Karen Johnson Davidson County
Batch# 964034 DEEDQC
01/24/2023 01:08:08 PM 9 pgs
Fees: $47.00 Taxes: $0.00
20230124-0005468

This instrument prepared by:
METROPOLITAN GOVERNMENT
DEPARTMENT OF LAW
1 Metropolitan Courthouse, Suite 108
Nashville, Tennessee 37219-6300

STATE OF TENNESSEE
COUNTY OF DAVIDSON
The actual consideration or true value, whichever is greater for this transfer is
$ 0, Affiant
Subscribed and sworn before me this the 24 Day of January, 2023.
, Deputy Register

Quitclaim Deed

Address New Owner(s) as follows:	Send Tax Bills to:	Map and Parcel Number:
Affordable Housing Resources, Inc. 50 Vantage Way, Suite 107 Nashville, Tennessee 37228	SAME	04213007100

For and in consideration of Twelve dollars ($12.00), cash in hand paid, the receipt of which is hereby acknowledged, **The Metropolitan Government of Nashville and Davidson County**, by these presents do hereby quitclaim and convey unto **Affordable Housing Resources, Inc.**, all the interest it may possess in the following parcel of property, being more particularly described as follows:

Land in Davidson County, Tennessee:

LOT 101 SEC 3 SHERRY HGTS

Map and Parcel Number 04213007100

Deed Book 20050919, Page 0112238

This is improved property located at **204 Port Drive, Madison, TN 37115**.
This conveyance is subject to any and all existing easements, sanitary sewer, utility or other easement, whether or not recorded as a public record.

SUBJECT HOWEVER, THAT IN THE EVENT THE GRANTEE, Affordable Housing Resources, DOES NOT DEVELOP THE PROPERTY FOR THE PURPOSE OF AFFORDABLE AND WORKFORCE HOUSING BY NOVEMBER 17, 2027, THEN THE HEREIN DESCRIBED PROPERTY SHALL REVERT BACK TO THE DIVISION OF PUBLIC PROPERTY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY FREE AND CLEAR OF ANY CLAIMS OF THE GRANTEE.

IN WITNESS WHEREOF, THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, has caused this instrument to be executed by the Director of Public Property Administration, duly authorized in Metropolitan County Council Ordinance No. **RS2022-1857**, so to act on its behalf, this the 4th day of January, 2023.

THE METROPOLITAN GOVERNMENT
OF NASHVILLE & DAVIDSON COUNTY,
TENNESSEE BY:

Abraham Wescott

Abraham Wescott, Director
Public Property Administration

STATE OF TENNESSEE)
COUNTY OF ~~DAVIDSON~~)
SUMNER

Before me, the undersigned, a Notary Public in and for the aforesaid State and County, personally appeared **Abraham Wescott**, with whom I am personally acquainted and who, upon their oath, acknowledged them to be the Public Property Administrator of THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, and that they, as such Director, being authorized to do so, executed the foregoing instrument for the purposes contained therein.

Witness my hand and official seal at Nashville, Tennessee, this 4th day of January, **2023**.

Terri Jaynes
Notary Public

My Commission Expires: March 3, 2026

TERRI JAYNES
STATE OF TENNESSEE
NOTARY PUBLIC
SUMNER COUNTY
MY COMMISSION EXPIRES MARCH 03, 2026

This Instrument Prepared By:
Metropolitan Housing Trust Fund Commission
800 2nd Avenue South
Nashville, Tennessee 37210

Exhibit A

DECLARATION OF RESTRICTIVE COVENANTS

2023

This Declaration of Restrictive Covenants ("Declaration") is made by the Metropolitan Government of Nashville and Davidson County ("Metro") by and through the Metro Housing Trust Fund Commission ("Commission"). This Declaration applies to the real property located at:

204 Port Drive Madison, TN 37115 (Parcel ID: 04213007100)

RECITALS

WHEREAS, Metro has provided funds to develop the Property; and,

WHEREAS, the intent of Metro in providing the funds is to create affordable housing on the Property for persons of low income; and,

WHEREAS, the intent of the Grantor is to preserve through this Declaration the affordability of the Property for persons of low income citizens of Davidson County.

Declaration

Now, therefore, for and in consideration of the matters set forth in the Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor, by this Declaration, does declare the Property is and shall be held, transferred, sold, conveyed, and occupied subject to the following covenants, restrictions, easements, charges, liens and agreements set forth in this Declaration, which shall run with the Property and be binding on all parties having any right, title or interest in any of the Property or any part thereof and their heirs, successors and assigns.

1. **Definitions**.
   a. "Affordability Period" shall mean the period of time commencing upon the issuance of a Use and Occupancy Permit by the Metropolitan Government of Nashville and Davidson County and continuing in effect for a period of thirty (30) years thereafter.

   b. "Annual Income" shall have the same meaning as in HUD regulations found in 24

CFR part 5, entitled "General HUD Program Requirements; Waivers".

c. "Area" means the metropolitan statistical area that includes Davidson County, Tennessee.

d. "Area Median Income" ("AMI") means the median annual income for a family of four or more for the Area most recently published by the United States Department of Housing and Urban Development ("HUD").

e. "Certificate of Eligibility" means a certificate issued by the Metropolitan Government, the Grantee, or a HUD-certified counseling agency confirming that the holder of the certificate is a Qualified Household.

f. "Commission" means the Metro Housing Trust Fund Commission (also known as the "Barnes Fund").

g. "Grantee" means the entity to which the Metropolitan Government first conveys the Property or funds with which that entity has agreed to construct or provide affordable housing.

h. "Homeowner" means the legal owner of the Property other than the Grantee.

i. "HUD" means the United States Department of Housing and Urban Development.

j. "Mortgagee" means a lender who acquires a valid recorded security interest in connection the Homeowner's acquisition of the Property.

k. "Qualified Household" means a household that at the time of applying for a Certificate of Eligibility meets the following requirements to become a Homeowner: (i) has Annual Income that does not exceed 80 percent of the Area Median Income for a family of four and adjusted for family size for families that exceed a family of four as determined by the most recent Area Media Income (AMI) guidelines that are published annually by HUD.

2. **Requirement of Title**. Compliance with the provision of this Declaration shall be deemed to be a requirement of title. The Property may not be transferred to any person or entity other than a Qualified Household except as otherwise provided in this Declaration.

3. **Affordability Requirements**. Throughout the Affordability Period, no Property shall be sold except to a Qualified Household for use by said qualified buyer solely as a principal residence. The annual AMI income limits for a family of four are shown below for illustrative purposes. These income limits are updated annually by HUD and should be used to determine whether a new Homeowner qualifies as a Qualified

Household. When qualifying a person as a potential buyer, the most recently published annual income limits will be used.

2022 INCOME LIMITS*

Nashville-Davidson—Murfreesboro—Franklin, TN MSA

**Income limits will be updated in April 2023 when released by HUD, 2022 limits will be used until updated income limits are released.*

	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80% Income Limit	$52,850	$60,400	$67,950	$75,450	$81,500	$87,550	$93,600	$99,600

During the Affordability Period, a Homeowner desiring to sell, dispose of or otherwise convey the Property, shall so notify the Grantee and the Commission in writing (the "Conveyance Notice"). The Homeowner is responsible for finding a new Homeowner who meets the requirements of a Qualified Household. The Grantee may help the Homeowner with this. The sale to the Homebuyer must occur within six (6) months of completion of the income determination. The HUD Exchange web site provides an income eligibility calculator that can be used to perform an initial assessment to determine income eligibility. The link below contains a guide for using this income eligibility calculator:

https://www.hudexchange.info/resources/documents/CPDIncomeEligibilityCalculator_User%20Manual_Version2.0.pdf

4. **Use During the Affordability Period**. During the Affordability Period: (i) every residential unit must be occupied for at least 10 months each year except with the Commission's express written consent; (ii) and the Property may only be used as a principal residence of the Homeowner and their heirs. Homeowner shall be responsible for the timely payment of hazard insurance for the full replacement cost of all improvements on the Property, and all taxes, assessments and fees accruing on the Property.

5. **Permitted Structures**. Throughout the Affordability Period, only structures permitted in residentially zoned areas of the Metropolitan Government may be built upon the Property.

6. **Debt and Refinance Limitations**. If a Homeowner desires to obtain or refinance any loan (a "Loan") to be secured by the Property, and such Loan will cause that Homeowner's total indebtedness to exceed the original purchase price paid by that Homeowner for the Property, then not less than 45 days prior to obtaining or refinancing the Loan, Homeowner shall submit to the Commission a copy of the proposed loan's terms. The Commission will approve the Loan unless The Commission reasonably objects to the terms.

7. **Foreclosure**. The holder of record of any mortgage or other encumbrance on the Property (each a "Mortgagee") and Homeowner of the Property shall comply with the following provisions upon foreclosure proceedings or similar remedial action pursuant to its mortgage or other encumbrance:

(a) The Homeowner shall provide permission to the Mortgagee for the Mortgagee to notify Metro and the Grantee in the event of any default for which Mortgagee intends to commence foreclosure proceedings or similar remedial action pursuant to its mortgage (the "Foreclosure Notice"). This notice shall be sent by Mortgagee to Metro and the Grantee according to the notice provision of this Agreement, not less than ninety (90) days prior to the foreclosure sale or the acceptance of a deed in lieu of foreclosure. The Homeowner shall also deliver a copy of the Foreclosure Notice and any other communications and disclosures made by the Mortgagee pursuant to any instrument relating to a mortgage or encumbrance to Metro and the Grantee promptly upon receipt.

(b) Grantee shall have the first right of refusal and option to purchase the Property for a price not to exceed the outstanding balance of the delinquent mortgage, costs associated with collection actions taken up to the purchase date and agreed upon closing costs. At the conclusion of ten (10) days, Grantee will provide Metro written notice as to its decision to exercise or refuse its option to purchase the Property. In the event Grantee refuses its option to purchase the Property, Metro shall have the second right of refusal and option to purchase the property for a price not to exceed the outstanding balance of the delinquent mortgage, costs associated with collection actions taken up to the purchase and agreed upon closing costs. At the conclusion of the sixty (60) days after receipt of the Foreclosure Notice, if neither Metro nor Grantee exercises its option to purchases the Property, Metro will provide written notice thereof to Mortgagee, upon the receipt of which the Mortgagee may proceed with its right of foreclosure or acceptance of a deed or assignment in lieu of foreclosure. After such foreclosure or acceptance of a deed in lieu of foreclosure, this declaration shall be forever terminated and shall have no further effect as to the Property or any transferee thereafter.

(c) In the event of purchase of the Property by the Grantee, the Grantee shall promptly notify Metro in writing of the purchase and diligently seek to sell the Property to a Qualified Household. Should the Homeowner be unable to find a Qualified Household to buy or lease the Property despite a good faith effort, including listing the Property with a licensed real estate agent for at least one hundred twenty (120) days, then Metro shall have the option to purchase the Property from the Grantee for the total purchase amount paid by the Grantee to the Mortgagee. If Metro declines its option to purchase the Property from the Grantee, the Grantee may then sell the Property to a household that does not meet the income-based requirements of a Qualified Household ("Ineligible Household"). Sale to an Ineligible Household pursuant to this paragraph will terminate this Declaration, and in such instance and upon request of the purchasing Ineligible Household, Metro, the Commission, and Grantee, or their successors or assigns, shall execute a termination of Declaration and record such Declaration in the Register's Office for Davidson County within thirty (30) days.

8. **Conveyance by Operation of Law**. In the event that an ownership interest in a Property is transferred by operation of law, death, divorce, court order or other similar occurrence, the person or persons ("Transferee") to whom the Property is transferred shall, within 60 days after such transfer becomes effective (the effective date of the transfer being the "Transfer Date"), notify Grantee and the Commission in writing of the transfer and either (1) obtain a Certificate of Eligibility, (2) promptly and diligently seek to sell the Property to a Qualified Household, (3) sell the Property to the Grantee for a price not to exceed the outstanding balance of all mortgages and liens and agreed upon closing costs. Grantee shall notify Metro of its decision to exercise or refuse its option to purchase within ninety (90) days of the Transfer Date. In the event Grantee declines its option to purchase the Property, Metro shall have a right to purchase the property for a price not to exceed the outstanding balance of all outstanding mortgages and liens and agreed upon closing costs. In the event neither Metro nor Grantee exercises its option to purchase the Property, Transferee shall be entitled to maintain ownership of the Property or sell the property to a household that does not meet the income-based requirements of a Qualified Household ("Ineligible Household"). Should a Transferee who is required to sell the Property fail to do so within 120 days after the Transfer Date, such Transferee or Homeowner shall notify Metro in writing ("Transfer Notice") of such fact, which shall constitute a breach of this Declaration.

In the event of purchase of the Property by the Grantee, the Grantee shall promptly notify Metro in writing of the purchase and diligently seek to sell the Property to a Qualified Household. Should the Grantee be unable to find a Qualified Household to buy or lease the Property despite a good faith effort, including listing the Property with a licensed real estate agent for at least one hundred twenty (120) days, then Metro shall

have the option to purchase the Property from the Grantee for the total purchase amount paid by the Grantee to the Transferee. If Metro declines its option to purchase the Property from the Grantee, the Grantee may then sell the Property to an Ineligible Household. Sale to an Ineligible Household pursuant to this paragraph will terminate this Declaration, and in such instance and upon request of the purchasing Ineligible Household, Metro, the Commission, and Grantee, or their successors or assigns, shall execute a termination of Declaration and record such Declaration in the Register's Office for Davidson County within thirty (30) days.

9. **Prohibition on Discrimination**. No person shall, on the grounds of race, color, sex, religion, sexual orientation or national origin, be excluded from participation in, be denied the benefits of, or otherwise subject to discrimination with regard to the sale, lease, rental, use or occupancy of the Property.

10. **Severability**. The invalidity of any clause, part, provision or section of these Restrictive Covenants shall not affect the validity of the remaining portions herein.

11. **Notices**. Notice required by this Declaration to be given to the Commission shall be delivered to:

    Metro Housing Trust Fund Commission
    Planning Department – Housing Division
    800 2nd Avenue South
    Nashville, TN 37210

    Notices required by this Declaration to be given to the Grantee shall be delivered to:

    Affordable Housing Resources, Inc.
    50 Vantage Way, Ste. 107
    Nashville, TN 37228

    Notices required by this Declaration to be given to a Mortgagee shall be delivered to the notice address on the deed of trust given to the Mortgagee.

    Notices required by this Declaration to be given to a Homeowner or Transferee shall be delivered to the Property.

    Any notices, demands or requests that may be given under this Declaration shall be sufficiently served if given in writing and delivered by hand or mailed by certified or registered mail, postage prepaid, return receipt requested, to the entities and parties in interest at the addresses designated above, or such other addresses as may be specified

by any party (or its successor) by such notice. Any such notice, demand or request shall be deemed to have been given on the day it is hand delivered or mailed.

12. **Amendment**. The Commission shall have the right to amend, modify or release this Declaration by an instrument recorded with the office of the Davidson County Register of Deeds, provided that any amendment or modification shall not impose materially greater obligations on, nor materially diminish the rights of, Grantee, Homeowner, or any Mortgagee. Without limitation, the Metropolitan Government shall have the right to establish or change resale restrictions for any Property subject to this Declaration, subject to the foregoing proviso.

13. **Compliance with Applicable Laws**. Any person or entity claiming an interest in any Property covered by this Declaration shall comply with all applicable federal, state or local laws, statutes, ordinances, codes, rules, regulations, as may be amended from time to time. For clarification, despite the fact that various HUD regulations and regulations regarding HUD programs, said regulations are incorporated only for convenience in establishing commonly understood affordability requirements and do not apply generally to the Property. Instead, such regulations apply only to the extent explicitly set forth in this Declaration.

14. **Breach and Enforcement**. In the event of a breach or violation of this Declaration, the Commission shall have the right to take such enforcement action as it determines may be necessary, including, without limitation, the right to seek:
    a. injunctive or other equitable relief;
    b. disgorgement of sale proceeds attributable to a sale in violation of this Declaration;
    c. rescission of any sale in violation of this Declaration; and
    d. specific performance.

15. **Governing Law and Venue**. This Declaration shall be governed by the laws of the State of Tennessee. No action arising out of this Declaration shall be brought except in the Chancery or Circuit Courts of Davidson County, Tennessee.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed as of the date first written above.

THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY, TENNESSEE BY:

Abraham Wescott

Abraham Wescott, Director
Public Property Administration

STATE OF TENNESSEE
COUNTY OF ~~DAVIDSON~~ SUMNER

Before me, the undersigned a Notary Public, in and for the State and County aforesaid, personally appeared, **Abraham Wescott**, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Director of Public Property Administration for the Metropolitan Government of Nashville and Davidson County, and that he as such Director of Public Property Administration executed the foregoing instrument for the purposes therein contained, by signing the name of Metropolitan Government of Nashville and Davidson County himself as Director of Public Property Administration.

WITNESS my hand and official seal at Nashville, Tennessee, this 23rd day of January, 2023.

Terri Jaynes

NOTARY PUBLIC

My Commission Expires: 3/3/26

TERRI JAYNES
STATE OF TENNESSEE NOTARY PUBLIC
SUMNER COUNTY
MY COMMISSION EXPIRES MARCH 03, 2026