00	0.00	0.00
906	Cumberl and-B1.1	1109	MJ, LT	C	1,800.00		10/22/21	10/21/22	0.00	500.00	0.00
907	Lula-A2	683	MT	C	1,030.00		07/19/21	07/18/22	0.00	500.00	0.00
908	Craven-A1	797	MS	C	1,250.00		07/07/21	07/06/22	500.00	0.00	0.00
	Total				1,800.00						
909	Lula-A2	683	GH, TW	C	1,030.00		08/02/21	08/01/22	500.00	0.00	0.00
	Parking: MCC PARK 5				60.00						
	Total				1,260.00						
	Rent				980.00	08/02/21			500.00	0.00	0.00
	Pet Rent- Cat - Yum				10.00						
	Pet Fees & Charges				10.00						
	Total				1,000.00						
910	Craven-A1	797	ML	C	1,250.00		06/01/21	09/30/22	0.00	500.00	0.00
	Parking: MCC PARK 1				60.00						
	Pet Rent - Dog - Rive				10.00						
	Total				1,270.00						
911	Lula-A2	683	AC, KT	C	1,030.00		06/30/21	06/29/22	0.00	0.00	0.00
	Parking: MCC PARK 6				60.00						
	Total				1,040.00						
912	Craven-A1	797	ZD	C	1,250.00		06/09/21	10/08/22	1,500.00	0.00	0.00
	Concession - PEP-UT				-60.00						
	Total				1,140.00						
913	Lula-A2	683	MS	C	1,030.00		06/30/21	06/29/22	0.00	500.00	0.00
	Total				980.00						
914	Craven-A1	797	AF, SH	C	1,250.00		08/01/21	07/31/22	0.00	500.00	0.00
915	Lula-A2	683	EW	C	1,030.00		07/30/21	07/29/22	1,500.00	0.00	0.00
	Total				1,200.00						
	Rent				980.00	07/30/21			1,500.00	0.00	0.00
	Pet Rent- Cat - Toot				10.00						
	Total				990.00						

916	Cloudlian d-A1- ADA	797	JC	C	1,200.00	Rent	1,200.00	07/23/21	07/23/21	11/22/22	1,500.00	0.00	0.00
						Total	1,200.00						
918	Craven- A1	797	AS	C	1,250.00	Rent	1,200.00	07/09/21	07/09/21	11/08/22	1,500.00	0.00	0.00
						Pet Rent- Cat - Gyys	10.00						
						Total	1,210.00						
920	Chickam auga- B1.2	1134	SF, DU	C	1,900.00	Rent	1,900.00	11/24/21	11/24/21	11/23/22	500.00	0.00	0.00
						Total	1,900.00						
921	Nickajac k-A3	748	NS	C	1,150.00	Rent	1,100.00	05/15/21	05/15/21	09/14/22	500.00	0.00	0.00
						Parking: MCC PARK 1	60.00						
						Concession - 5% UNL	-55.00						
						Total	1,105.00						
923	Lula-A2	683	NC	C	1,030.00	Rent	1,080.00	06/19/21	12/19/21	06/18/22	500.00	0.00	-311.00
						Total	1,080.00						
925	Lula-A2	683	EJ	C	1,030.00	Rent	980.00	04/29/21	04/29/21	04/28/22	500.00	0.00	0.00
						Pet Rent - Dog - Pigt	10.00						
						Total	990.00						
927	Foster- B2	903	VM	C	1,450.00	Rent	1,450.00	07/24/21	07/24/21	07/23/22	1,500.00	0.00	0.00
						Concession - PEP- Er	-73.00						
						Total	1,377.00						
1005	Lula-A2*	683	MQ	C	1,080.00	Rent	1,326.00	01/08/18	01/08/21	05/07/22	500.00	0.00	0.00
						Parking: MCC PARK 1	50.00						
						Concession - 16 mon	-200.00						
						Total	1,176.00						
1006	Cumberl and- B1.1*	1109	AE, CT	C	1,850.00	Rent	1,850.00	06/08/21	06/08/21	06/07/22	0.00	0.00	-203.85
						Parking: MCC PARK *	60.00						
						Total	1,910.00						
1007	Lula-A2*	683	JN	C	1,080.00	Rent	1,030.00	03/30/21	03/30/21	03/31/22	1,500.00	0.00	1,030.00
						Total	1,030.00						
1008	Craven- A1*	797	MB	C	1,300.00	Rent	1,250.00	05/21/21	05/21/21	05/20/22	500.00	0.00	0.00
						Parking: MCC PARK *	60.00						
						Total	1,310.00						
1009	Lula-A2*	683	TO	C	1,080.00	Rent	1,313.00	10/14/20	10/14/20	02/13/22	1,500.00	0.00	1,173.00
						Parking: MCC PARK :	60.00						
						\$200 off Monthly-16	-200.00						
						Total	1,173.00						
1010	Craven- A1*	797	BD	C	1,300.00	Rent	1,300.00	08/11/19	08/11/21	02/10/22	0.00	0.00	0.00
						Parking: MCC PARK :	60.00						
						Total	1,360.00						

1011	Lula-A2* 683	JF	C	1,080.00	Rent	1,030.00	06/24/20	06/24/21	10/23/22	1,500.00	0.00	0.00
					Parking: MCC PARK :	60.00						
					Concession - PEP 5%	-52.00						
					<u>Total</u>	<u>1,038.00</u>						
1012	Craven-A1* 797	SS	C	1,300.00	Rent	1,250.00	08/28/21	08/28/21	02/27/22	500.00	0.00	1,250.00
					<u>Total</u>	<u>1,250.00</u>						
1013	Lula-A2* 683	CS	C	1,080.00	Rent	1,030.00	06/27/20	07/01/21	06/26/22	500.00	0.00	1,190.00
					Parking: MCC PARK :	60.00						
					Failure to provide re	100.00						
					<u>Total</u>	<u>1,190.00</u>						
1014	Craven-A1* 797	SC	C	1,300.00	Rent	1,250.00	08/06/21	08/06/21	12/05/22	500.00	0.00	0.00
					Concession - BCBST-	-63.00						
					<u>Total</u>	<u>1,187.00</u>						
1015	Lula-A2* 683	JG	C	1,080.00	Rent	1,313.00	03/30/21	03/30/21	07/29/22	500.00	0.00	0.00
					Parking: MCC PARK :	60.00						
					\$200 off Monthly-16	-200.00						
					<u>Total</u>	<u>1,173.00</u>						
1016	Craven-A1* 797	MC	C	1,300.00	Rent	1,250.00	06/22/21	06/22/21	10/21/22	0.00	500.00	0.00
					Pet Rent - Dog - Cha	10.00						
					<u>Total</u>	<u>1,260.00</u>						
1018	Craven-A1* 797	ER, MR	C	1,300.00	Rent	1,250.00	06/01/21	06/01/21	05/31/22	0.00	500.00	0.00
					Parking: MCC PARK :	60.00						
					Pet Rent - Dog - Indy	10.00						
					<u>Total</u>	<u>1,320.00</u>						
1020	Coolidge-B1-ADA* 1134	DG	C	1,950.00	Rent	2,148.00	01/15/21	01/15/21	05/14/22	500.00	0.00	0.00
					Parking: MCC PARK :	60.00						
					\$200 off Monthly-16	-200.00						
					<u>Total</u>	<u>2,008.00</u>						
1021	Nickajac k-A3* 748	PN	C	1,200.00	Rent	1,150.00	06/26/21	06/26/21	06/25/22	0.00	500.00	0.00
					<u>Total</u>	<u>1,150.00</u>						
1023	Lula-A2* 683	DC	C	1,080.00	Rent	1,030.00	02/27/21	08/24/21	12/23/22	1,500.00	0.00	-1,140.00
					Parking: MCC PARK :	60.00						
					Pet Rent- Cat - Tinki	10.00						
					Pet Rent- Cat - Baby	10.00						
					<u>Total</u>	<u>1,110.00</u>						
1025	Lula-A2* 683	CK	C	1,080.00	Rent	1,030.00	09/10/21	09/10/21	09/09/22	500.00	0.00	0.00
					<u>Total</u>	<u>1,030.00</u>						
1027	Foster-B2* 903	JH, IQ	C	1,500.00	Rent	1,500.00	06/04/21	06/04/21	10/03/22	0.00	500.00	0.00
					<u>Total</u>	<u>1,500.00</u>						

Total Charges

Description	Total
Corporate Suite Rental	16,710.00
Garage Parking Spot Rental	3,450.00
Miscellaneous Income	100.00
Month to Month Fee	350.00
Pet Fees & Charges	390.00
Rent	131,994.00
Utilities Package	900.00
Total	153,894.00

Total Credits

Description	Total
Concession - Renewal	800.00
Concession - Rent	3,159.00
Total	3,959.00

Property Occupancy

Type	Status	Market Rent	Units	Square Footage
Total	Occupied	149,220.00	121	94,560.00
Total	Vacant	5,630.00	4	3,517.00
		154,850.00	125	98,077.00

Unit Type Occupancy

Type	Status	Market Rent	Units	Square Footage
A1-ADA-PILOT	Occupied	950.00	1	797.00
A1-ADA-PILOT	Vacant	0.00	0	0.00
A1-PILOT	Occupied	5,700.00	6	4,782.00
A1-PILOT	Vacant	0.00	0	0.00
A2-PILOT	Occupied	15,200.00	16	10,928.00
A2-PILOT	Vacant	0.00	0	0.00
A3-PILOT	Occupied	1,900.00	2	1,496.00
A3-PILOT	Vacant	0.00	0	0.00
Chickamauga-Occupied R1.7	Occupied	7,600.00	4	4,536.00
Chickamauga-Vacant	Vacant	1,900.00	1	1,134.00
B1.2	Occupied	2,400.00	2	1,594.00
Cloudland-A1-Occupied ADA	Occupied	0.00	0	0.00
Cloudland-A1-Vacant ADA	Vacant	0.00	0	0.00
Cloudland-A1-Occupied ADAF	Occupied	1,700.00	1	797.00
Cloudland-A1-Vacant ADAF	Vacant	0.00	0	0.00
Coolidge-B1-Occupied ADA*	Occupied	1,950.00	1	1,134.00
Coolidge-B1-Vacant ADA*	Vacant	0.00	0	0.00
Coolidge-B1-Occupied ADAF	Occupied	2,700.00	1	1,134.00
Coolidge-B1-Vacant ADAF	Vacant	0.00	0	0.00
Craven A1F	Occupied	5,250.00	3	2,391.00
Craven A1F	Vacant	0.00	0	0.00

Account	Occupied	27,500.00	95.7%	22	95.7%	17,534.00	95.7%	Amount Paid	Agreement Amount
Craven-A1	Vacant	1,250.00	4.3%	1	4.3%	797.00	4.3%	0.00	227.25
Craven-A1*	Occupied	7,800.00	100.0%	6	100.0%	4,782.00	100.0%	0.00	227.25
Craven-A1*	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
Cumberland	Occupied	2,550.00	100.0%	1	100.0%	1,109.00	100.0%	0.00	0.00
R1.1F	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
B1.1F	Occupied	9,000.00	100.0%	5	100.0%	5,545.00	100.0%	0.00	0.00
B1.1	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
B1.1	Occupied	1,850.00	100.0%	1	100.0%	1,109.00	100.0%	0.00	0.00
R1.1*	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
B1.1*	Occupied	5,800.00	80.0%	4	80.0%	3,612.00	80.0%	0.00	0.00
Foster-B2	Vacant	1,450.00	20.0%	1	20.0%	903.00	20.0%	0.00	0.00
Foster-B2*	Occupied	1,500.00	100.0%	1	100.0%	903.00	100.0%	0.00	0.00
Foster-B2*	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
Lula-A2F	Occupied	3,060.00	100.0%	2	100.0%	1,366.00	100.0%	0.00	0.00
Lula-A2F	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
Lula-A2	Occupied	29,870.00	96.7%	29	96.7%	19,807.00	96.7%	0.00	0.00
Lula-A2	Vacant	1,030.00	3.3%	1	3.3%	683.00	3.3%	0.00	0.00
Lula-A2*	Occupied	8,640.00	100.0%	8	100.0%	5,464.00	100.0%	0.00	0.00
Lula-A2*	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
Nickajack-A3	Occupied	3,450.00	100.0%	3	100.0%	2,244.00	100.0%	0.00	0.00
Nickajack-A3	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
Nickajack-A3*	Occupied	1,200.00	100.0%	1	100.0%	748.00	100.0%	0.00	0.00
Nickajack-A3*	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
Nickajack-A3F	Occupied	1,650.00	100.0%	1	100.0%	748.00	100.0%	0.00	0.00
Nickajack-A3F	Vacant	0.00	0.0%	0	0.0%	0.00	0.0%	0.00	0.00
Totals		154,850.00		125		98,077.00		0.00	0.00

Collections

Account	Collections Total	Previously Billed	Amount Paid	Agreement Amount
710 - JG	681.74	0.00	0.00	227.25
Totals	681.74	0.00	0.00	227.25

* denotes unit is excluded from occupancy calculations
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