12/4/12

RESOLUTION NO. _____

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE UTC TWO, LLC PROJECT TO DELEGATE CERTAIN AUTHORITY TO THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, AND TO AUTHORIZE THE MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

WHEREAS, pursuant to Tennessee Code Annotated, Section 48-101-312(b), the City of Chattanooga (the "City") is permitted to delegate to The Health, Educational and Housing Facility Board of the City of Chattanooga (the "Corporation") the authority to negotiate and accept payments in lieu of ad valorem taxes ("PILOTS") from lessees of the Corporation upon a finding by the City that such payments are deemed to be in furtherance of the Corporation's public purposes; and

WHEREAS, UTC TWO, LLC (the "Company") is contemplating the renovation and equipping or improvements to a multi-family rental housing facility in the City, and because of the substantial benefits to the City and Hamilton County resulting from the project, has asked the Corporation and the City Council to approve payments in lieu of ad valorem taxes; and

WHEREAS, the Council has determined that payments in lieu of ad valorem taxes from such a project would be in furtherance of the Corporation's public purposes as set forth within Chapter 101 of Title 48 of the Tennessee Code Annotated;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA:

1. That we do hereby find that the UTC TWO, LLC project referenced above is in the best interest of the City, and that payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Corporation's public purposes; and,

2. That, having made such a finding in this instance, we do hereby delegate to the Corporation the authority to negotiate and accept payments in lieu of ad valorem taxes from the Company, it being further noted that this delegation is for this purpose and this project only; and,

3. That the Mayor is hereby authorized to enter into an Agreement for Payments In Lieu of Ad Valorem Taxes in the form attached hereto, with such changes thereto as he shall approve; and,

ADOPTED: _____, 2012.

/mms

AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES

THIS AGREEMENT is made and entered into as of December 1, 2012, by and among THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE (the "Board"); UTC TWO, LLC, a Tennessee limited liability company (the "Company"); the CITY OF CHATTANOOGA (the "City"); and HAMILTON COUNTY (the "County") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by WILLIAM F. HULLANDER and his successors, acting in the capacity of HAMILTON COUNTY TRUSTEE ("Trustee"), and by WILLIAM C. BENNETT and his successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY ("Assessor").

W I T N E S S E T H:

WHEREAS, the Company is contemplating the renovation, equipping and operation of a multi-family housing facility on property located in the downtown area of Chattanooga, Hamilton County, Tennessee (the "Project"), and has requested the Board's assistance in the financing of the Project; and

WHEREAS, substantial public welfare benefits to the City and County will be derived from the Project; and

WHEREAS, the Board has agreed to take title to certain real and personal property, a portion of which constitutes the Project, as described in Exhibit "A" attached hereto (the "Property"), which Property is to be owned by the Board and leased to the Company; and

WHEREAS, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, §48-101-301, et seq., all such property will be exempt from ad valorem property taxes ("property taxes") normally

paid to the City and to the County, so long as the Property is owned by the Board, pursuant to the provisions of Tennessee Code Annotated, §48-101-312; and

WHEREAS, for the public benefit of the citizens of the City and the County, the Board has requested that the Company make certain payments to the Board in lieu of the payment of property taxes that would otherwise be payable on the Property; and

WHEREAS, the Company has agreed to make such payments to the Board in lieu of the property taxes otherwise payable on the Property (the "In Lieu Payments"), as more particularly set forth hereinafter; and

WHEREAS, the Board has been authorized to receive the In Lieu Payments in lieu of property taxes by resolutions adopted by the City and the County, acting through their duly elected Council and Commission, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions; and

WHEREAS, the Company and the Board have agreed that all In Lieu Payments made to the Board by the Company shall be paid to the Trustee, who shall disburse such amounts to the general funds of the City and the County in accordance with the requirements specified herein; and

WHEREAS, the Board wishes to designate the Assessor as its agent to appraise the Property and assess a percentage of its value in the manner specified herein; and

WHEREAS, the Board wishes to designate the Trustee as its agent to receive the In Lieu Payments in accordance with the terms of this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee as though the Property were subject to property taxes. The Assessor shall give the Trustee, the City Treasurer, the Board, and the Company written notice of any changes in appraisals of the Property in the same manner that notices are given to owners of taxable property. The Assessor shall make available to the Board and the Company all records relating to the appraisal and assessment of the Property.

2. Designation of Trustee; Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Trustee as its agent to compute the amounts of the In Lieu Payments, to receive such payments from the Company and to disburse such payments to the City and the County. On or about October 1 of each year during the term of this agreement, the Trustee shall compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send the Board and the Company a bill for appropriate amounts of In Lieu Payments (the "Tax Bill").

3. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Company shall pay to the Trustee the amounts indicated on the Tax Bill in accordance with the amount set forth below in Paragraph 4. The In Lieu Payments shall be made by the Company in lieu of the property taxes which would otherwise be payable on the Property if it were subject to property taxes.

4. Amount of Payments by the Company. For each of the years 2013 to 2028, the Company shall make In Lieu Payments with respect to the Property in an amount equal to the annual ad valorem property tax for such portion of the Property for the year 2012 (the "Base Taxes") plus the amount of the Hamilton County School portion of the property taxes that would be due on the Property if it were subject to taxation. For each of the years 2022 to 2028, the Company shall make In Lieu Payments with respect to such portion of the Property in an amount equal to the Base Taxes for such portion of the Property plus the following percentages of the increase in the ad valorem taxes that would have been due for such portions of the Property (if it were subject to property taxes) in excess of the Base Taxes for the respective years shown:

Year	Percentage
2025	20%
2026	40%
2027	60%
2028	80%

plus the amount of the Hamilton County School portion of the property taxes that would be due on the Property if it were subject to taxation. For any periods before or after such 16-year period that the Property is owned by the Board, the Company shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property if it were subject to property taxes.

5. Penalties and Late Charges. The Company shall make the In Lieu Payments for each year before March 1 of the following year. All In Lieu Payments shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If the Company fails to make any In Lieu Payment when due, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the

amount of one and one-half percent (1-1/2%) of the owed amount, for each month that each payment has been unpaid. Such one and one-half percent (1-1/2%) per month late charge amount shall accumulate each month and be payable so long as there remains any outstanding unpaid amount.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County may bring suit in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees.

6. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 3 shall be disbursed to the general funds of the City and the County in accordance with this paragraph and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received shall be divided into two (2) accounts, one for the use and benefit of the City and the other for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the County, including all amounts relating to the Hamilton County school portion of property taxes.

7. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if the Company

contests any such computation, it shall present evidence to the Trustee in favor of its position. If the In Lieu Payments being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If the Company and the Assessor or the Trustee are unable to resolve a dispute, then the Company may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

8. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

9. Term. This Agreement shall become effective on the date that the Board attains title to the Property and shall continue for so long as the Board holds title to any of the Property or the Company has made all payments required hereunder, whichever shall later occur.

10. Leasehold Taxation. If the leasehold interest of the Company should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder. The Company agrees to cooperate fully with the Assessor in supplying information for completion of leasehold taxation questionnaires with respect to the Property.

11. Stormwater Fees. The Company shall be responsible for all stormwater fees assessed by the City of Chattanooga against the Real Property.

12. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered, if to the City or the Board, c/o Mr. Michael A. McMahan, Suite 200, 100 E. 11th Street, Chattanooga, Tennessee 37402; if to the County, c/o Mr. Rheubin M. Taylor, County Attorney, Hamilton County Government, Room 204, County Courthouse, Chattanooga, Tennessee 37402-1956; if to the Company, 615 Lindsay Street, Chattanooga, Tennessee 37402; if to the Trustee, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; and if to the Assessor, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

13. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

14. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

15. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator,

member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

17. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

18. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

[Signature Page Follows]

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

ATTEST:

By: _____
Secretary

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

By: _____
Chairman

UTC TWO, LLC

By: _____
Title: _____

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
County Mayor

WILLIAM F. HULLANDER

By: _____
Hamilton County Trustee

WILLIAM C. BENNETT

By: _____
Hamilton County Assessor of Property

EXHIBIT "A"
TO AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES

REAL PROPERTY

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, STATE OF TENNESSEE:

PERSONAL PROPERTY

All personal property used by the Company in connection with its multi-family housing facility located on the real property described above.

P.I.L.O.T. APPLICATION FOR

The Frances Willard Building

615 Lindsay Street

Chattanooga, Tennessee

November 14, 2012

APPLICATION FOR CHATTANOOGA PILOT PROGRAM

1. *State the name, address, and telephone number of applying entity.*

   Walk2Campus Properties
   605 Lindsay Street
   Chattanooga, TN 37402
   (423) 201-4512

2. *Provide background information about the applicant and guarantors, including development experience, if any, and all other relevant information this organization may need to consider while reviewing the application. State the names of the applying entity's representative and any other financial guarantors of the Project and their addresses and telephone numbers if different from above. Describe the corporate or partnership structure as application.*

   Applicant
   Walk2Campus Properties
   605 Lindsay St
   Chattanooga, TN 37402
   (423) 201-4512
   Attn: Roe Elam (Market Manager)

   Company description
   Walk2Campus Properties owns and operates off-campus student housing in six college communities. Founded in 2004 in Farmville, Virginia (home of Longwood University), Walk2Campus currently owns over 100 properties and has over 1000 tenants. Each of these properties is less than ½ mile from their respective college campus and is situated well within the fabric of the college environment. Developing or acquiring property in close proximity to campus is at the core of the Walk2Campus business plan.

   Since its founding, the company has restored dozens of historic buildings for rental apartments. These renovations have been done in keeping with local historic design guidelines and range from small bungalow houses to larger apartment buildings. Walk2Campus has also developed one ground up apartment complex in Conway, South Carolina. We are in the process of building a mixed-use apartment building with ground floor office space and upper floor residential units in Farmville, VA. We are also serving as the development director and partner with Longwood University in the construction of a $30MM residence hall and commons building.

   Currently, Walk2Campus owns seven properties in Chattanooga including the Frances Willard Building. W2C renovated two apartment buildings during the summer of 2012: 611 Houston Street and 828 Flynn Street. These renovations alone have totaled over $500,000 in local investment. (In most cases, Walk2Campus will invest as much in the renovation of a property as in the cost of property acquisition.) W2C has two properties under renovation currently and plans to renovate another next summer.

   Walk2Campus Properties is owned by a core of equity investors, which include members of the senior management team. Walk2Campus is governed by a Board of Directors, comprised of eight equity investors. The company is based out of Rock Hill, South Carolina and has local offices in each of its six markets. Walk2Campus manages all of its real estate holdings with local property managers, leasing assistants, and maintenance technicians.

   Debt Partner
   Keller Enterprises
   413 7th St NE
   Charlottesville, Virginia 22902
   (434) 220-0195
   Attn: Jonathan Gilliland

Description
Keller Enterprises is a family office based in Charlottesville, Virginia. They are providing 100% of the debt financing on the construction portion of the Frances Willard renovation.

3. *Briefly describes the proposed Project. Include in this section:*

Project Description

a. *The square footage of the building/land area to be renovated.*
The Frances Willard Building is four stories tall and includes a basement, the majority of which is finished. The building is approximately 25,000 SF. The building parcel rests on .2 acres and the adjacent parking lot is also .23 acres

b. *The number of residential units.*
23 apartment units

c. *Attach architectural drawings and any available history on the subject.*
See attached

d. *All other information need to fully explain the project.*
Built as a residential boarding house for women, the Frances Willard Building was converted to a commercial office building in 1980. Our intention is to convert it back to its original use. The building will have approximately 23 apartments targeting UTC students, faculty and staff. We will work with the Tennessee Historical Commission to ensure our renovation program is in line with the Secretary of the Interior's Standards for the Treatment of Historic Properties. Aside from a modest alteration to improve ADA accessibility, the exterior envelope of the building will be kept in its existing condition.

e. All other non-residential uses of the property.
None

f. The expected rent to be charged on the apartments (i.e. size of unit/monthly rent)
Avg Unit Size - 780 SF
Avg Rent - $1100
Rent/SF - $13.30

g. Are there are any barriers to elderly occupancy?
None

h. *The number, if any, of units that will meet the Handicap Building Codes and Standards ("HBCS") and the Americans with Disabilities Act ("ADS") requirements?*
One

4. *State the location of the proposed project by street address and legal description.*
Address: 615 Lindsay Street

Tax Map ID#: 145D B 008 & 145D B 012

Legal Description:
Tract One (1): Being the North sixty-five (65) feet of Lot Three (3) and the North sixty five (65) feet of the East forty (40) feet of Lot One (1), Long's addition, unrecorded, and more particularly described as follows: Said part of lots make one lot front sixty-five (65) feet on the West side of Lindsay Street and running back Westwardly of uniform width, a distance of one hundred forty (140) feet.

Tract Two (2): Lot Five (5), Hickman's Subdivision, as shown by plat of record in Plat Book 5, Page 3, Register's Office of Hamilton County, Tennessee. According to said plat, said lot fronts thirty (30) feet on the Western line of Lindsay Street and extends Westwardly, between parallel lines, along the Northern line of an alley, a distance of forty-nine (49) feet.

Tract Three (3): Beginning on the South line of Vine Street at a point forty-nine (49) feet West of the West line of Lindsay Street and at the Northwest corner of the formerly Robert Hooke property; thence West along the South line of Vine Street forty eight (48) feet to the Northwest corner of the now or formerly Samuel Blair property; thence South two hundred (200) feet to the South line of a ten (10) foot alley; thence East along the South line of said ten (10) foot alley; forty-eight (48) feet to the West line of the said Robert Hooke property; thence North along the West line of the said property two hundred (200) feet to the beginning.

a. *Name of the property owner at the time of application submittal.*
UTC TWO, LLC
926 Oakland Avenue
Rock Hill, SC
29730

b. *If the Applicant does not presently own the Property, does the Applicant have a valid option to purchase the property?*
Applicant's subsidiary Limited Liability Company is the owner.

c. *Describe any and all existing financing, options and liens on the Property.*
None

5. *State the estimated Project cost broken down by component (i.e. land, buildings, equipment, soft costs, etc)*
See attached Project cost estimate.

6. *State the proposed time schedule for the Project including the dates anticipated for the following:*
   a. *Closing the loan or contributing financing availability.*
   The loan has been executed.

   b. *First expenditures of funds with regard to the project.*
   January 15, 2013 – 1st construction draw

   c. *Anticipated date of construction will begin.*
   Construction Start: January 1, 2013

   d. *Anticipated completion date.*
   Completion Date: July 30, 2012

7. *Name any of the following that will be involved with the Project (with the address and phone numbers):*

   a. *Counsel for the Applicant*
   Chambliss, Bahner & Stophel, P.C.
   Attn: Joy Dixon
   1000 Tallan Building
   Two Union Square
   Chattanooga, TN
   37402
   (423) 756-3000

   b. *Architects and Engineers*
   Blythe Bailey
   RiverStreet Architects
   714 Cherry Street
   Chattanooga, TN
   37402
   (423) 634-0806

c. *Contractor for project*
GenTech Construction LLC
820 Broad Street, Suite 200
Chattanooga, TN
37402
(423) 267-3373

d. *Other Professionals*

e. *Does the Applicant or any guarantor have any previous or ongoing relationship with any Board Member or legal counsel of the Board? If so, please describe in detail.*
N/A

8. *Please disclose whether any applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please supply detailed information.*
N/A

Additional information required for the Payment in Lieu of Taxes Program (the "PILOT")

1. *State law requires that title to the projects be conveyed to one of the local industrial development boards or the city health and education board (the "Board") in order for it to grant payments in lieu of taxes; the Board to which title is conveyed then leases the property to the applicant or entity designated by the applicant. Indicate who the lessee will be for the Project.*

Lessee
UTC TWO, LLC

a. *State the tax parcel number for all property involved with the Project and the current assessed value of the Property.*
Tax parcel: 145D B 008
Assessed Value: $64,300

Tax parcel: 145D B 012
Assessed Value: $1,034,400

b. *Are any assessments presently under appeal? If so, describe the status of the appeal.*
No

c. *Will the Project results in the subdivision of any present tax parcel?*
No

2. *Provide the following information about the loan or proposed loan for the Project.*
a. *Name, address, and phone number of lender and contact person with lender*
Keller Enterprises
413 7th St NE
Charlottesville, Virginia 22902
434- 220-0195
Attn: Jonathan Gilliland

b. *Amount of loan.*
$2,125,000

c. *Attach proposed loan terms.*

See attached EXHIBIT 'C'

This application is made in order to induce The RiverCity Company to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to The RiverCity Company in its consideration of the applicant is included. The applicant acknowledges that it has reviewed the descriptions of The RiverCity Company financial program for which it is applying and agrees to comply with those policies. The applicants shall also be required to show a good faith effort with regard to the employment of minority contractors. The applicant acknowledges and agrees that the Lease Agreement and Agreement for Payments In Lieu of Ad Valorem Taxes shall not be executed until the Design Center approves the plans for the project.

COMPANY

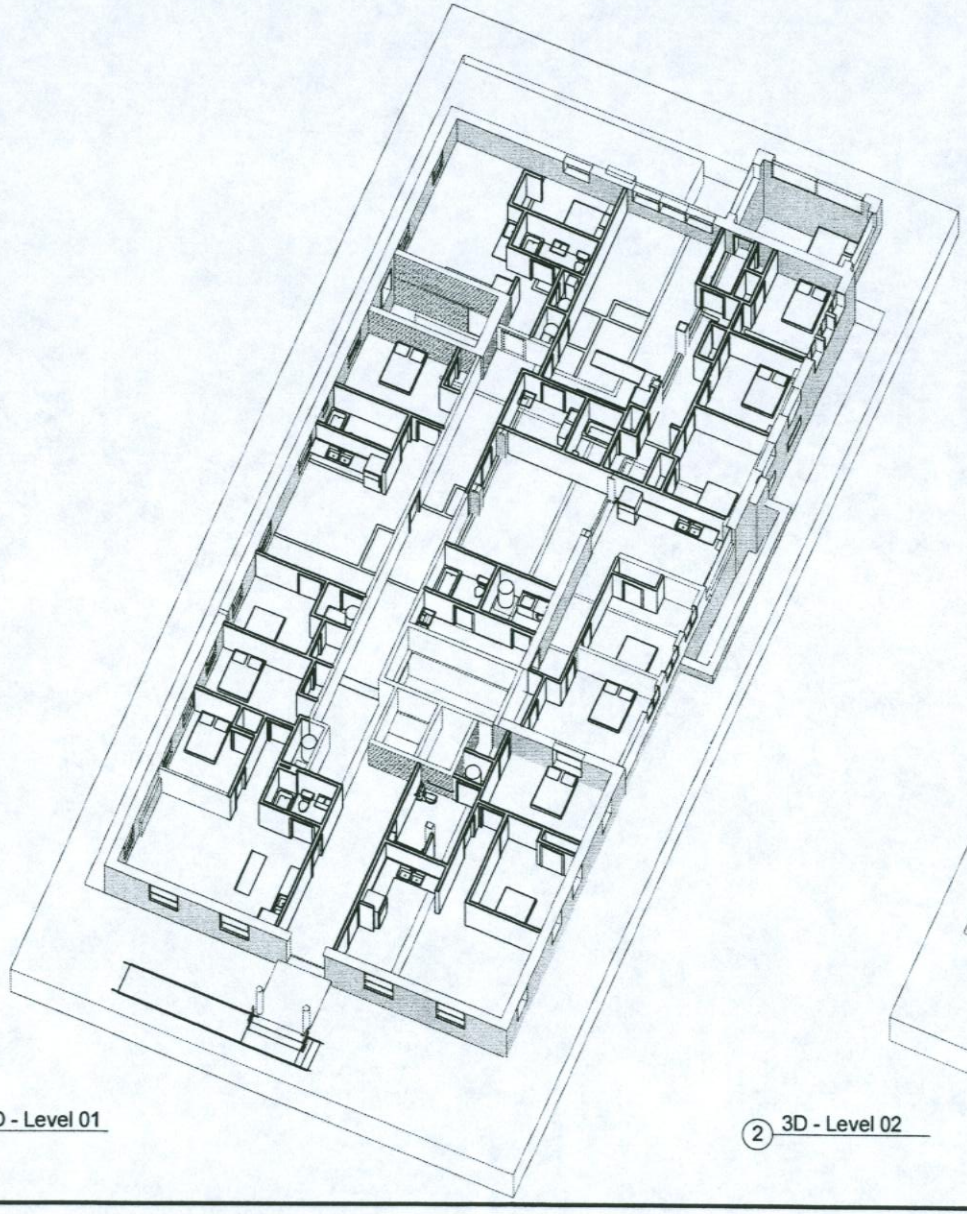
By: **Walk2Campus Properties**

Name: **Roe Elam**

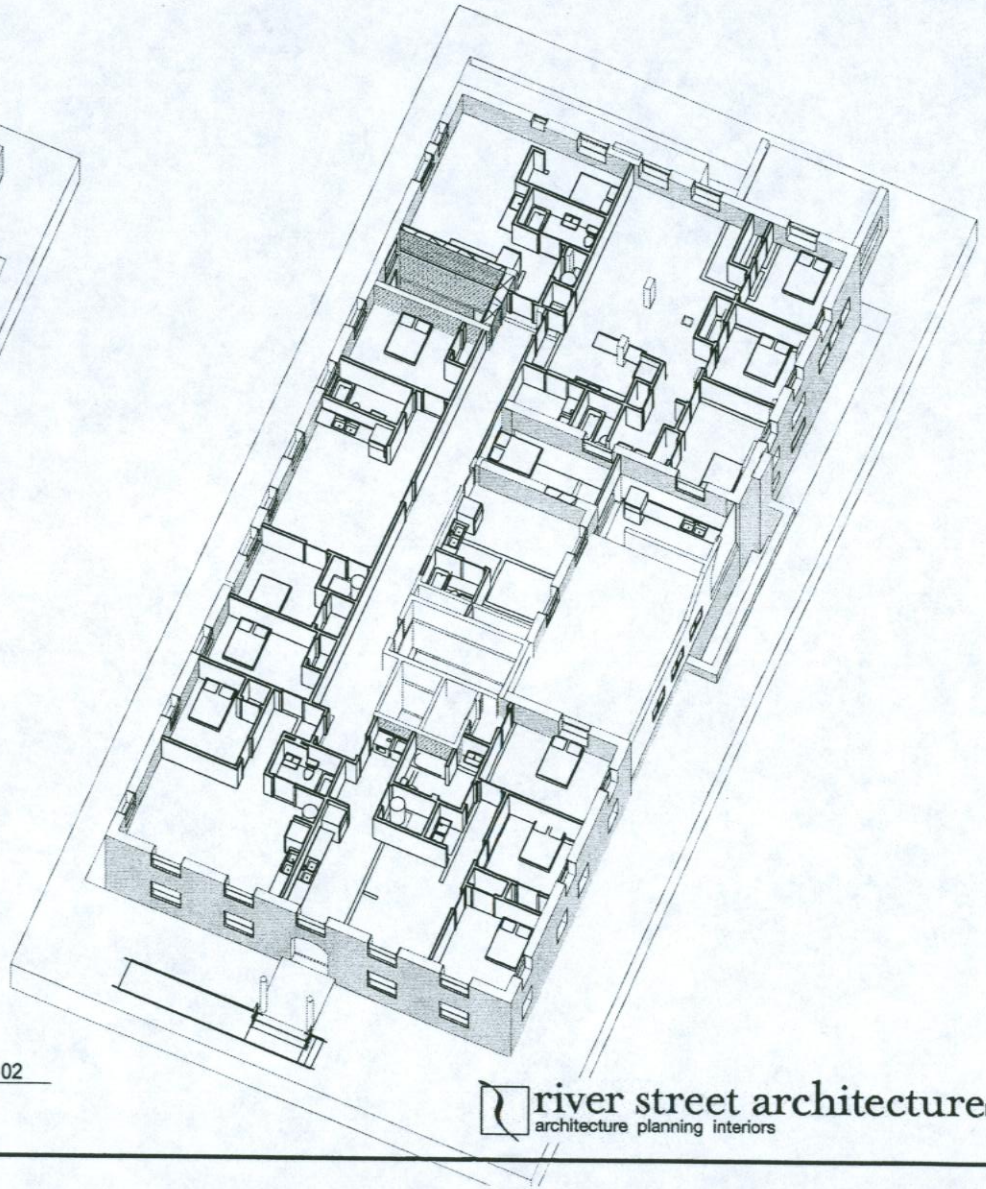
Title: **Market Manager**

Date: **November 14, 2012**

EXHIBIT A
ARCHITECTURAL DRAWINGS



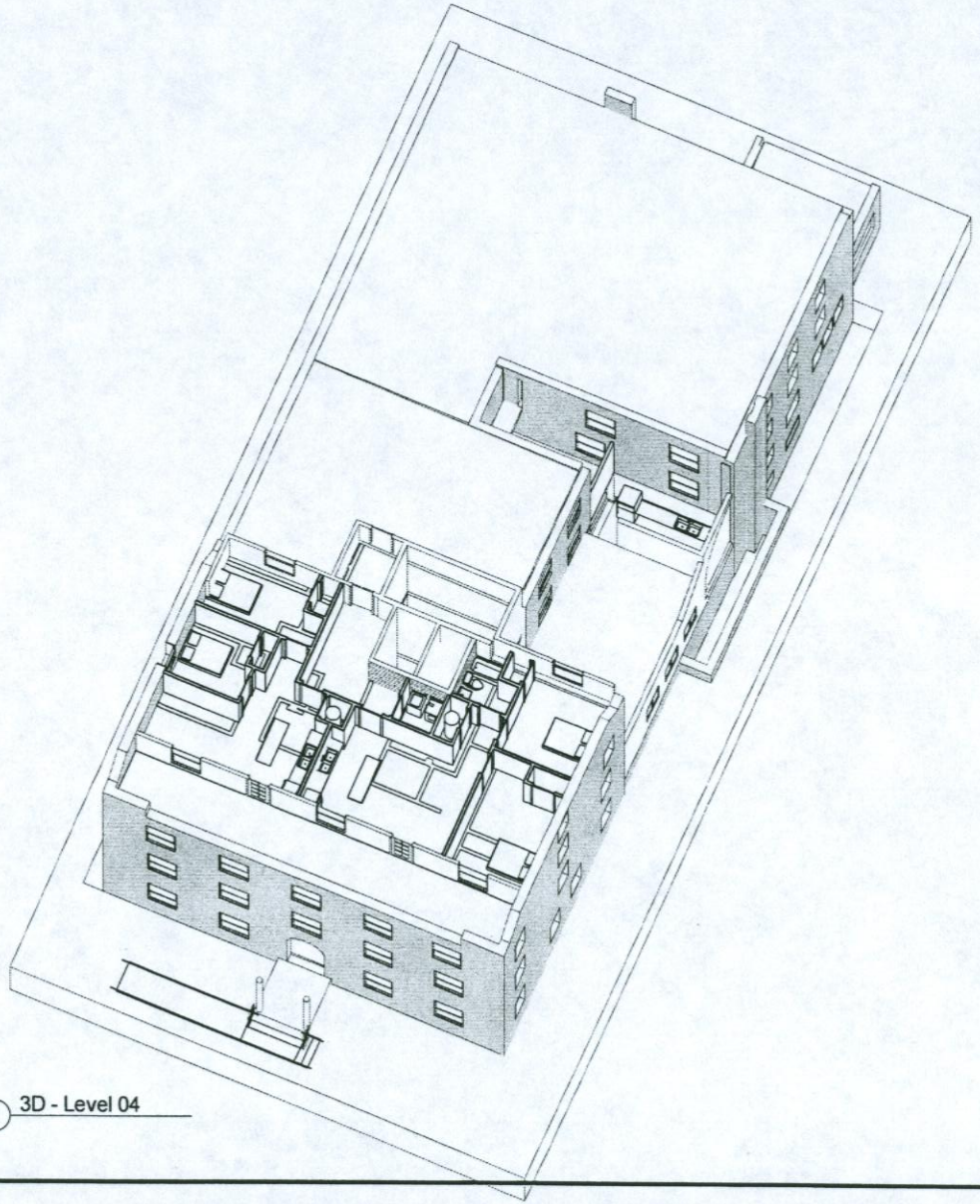
1 3D - Level 01



2 3D - Level 02

river street architecture llc
architecture planning interiors

5/17/2012 4:06:57 PM

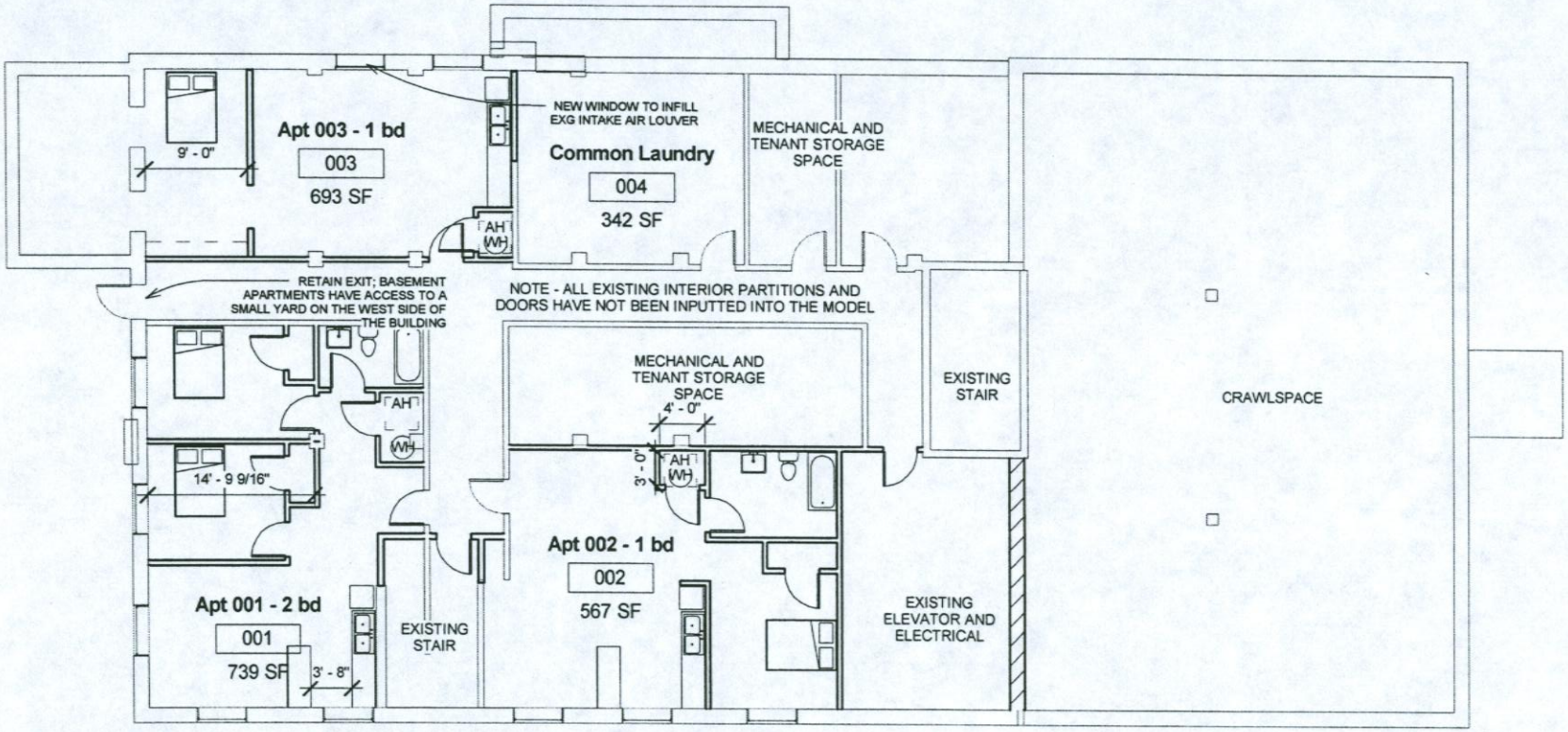


1 3D - Level 04

Room Schedule			
Number	Name	Area	Occupancy
001	Apt 001 - 2 bd	739 SF	2 Bedroom
002	Apt 002 - 1 bd	567 SF	1 Bedroom
003	Apt 003 - 1 bd	693 SF	1 Bedroom
101	Apt 101 - ADA 2 bd	849 SF	2 Bedroom
102	Apt 102 - 2 bd	703 SF	2 Bedroom
103	Apt 103 - 2 bd	755 SF	2 Bedroom
104	Apt 104 - 1 bd	516 SF	1 Bedroom
105	Apt 105 - 4 bd	1353 SF	4 Bedroom
106	Apt 106 - 2 bd	1140 SF	2 Bedroom
201	Apt 201 - 2 bd	1079 SF	2 Bedroom
202	Apt 202 - 2 bd	730 SF	2 Bedroom
203	Apt 203 - 2 bd	755 SF	2 Bedroom
204	Apt 204 - 1 bd	503 SF	1 Bedroom
205	Apt 205 - 3 bd	1184 SF	4 Bedroom
206	Apt 206 - 1 bd	399 SF	1 Bedroom
301	Apt 301 - 3 bd	1077 SF	2 Bedroom
302	Apt 302 - 2 bd	734 SF	2 Bedroom
303	Apt 303 - 2 bd	755 SF	2 Bedroom
304	Apt 304 - 1 bd	507 SF	1 Bedroom
305	Apt 305 - 3 bd	1186 SF	4 Bedroom
306	Apt 306 - 1 bd	249 SF	1 Bedroom
401	Apt 401 - 2 bd	761 SF	2 Bedroom
402	Apt 402 - 2 bd	726 SF	2 Bedroom
Grand total: 23		17959 SF	45 BEDS; INCLUDING 4 IN BASEMENT

river street architecture llc
architecture planning interiors

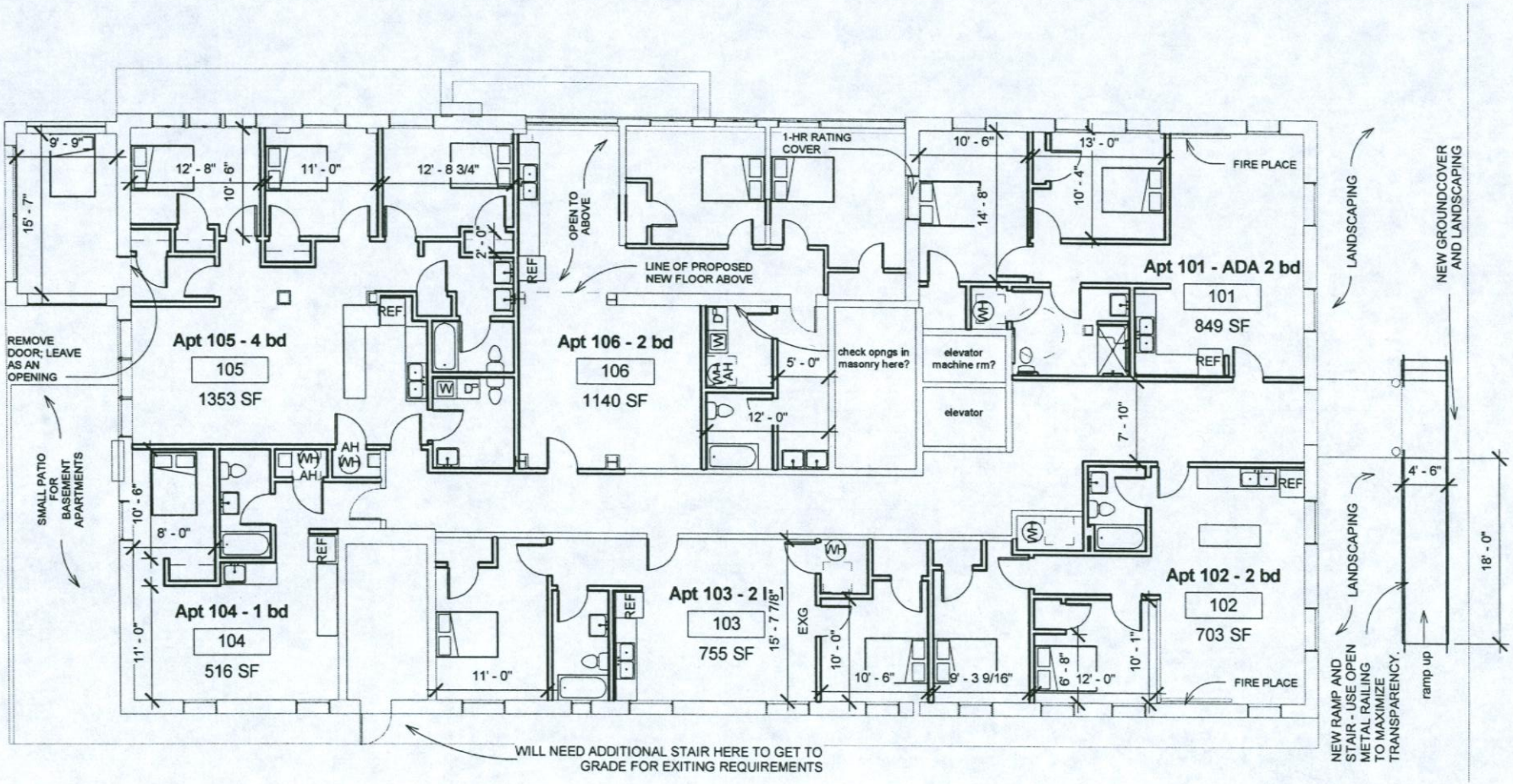
5/17/2012 4:06:58 PM



1 Level - Bsmt
1" = 10'-0"

river street architecture llc
architecture planning interiors

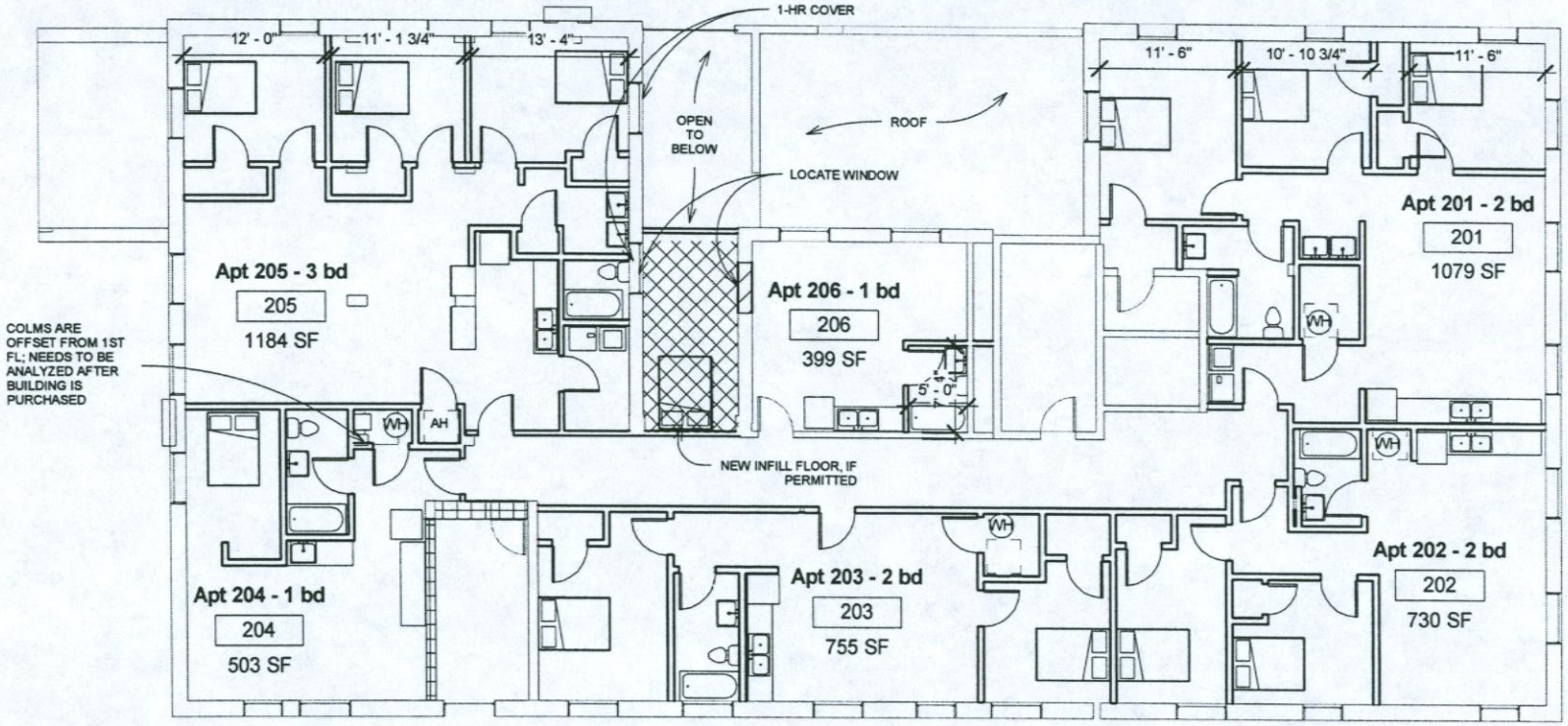
5/17/2012 4:06:50 PM



1 Level 1
1" = 10'-0"

river street architecture llc
architecture planning interiors

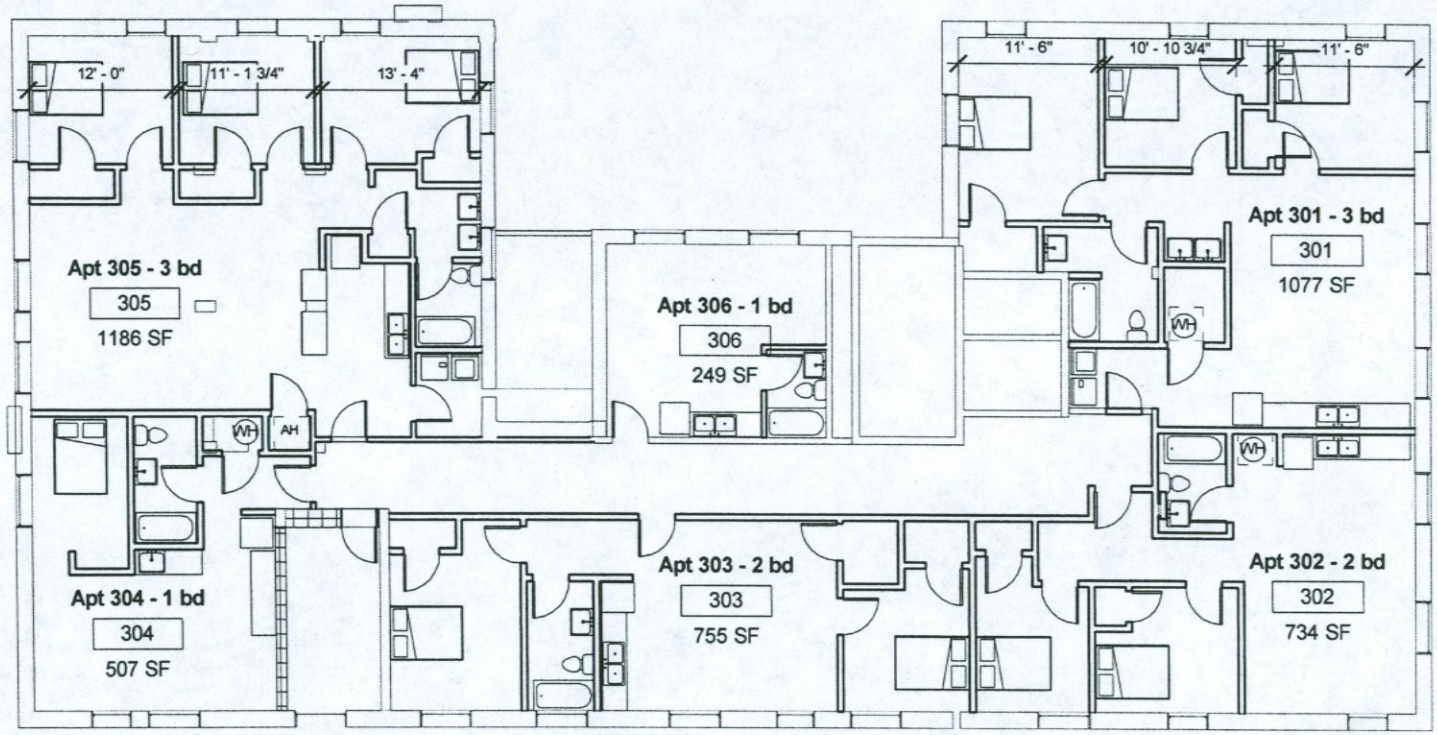
5/17/2012 4:05:52 PM



1 Level 2
1" = 10'-0"

river street architecture llc
architecture planning interiors

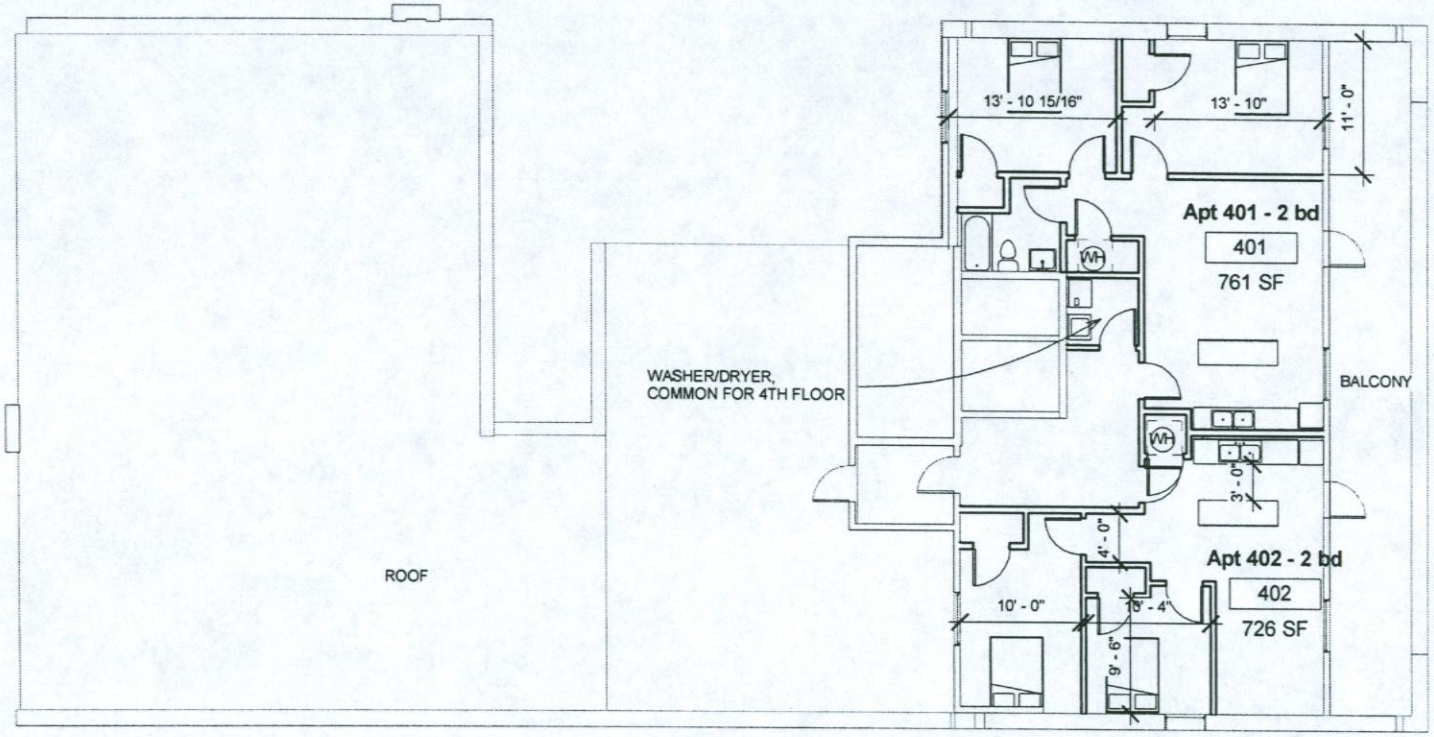
5/17/2013 4:05:52 PM



1 Level 3
1" = 10'-0"

river street architecture llc
architecture planning interiors

5/17/2012 4:05:53 PM



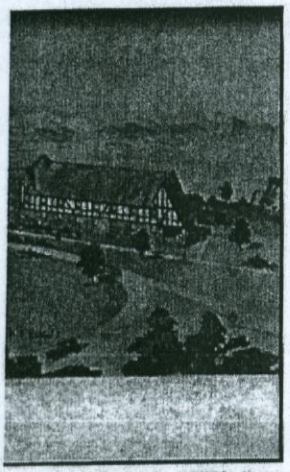
1 Level 4
1" = 10'-0"

river street architecture llc
architecture planning interiors

5/17/2012 4:05:53 PM

ɔre picturesque than the

:l until 1960. Three years
Seminary to serve as the
Carter Hall, the building
ıe half-timbering are now



ionte Sano Manor (c. 1928). From
ıbilia owned by the Street Family.

Frances Willard Home 33

615 Lindsay Street
1928

Frances E. Willard (1839-1898), educator, suffragist, socialist, and founder of the Woman's Christian Temperance Union (WCTU), dedicated herself to improving the lot of women by seeking reforms in prisons, schools, businesses, and even religious life.[1]

A local chapter of the WCTU was founded in Chattanooga in 1887. After forty years of moving from address to address, the organization secured the funds necessary to hire Hunt to design a handsome facility on Lindsay Street to serve as a haven for young women. It was named to honor Willard.

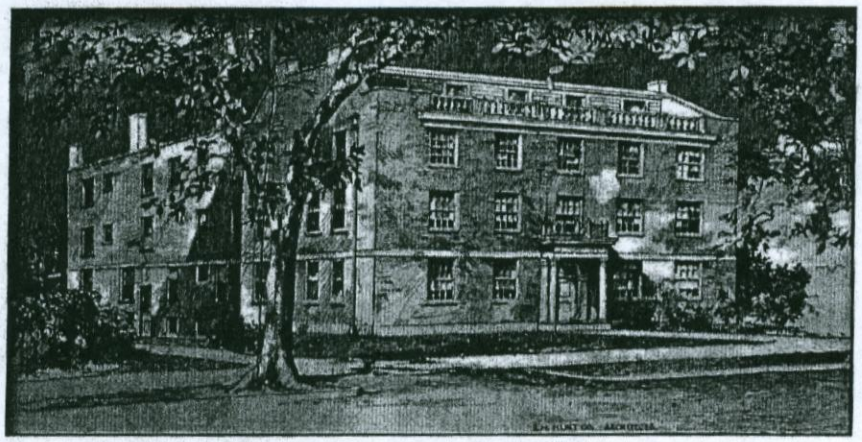
The building was essentially a large dormitory with some front offices. Located in a residential block, Hunt was careful to scale the structure so that it looked, at least from the street, like a large single family house.

Georgian Revival in style, the building includes a central entrance framed with a modest porch supported by two Tuscan columns. While four stories high, the topmost floor is cleverly recessed to support the illusion that the

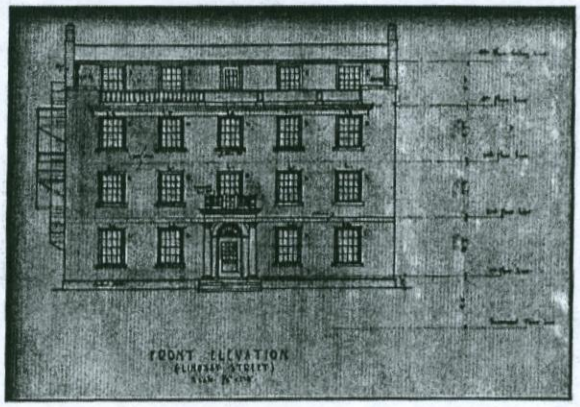
structure is more of a house than an apartment complex. Flanking the building are gables sprouting chimneys – an echo of the great tidewater plantation houses of colonial Virginia. To amplify the echo, Hunt included large eight-over-eight double-hung windows.

The building was occupied until 1973. In 1976 the WCTU gave the deteriorating property to the Central Church of Christ. Three years later it was purchased by private investors and renovated into "luxury offices."Among the new occupants was architect Jim Franklin, head of the Franklin Group and overseer of the restoration.[2]

The 18,000 square foot building is now home to various professional offices and the Chattanooga History Center.



Presentation drawing of the Frances Willard home. Courtesy CHCBL.



Front elevation of the Frances Willard home, c. 1928. Courtesy of Franklin Associates, Architects, Inc.

---

[1] Bordin, Ruth Birgitta Anderson, *Frances Willard: a Biography*, Chapel Hill: University of North Carolina Press, 1986; http://www.franceswillardhouse.org/

[2] Libby Wann, "The Frances Willard to Become Offices," *Chattanooga Times*, 28 October 1979.

EXHIBIT B
PROJECT COST ESTIMATE

Project Budget - 615 Lindsay Frances Willard

Developer Site Costs			
Phase 1 Environmental	2,300		
Lead Paint/Asbestos Inspection	2,000		
Building Inspection	1,200		
Other	3,000		
		$	8,500
Soft Costs			
Architect Fee	88,000		
Engineering (Structural)	10,000		
Engineering (Civil)	3,000		
Capitalized Interest	28,750		
W2CH Developer Costs (allocation)	35,000		
Total Soft Costs		$	164,750
Hard Costs			
Acquisition & Closing Costs	1,122,000		
Building Costs	1,750,000		
Contingency	175,000		
Furnishings	5,000		
		$	3,052,000
Total Project Costs		**$**	**3,225,250**

EXHIBIT C
PROPOSED LOAN TERMS

Lender:	Keller Enterprises
Loan Amount:	$2,125,000
Interest Rate:	7.0% (interest only during construction)
Term:	Interest only (term and amortization)
Other:	

P.I.L.O.T. APPLICATION FOR

863 McCallie Avenue Building

863 McCallie Avenue

Chattanooga, Tennessee

November 14, 2012

APPLICATION FOR CHATTANOOGA PILOT PROGRAM

1. *State the name, address, and telephone number of applying entity.*

   Walk2Campus Properties
   605 Lindsay Street
   Chattanooga, TN 37402
   (423) 201-4512

2. *Provide background information about the applicant and guarantors, including development experience, if any, and all other relevant information this organization may need to consider while reviewing the application. State the names of the applying entity's representative and any other financial guarantors of the Project and their addresses and telephone numbers if different from above. Describe the corporate or partnership structure as application.*

   Applicant
   Walk2Campus Properties
   605 Lindsay St
   Chattanooga, TN 37402
   (423) 201-4512
   Attn: Roe Elam (Market Manager)

   Company description
   Walk2Campus Properties owns and operates off-campus student housing in six college communities. Founded in 2004 in Farmville, Virginia (home of Longwood University), Walk2Campus currently owns over 100 properties and has over 1000 tenants. Each of these properties is less than ½ mile from their respective college campus and is situated well within the fabric of the college environment. Developing or acquiring property in close proximity to campus is at the core of the Walk2Campus business plan.

   Since its founding, the company has restored dozens of historic buildings for rental apartments. These renovations have been done in keeping with local historic design guidelines and range from small bungalow houses to larger apartment buildings. Walk2Campus has also developed one ground up apartment complex in Conway, South Carolina. We are in the process of building a mixed-use apartment building with ground floor office space and upper floor residential units in Farmville, VA. We are also serving as the development director and partner with Longwood University in the construction of a $30MM residence hall and commons building.

   Currently, Walk2Campus owns seven properties in Chattanooga. W2C renovated two apartment buildings during the summer of 2012: 611 Houston Street and 828 Flynn Street. These renovations alone have totaled over $500,000 in local investment. (In most cases, Walk2Campus will invest as much in the renovation of a property as in the cost of property acquisition.) W2C has two properties under renovation currently and plans to renovate another property next summer.

   Walk2Campus Properties is owned by a core of equity investors, which include members of the senior management team. Walk2Campus is governed by a Board of Directors, comprised of eight equity investors. The company is based out of Rock Hill, South Carolina and has local offices in each of its six markets. Walk2Campus manages all of its real estate holdings with local property managers, leasing assistants, and maintenance technicians.

   Debt Partner
   Keller Enterprises
   413 7th St NE
   Charlottesville, Virginia 22902
   (434) 220-0195
   Attn: Jonathan Gilliland

Description
Keller Enterprises is a family office based in Charlottesville, Virginia. They are providing 100% of the debt financing on the construction portion of the Frances Willard renovation.

3. *Briefly describes the proposed Project. Include in this section:*

Project Description

a. *The square footage of the building/land area to be renovated.*
863 McCallie Avenue is two and a half stories tall and includes an unfinished basement. The building is approximately 18,000 SF. The building rests on .69 acres.

b. *The number of residential units.*
18 apartment units

c. *Attach architectural drawings and any available history on the subject.*
See attached

d. *All other information need to fully explain the project.*
Built as a women's hospital, 863 McCallie was converted to commercial use – most recently serving as a pizza restaurant (Pizza Cha Cha) on the street level and commercial office on the first floor. It has been vacant or partially vacant for several years. Our intention is to convert the building into residential apartments. The building will have approximately 18 apartments targeting UTC students, faculty and staff. The exterior of the building will receive cosmetic treatment to enhance its appearance. We will also work with the city on adding streetscape features along McCallie Avenue.

e. All other non-residential uses of the property.
None

f. The expected rent to be charged on the apartments (i.e. size of unit/monthly rent)
Avg Unit Size - 760 SF
Avg Rent - $1,040
Rent/SF - $13.87

g. Are there are any barriers to elderly occupancy?
None

h. *The number, if any, of units that will meet the Handicap Building Codes and Standards ("HBCS") and the Americans with Disabilities Act ("ADS") requirements?*
One

4. *State the location of the proposed project by street address and legal description.*
Address: 863 McCallie Avenue

Tax Map ID#: 146H E 001

Legal Description:
Lots Four (4), Five (5), Six (6), and Seven (7) T. Richmond's Addition to Chattanooga, as shown by plat record in Plat 1, Page 34, in the Register's Office of Hamilton County, Tennessee.

a. *Name of the property owner at the time of application submittal.*
MC Holdings, LLC
735 Broad Street
Suite 708
Chattanooga, TN
37402

b. *If the Applicant does not presently own the Property, does the Applicant have a valid option to purchase the property?*
Yes. We are under contract to buy the building

c. *Describe any and all existing financing, options and liens on the Property.*
None

5. *State the estimated Project cost broken down by component (i.e. land, buildings, equipment, soft costs, etc)*
See attached Project cost estimate.

6. *State the proposed time schedule for the Project including the dates anticipated for the following:*
   a. *Closing the loan or contributing financing availability.*
   The loan has been executed

   b. *First expenditures of funds with regard to the project.*
   February 1, 2013 – 1st construction draw

   c. *Anticipated date of construction will begin.*
   Construction Start: January 15, 2013

   d. *Anticipated completion date.*
   Completion Date: July 30, 2012

7. *Name any of the following that will be involved with the Project (with the address and phone numbers):*

   a. *Counsel for the Applicant*
   Chambliss, Bahner & Stophel, P.C.
   Attn: Joy Dixon
   1000 Tallan Building
   Two Union Square
   Chattanooga, TN
   37402
   (423) 756-3000

   b. *Architects and Engineers*
   Blythe Bailey (Lead Architect)
   RiverStreet Architects
   714 Cherry Street
   Chattanooga, TN
   37402
   (423) 634-0806

   Rachel Martin (Schematic Design)
   (n) Habit
   427 Chestnut Street
   Nashville, Tennessee
   37203
   (615) 891-2349

   c. *Contractor for project*
   GenTech Construction LLC
   820 Broad Street, Suite 200
   Chattanooga, TN
   37402
   (423) 267-3373

d. *Other Professionals*

e. *Does the Applicant or any guarantor have any previous or ongoing relationship with any Board Member or legal counsel of the Board? If so, please describe in detail.*
N/A

8. *Please disclose whether any applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please supply detailed information.*
N/A

Additional information required for the Payment in Lieu of Taxes Program (the "PILOT")

1. *State law requires that title to the projects be conveyed to one of the local industrial development boards or the city health and education board (the "Board") in order for it to grant payments in lieu of taxes; the Board to which title is conveyed then leases the property to the applicant or entity designated by the applicant. Indicate who the lessee will be for the Project.*

   Lessee
   UTC THREE, LLC

   a. *State the tax parcel number for all property involved with the Project and the current assessed value of the Property.*
   Tax parcel: 146H E 001
   Assessed Value: $626,900

   b. *Are any assessments presently under appeal? If so, describe the status of the appeal.*
   No

   c. *Will the Project results in the subdivision of any present tax parcel?*
   No

2. *Provide the following information about the loan or proposed loan for the Project.*
   a. *Name, address, and phone number of lender and contact person with lender*
   Keller Enterprises
   413 7th St NE
   Charlottesville, Virginia 22902
   (434) 220-0195
   Attn: Jonathan Gilliland

   b. *Amount of loan.*
   $1,575,000

   c. *Attach proposed loan terms.*
   See attached EXHIBIT 'C'

This application is made in order to induce The RiverCity Company to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to The RiverCity Company in its consideration of the applicant is included. The applicant acknowledges that it has reviewed the descriptions of The RiverCity Company financial program for which it is applying and agrees to comply with those policies. The applicants shall also be required to show a good faith effort with regard to the employment of minority contractors. The applicant acknowledges and agrees that the Lease Agreement and Agreement for Payments In Lieu of Ad Valorem Taxes shall not be executed until the Design Center approves the plans for the project.

COMPANY

By: Walk2Campus Properties

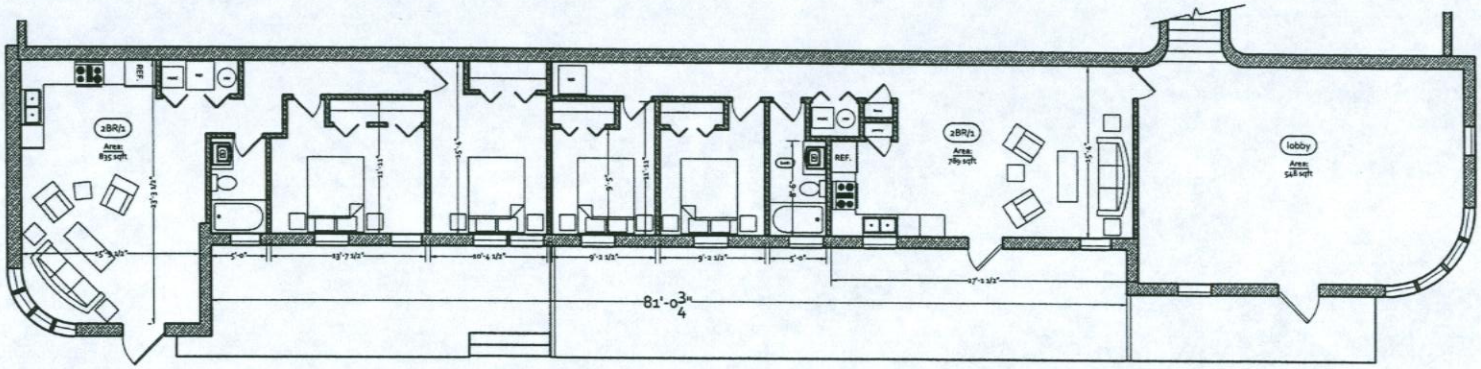
Name: Roe Elam

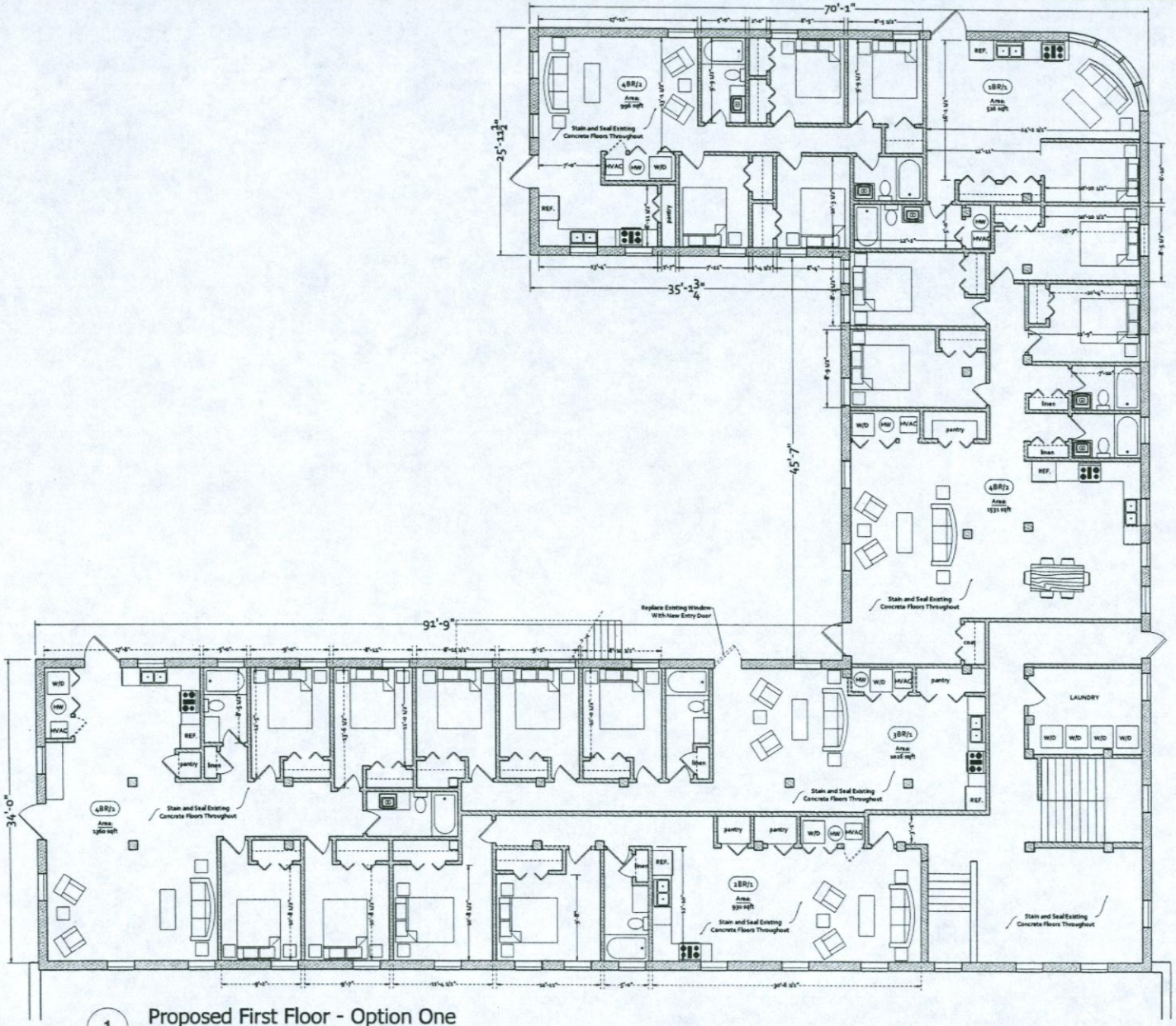
Title: Market Manager

Date: November 14, 2012

EXHIBIT A
ARCHITECTURAL DRAWINGS

HENDERSON
&
GOUGER


2BR/1
Area:
835 sqft
REF.
2BR/1
Area:
769 sqft
REF.
lobby
Area:
548 sqft
81'-0 3/4"



1 Proposed First Floor - Option One

3/16" = 1'-0" Scale

General Notes

863 McCallie Avenue
Chattanooga, TN

PRELIMINARY BID SET

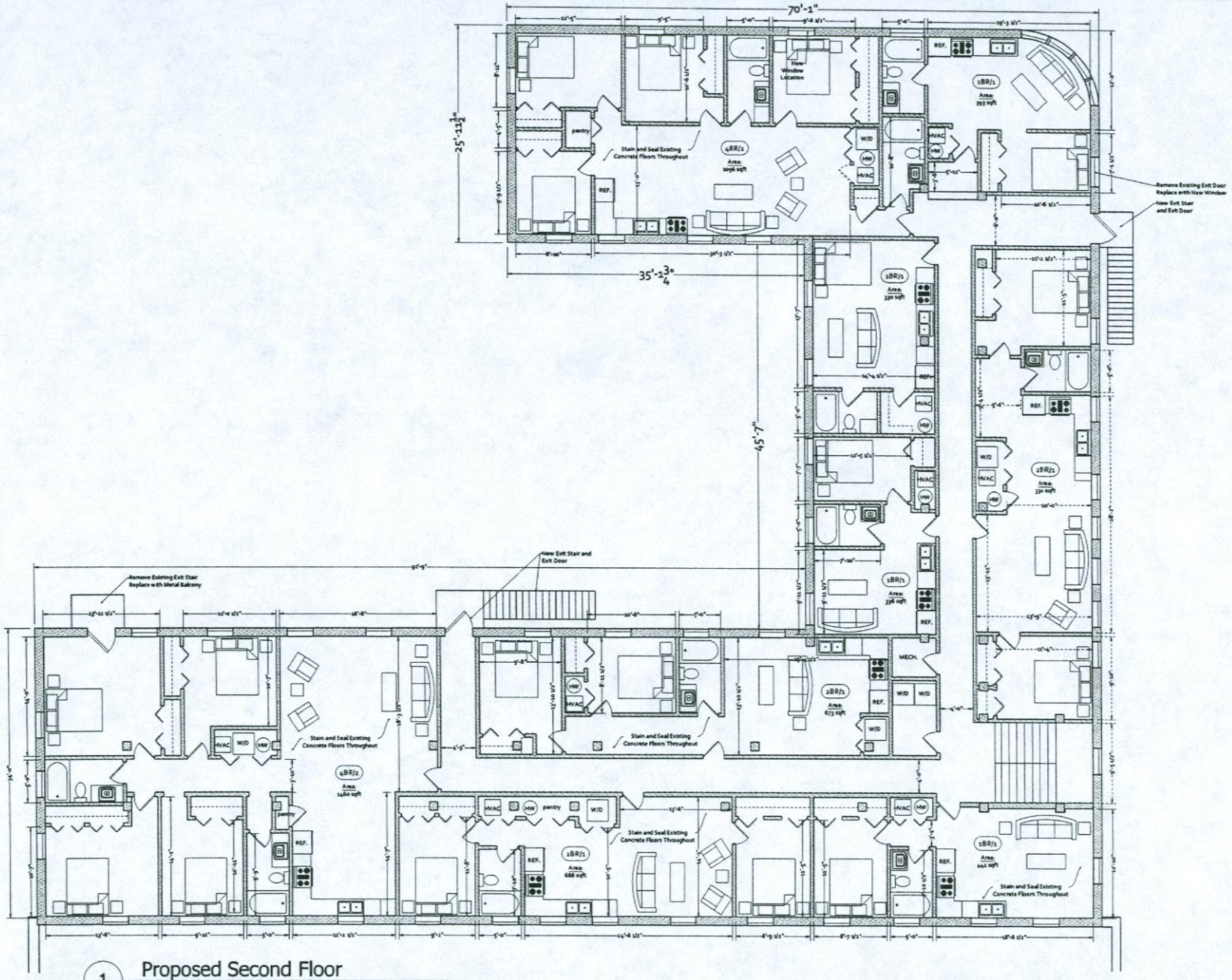
No.	Revision/Issue	Date

Firm Name and Address

(n)habit
environmental supply + design
427 Chestnut Street, #226
Nashville, TN 37203
615.891.2349
www.n-habit.net

Date: Fall 2012

Sheet: A1.0



1 Proposed Second Floor

3/16" = 1'-0" Scale

General Notes

863 McCallie Avenue
Chattanooga, TN

PRELIMINARY BID SET

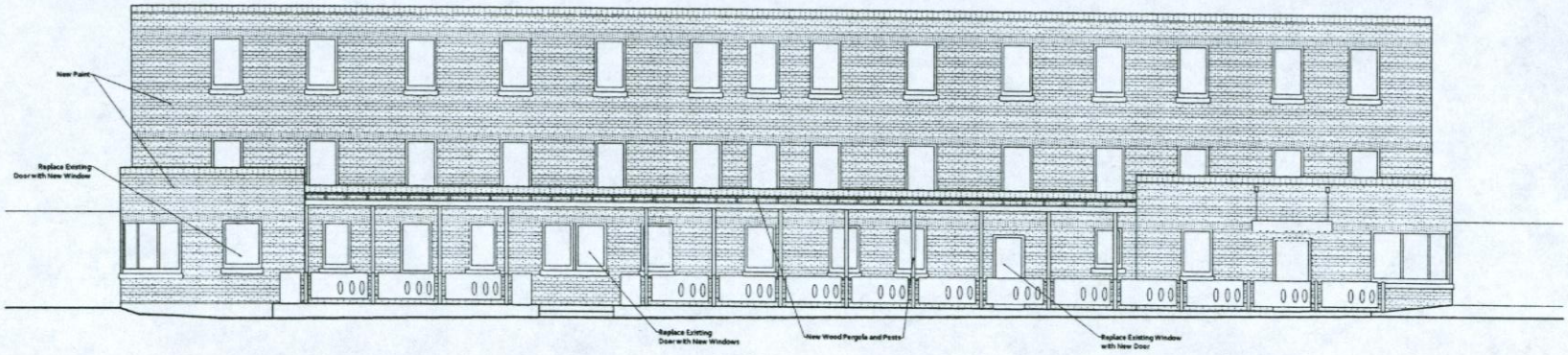
No.	Revision/Issue	Date

Firm Name and Address

(n)habit
environmental supply + design
427 Chestnut Street, #226
Nashville, TN 37203
615.891.2349
www.n-habit.net

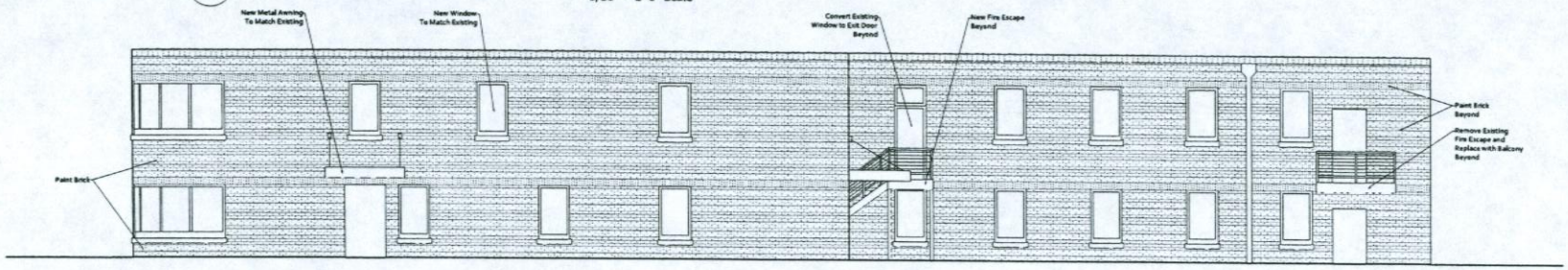
Date: Fall 2012

Sheet: A1.2



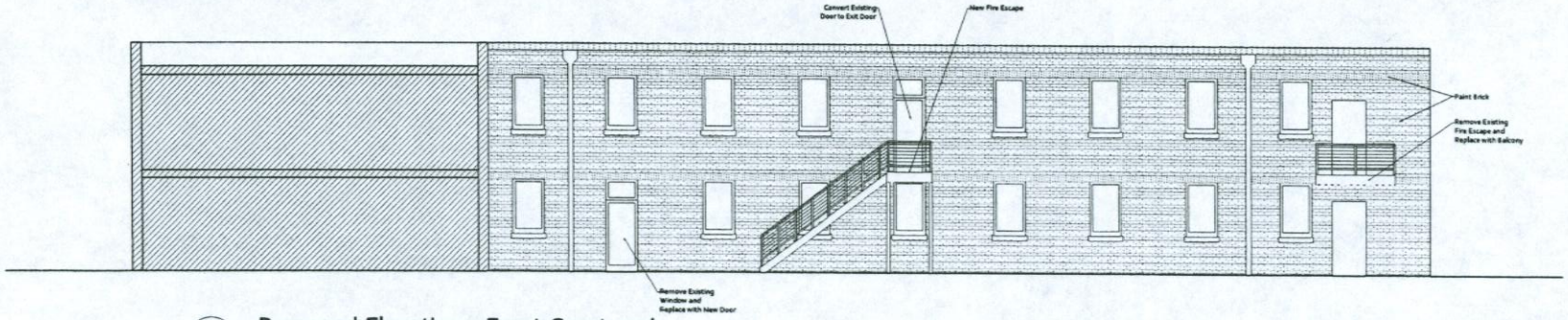
1 Proposed Elevation - Street

3/16" = 1'-0" Scale



2 Proposed Elevation - Back

3/16" = 1'-0" Scale



3 Proposed Elevation - Front Courtyard

3/16" = 1'-0" Scale

General Notes

863 McCallie Avenue Chattanooga, TN

PRELIMINARY BID SET

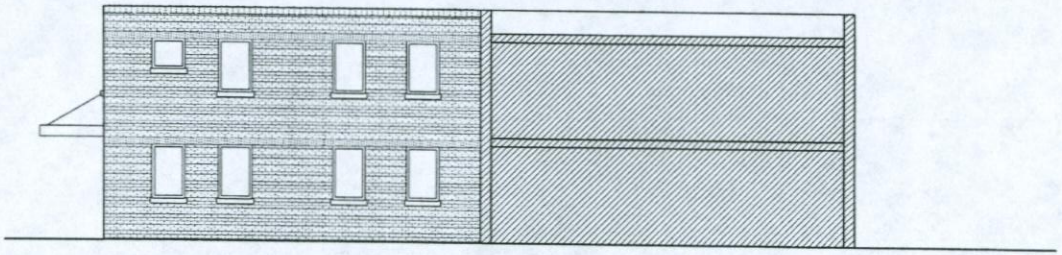
No.	Revision/Issue	Date

Firm Name and Address

(n)habit
environmental supply + design
427 Chestnut Street, #226
Nashville, TN 37203
615.891.2349
www.n-habit.net

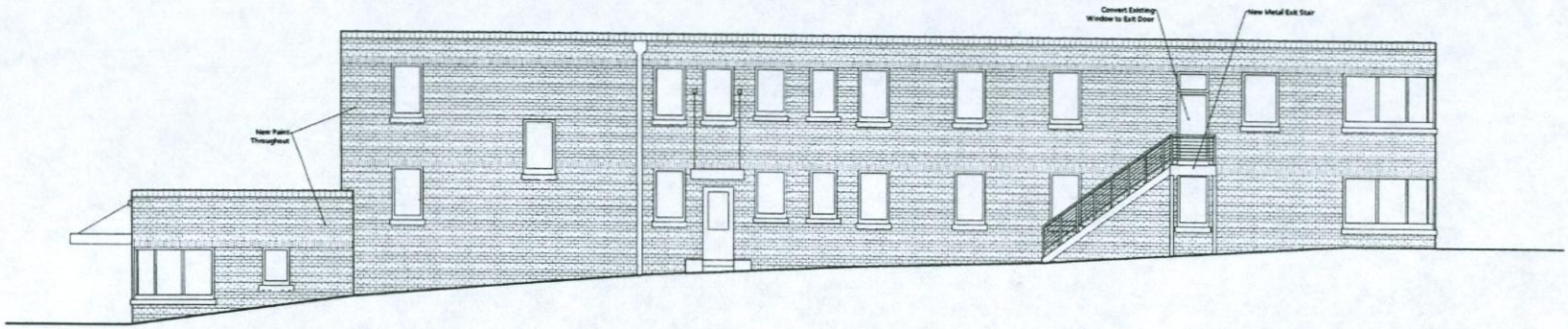
Date: Fall 2012

Sheet: A2.0



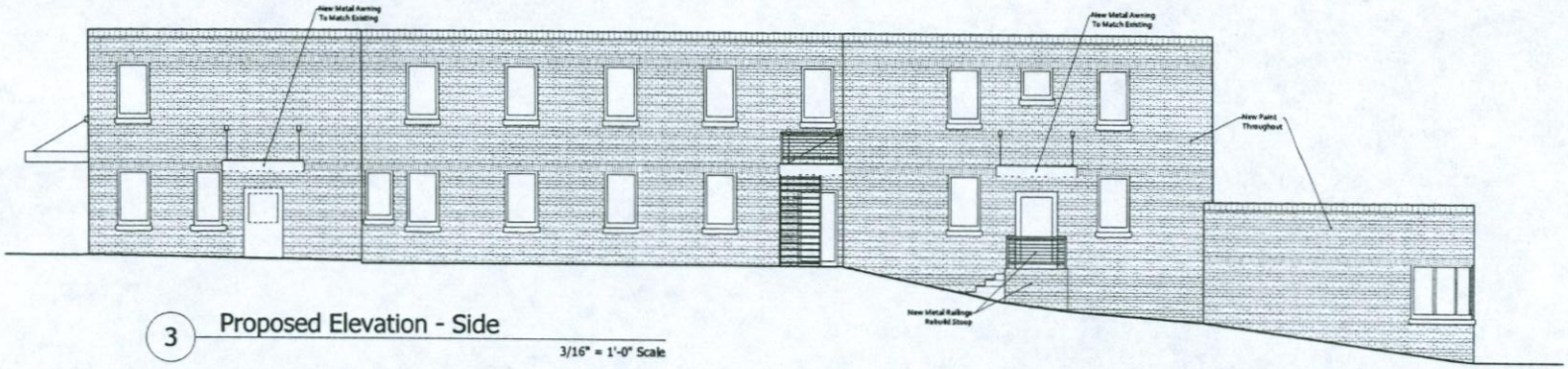
1 Proposed Elevation - Back Courtyard

3/16" = 1'-0" Scale



2 Proposed Elevation - Side

3/16" = 1'-0" Scale



3 Proposed Elevation - Side

3/16" = 1'-0" Scale

General Notes

863 McCallie Avenue
Chattanooga, TN

PRELIMINARY BID SET

No.	Revision/Issue	Date

Firm Name and Address

(n)habit
environmental supply + design
427 Chestnut Street, #226
Nashville, TN 37203
615.891.2349
www.n-habit.net

Date: Fall 2012

Sheet: A2.1

EXHIBIT B
PROJECT COST ESTIMATE

Project Budget

Developer Site Costs		
Phase 1 Environmental	2,300	
Lead Paint/Asbestos Inspection	2,000	
Building Inspection	1,200	
Other	40,000	
		$45,500
Soft Costs		
Architect Fee	65,000	
Engineering (Structural)	5,000	
Engineering (Civil)	0	
Capitalized Interest	30,000	
W2CH Developer Costs (allocation)	45,000	
Total Soft Costs		$145,000
Hard Costs		
Acquisition & Closing Costs	548,375	
Building Costs	1,239,744	
Contingency	123,974	
Furnishings	20,000	
		$1,932,094
Total Project Costs		**$ 2,122,594**

EXHIBIT C
PROPOSED LOAN TERMS

Lender:	Keller Enterprises
Loan Amount:	$1,575,000
Interest Rate:	7.0% (interest only during construction)
Term:	Interest only (term and amortization)
Other:	