

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

Monday, September 15, 2025 @ 12:30 PM

1. Call to Order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Election of Officers – Chair/Vice-Chair/Secretary.
4. Approval of the Minutes for May 19, 2025, monthly meeting.
5. Recognition of Persons Wishing to Address the Board.
6. **One Westside 2B Bond Issuance**

Final Resolution authorizing issuance of not to exceed \$20 million the Health Educational and Housing Facility Board of the City of Chattanooga, Tennessee, Multifamily Housing Revenue Bonds (One Westside Phase 2B Project). **(HEB-2025-08)**

7. A resolution authorizing the sole source purchase of services from “Reinvestment Fund” for an update to the City’s Market Value Analysis (MVA) to examine how Chattanooga’s housing market has changed, particularly in response to various municipal-led housing activities in the last two years, in the amount of \$50,000.00 (Sole Source approved by City Purchasing). **(HEB-2025-09)**
8. A resolution ratifying the Chair’s execution of an Inspection and Maintenance Agreement of Private Stormwater Management Facilities relating to the CNE/Lyerly PILOT Project. **(HEB-2025-10)**
9. Other Business-Discussion.
 - a. Lawsuit concerning the Espero PILOT Project filed by Demolition & Environmental Companies, LLC.
 - b. FYI - Reports on Debt Obligation – Silverdale Baptist Academy Project Series 2025A in the amount of \$2,166,727 and Series 2025B in the amount of \$2.5 million.
10. Adjournment.



HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD

City of Chattanooga, Tennessee MONTHLY MEETING MINUTES

John P. Franklin, Sr. Council Building

J.B. Collins Conference Room

1000 Lindsay Street

Chattanooga, TN 37402

for

Monday, May 19, 2025

12:30 PM

Present Board Members: Richard Johnson (Vice-Chair); Hank Wells (Secretary); Andrea Smith, Brian Erwin; and Kanika Wellington-Jones. Absent were Hicks Armor (Chair); Malcolm Harris; and Tom Hirsch.

Also present were Phillip A. Noblett (Counsel to the Board); Steve Barrett (Husch Blackwell); Erin Martin (Silverdale Academy); John Eaves (Regions Bank); Russ Miller (Bass Berry & Sims); Richard Beeland (Economic Development); Javaid Majid, Weston Porter, and Matt Dale (Finance); Ellen Gent (Times Free-Press); and Shirley Hilt (OCA).

WELCOME NEW BOARD MEMBER

Ms. Kanika Wellington-Jones is a new board member representing District 8 which is Councilwoman Marvene Noel's district. Ms. Jones is ready to dive in, learn, and contribute.

Vice-Chairman Richard Johnson confirmed that the meeting was properly advertised and there is a quorum to conduct business.

MINUTES APROVAL FOR THE MARCH 17, 2025, MONTHLY MEETING

On motion of Mr. Wells, seconded by Mr. Erwin, the March 17, 2025, minutes for the monthly meeting were unanimously approved as written.

PUBLIC COMMENTS

There was no one from the public present with comments.

TEFRA Hearing – Silverdale Baptist Academy
Bond Issuance - \$4,750,000

On motion of Mr. Erwin, seconded by Mr. Wells,

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 EDUCATIONAL FACILITIES REVENUE BONDS (SILVERDALE BAPTIST ACADEMY PROJECT) SERIES 2025, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$4,750,000.00). (HEB-2025-07)

Attorney Phil Noblett said that this is a new component that Silverdale will be doing additional construction. There have been loans outstanding on this and will be refinancing approximately \$2.2 million in connection with this matter. There is going to be additional construction. The reason for this meeting at this time is to try to make sure that whenever school ends there can be the start of construction soon thereafter that will be able to be used for this facility as quickly as possible. These are bonds that are proposed to be purchased by Regions Capital Advantage, Inc., which is an affiliate of Regions Bank, and they will hold this as a loan on the books at a bonding rate that this board can offer as the HEB.

Mr. Russ Miller is bond counsel for the applicant. This is a tax exempt bond issue for Silverdale Baptist Academy. They are a 501(c)(3) entity and affiliated with Silverdale Baptist Church but are a separate 501(c)(3) entity. There are two components to this financing. One is for new construction on the campus, mostly related to their athletic facility, and the second is refinancing construction of the Silverdale Center on the campus, which is a pretty large, multi-purpose facility that they are occupying now. That financing was done from a traditional commercial loan. They are now refinancing that through the HEB on a tax exempt basis to get a lower rate. Both of these are short term loans with five (5) year maturities. The Regions Bank and Silverdale Baptist representatives are present.

Regions is going to purchase these bonds to hold for their own account. They are not distributing them. They are tax exempt like most of the deals that the HEB does. There is no recourse to this board and no recourse to the City. Regions is looking solely at the school for repayment.

Attorney Noblett said that this is a TEFRA hearing that has been noticed in the paper more than seven (7) days in advance of this meeting. It is a public hearing for anyone that has any questions regarding this issuance of bonds. There was no one from the public present to speak about this bond issuance.

Mr. Brian Erwin had a question about how quickly that it is intended to have the financing approved. Mr. Miller said that if the Board approves it today, the hope is to close by the end of this month or early June. They want to get construction started to have everything ready to go by the time school opens.

Ms. Erin Martin said that it is a multi-purpose athletic facility. We will start with the football and soccer fields which are also the community field. That is the one that we use most often for community outreach. Ms. Andrea Smith asked if that facility will be able to be used by the community as well or is it solely for a school's purpose? Mr. Miller said that for tax exempt bond purposes it has to be used primarily by a 501(c)(3) entity that is getting the benefit of the financing. Primarily, it has to be used by the school. Ms. Martin said that is the primary use. They are a K-12 school and all of the grades use that. It is a multi-purpose field. Part of their mission statement is outreach into the community. They will host summer camps. It is a platform for our kids to serve the community like football camps, baseball camps, and things that the community can use the facility as well. Their school hosts it.

Vice-Chairman Johnson said that this sounds similar to like the Brainerd BX which is through Brainerd Baptist Church and Brainerd Baptist School. Ms. Martin is not sure how their non-profits are set up. After further discussion, the facility is open to the community.

Attorney Noblett said that this board has also issued bonds for the folks at Baylor, McCallie, and GPS under similar grounds.

After further discussion, the motion carried.

ADOPTED

OTHER BUSINESS-DISCUSSION

FYI - IRS Tax Exempt Compliance – Patten Towers Apartments Project.

Attorney Noblett said that we should probably report this to the Board that the HEB is in line with the Internal Revenue Service. They have received some information from us and given us the aspect of closing a compliance response based upon the information we provided them. The HEB is not currently under review by the IRS and at any time that occurs we would like to let the Board know.



After further discussion, a motion to adjourn the meeting was made by Mr. Erwin, seconded by Ms. Smith, and the meeting adjourned at 12:45 PM.

Respectfully submitted,

Hank Wells, *Secretary*

APPROVED:

Hicks Armor, *Chair*

**FINAL RESOLUTION AUTHORIZING ISSUANCE OF NOT TO
EXCEED \$20,000,000 THE HEALTH, EDUCATIONAL AND
HOUSING FACILITY BOARD OF THE
CITY OF CHATTANOOGA, TENNESSEE
MULTIFAMILY HOUSING REVENUE BONDS
(ONE WESTSIDE PHASE 2B PROJECT) SERIES 2025**

WHEREAS, the Board of Directors of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee (the "Issuer"), has met pursuant to proper notice on September 15, 2025; and

WHEREAS, One Westside Phase 2B, LP, a Tennessee limited partnership (the "Borrower"), has requested the Issuer to finance the acquisition, construction and equipping of an approximately 90-unit housing facility for low and moderate-income citizens to be known as One Westside Phase 2B located in Chattanooga, Tennessee (the "Project"), which project is of the character and will accomplish the purposes of Part 3 of Chapter 101 of Title 48 of the Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, the Issuer proposes to finance the Project by the issuance and sale of its revenue bonds in an amount not to exceed \$20,000,000; and

WHEREAS, the Issuer previously held a public hearing with respect to the issuance of Bonds, as required under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, there have been submitted to the Issuer at the meeting on September 15, 2025, the forms of the following instruments which the Issuer proposes to execute to carry out the transactions described above, copies of which instruments shall be filed with the records of the Issuer:

(a) Bond Purchase Agreement (the "Purchase Agreement") by and among the Issuer, the Borrower, and the purchaser thereof (the "Bond Purchaser");

(b) Trust Indenture (the "Indenture") between the Issuer and a designated trustee (the "Trustee");

(c) The form of the Issuer's Multifamily Housing Revenue Bonds (One Westside Phase 2B Project), Series 2025 (the "Bonds");

(d) Loan Agreement (the "Loan Agreement") between the Issuer and the Borrower, to provide for the loan of the proceeds of the Bonds to the Borrower and for the repayment of such loan; and

(e) A Preliminary Official Statement (the "Preliminary Official Statement") relating to the issuance and sale of the Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE:

1. It is hereby found and determined that the financing of the Project will assist the Borrower in connection with its mission of providing safe, affordable housing to the citizens of the State of Tennessee, thereby improving their health and wellbeing and promoting the purposes of the Act.

2. It is hereby found to be most advantageous to sell the Bonds, upon the terms and conditions set forth in the Purchase Agreement.

3. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute and either is authorized to deliver the Purchase Agreement to the other parties thereto.

4. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute, and the Secretary or Assistant Secretary of the Issuer is authorized to attest, and either is authorized and directed to deliver the Indenture to the Trustee.

5. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute, and the Secretary or Assistant Secretary of the Issuer is authorized to attest, and either is authorized to deliver the Loan Agreement to the Borrower, the Trustee and the Lender.

6. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute by facsimile or manual signature, attested by the facsimile or manual signature of its Secretary or Assistant Secretary, and either is authorized and directed to deliver the Bonds to the Trustee for authentication and delivery to the Bond Purchaser thereof upon payment of the purchase price therefor.

7. The Issuer hereby approves the preparation and distribution of the Preliminary Official Statement in connection with the sale of the Bonds. The Issuer hereby authorizes the preparation of an

HEB-2025-08

Official Statement in substantially the same form as the Preliminary Official Statement with such changes as are necessary to finalize and complete the Preliminary Official Statement. Nothing herein shall constitute the approval by the Issuer of the form of the Preliminary Official Statement, the Official Statement or the information contained therein other than information directly relating to the Issuer contained therein. The Chair of the Issuer is hereby authorized to execute such certificates as are requested to deem the Preliminary Official Statement as final as of its date within the meaning of Rule 15c2-12 under Securities Exchange Act of 1934.

8. The Purchase Agreement, the Indenture, the Loan Agreement and the Bonds shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes (which such changes may include, without limitation, the addition of different interest rate modes and a long term direct placement mode); provided, however, that the Bonds shall bear interest at a rate or rates not to exceed the maximum rate permitted by law and the Bonds shall mature on or before forty (40) years after the issuance thereof.

9. The officers of the Issuer are hereby authorized and directed to execute, deliver and file all certificates and instruments, including Internal Revenue Service Form 8038, financing statements to evidence security interests created under the Indenture, a Tax Exemption Certificate and Agreement, a land use restriction agreement and an informational statement to be filed with the State of Tennessee, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Project.

10. Any authorization herein to execute any document shall include authorization to record such document where appropriate.

11. The Bonds, and the interest payable thereon, are limited obligations of the Issuer, and shall not be deemed to constitute a general debt or liability of the Issuer, but shall be payable solely from such special sources and funds provided therefor in accordance with the provisions thereof and the provisions of the Indenture.

HEB-2025-08

Neither the State of Tennessee, nor any other political subdivision thereof, shall be liable for the payment of the principal of, or the interest on, the Bonds, or for the performance of any pledge, mortgage, obligation, agreement, or certification, of any kind whatsoever of the Issuer, and neither the Bonds, nor any of the pledges, mortgages, agreements, obligations, or certifications of the Issuer shall be construed to constitute an indebtedness of the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

No recourse under, or upon, any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents, including, without limitation, the Bonds, and the Indenture; or in any other document or certification whatsoever; or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue or any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents, including, without limitation the Bonds, and the Indenture; or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for, or to, the Issuer, or any receiver thereof, or from, or to, the owner of the Bonds for any sum that may be due and unpaid by the Issuer upon the Bonds, or the interest payable thereon. 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, to respond by reason of any act or omission on his or her part of otherwise for, directly or indirectly, the payment for, or to, the Issuer or any receiver thereof, or for, or to, the owners of the Bonds, of the principal of, or the premium, if any, or interest on, the Bonds shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents and the issuance of the Bonds.

11. All other acts of the officers of the Issuer which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds and the financing of the Project are hereby approved and confirmed.

HEB-2025-08

I hereby certify that attached hereto is a resolution of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, duly and lawfully adopted by its Board of Directors on September 15, 2025, at a meeting at which a quorum was acting throughout and I furthermore certify that such resolution has not been amended or modified in any respect.

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

By: _____
Name: Hicks Armor
Title: Chair

ATTEST:

Hank Wells, Secretary

HEB-2025-08

RESOLUTION

A RESOLUTION AUTHORIZING THE SOLE SOURCE PURCHASE OF SERVICES FROM “REINVESTMENT FUND” FOR AN UPDATE TO THE CITY’S MARKET VALUE ANALYSIS (MVA) TO EXAMINE HOW CHATTANOOGA’S HOUSING MARKET HAS CHANGED, PARTICULARLY IN RESPONSE TO VARIOUS MUNICIPAL-LED HOUSING ACTIVITIES IN THE LAST TWO YEARS, IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00) (SOLE SOURCE APPROVED BY CITY PURCHASING).

NOW THEREFORE, BE IT RESOLVED BY THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, That it is hereby authorizing the sole source purchase of services from “Reinvestment Fund” for an update to the City’s Market Value Analysis (MVA) to examine how Chattanooga’s housing market has changed, particularly in response to various municipal-led housing activities in the last two years, in the amount of \$50,000.00 (Sole Source approved by City Purchasing).

ADOPTED: September 15, 2025

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

Hicks Armor, *Chair*

ATTEST:

Hank Wells, *Secretary*

HEB-2025-09

Sole Source Justification - Update to Market Value Analysis

In 2023, the Reinvestment Fund completed a Market Value Analysis (MVA) for the City of Chattanooga. We are now undertaking a partial update of the MVA to assess how Chattanooga's housing market has changed, particularly in response to various municipal-led housing initiatives over the past two years.

This work requires a deep understanding of the MVA's unique methodology, including its statistical framework and the proprietary techniques used in its construction and application. The Reinvestment Fund is the sole organization capable of conducting this update. In addition to their proprietary approach, they incorporated Chattanooga-specific modifications in the original analysis—such as adjustments to account for the city's unique topography—that are essential to ensure accuracy and comparability in the updated study.

For these reasons, contracting with the Reinvestment Fund is the only viable option to produce a valid and consistent update to Chattanooga's MVA.



Memorandum to: Nicole Heyman, Chief Policy Officer, City of Chattanooga

From: Ira Goldstein, Senior Advisor of Policy Solutions, Reinvestment Fund

Subject: Justification of sole source contract

Date: August 25, 2025

The City of Chattanooga approached Reinvestment Fund about an update to some housing market analytics completed under contract with the City in 2023. Among the services under that contract was Reinvestment Fund's Market Value Analysis (or MVA). The MVA was first created by Reinvestment Fund in calendar year 2000 as part of a near four-hundred million dollar program in Philadelphia to invest in the city's neighborhoods in pursuit of neighborhood transformation. Since then, Reinvestment Fund has worked with more than 50 cities across the country to complete and update their MVA.

Chattanooga has asked that we undertake a partial update to its MVA and to examine how Chattanooga's housing market has changed, particularly in response to various municipal-led housing activities in the last two years. To do that work, one would need to understand the unique nature of the MVA, how it is constructed (i.e., the statistical and methodological underpinnings), and how it is properly used. Reinvestment Fund is the only organization in the country that could properly do this work. We note that Chattanooga's MVA had some very unique features. One such feature is the topography of the city, which we observed was very much related to the vitality of the city's housing market. This unique feature necessitated some spatial analytic adjustments to the MVA, making replication/update more complex.

The Reinvestment Fund team for Chattanooga will be led by Ira Goldstein. Dr. Goldstein (PhD, 1986; Temple University) created the MVA back in 2000 and has been involved in virtually every MVA Reinvestment Fund has completed since then. He started Reinvestment Fund's Policy Solutions group when he joined Reinvestment Fund in 1999. Previously, he was the Mid-Atlantic Director of Fair Housing and Equal Opportunity for the US Department of Housing and Urban Development. For nearly 40 years, Goldstein has been a Lecturer at the University of Pennsylvania (Urban Studies Program) teaching housing policy, research methods and statistics.

**CHATTANOOGA PURCHASING DIVISION
SOLE SOURCE JUSTIFICATION FORM**

Sole source purchases are goods and services available from only one supplier, and cannot be procured through the competitive bidding process because of the existence of a single source of supply, or other reason below. Justification for this basis must be provided, per purchase order.

Description of item/service, its function and cost estimate \$ _____

This is a sole source vendor because:

- ☐ Sole provider of proprietary rights, and/or is a licensed or patented good or service.
- ☐ Sole provider of items that are repair parts of or upgrades to existing equipment/systems.
- ☐ Sole provider of factory-authorized warranty service.
- ☐ Sole provider with specialized facilities or technical competence.
- ☐ Sole provider of unique equipment or products not offered by others.

Please attach the suggested vendor's letter stating the reasons that it is considered a sole source for the product/service.

What steps were taken to verify that these features are not available elsewhere?
(Attach any additional explanation)

☐ Other brands/manufacturers were examined (List specific company names, phone numbers and contact names, and explain why there were not suitable)

☐ Other vendors were contacted (List specific company names, phone numbers and contact names, and explain why these were not suitable).

☐ What specific feature makes this item unique and why is this feature needed for your project?

Suggested Vendor: _____

Department: _____ Contact: _____

My department's recommendation for sole source is based upon an objective review of the good/service being required and appears to be in the best interest of the City.

Department Head's Signature

Date

RESOLUTION

A RESOLUTION RATIFYING THE CHAIR'S EXECUTION OF
AN INSPECTION AND MAINTENANCE AGREEMENT OF
PRIVATE STORMWATER MANAGEMENT FACILITIES
RELATING TO THE CNE/LYERLY PILOT PROJECT.

NOW THEREFORE, BE IT RESOLVED BY THE HEALTH, EDUCATIONAL AND
HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, That it is hereby
ratifying the Chair's execution of an Inspection and Maintenance Agreement of Private
Stormwater Management Facilities relating to the CNE/Lyerly PILOT Project.

ADOPTED: September 15, 2025

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

Hicks Armor, *Chair*

ATTEST:

Hank Wells, *Secretary*

HEB-2025-10



PREPARED BY:
CITY OF CHATTANOOGA
LAND DEVELOPMENT OFFICE
1250 MARKET STREET, SUITE 1000

CHATTANOOGA, TN 37402

Grading Permit No.: L-23-184

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

INSPECTION AND MAINTENANCE AGREEMENT OF PRIVATE STORMWATER MANAGEMENT FACILITIES

THIS AGREEMENT, made this ____ day of July, 2025, by and
between _____, hereinafter referred
to as the "Owner" of the property described on **Exhibit "A"**
LT 34 MILL TOWN 2020 PB 6 PG 38 REV PB 127 PG 74 (the "Property"),
and City of Chattanooga, Tennessee, hereinafter referred to as the "City",

WITNESSETH:

The Owner, with full authority to execute deeds, mortgages, other covenants, all rights, titles, and interests in the Property, does hereby covenant with the City and agrees as follows:

1. The Owner acknowledges the existence of storm water management facility or facilities (hereinafter referred to as the Facility) for the Property.
2. The Owner covenants and agrees to provide for an adequate long term maintenance of storm water control measures to ensure that the Facility is and remains in proper working condition in accordance with approved design and maintenance standards, rules and regulations, and applicable laws for the life of any storm water management facility/best management practice that exists on the Property. This Agreement requires maintenance of best management practices by the Owner, but it does not require updating to new standards unless there is a change in the amount of impervious area initiated by the Owner or unless required by state or federal law.
3. The Owner should reference activities outlined in the City's *Stormwater Best Management Practices Maintenance Manual* (hereinafter referred to as the "Manual") incorporated herein by reference, along with necessary landscaping (grass cutting, etc.) and trash

removal as part of regular maintenance of the Facility. The Manual provides recommendations for frequency of inspections and maintenance and/or repair activities of the Facility. The Owner shall develop and execute a Long Term Maintenance Plan (hereinafter referred to as the "Plan") that is specific for the referenced site (**Exhibit "B"**). The Plan shall include **frequency of inspections, schedule of inspection and maintenance activities performed** and **record keeping of related documentation**.

4. The Owner shall include **Exhibit "C"** which is a map showing location(s) and identification of all post-construction (permanent) stormwater/water quality control measures including infiltration practices, protected areas, vegetative roofs, and rain water harvesting and reuse system.

5. The Owner shall submit to the City an **Annual Report** (hereinafter referred to as the "Report") by **June 30th of each year**. The Report will include the Plan that documents inspection schedule, times of inspection, maintenance activities performed or remedial actions taken to repair, modify or reconstruct the system.

6. The Owner shall conduct a **comprehensive inspection** of all stormwater management facilities and practices once every **five years**, at a minimum, by either a professional engineer or landscape architect. This shall include the following:

- Facility type,
- Inspection date,
- Latitude and longitude and nearest street address,
- BMP owner information (e.g., name, address, phone number, fax, and email),
- A description of BMP condition including: vegetation and soils; inlet and outlet channels and structures; embankments, slopes, and safety benches; spillways, weirs, and other control structures; and any sediment and debris accumulation,
- Photographic documentation of BMPs, and
- Specific maintenance items or violations that need to be corrected by the BMP owner along with deadlines and reinspection dates.

Owner shall document this and submit the inspection as an Annual Report (see section 5 above).

7. All parcels served by the Facility are shown in Plat Book 127, Page 74 and the Owner is responsible for all costs associated with maintaining the Facility.

8. The Owner hereby grants, bargains and conveys to the City, its duly authorized agents, contractors, employees and assigns an easement over the Property for access from public rights-of-way, abutting private roadways, and/or private driveways, to the Facility for the purpose of inspecting, operating, installing, constructing, reconstructing, maintaining, repairing or replacing the Facility to the extent that Owner fails to do so and as necessary to ensure the proper working condition of the Facility (in accordance with the Manual).

9. In the event the Owner fails to inspect, report, or properly maintain or initiate repairs with the Facility within thirty (30) days after written notice by the City of such deficiencies, the City

may enter upon the Property without any additional notice to Owner and take whatever steps it deems necessary to maintain or repair the Facility and bill the owner for such maintenance cost plus any enforcement action costs set forth in the Chattanooga City Code. It is expressly understood and agreed that the City is under no obligation to maintain or repair the Facility, and in no event shall this Agreement be considered to impose any such obligation on the City.

10. In the event of an emergency or a violation of the City's NPDES MS4 Permit involving the Facility; the City, its officers, agents, and employees may enter immediately upon the Property and take whatever reasonable steps it deems necessary to meet the emergency or violation. The City shall notify the Owner of such emergency or violation and entry as soon as possible but in no event later than twenty-four (24) hours after such entry.

11. If the City performs work or expends any funds reasonably necessary for the maintenance or repair of the Facility, including labor, equipment, supplies and materials, the Owner agrees to reimburse the City for such maintenance or repair costs plus any enforcement action costs according to the Chattanooga City Code. Owner's failure to pay within thirty (30) days from the date of the invoice shall result in City pursuing all legal remedies available.

12. The Owner shall have the right to appeal the City's assessment of any costs associated with enforcement action to the Stormwater Regulations Board in accordance with the provisions set forth in Chattanooga City Code Sec. 31-365.

13. The Owner shall indemnify and save harmless City, its officers, agents, and employees from any and all claims for damages to persons or property arising from the inspection, construction, maintenance, and use of the Facility unless due solely to the negligence or willful misconduct of City.

14. The responsibilities of the Owner under this Agreement shall constitute a covenant running with the land and shall be binding upon all present and subsequent owners, their administrators, executors, assigns, heirs, and any other successors in interest as long as they own an interest in the Property or any portion thereof served by the Facility.

15. Nothing herein shall be construed to prohibit a transfer of the Property by Owner to subsequent owners and assigns. Nothing in this agreement prevents the Owner from modifying the Facility according to Chattanooga City Code.

16. The Owner shall record this Agreement in the office of the Register of Deeds for Hamilton County, Tennessee within thirty (30) days following approval by the City of the Plan or storm water credit applied for by Owner. When the Plan is part of a new Facility, the Owner shall record this Agreement in the Office of the Register of Deeds for Hamilton County, Tennessee, prior to completion of construction. A copy of the recorded plat and a recorded copy of this Agreement shall be filed with the City Water Quality Program Office prior to the sale, transfer, or conveyance of any lots.

OWNER:

By: Hicks Armor

Its Chair

Hicks Armor

PRINT NAME

100 E. 11th St., Suite 200

STREET ADDRESS

Chattanooga, TN 37402

CITY, STATE, ZIP CODE

CITY

By: _____

Its _____

PRINT NAME

STATE OF Tennessee

COUNTY OF Hamilton

Before me, a Notary Public, personally appeared Hicks Armor, with whom I am personally acquainted, and who, upon oath, acknowledged that he/she is the Chair of the Health Educational Housing Facility Board, the within-named bargainer, and that he/she as such Chair, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation as Chair.

WITNESS, my Hand and Seal at Chattanooga Hamilton County, Tennessee, this 25th day of July, 2025.

Maria Manalla
NOTARY PUBLIC

My commission expires: 4/28/26



STATE OF TENNESSEE
COUNTY OF HAMILTON

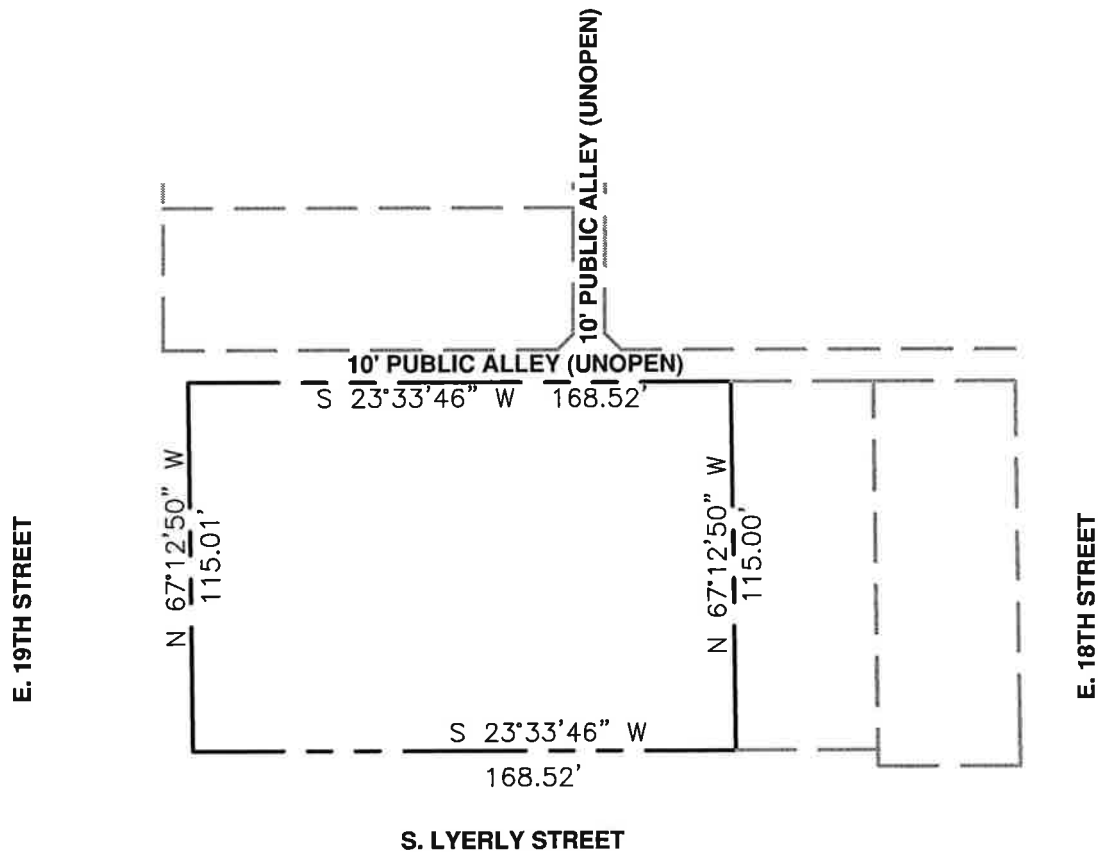
Before me, a Notary Public, personally appeared _____, with whom I am personally acquainted, and who, upon oath, acknowledged that he/she is the _____ of the City of Chattanooga, the within-named bargainer, a municipal corporation, and that he/she as such _____, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation as _____.

WITNESS, my Hand and Seal at Chattanooga, Hamilton County, Tennessee, this _____ day of _____, 20____.

NOTARY PUBLIC

My commission expires: _____

LEGAL DESCRIPTION: LT 34 MILL TOWN 2020 PB 6 PG 38
REV PB 127 PG 74



SCALE



MULTI-FAMILY DEVELOPMENT

Lot 34 - MILL TOWN 2020 S/D
PB 127 PG 74
1805 S LYERLY ST
CHATTANOOGA, TENNESSEE

APPENDIX A

LONG TERM MAINTENANCE AGREEMENT
03/31/23

APPENDIX B

Long Term Maintenance Plan

System Description:

The site stormwater conveyances for the 1805 S. Lyerly Multi-Family Development project consist of a 36" underground detention pipe and oil baffles. The location of each conveyance is shown on Drawings C3.0, Grading & Drainage Plan of the construction drawing set prepared by A.D. Engineering. The property owner will be responsible for inspection and maintenance of the stormwater conveyances for this facility.

Schedules for Inspections:

The site stormwater conveyances shall be inspected per the "Permanent Maintenance Tasks and Schedule Chart" below.

	PERMANENT MAINTENANCE TASKS AND SCHEDULE CHART		
Tasks	Underground Detention Pipe	Oil Baffle	Schedule
Inspect for sediment accumulation	X	X	Quarterly
Removal of sediment accumulation	X	X	Every 2 years as needed
Inspect and cleaning for floatables and debris	X	X	Quarterly
Annual Wet Weather Inspection	X	X	Yearly
Make adjustments as determined by annual wet weather inspection	X	X	As needed

Tasks of Regular Maintenance:

Inspection and Maintenance Activities for the Underground Detention Pipe:

Inspect the inlet and outlet structures at least quarterly or after a large rain event for clogging. Clean out or repair as necessary. The facility should be free of accumulated debris. Remove sediment from the structure when accumulation reduces the volume by half or if re-suspension

is observed or probable. Some sediment may contain contaminants of which the Tennessee Department of Environment and Conservation (TDEC) requires special disposal procedure. If there is any uncertainty about what the sediment contains or it is known to contain contaminants, then TDEC should be consulted and their disposal recommendations followed. The TDEC Division of Water Pollution Control should be contacted at (423) 634.5743. Generally, special attention or sampling should be given to sediment accumulated in facilities serving industrial, manufacturing or heavy commercial sites, fueling centers or automotive maintenance areas, large parking areas, or other areas where pollutants (other than clean soil) are suspected to accumulate and be conveyed by stormwater runoff. Some sediment collected may be innocuous (free of pollutants) and can be used as fill material, cover or land spreading. It is important that this material not be placed in any way that will promote or allow re-suspension in storm runoff. Check for possible mosquitoes breeding opportunities (blockage, clogging, poor drainage, trash, etc.) and take proper corrective actions.

Inspection and Maintenance Activities for Oil Baffles and On-Site Storm Pipes:

The on-site storm pipes should be inspected at least quarterly or after a large rain event for sediment accumulation. Accumulated sediment in the storm system should be removed every 2 years or as needed to restore the hydraulic capacity of the system. The inlet to the pond outfall structure should be inspected at least quarterly or after a large rain event for floatable materials and debris. Remove any floatable materials or debris from the catch basin inlet as needed to restore intended flow capacity.

Inspection and Maintenance Agreement:

A copy of the "Inspection and Maintenance Agreement of Private Stormwater Management Facilities" that has been completed, notarized and recorded in the Land Records of the County of Hamilton, Tennessee is included in this report and will be kept on site with this document. The owner intends to use the Inspection/Maintenance Form for Stormwater BMPs available through the City of Chattanooga to log their annual inspection and maintenance activities for the private stormwater control structures at this site.

Reporting Requirements:

1. Color pictures should be taken at each inspection and maintenance report to clearly show the status of the SCMs.
2. Inspection and maintenance should be conducted at least quarterly on all SCMs. Complete the attached Inspection and Maintenance Form for each SCM. The Quarterly Reports shall be emailed to the City yearly, with pictures by June 30th to ChattanoogaWQ@Chattanooga.gov or mailed to:

City of Chattanooga Water Quality Program
Development Resource Center
1250 Market Street, Suite 2100
Chattanooga, TN 37402



For Official Use:

Submit this Form to:
(Attention: Maria Price)

Land Development Office
1250 Market Street, Suite 1000
Chattanooga, TN 37402
Ph (423)643-5800 Fax (423)643-5848
mprice@chattanooga.gov

Permit # L-23-184

Date _____

SCM/BMP Inventory Tracking for New Construction and Redevelopment

I. PROJECT INFORMATION

Project Name: 1805 S LYERLY MULTI-FAMILY DEVELOPMENT

Site Address: 1805 S Lyerly Street

Contact Name: _____ Phone: _____

Email _____

1. Short Description of each stormwater SCM/BMP: type, number, design or performance specs

2. Latitude and longitude coordinates of each SCM/BMP

(X) **SCM/BMP Description:** 36" Underground Detention Pipe

SCM/BMP Performance Specification: Provide peak runoff attenuation for the 1, 2, 5, 10, and 25-year, 24-hour storm events

Coordinates (Lat & Long): 35.020036, -85.276174

SCM/BMP Maintenance Frequency: As needed based on inspection

SCM/BMP Inspection Frequency: As specified in long term maintenance plan

() **SCM/BMP Description:** Oil Baffle and sump in Structure #4

SCM/BMP Performance Specification: Prevent Sediment Oil and Debris From Entering the Underground Detention

Coordinates (Lat & Long): 35.20054, -85.276189

SCM/BMP Maintenance Frequency: As needed based on inspection

SCM/BMP Inspection Frequency: As specified in long term maintenance plan

Additional Information:

Inspection and Maintenance Agreement (<http://chattanooga.gov/resourcerain>) is required along with SCM/BMP Maintenance Plan before Certificate of Occupancy will be issued.

Property owner is required to submit annual SCM/BMP Inspection and Maintenance records (<http://www.chattanooga.gov/public-works/water-quality-program>) by June 30 every year to the City Water Quality Program.





For Official Use:

Submit this Form to:
(Attention: Maria Price)

Land Development Office
1250 Market Street, Suite 1000
Chattanooga, TN 37402
Ph (423)643-5800 Fax (423)643-5848
mprice@chattanooga.gov

Permit # L-23-184
Date _____

SCM/BMP Inventory Tracking for New Construction and Redevelopment

I. PROJECT INFORMATION

Project Name: 1805 S LYERLY MULTI-FAMILY DEVELOPMENT

Site Address: 1805 S Lyerly Street

Contact Name: _____ Phone: _____

Email _____

1. Short Description of each stormwater SCM/BMP: type, number, design or performance specs
2. Latitude and longitude coordinates of each SCM/BMP

(X) **SCM/BMP Description:** Oil Baffle and sump in Structure #5

SCM/BMP Performance Specification: Prevent Sediment Oil and Debris From Entering the Underground Detention

Coordinates (Lat & Long): 35.020340, -85.276015

SCM/BMP Maintenance Frequency: As needed based on inspection

SCM/BMP Inspection Frequency: As specified in long term maintenance plan

() **SCM/BMP Description:**

SCM/BMP Performance Specification:

Coordinates (Lat & Long):

SCM/BMP Maintenance Frequency:

SCM/BMP Inspection Frequency:

Additional Information:

Inspection and Maintenance Agreement (<http://chattanooga.gov/resourcerain>) is required along with SCM/BMP Maintenance Plan before Certificate of Occupancy will be issued.

Property owner is required to submit annual SCM/BMP Inspection and Maintenance records (<http://www.chattanooga.gov/public-works/water-quality-program>) by June 30 every year to the City Water Quality Program.





ANNUAL INSPECTION & MAINTENANCE REPORTS FOR SCMS SUBMITTAL GUIDELINES

SUBMITTAL DEADLINE

Stormwater Control Measure (SCM) inspections are performed quarterly, at a minimum, or more frequently if stated in the long term maintenance plan. A completed annual **report** shall include the inspection **forms** from each inspection that year. The annual report shall be turned in once a year by **June 30th**. Forms submitted after June 30th will result in the suspension or forfeiture of any Water Quality Fee discounts (see City Code Section 356.1.4).

SUBMITTAL FORMAT

All reports must be delivered via email in PDF format. If emails have attachments larger than 25 MB, then the submittal may be divided with emails labeled systematically (1 of x, 2 of x, 3 of x, etc.). The report package shall include:

1. Cover Sheet – includes your contact information & the total number of SCMs on site
2. Inspection Forms – a separate inspection form for each SCM on site
3. Color Photographs – label photographs to match the SCM name on the inspection form
4. Copy of the long term maintenance plan used to guide your inspection and maintenance
5. Copies of any invoices incurred from maintenance (if applicable)

FILE NAMING

The following guidelines shall be used for naming your annual report PDF file. This will ensure that reports are properly filed, accounted for & easily discoverable.

File name: date of submittal (YYYY-MM-DD)_property address_annual report.pdf

For example, an annual report submitted on 3/15/2019 for 1234 City Rd would be named:

2019-03-15_1234 City Rd_annual report.pdf

REPORT SUBMISSION

Email annual reports to the Water Quality Program at: ChattanoogaWQ@chattanooga.gov

*Please copy the property owner in the email if submitting on their behalf

QUESTIONS

Definitions and associated maintenance checklists for SCMs can be found in the City's Rainwater Management Guide and City Code. For questions regarding inspections and/or reporting, please contact the City Water Quality Program at ChattanoogaWQ@Chattanooga.gov.



Inspection and Maintenance Form for Stormwater Control Measures (SCMs)

COVER SHEET

Quarterly reports must be submitted by **June 30th** of each year. Forms submitted after June 30th will result in the suspension or forfeiture of any fee discounts (see City Code Section 356.1.4). Submit to ChattanoogaWQ@Chattanooga.gov with color photographs.

Does this site have an approved water quality fee discount? YES NO

Property Address _____	Parcel ID _____
Owner Name _____	Phone _____
Owner E-mail _____	
Contact Person _____	Phone _____
Contact E-mail _____	
Inspection Company _____	
Company Address _____	
Company Contact _____	Phone _____
Company E-mail _____	

SCM	#	SCM	#
Detention Pond (dry pond)		Constructed Wetland	
Retention Pond (wet pond)		Sand Filter	
Underground Detention		Stream Buffer (square footage)	
Bio-Retention Pond		Street Sweeping (square footage)	
Bio-Retention Swale		Disconnected Impervious Area	
Vegetated Swale		Stormwater Planter Box	
Pervious Pavement		Naturalized Basin	
Green Roof		Naturalized Swale	
Water Reuse (i.e. cistern)		Oil Skimmer/Baffle	
Infiltration Bed		Proprietary Device (i.e. water quality unit)	
Infiltration Trench		Other:	
Infiltration Berm		Other:	



Inspection and Maintenance Form for Stormwater Control Measures (SCMs)

SCM Name: _____
(Submit color photographs of this SCM and label them with this SCM name)

Date of This Inspection:	0: Poor condition (Major Maintenance Needed)
Date of Last Inspection:	1: Needs improvement (Moderate Maintenance Needed)
Date of Last Rainfall Event:	2: Acceptable condition (Minimal Maintenance Needed)
Date of Installation:	3: Excellent condition (No Maintenance Needed)
Is there a recorded IM Agreement? Y N	SCM status (use numerical rank above):

Describe the maintenance/repair activities performed **since the last inspection date:**
(e.g., picked up trash around pond and mowed it weekly; cleaned the surface trash out of the oil skimmer weekly; had the water quality unit cleaned with a vacuum truck on May 8; etc.):

Describe the current condition and any maintenance/repair activities performed **at the time of this inspection:**

Describe the maintenance activities, if any, that need to be performed **before the next inspection:**
(e.g., filters need to be replaced in the water reuse system; animal burrows need to be filled in on the retention pond berm; the pervious concrete needs to be swept; the green roof needs to be weeded; etc.)

Inspector Name	
Certification Type & Number	
Signature	
Date	

SCMs

Structure 2 - Outlet control structure

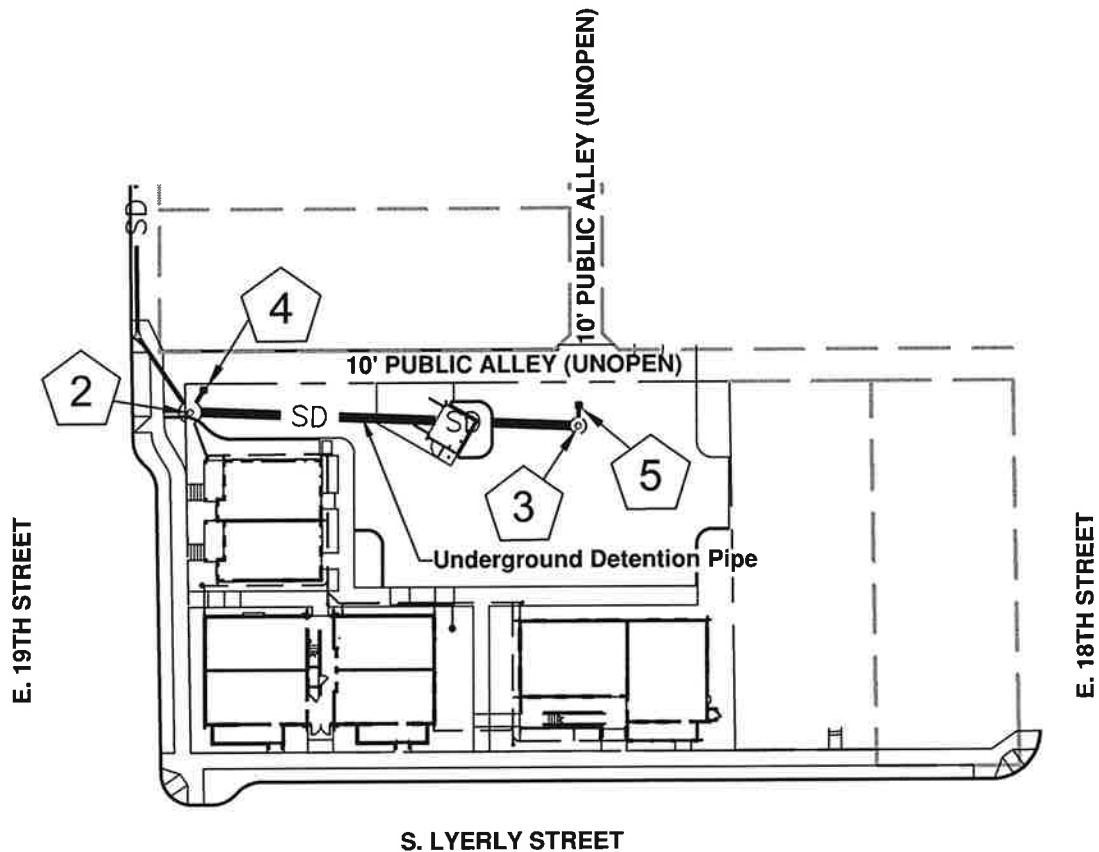
Structure 4 - Drop Inlet with Oil Baffle and Sump

Structure 5 - Drop Inlet with Oil Baffle and Sump

OPERATIONS AND MAINTENANCE:

All properly designed and installed subsurface infiltration beds will require annual maintenance, although they require less maintenance than other BMPs.

- Inspect and clean all inlets and catch basins biannually.
- Confirm that standing water does not remain in the bed after more than 96 hours without precipitation.
- Clean any pipes or connections that contain debris using a vacuum system. Do not wash material and debris into the bed.



MULTI-FAMILY DEVELOPMENT

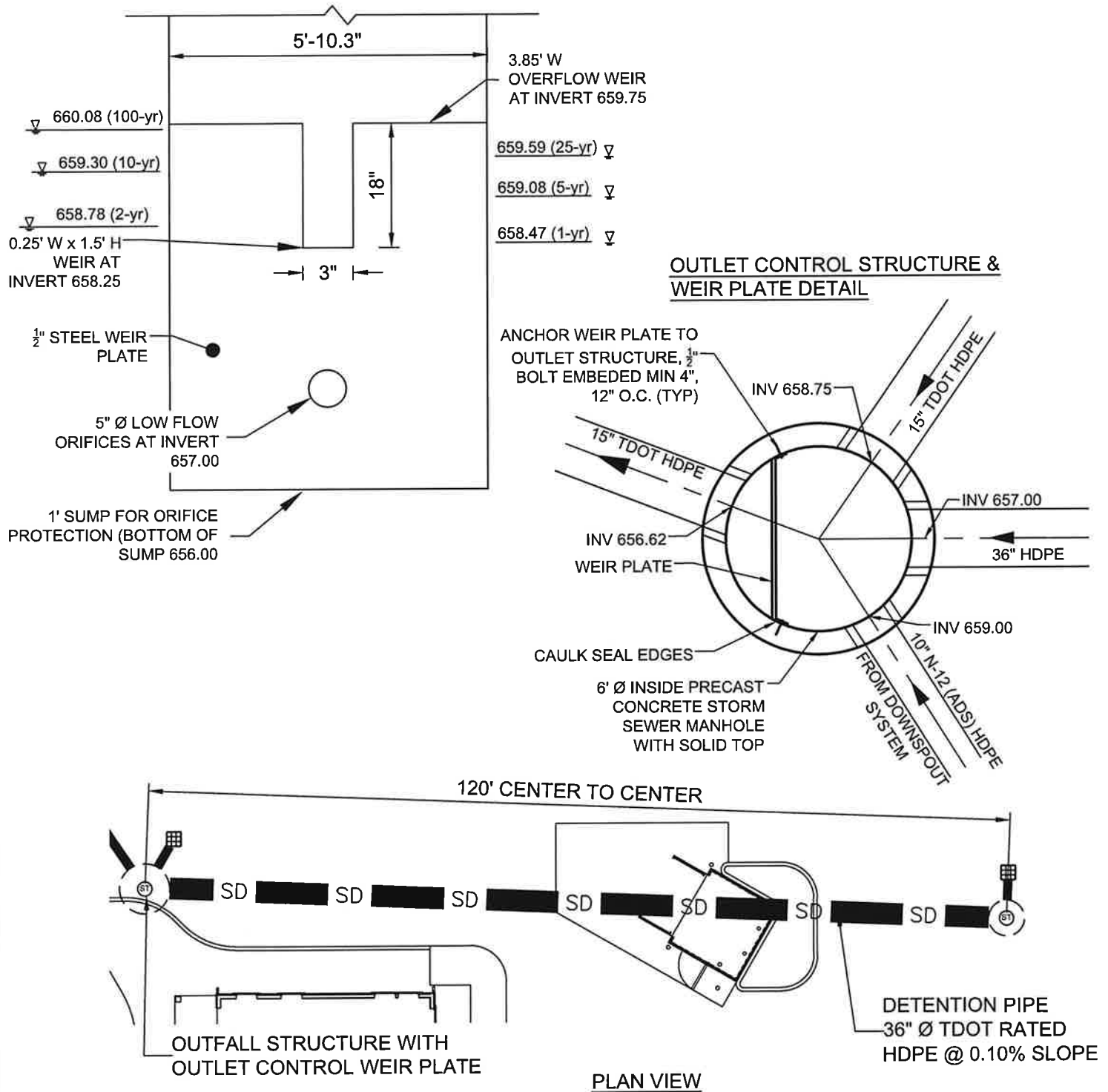
Lot 34 - MILL TOWN 2020 S/D
PB 127 PG 74
1805 S LYERLY ST
CHATTANOOGA, TENNESSEE

APPENDIX C

LONG TERM MAINTENANCE AGREEMENT
03/31/23

INSPECTION AND MAINTENANCE:

REMOVAL OF TRASH, DEBRIS AND SEDIMENT BUILDUP IN THE STORAGE PIPE AND STRUCTURAL REPAIRS TO INLET AND OUTLETS SHOULD BE CONDUCTED ON A REGULAR BASIS. EASY ACCESS SHOULD BE PROVIDED TO CONDUCT ROUTINE INSPECTION AND MAINTENANCE REQUIREMENTS.



MULTI-FAMILY DEVELOPMENT

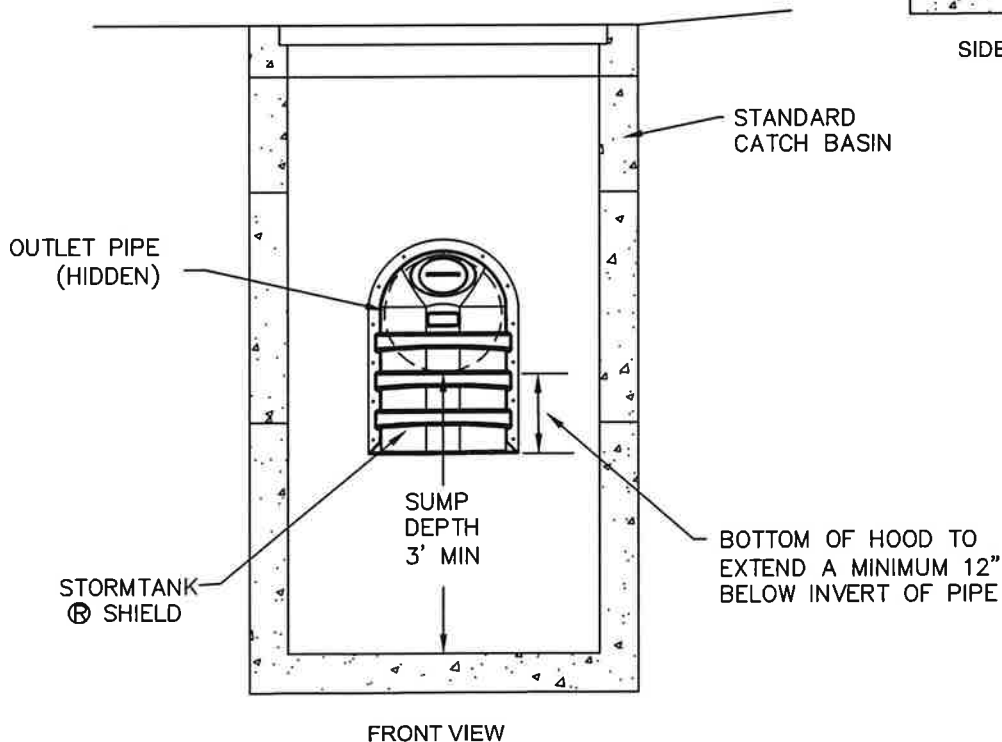
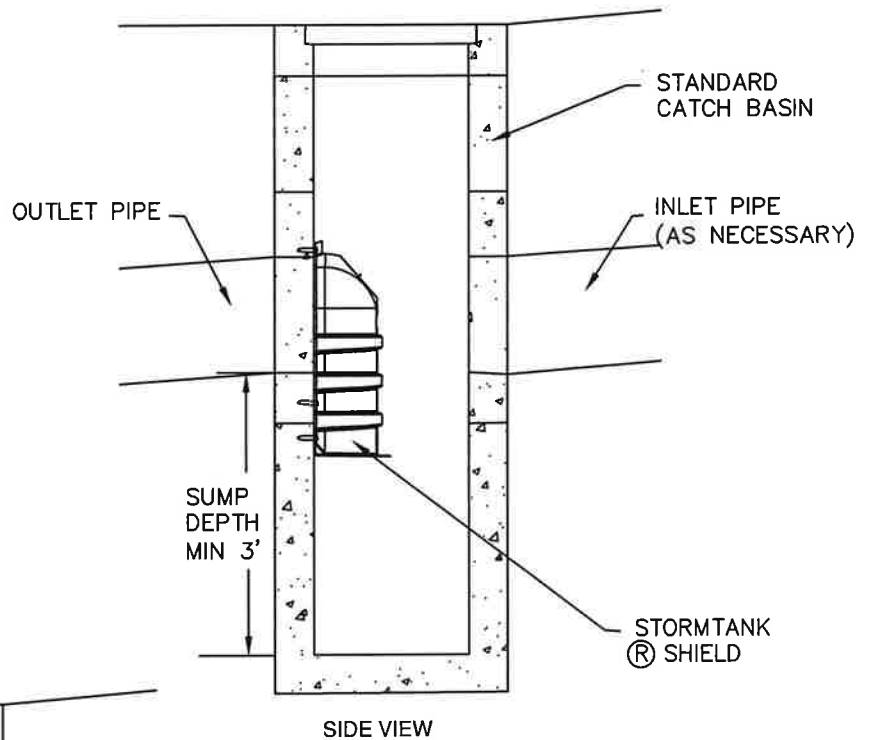
Lot 34 - MILL TOWN 2020 S/D
PB 127 PG 74
1805 S LYERLY ST
CHATTANOOGA, TENNESSEE

APPENDIX C

LONG TERM MAINTENANCE AGREEMENT
07/14/25

SCMs

Structure 4 - Drop Inlet with Oil Baffle and Sump
Structure 5 - Drop Inlet with Oil Baffle and Sump



OIL BAFFLE AND SUMP DETAIL

MULTI-FAMILY DEVELOPMENT

Lot 34 - MILL TOWN 2020 S/D
PB 127 PG 74
1805 S LYERLY ST
CHATTANOOGA, TENNESSEE

APPENDIX C

LONG TERM MAINTENANCE AGREEMENT
03/31/23

Received by KCM
8/27/25
GEG/PAN/KCP
10000000

IN THE CHANCERY COURT FOR HAMILTON COUNTY, TENNESSEE

DEMOLITION & ENVIRONMENTAL)
COMPANIES, LLC,)

Plaintiff,)

v.)

Case No. 25-0613

COMMUNITY CONSTRUCTION)
GROUP, LLC, THE A.I.M. CENTER,)
INC., ESPERO CHATTANOOGA, LP,)
THE HEALTH, EDUCATIONAL AND)
HOUSING FACILITY BOARD OF THE)
CITY OF CHATTANOOGA,)
TENNESSEE, CADENCE BANK, CEDAR)
RAPIDS BANK AND TRUST COMPANY,)
and JENNIFER GAYTAN, Trustee,)

Defendants.)

SUMMONS

To the above-named Defendant, The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, may be served with process through its registered agent, Phillip A. Norblett, 100 East 11th Street, Suite 200, Chattanooga, Tennessee 37402.

You are hereby summoned and required to serve upon J. Ford Little, Plaintiff's attorneys, whose address is 900 Gay Street, S.W., Suite 900, P.O. Box 900, Knoxville, Tennessee 37901-0900, an answer to the Verified Complaint herewith served upon you within thirty (30) days after service of this Summons and Verified Complaint upon you, judgment by default can be taken against you for relief demanded in the Complaint.

Issued and attested this 26 day of August, 2025.

ROBIN L. MILLER, C&M

Clerk

Wendi Sanders

Deputy Clerk

To the Defendant:

Tennessee law provides a ten thousand dollar (\$10,000.00) personal property exemption from execution or seizure to satisfy a judgment. If a judgment should be entered against you in this action and you wish to claim property as exempt, you must file a written list, under oath, of the items you wish to claim as exempt with the clerk of the court. The list may be filed at any time and may be changed by you thereafter as necessary; however, unless it is filed before the judgment becomes final, it will not be in effect as to any execution or garnishment issued prior to the filing of the list. Certain items are automatically exempt by law and do not need to be listed; these include items of necessary wearing apparel for yourself and your family and trunks or other receptacles necessary to contain such apparel, family portraits, the family Bible, and school books. Should any of these items be seized, you would have the right to recover them. If you do not understand your exemption right or how to exercise it, you may wish to seek the counsel of a lawyer.

IN THE CHANCERY COURT FOR HAMILTON COUNTY, TENNESSEE

DEMOLITION & ENVIRONMENTAL
COMPANIES, LLC,

Plaintiff,

v.

COMMUNITY CONSTRUCTION
GROUP, LLC, THE A.I.M. CENTER,
INC., ESPERO CHATTANOOGA, LP,
THE HEALTH, EDUCATIONAL AND
HOUSING FACILITY BOARD OF THE
CITY OF CHATTANOOGA,
TENNESSEE, CADENCE BANK, CEDAR
RAPIDS BANK AND TRUST COMPANY,
and JENNIFER GAYTAN, Trustee,

Defendants.

Case No.

25-0413

WRIT OF ATTACHMENT

TO THE SHERIFF OF HAMILTON COUNTY – GREETINGS:

WHEREAS, Demolition & Environmental Companies, LLC filed its Verified Complaint in said Court against the Defendants, charging among other things, that said Defendants are indebted to Demolition & Environmental Companies, LLC as set forth in the sworn Complaint, and whereas, bond has been executed as required by law in attachment cases, you are, therefore, *commanded to attach the real property commonly known as 1815 East Main Street, Chattanooga, Tennessee 37404 and more particularly described on Exhibit A attached hereto;* and such estate safely keep, unless replevied, until further order of said Chancery Court, so that the same may be liable to further proceedings at a Court to be held at the Courthouse in Hamilton County 30 days after service of this Attachment, exclusive of the date of service, when and where you will make known how you have executed this writ.

WITNESS, Robin Miller, Clerk and Master of Hamilton County Chancery Court,

at office in Hamilton County, Tennessee, the 26 day of August, 2025.

Wendi Sanders DC+M
CLERK & MASTER

ROBIN L. MILLER, C&M

APPROVED:

WOOLF, McCLANE, BRIGHT,
ALLEN & CARPENTER, PLLC

By: 

J. Ford Little, BPR No. 013870
S. Cole Wheeler, BPR No. 040602
P.O. Box 900
Knoxville, TN 37901-0900
(865) 215-1000
flittle@wmbac.com
cwheeler@wmbac.com

Attorneys for Demolition & Environmental Companies, LLC

OFFICER'S RETURN ON ATTACHMENT

RECEIVED this 27 day of August, 2025, I hereby certify and
return that on the 27 day of August, 2025, I levied this attachment
upon the above-described real property.

Yoshitake 3688
SHERIFF / DEPUTY SHERIFF

EXHIBIT A

All that certain real property located in the City of Chattanooga, Hamilton County, Tennessee, described as follows, to wit:

Situated in the City of Chattanooga, Hamilton County, Tennessee, being all of that property shown by the Final Plan of the Resubdivision of Block Eleven (11), Montague's Addition No. Four (4) dated August 24, 1984, recorded in Plat Book 39, page 158 in the Register's Office of Hamilton County, Tennessee.

Being the same property (i) conveyed to The A.I.M. Center, Inc., a Tennessee nonprofit corporation ("AIM"), by Quitclaim Deed from The City of Chattanooga, Tennessee, a Tennessee municipal corporation, dated June 24, 2024, recorded June 25, 2024, in the Office of the Register of Deeds for Hamilton County, Tennessee (the "Register's Office"), in Book GI 13630, Page 500, as Instrument No. 2024062500086; (ii) leased to Espero Chattanooga LP, a Tennessee limited partnership ("Espero"), by Ground Lease from AIM, as evidenced by a Memorandum of Lease, dated October 3, 2024, recorded October 4, 2024, in the Register's Office, in Book GI 13724, Page 776, as Instrument No. 2024100400125; (iii) subleased to the Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation duly created and existing under the laws of the State of Tennessee ("HEB"), by Ground Sublease from Espero, as evidenced by a Memorandum of Sublease, dated October 3, 2024, recorded October 4, 2024, in the Register's Office, in Book GI 13724, Page 800, as Instrument No. 2024100400131; (iv) subleased to the Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation duly created and existing under the laws of the State of Tennessee ("HEB"), by Ground Sublease from Espero, as evidenced by a Memorandum of Sublease, dated October 3, 2024, recorded October 4, 2024, in the Register's Office, in Book GI 13724, Page 818, as Instrument No. 2024100400135.

IN THE CHANCERY COURT FOR HAMILTON COUNTY, TENNESSEE

**DEMOLITION & ENVIRONMENTAL
COMPANIES, LLC,**

Plaintiff,

v.

**COMMUNITY CONSTRUCTION
GROUP, LLC, THE A.I.M. CENTER,
INC., ESPERO CHATTANOOGA, LP,
THE HEALTH, EDUCATIONAL AND
HOUSING FACILITY BOARD OF THE
CITY OF CHATTANOOGA,
TENNESSEE, CADENCE BANK, CEDAR
RAPIDS BANK AND TRUST COMPANY,
and JENNIFER GAYTAN, Trustee,**

Defendants.

Case No. 25-0613

VERIFIED COMPLAINT

Plaintiff Demolition & Environmental Companies, LLC ("DECO"), sues the Defendants, Community Construction Group, LLC ("CCG" or "Contractor"), The A.I.M. Center, Inc. ("Owner"), Espero Chattanooga, LP ("Tenant"), The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee ("Subtenant"), Cadence Bank, Cedar Rapids Bank and Trust Company, and Jennifer Gaytan ("Trustee") (collectively, "Defendants"), and for its cause of action states as follows:

PARTIES, JURISDICTION AND VENUE

1. DECO is a South Carolina limited liability company registered to do business in Tennessee with a principal office address of 5001 Lacross Road, North Charleston, South Carolina 29406.

2. CCG is a Georgia limited liability company with a principal office address of 515 East Crossville Road, Suite 350, Roswell, Georgia 30075. CCG may be served with process

through its registered agent, Business Filings Incorporated, 300 Montvue Road, Knoxville, Tennessee 37919.

3. Owner The A.I.M. Center, Inc. is a Tennessee nonprofit corporation with a principal office address of 472 West Martin Luther King Boulevard, Chattanooga, Tennessee 37402. Owner may be served with process through its registered agent, Anna Protano-Biggs, 3802 Redding Road, Chattanooga, Tennessee 37415.

4. Tenant Espero Chattanooga, LP is a Tennessee limited partnership with a principal office address of 472 West Martin Luther King Boulevard, Chattanooga, Tennessee 37402. Tenant may be served with process through its registered agent, Anna Protano-Biggs, 3802 Redding Road, Chattanooga, Tennessee 37415.

5. Subtenant The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee is a Tennessee nonprofit corporation with a principal office address of 100 East 11th Street, Suite 200, Chattanooga, Tennessee 37402. Subtenant may be served with process through its registered agent, Phillip A. Norblett, 100 East 11th Street, Suite 200, Chattanooga, Tennessee 37402.

6. Cadence Bank is a Mississippi banking corporation with a principal office address of 201 South Spring Street, Tupelo, Mississippi 38804. Cadence Bank may be served with process through its registered agent, CT Corporation System, 300 Montvue Road, Knoxville, Tennessee 37919.

7. Cedar Rapids Bank and Trust Company is an Iowa domestic bank with a home office address of 500 1st Avenue NE, Suite 100, Cedar Rapids, Iowa 52401. Cedar Rapids Bank and Trust Company may be served through an Officer of Cedar Rapids Bank and Trust Company at 500 1st Avenue NE, Suite 100, Cedar Rapids, Iowa 52401.

8. Trustee Jennifer Gaytan is a citizen and resident of the state of Tennessee and may be served with process at 6840 Carothers Parkway, Suite 200, Franklin, Tennessee 37067.

9. This Court has personal jurisdiction over all the parties in this action.

10. This Court has subject matter jurisdiction over this action.

11. Venue is proper in this Court.

GENERAL ALLEGATIONS

12. CCG is the prime contractor for the construction of affordable housing (the "Project") on property located at 1815 East Main Street, Chattanooga, Tennessee 37404 (the "Property").

13. The A.I.M. Center, Inc., is the owner of a fee simple interest in the Property pursuant to a Donation Agreement with the City of Chattanooga as approved by the Chattanooga City Council on or about January 26, 2021. *See* Instrument No. 2024062500086 of record in the Office of the Hamilton County Register of Deeds.

14. Espero Chattanooga, LP is the owner of a leasehold interest in the Property. *See* Instrument No. 2024100400125 of record in the Office of the Hamilton County Register of Deeds.

15. The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee is the owner of a sub-leasehold interest in the Property. *See* Instrument No. 2024100400131 of record in the Office of the Hamilton County Register of Deeds.

16. Cadence Bank and Cedar Rapids Bank and Trust Company provided financing for the Project and appointed Jennifer Gaytan as Trustee pursuant to certain Deeds of Trust and Assignments of Leases and Rents. *See, e.g.,* Instrument Nos. 2024100800284, 2024112000060, 2024112000061, 2024112000059, and 2024100800287 of record in the Office of the Hamilton County Register of Deeds.

17. On August 9, 2024, DECO entered into a subcontract with CCG pursuant to which DECO agreed to provide certain labor and materials related to asbestos abatement for the Project (the "Subcontract"). A true and accurate copy of the Subcontract is attached here to as ***Exhibit 1***.

18. CCG and DECO executed one (1) change order to the Subcontract on or about September 10, 2024 (the "Change Order"). A true and correct copy of the Change Order is attached hereto as ***Exhibit 2***.

19. DECO has fully and properly performed all obligations assumed under the Subcontract and has satisfied all conditions precedent to payment.

20. At not time has CCG notified DECO that its work was defective or not completed properly.

21. Pursuant to Tenn. Code Ann. §§ 66-11-145 and 66-34-101, DECO served Notice of Nonpayment and demand pursuant to the Prompt Pay Act upon Defendants on May 27, 2025, and June 30, 2025. True and correct copies of the Notices of Nonpayment are attached hereto as collective ***Exhibit 3***.

22. On May 28, 2025, and July 21, 2025, DECO recorded Notices of Mechanic's and Materialman's Liens on the Property in accordance with Tenn. Code Ann. §§ 66-11-101, *et seq.*, which instruments appear of record in the Register of Deed's Office for Hamilton County, Tennessee, as Instrument Nos. 2025052800101 and 2025072100243. True and correct copies of the Notices of Mechanic's and Materialman's Liens are attached hereto as collective ***Exhibit 4***. The Notices of Liens were served upon the defendants in accordance with Tenn. Code Ann. §§ 66-11-101, *et seq. Id.*

23. DECO is still owed \$95,754.05, plus interest, pursuant to the Subcontract.

24. DECO is filing this action in order to ensure that it complies with all applicable laws including, but not limited, the Tennessee Mechanics' and Materialmen's Lien statute, Tenn. Code Ann. §§ 66-11-101, *et seq.*

COUNT I – BREACH OF CONTRACT

25. DECO incorporates herein by reference and realleges the allegations contained in the preceding paragraphs of this Complaint as if fully set forth herein.

26. CCG has failed to pay DECO \$95,754.05 under the terms of the Subcontract.

27. CCG's failure to pay such amount is a material breach of the Subcontract for which it is liable to DECO in the amount of \$95,754.05, plus pre- and post-judgment interest, attorneys' fees, and costs.

COUNT II – UNJUST ENRICHMENT

28. DECO incorporates herein by reference and realleges the allegations contained in the preceding paragraphs of this Complaint as if set forth herein.

29. In the alternative, Defendant CCG has been unjustly enriched by receiving the benefit of the work performed by DECO without making full payment for such performance.

30. Upon information and belief, Defendant CCG has been unjustly enriched in that it benefitted from DECO's work but has not paid DECO the total amount owed to DECO by CCG.

31. The reasonable value of the materials, services, and labor supplied by DECO in improvements to the Property that remains unpaid is \$95,754.05, plus interest, under a theory of *quantum meruit*, unjust enrichment, or quasi-contract.

32. As a result, Defendants are all jointly and severally liable to DECO in the amount of \$95,754.05, plus pre- and post-judgment interest.

COUNT III – MECHANICS' AND MATERIALMAN'S LIEN CLAIM

33. DECO incorporates herein by reference and realleges the allegations contained in the preceding paragraphs of this Complaint as if set forth herein.

34. On May 27, 2025, and June 30, 2025, DECO served Notices of Non-Payment in accordance with Tenn. Code Ann. §§66-11-101, *et seq.* See *Exhibit 3*.

35. On May 28, 2025, and July 21, 2025, DECO recorded Notices of Mechanics' and Materialmen's Liens on the Property in accordance with Tenn. Code Ann. §§66-11-101, *et seq.*, of record in the Register of Deed's Office for Hamilton County, Tennessee, as Instrument Nos. 2025052800101 and 2025072100243. See *Exhibit 4*.

36. The Notices of Lien were recorded within ninety (90) days after DECO provided its last work on the Project for the improvement of the Property.

37. DECO brings this action to foreclose its Mechanics' and Materialmen's Liens within ninety (90) days of recording the Notices of Lien.

38. DECO has satisfied all technical requirements of the Tennessee Mechanics' and Materialmen's Lien statute, Tenn. Code Ann. §§ 66-11-101, *et seq.*, necessary for the perfection of a lien upon the Property.

39. As a result, DECO is entitled to recover damages in the amount of \$95,754.05, plus interest.

COUNT IV – VIOLATION OF THE PROMPT PAY ACT OF 1991

40. DECO incorporates herein by reference and realleges the allegations contained in the preceding paragraphs of this Complaint as if set forth herein.

41. Pursuant to the Tennessee Prompt Pay Act of 1991, Tenn. Code Ann. §§ 66-34-101, *et seq.*, DECO made at least two written demands for payment. See *Exhibit 3*.

42. Defendants failed to respond to the Prompt Pay Act notice letters in accordance with the Tennessee Prompt Pay Act of 1991, Tenn. Code Ann. §§ 66-34-101, *et seq.*

43. Pursuant to Tenn. Code Ann. § 66-34-205, Owner, Tenant, and Subtenant were obligated to hold sums intended to be used for the construction of improvements on the Project in trust for the benefit and use of the prime contractor and its remote contractors, which would include DECO.

44. Pursuant to Tenn. Code Ann. § 66-34-304, CCG was similarly obligated to hold sums received for payment of work performed on the Project in trust for the benefit of its subcontractors, including DECO.

45. Upon information and belief, Defendants CCG, Owner, Tenant, and Subtenant violated their obligation to hold sums in trust for the benefit and use of DECO, which constructed improvements on the Project but was not paid for such work.

46. CCG's failure to pay DECO as required by the Prompt Pay Act of 1991 was done in bad faith and entitles DECO to recover interest and attorney's fees on the amount owed to DECO by CCG.

47. As a result, DECO is entitled to recover damages from the CCG, Owner, Tenant, and/or Subtenant for violations of the Prompt Pay Act of 1991 in an amount to be determined at trial.

PRAYER FOR RELIEF

WHEREFORE, DECO prays:

1. That process issue and be served upon the Defendants and that they be required to answer the Complaint within the time prescribed by law;

2. That this Court grant judgment in its favor against CCG in the amount of \$95,754.05, plus interest, attorney's fees, and costs for breach of contract;

3. That DECO's Mechanic's and Materialman's Liens seeking damages in the amount of \$95,754.05 be found valid and enforceable and that Attachment issue and be levied against the Property to enforce DECO's lien on the fee simple interest and any leasehold interest in the Property, and that a copy of the Attachment so issued be served on Defendants in this cause, along with a Summons, a copy of this Complaint, and all attachments and exhibits thereto, and that, pursuant to Tenn. Code Ann. § 66-8-101(2), the fee simple and any leasehold interest in the Property be sold on credit of not less than six (6) months nor more than twenty-four (24) months in bar of all rights of redemption, both statutory and equitable, and that the proceeds of said sale be applied in satisfaction of the amount due DECO for the labor, services, and materials furnished with respect to the Property;

4. Alternatively, that this Court grant judgment in its favor against CCG in the amount of \$95,754.05, plus pre- and post-judgment interest, for *quantum meruit*, unjust enrichment, or quasi-contract;

5. That this Court grant judgment in its favor against CCG, Owner, Tenant and Subtenant in an amount to be determined at trial, including the legal fees incurred by DECO in pursuing this action, plus interest, for their violations of the Tennessee Prompt Pay Act of 1991;

6. That all costs of this action be assessed against CCG, Owner, Tenant and Subtenant; and

7. That DECO be awarded such further relief as this Court deems appropriate.

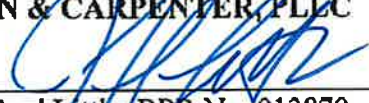
THIS IS THE FIRST APPLICATION FOR AN ATTACHMENT IN THIS CASE.

Respectfully submitted this 25 day of August, 2025.

**DEMOLITION & ENVIRONMENTAL
COMPANIES, LLC**

By: 
Name: Susan Pierce
Title: Authorized Agent

**WOOLF, McCLANE, BRIGHT,
ALLEN & CARPENTER, PLLC**

By: 
J. Ford Little, BPR No. 013870
S. Cole Wheeler, BPR No. 040602
P.O. Box 900
Knoxville, TN 37901-0900
(865) 215-1000
flittle@wmbac.com
cwheeler@wmbac.com

*Attorneys for Demolition & Environmental
Companies, LLC*

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

Susan Pierce, after first being duly sworn according to law, makes oath that he has read the foregoing **Verified Complaint**, that the facts set forth therein are true to the best of his knowledge, information, and belief, and that the **Verified Complaint** is not made out of levity or by collusion with the defendants, but in sincerity and truth for causes mentioned therein.



Susan Pierce
Authorized Agent
Demolition & Environmental Companies, LLC

Sworn to and subscribed before me this 25 day of August, 2025.



Deborah P King
Notary Public

My Commission Expires: 2-21-2035

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

Before me, the undersigned, a notary public in and for the state and county aforesaid, personally appeared **Susan Pierce**, who being first duly sworn deposes and says that to the best of his knowledge and belief, the foregoing statement of indebtedness in the amount of **NINETY-FIVE THOUSAND SEVEN HUNDRED FIFTY-FOUR AND 05/100 DOLLARS (\$95,754.05)**, is subject to a claim for a mechanic's and materialman's lien, plus interest, as shown above, is a just and true statement after giving all proper credits and that same is for materials, services, and labor furnished and used in the construction of improvements on the premises as stated and that the amount shown is due and remaining unpaid.



Susan Pierce
Authorized Agent
Demolition & Environmental Companies, LLC

Sworn to and subscribed before me this 25 day of August, 2025.



Deborah P King
Notary Public

My Commission Expires: 2-21-2035

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

Before me, a Notary Public in and for the state and county aforesaid, personally appeared **Susan Pierce** with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the **Authorized Agent of Demolition & Environmental Companies, LLC**, the within named bargainor, a limited liability company, and that he, as such **Authorized Agent**, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as **Authorized Agent**.

Sworn to and subscribed before me this 25 day of August, 2025.

Deborah P King
Notary Public

My Commission Expires: 2-21-2035



COST BOND

We acknowledge ourselves as surety for all costs and taxes in this case in accordance with Tenn. Code Ann. § 20-12-120.

SURETY:

WOOLF, McCLANE, BRIGHT,
ALLEN & CARPENTER, PLLC

By: 

J. Ford Little, BPR No. 013870

S. Cole Wheeler, BPR No. 040602

P.O. Box 900

Knoxville, TN 37901-0900

(865) 215-1000

flittle@wmbac.com

cwheeler@wmbac.com

*Attorneys for Demolition & Environmental
Companies, LLC*



Report On Debt Obligation

Receipt Date: 07/23/2025

Entity and Debt Information

Entity Name

The Health, Educational and Housing Facility Board of the City of Chattanooga

Entity Address

100 East 11th Street, Suite 200 c/o Chattanooga City Attorney's Office Chattanooga, Tennessee 37402

Debt Issue Name

Educational Facilities Revenue Bond (Silverdale Baptist Academy Project) Series 2025A

Series Year

2025

Debt Issue Face Amount

\$2,166,727.00

Face Amount Premium or Discount?

N/A

Tax Status

Tax - Exempt

Interest Type

True Interest Cost (TIC)

True Interest Cost (TIC)

4.4%

Debt Obligation

Bond

Moody's Rating

Unrated

Standard & Poor's Rating

Unrated

Fitch Rating

Unrated

Other Rating Agency Name

N/A

Other Rating Agency Rating

N/A

Security

Revenue

Type of Sale Per Authorizing Document

Negotiated Sale

Dated Date

7/22/2025

Issue/Closing Date

7/22/2025

Final Maturity Date

7/1/2030

Debt Purpose

Purpose	Percentage	Description
Refunding	100%	Refunded prior loan that financed school facilities
Education	0%	N/A
General Government	0%	N/A
Other	0%	N/A
Utilities	0%	N/A

Cost of Issuance and Professionals

Does your Debt Issue have costs or professionals?

Yes

Description	Amount	Recurring Portion	Firm Name
Legal Fees - Bond Counsel	\$30,000.00	N/A	Bass Berry & Sims PLC
Real Estate Fees	\$40.00	N/A	Hamilton County Register
Printing and Advertising Fees	\$221.00	N/A	Times Free Press
Borrower Counsel	\$36,000.00	N/A	Chambliss, Bahner & Stophel
TOTAL COSTS	\$66,261.00		

Maturity Dates, Amounts, and Interest Rates

Comments

Commencing August 1, 2025 and continuing on the first day of each month thereafter, the principal and interest on the Series 2025A Bond shall be paid in equal monthly installments, with each monthly installment being based on a 20-year mortgage style amortization of the original par amount of the Series 2025A Bond.

Year	Amount	Interest Rate
2030	\$2,166,727.00	4.40
TOTAL AMOUNT	\$2,166,727.00	

See final page for Submission Details and Signatures

Submission Details and Signatures

Is there an official statement or disclosure document, as applicable, that will be posted to EMMA: <https://emma.msrb.org/>

No

Signature - Chief Executive or Finance Officer of the Public Entity

Name

Hicks Armor

Title/Position

Chairman

Email

pnoblett@chattanooga.gov

Alternate Email

N/A

Signature - Preparer (Submitter) of This Form

Name

Russ Miller

Title/Position

Member

Email

rmiller@bassberry.com

Alternate Email

N/A

Relationship to Public Entity

Bond Counsel

Organization

Bass, Berry & Sims PLC

Verification of Form Accuracy

By checking the box below as the signing of this form, I attest the following:

1. I certify that to the best of my knowledge the information in this form is accurate.
2. The debt herein complies with the approved Debt Management Policy of the public entity.
3. If the form has been prepared by someone other than the CEO or CFO, the CEO or CFO has authorized the submission of this document.

☒ Verify Form Accuracy

Date to be Presented at Public Meeting

08/18/2025

Date to be emailed/mailed to members of the governing body

07/23/2025

Final Confirmation:

I hereby submit this report to the Division of Local Government Finance of the Tennessee Comptroller of the Treasury and understand my legal responsibility to: File this report with the members of the governing body no later than 45 days after the issuance or execution of the debt disclosed on this form. The Report is to be delivered to each member of the Governing Body and presented at a public meeting of the body. If there is not a scheduled public meeting of the governing body within forty-five (45) days, the report will be delivered by email or regular US mail to meet the 45-day requirement and also presented at the next scheduled meeting.



Report On Debt Obligation

Receipt Date: 07/23/2025

Entity and Debt Information

Entity Name

The Health, Educational and Housing Facility Board of the City of Chattanooga

Entity Address

100 East 11th Street, Suite 200 c/o Chattanooga City Attorney's Office Chattanooga, Tennessee 37402

Debt Issue Name

Educational Facilities Revenue Bond (Silverdale Baptist Academy Project) Series 2025B

Series Year

2025

Debt Issue Face Amount

\$2,500,000.00

Face Amount Premium or Discount?

N/A

Tax Status

Tax - Exempt

Interest Type

Variable with Index and Basis Points

Index Type | Basis Points

79% SOFR | 98

Debt Obligation

Bond

Moody's Rating

Unrated

Standard & Poor's Rating

Unrated

Fitch Rating

Unrated

Other Rating Agency Name

N/A

Other Rating Agency Rating

N/A

Security

Revenue

Type of Sale Per Authorizing Document

Negotiated Sale

Dated Date

7/22/2025

Issue/Closing Date

7/22/2025

Final Maturity Date

7/1/2030

Debt Purpose

Purpose	Percentage	Description
Education	100%	New school facilities
General Government	0%	N/A
Other	0%	N/A
Refunding	0%	N/A
Utilities	0%	N/A

Cost of Issuance and Professionals

Does your Debt Issue have costs or professionals?

No

Maturity Dates, Amounts, and Interest Rates

Comments

Commencing August 1, 2027 and continuing on the first day of each month thereafter, the principal on the Series 2025B Bond shall be paid in monthly installments, with each monthly installment being based on a 8-year mortgage style amortization

Year	Amount	Interest Rate
2030	\$2,500,000.00	VR
TOTAL AMOUNT	\$2,500,000.00	

See final page for Submission Details and Signatures

Submission Details and Signatures

Is there an official statement or disclosure document, as applicable, that will be posted to EMMA: <https://emma.msrb.org/>

No

Signature - Chief Executive or Finance Officer of the Public Entity

Name

Hicks Armor

Title/Position

Chairman

Email

pnoblett@chattanooga.gov

Alternate Email

N/A

Signature - Preparer (Submitter) of This Form

Name

Russ Miller

Title/Position

Member

Email

rmiller@bassberry.com

Alternate Email

N/A

Relationship to Public Entity

Bond Counsel

Organization

Bass, Berry & Sims PLC

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☒ Verify Form Accuracy

Date to be Presented at Public Meeting

08/18/2025

Date to be emailed/mailed to members of the governing body

07/23/2025

Final Confirmation:

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