

CITY OF WHITE HOUSE  
Board of Mayor and Aldermen  
*Study Session*  
Agenda  
July 18, 2022  
6:00 p.m.

1. Call to Order by the Mayor
2. Roll Call
3. Adoption of the Agenda
4. New Business
  - a. Discuss a Commercial Property Assessed Clean Energy and Resiliency (C-PACER) program.
5. Adjournment

## **RESOLUTION 22-07**

### **A RESOLUTION DECLARING THE INTENT OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF WHITE HOUSE, TENNESSEE TO CONSIDER THE ADOPTION OF A COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY AND RESILIENCY (C-PACER) PROGRAM.**

**WHEREAS**, per Tenn. Code Ann. §§ 68-205-101 et seq., as amended (the “C-PACER Act”), the State Legislature granted local governments the authority to establish a commercial property assessed clean energy and resiliency (C-PACER) program that jurisdictions can voluntarily implement to ensure that free and willing owners of agricultural, commercial, and industrial properties and certain multi-family residential properties can obtain low-cost long-term financing; and

**WHEREAS**, the C-PACER Act allows this financing to be used for qualifying improvements, including energy efficiency, water conservation, renewable energy, and resiliency measures such as flood mitigation, stormwater management, wildfire and wind resistance, energy storage, microgrids, and fire suppression; and

**WHEREAS**, the C-PACER program authorized in the C-PACER Act promotes voluntary energy efficiency, energy conservation, and resiliency, and such improvements not only save money for building owners, but also support the reduction of energy consumption, support the production of clean, renewable energy, and reduce greenhouse gas emissions; and

**WHEREAS**, the Board of Mayor and Aldermen will later on this date consider the matter at a duly-advertised public hearing;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Mayor and Aldermen of the City of White House, Tennessee (the “City”), as follows:

**Section 1.** The financing of Qualified Projects as defined in the C-PACER Act through special assessments is a valid public purpose.

**Section 2.** The City intends to authorize direct financing between property owners and capital providers as the means to finance Qualified Projects in accordance with the C-PACER Act and the terms of a Resolution to be adopted by the City establishing a C-PACER Program.

**Section 3.** The City intends to authorize special assessments, entered into voluntarily by a property owner with the City by means of the written assessment contract, as the means to repay the financing for qualified projects available to property owners in accordance with the C-PACER Act and the terms of a Resolution to be adopted by the City establishing a C-PACER Program.

**Section 4.** Qualified Projects that may be subject to special assessments will be more particularly described in a separate Resolution to be adopted by the City establishing a C-PACER Program in accordance with the C-PACER Act.

**Section 5.** The C-PACER Program shall be available to privately owned commercial, industrial, or agricultural real property or privately owned residential real property with five or more dwelling units, including property owned by nonprofit, charitable or religious organizations located in the industrial and commercial zoning districts of the City in accordance with the C-PACER Act and the terms of a Resolution to be adopted by the City establishing a C-PACER Program.

**Section 6.** The C-PACER Program shall be administered in accordance with the C-PACER Act and the terms of a Resolution to be adopted by the City establishing a C-PACER Program.

**Section 7.** The debt-servicing procedures of either the City or a third-party delegate responsible for servicing the installment payments on the C-PACER financing will be described in a Resolution to be adopted by the City establishing a C-PACER Program in accordance with the C-PACER Act.

**Section 8.** A public hearing will be held on June 16, 2022 at 7:00 p.m. as advertised in accordance with State law.

**Section 9.** The City Administrator and the city tax collector are to be delegated as designees of the City in a Resolution to be adopted by the City establishing a C-PACER Program to oversee the collection of proposed special assessments with property taxes imposed on the assessed property.

**Section 10. Severability.** Should any provision or provisions of this Resolution be declared invalid or unenforceable in any respect by final decree of any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, ordinance, or provisions shall not affect the remaining provisions of such Resolution.

**Section 11. Repeal of Conflicting Resolutions.** All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

**Section 12. Effective Date.** This Resolution shall take effect upon its adoption, the welfare of the Municipality requiring it.

ADOPTED and approved this 16<sup>th</sup> day of June, 2022.

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FARRIS H. BIBB, JR., Mayor

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DEREK WATSON, City Recorder

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## RESOLUTION 22-08

### **A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF WHITE HOUSE, TENNESSEE, ADOPTING THE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY AND RESILIENCY (C-PACER) PROGRAM.**

**WHEREAS**, per Tenn. Code Ann. §§ 68-205-101 et seq., as amended (the “C-PACER Act”), the State Legislature granted local governments the authority to establish a commercial property assessed clean energy and resiliency (C-PACER) program that jurisdictions can voluntarily implement to ensure that free and willing owners of agricultural, commercial, and industrial properties and certain multi-family residential properties can obtain low-cost long-term financing; and

**WHEREAS**, the C-PACER Act allows this financing to be used for qualifying improvements, including energy efficiency, water conservation, renewable energy, and resiliency measures such as flood mitigation, stormwater management, wildfire and wind resistance, energy storage, microgrids, and fire suppression; and

**WHEREAS**, the C-PACER program authorized in the C-PACER Act promotes voluntary energy efficiency, energy conservation, and resiliency, and such improvements not only save money for building owners, but also support the reduction of energy consumption, support the production of clean, renewable energy, and reduce greenhouse gas emissions; and

**WHEREAS**, the Board of Mayor and Aldermen has on this date at this meeting considered the matter at a duly-advertised public hearing and concludes that adoption will further the public health, safety, and welfare;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Mayor and Aldermen of the City of White House, Tennessee, adopt the following **Commercial Property Assessed Clean Energy and Resiliency (C-PACER) Program**:

**Section 1. Establishment of Commercial Property Assessed Clean Energy and Resiliency (C-PACER) Program.** There is hereby established within the boundaries of the City of White House, Tennessee (the “City”) a Commercial Property Assessed Clean Energy and Resiliency (“C-PACER”) program (the “Program”) in accordance with the C-PACER Act. The City finds that it is convenient and advantageous to establish the Program, at no net cost to the City, in order to finance Qualified Projects (as hereinafter defined), repaid by voluntary annual assessment installment payments on the property benefited by such Qualified Projects, and that the Program is in the public interest, providing for the safety, health, and environmental public benefit, and provides for economic development of the community. The Program shall allow financing for the full range of Qualified Improvements on all Eligible Properties, as authorized by the C-PACER Act, and shall abide by and operate according to the C-PACER Act.

#### **Section 2. Definitions**

The definitions in this section apply throughout the following policy unless the context clearly requires otherwise:

1. “Application checklist” means the list of items in a Program Application required by the C-PACER Act, this Resolution, the Program Guidebook, and the corresponding documentation that the City accepts in order to show the requirements of the C-PACER Act have been met.
2. “Assessment” means the voluntary agreement of a Property Owner pursuant to an Assessment Agreement to allow the City to require the payment of annual Assessment Installments on his/her property in an amount sufficient to re-pay C-PACER financing, together with interest, penalties, fees and charges related thereto. The period of the Assessment must not exceed the weighted average of the useful life of the Qualified Project that is the basis for the Assessment.
3. “Assessment Agreement” means an agreement among the City, Program Administrator, and a Property Owner whereby the City agrees to place an Assessment to repay C-PACER financing and C-PACER Lien on the property to secure the obligation to repay the financing.
4. “Assessment Installment” means annual payments assessed against the Qualified Project to repay C-PACER Financing.



5. "Capital Provider" means any private entity, its designee, successor, and assignees that makes or funds C-PACER Financing under this Resolution.
6. "C-PACER Financing" means an investment from a Capital Provider to a Property Owner to finance or refinance a Qualified Project as described under this Resolution that satisfies the requirements of the C-PACER Act. The proposed C-PACER Financing for a Qualified Improvement may authorize the Property Owner to:
  - a. purchase directly the related equipment and materials for the installation or modification of a Qualified Improvement; and
  - b. contract directly, including through lease or other service contract, for the installation or modification of a Qualified Improvement.
7. "C-PACER Lien" means the lien recorded at the City on the Eligible Property satisfying the requirements of the C-PACER Act to secure the C-PACER Financing, which remains on the property until the C-PACER Financing is paid in full.
8. "Eligible Property" means privately owned commercial, industrial, or agricultural real property or privately owned residential real property with five or more dwelling units, including property owned by nonprofit, charitable or religious organizations. Eligible Property must otherwise meet the C-PACER Program requirements. Eligible Property may be owned by the State of Tennessee, the City, another local government entity, industrial development corporations, housing authorities or health, educational and housing facility boards, and leased to a privately owned entity. Eligible Property may include ground leased real property. Notwithstanding anything in the C-PACER Act or this Resolution to the contrary, prior to approval of financing on a leasehold interest for a property that is owned by the State of Tennessee or a local government entity as described above, but leased to a privately owned entity as described above, the consent of the Property Owner must be obtained. A change to the leasehold must be approved by the governmental entity property owner. The governmental entity Property Owner must be held harmless if the privately owned entity to which the leasehold is leased defaults on a Financing Agreement for a leasehold in accordance with this Resolution or the C-PACER Act.
9. "Financing Agreement" means the contract under which a Property Owner agrees to repay a Capital Provider through Assessment Installments for the C-PACER Financing including, but not limited to, any finance charges, fees, debt servicing, accrual of interest and penalties, and any terms relating to treatment of prepayment and partial payment of the C-PACER Financing.
10. "Program" means the C-PACER program established under this Resolution in accordance with the C-PACER Act.
11. "Program Administrator" means the department or office designated by the City to administer the C-PACER Program.
12. "Program Guidebook" means documents that, collectively, are incorporated in Exhibit A of this Resolution, including the Assessment Agreement and the Notice of Assessment Interest and C-PACER Lien and which satisfy the requirements of the C-PACER Act.
13. "Program Application" means the application submitted to demonstrate that a proposed project qualifies for C-PACER Financing and for a C-PACER Lien which shall contain the requirements set forth in the C-PACER Act.
14. "Property Owner" means an owner of an Eligible Property who desires to install Qualified Improvements and provides willing consent to the Assessment against the Eligible Property.
15. "Qualified Improvement" means a permanent improvement affixed to real property and intended to:
  - (a) decrease energy consumption or demand through the use of efficiency technologies, products, or activities that reduce or support the reduction of energy consumption, allow for the reduction in demand, or support the production of clean, renewable energy, including but not limited to a product, device, or interacting group of products or devices on the customer's side of the meter that generates electricity, provides thermal energy, or regulates temperature;
  - (b) decrease water consumption or demand and address safe drinking water through the use of efficiency technologies, products, or activities that reduce or support the reduction of water consumption, allow for the reduction in demand, or reduce or eliminate lead from water which may be used for drinking or cooking; or
  - (c) increase resilience, including but not limited to seismic retrofits, fire suppression, flood mitigation, stormwater management, wildfire and wind resistance, energy storage, and microgrids.
16. "Qualified Project" means a project approved by the Program Administrator in accordance with the C-PACER Act, involving the installation or modification of a Qualified Improvement, including new construction or the adaptive reuse of Eligible Property with a Qualified Improvement, including Qualified

Improvements installed no more than two (2) years prior to the date of application. Together, Qualified Improvements, inclusive of all related and eligible costs pursuant to the C-PACER Act that are to be financed as described in a Program Application and approved by the Program Administrator, are a Qualified Project.

### **Section 3. Territory**

The Program shall be available to Eligible Property located in the areas of the City shown on the map attached hereto as Exhibit A, in accordance with the C-PACER Act.

### **Section 4. Program Administration**

1. Pursuant to the C-PACER Act, the City designates the City Administrator or its designee as the Program Administrator. The Program Administrator, as designee and without further action by the City, shall review and approve the Program Applications submitted in accordance with the Program Guidebook, collect any fees, execute the documents required by the Program Guidebook to enable C-PACER financing, and record the documents requested by the Property Owner and Capital Provider.

### **Section 5. C-PACER Financing**

1. C-PACER Financing, under the C-PACER Act, is to be provided by Capital Providers through a Financing Agreement entered into with the owner of an Eligible Property to fund a Qualified Project.
2. The C-PACER Financing may include:
  - a. The cost of materials and labor necessary for installation or modification of a Qualified Improvement;
  - b. Permit fees;
  - c. Inspection fees;
  - d. Financing or origination fees;
  - e. Program application and administrative fees;
  - f. Project development and engineering fees;
  - g. Third-party review fees, including verification review fees;
  - h. Capitalized interest;
  - i. Interest reserves; or
  - j. Any other fees or costs that may be incurred by the Property Owner incident to the installation, modification, or improvement of a Qualified Improvement on a specific or pro rata basis.
3. Prior to entering into a Financing Agreement, the Capital Provider must receive written consent from every holder of a deed of trust or mortgage interest in the real property that will be subject to the Assessment and C-PACER Lien agreeing that the property may participate in the program and that the C-PACER Lien will take precedence over all other liens except for a lien for taxes, as described below.

### **Section 6. C-PACER Lien**

1. The C-PACER Lien amount, plus any interest, penalties, fees and charges accrued or accruing on the C-PACER Lien:
  - a. takes precedence over all other liens or encumbrances except a lien for taxes imposed by the state, a local government, or a junior taxing district on real property, which liens for taxes shall have priority over such C-PACER Lien, provided existing mortgage holders, if any, have provided written consent described in Section 5(3) above; and
  - b. is a first and prior lien, equal to the lien for taxes imposed by the state, a local government, or a junior taxing district against the real property on which the C-PACER Lien is imposed, from the date on which the notice of the C-PACER Lien is recorded until the C-PACER Lien, interest, penalties, fees and charges accrued or accruing are paid in full.
2. The C-PACER Lien runs with the land, and that portion of the C-PACER Lien that has not yet become due is not accelerated or eliminated by enforcement of the C-PACER Lien by tax sale or any lien for taxes imposed by the state, a local government, or junior taxing district against the real property on which the C-PACER Lien is imposed.
3. Delinquent Assessment Installments incur interest and penalties as specified in the Financing Agreement and shall be included in the enforcement or foreclosure action.

4. The City may apply the proceeds of an enforcement action in the same manner as it applies the proceeds from enforcement actions for delinquent property taxes, including the local government's right to apply the proceeds to the payment of the actual costs of the enforcement action as provided in Tenn. Code Ann. Section 67-5-2501.
5. After the C-PACER Lien is recorded as provided in this Resolution, the Assessment, C-PACER Financing and the C-PACER Lien may not be contested on the basis that the improvement is not a Qualified Improvement or that the project is not a Qualified Project.

## **Section 7. Application and Review**

1. A Property Owner and Capital Provider shall complete a Program Application and submit it to the Program Administrator for review.
2. The Program Application shall require:
  - a. An attestation by the Property Owner that the project consists of one or more "Qualified Improvement(s)" as defined in section 2(15) above.
  - b. For an existing building seeking improvements (a) where energy or water usage improvements are proposed, a certification by a licensed engineering firm, engineer, or other qualified professional listed in the Program Guidebook stating that the proposed Qualified Improvements will either result in more efficient use or conservation of energy or water, the reduction of greenhouse gas emissions, or the addition of renewable sources of energy or water; (b) where safe drinking water measures are proposed, a certification by a licensed professional engineer stating that the Qualified Improvements will result in the reduction of lead in potable water; or (c) where resilience improvements are proposed, a certification by a licensed professional engineer stating that the Qualified Improvements will result in improved resilience.
  - c. For new construction, a certification by a licensed professional engineer stating that the proposed Qualified Improvements, individually, or acting as a whole, will enable the project to exceed the energy efficiency, water efficiency, renewable energy, renewable water, or resilience requirements of the current building code of the City.
  - d. A certification by the Property Owner that it is the legal owner of the property; is current on mortgage and property tax payments; is not insolvent or in bankruptcy proceedings; and title to the property is not in dispute.
  - e. A certification by the Property Owner that the amount of the assessment, plus existing indebtedness on the property does not exceed ninety percent (90%) of the fair market value of the property as determined by a qualified appraiser, with the exception that properties qualified under the federal low-income housing tax credit program set forth in 26 U.S.C. Section 42 are exempt from this requirement.
  - f. A certification that the amount of the assessment does not exceed twenty-five percent (25%) of the fair market value of the property as determined by a qualified appraiser.
  - g. All other information and certifications required by the C-PACER Act.
3. The Program Administrator shall review the Program Application according to the Application Checklist solely to determine whether it is complete, proposes a "Qualified Improvement," contains no errors on its face, and that all information is provided in the substance and form required by the Application Checklist. If so, the Program Administrator shall sign the Application Checklist indicating that the Program Application is deemed approved and the project is a Qualified Project. If a Program Application is incomplete and/or does not conform to the requirements of the Application Checklist, the Program Administrator shall inform the applicant as soon as practicable that the Program Application is denied, the reasons for the denial, and any corrections that could make the Program Application acceptable. If feasible, the applicant shall have an opportunity to correct the Program Application.
4. Upon approval of a Program Application, a Property Owner or Capital Provider shall provide the completed Assessment Agreement and Notice of Assessment Interest and C-PACER Lien to the City Administrator for execution at least five (5) days prior to close of the C-PACER transaction, along with a requested date for recordation of such forms.
5. The City shall cause the Assessment Agreement and the Notice of Assessment Interest and C-PACER Lien to be recorded in the real property records in which the real property is located, at the date requested by the Property Owner and Capital Provider or, at the request of the Property Owner and the Capital Provider, the recording of such documents may be delegated to the Capital Provider.

6. For a Property Owner and Capital Provider whose Program Application is denied by the City's Program Administrator, either party, or both, may request an adjudicative proceeding before the City's adjudicative body, consistent with the City's rules and subject to the applicable provisions of Tennessee's Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 et seq.

#### **Section 8. Program Guidebook**

1. The C-PACER Program shall be administered in accordance with the requirements contained in the Program Guidebook established by the Program Administrator from time to time which shall meet the requirements of the C-PACER ACT.
2. The Program Guidebook and forms may be amended by the Program Administrator in accordance with the C-PACER Act without approval by the Board of Mayor and Aldermen of the City, provided that such amendments comply with the C-PACER Act and other applicable law.

#### **Section 9. Collection and Enforcement**

1. Collection of Assessment Installments and enforcement of C-PACER Liens due to delinquent Assessment Installments, including enforcement by tax sale, shall be enforced in the same manner that a property tax lien against commercial property is enforced by the City.
2. The City hereby designates the Finance Department to collect Assessment Installments in accordance with its practices regarding the collection of real property taxes, and enforce C-PACER Liens due to delinquent Assessment Installments. The Finance Department shall remit any and all Assessment Installments it collects to the Capital Provider to whom the payment is due within 30 days of receipt thereof.

#### **Section 10. Fees**

An application fee shall be paid to the City when the Program Application is submitted. The amount of the application fee shall be determined by the City Administrator. The City Administrator shall establish an application fee that makes the costs of the C-PACER program cost-neutral to the City provided, however that the application fee for any Assessment may not exceed 1% of the applicable C-PACER Financing and shall not in any case exceed \$50,000. Any portion of the application fee that is retained by the City to service the applicant's Assessment Installments shall be placed into a reserve account and utilized for assessor-related costs. If a Program Application is declined, the application fee paid shall be returned to the applicant, less the amount necessary to offset the actual and reasonable costs of reviewing the Program Application.

#### **Section 11. Enactment**

The provisions of this Resolution are hereby declared to be severable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of the sections, phrases and provisions hereof. All ordinances, orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed upon the effectiveness of this Resolution. No provision of the Municipal Code or violation of any provision of the Code shall be deemed to impair the validity of this Resolution or the instruments authorized by this Resolution or to impair the security for or payment of the instruments authorized by this Resolution; provided further, however, that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Code. In the event and to the extent of a conflict between this Resolution and the C-PACER Act, the C-PACER Act shall govern.

#### **Section 12. No Liability.**

Except for a right of action to enforce the terms of this Resolution, this Resolution does not confer any right of action nor property interest upon any party to a C-PACER transaction against the City, and, so long as the City complies in good faith with the terms of the C-PACER Act and this Resolution, the City shall incur no liability for enacting this Program, nor shall the City, its governing body, executives, or employees be personally liable as a result of exercising any rights or responsibilities granted under this Resolution.

#### **Section 13. Severability.** Should any provision or provisions of this Resolution be declared invalid or

unenforceable in any respect by final decree of any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, ordinance, or provisions shall not affect the remaining provisions of such Resolution.

**Section 14. Repeal of Conflicting Resolutions.** All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

**Section 15. Effective Date.** This Resolution shall take effect upon its adoption, the welfare of the Municipality requiring it.

ADOPTED and approved this 16<sup>th</sup> day of June, 2022.

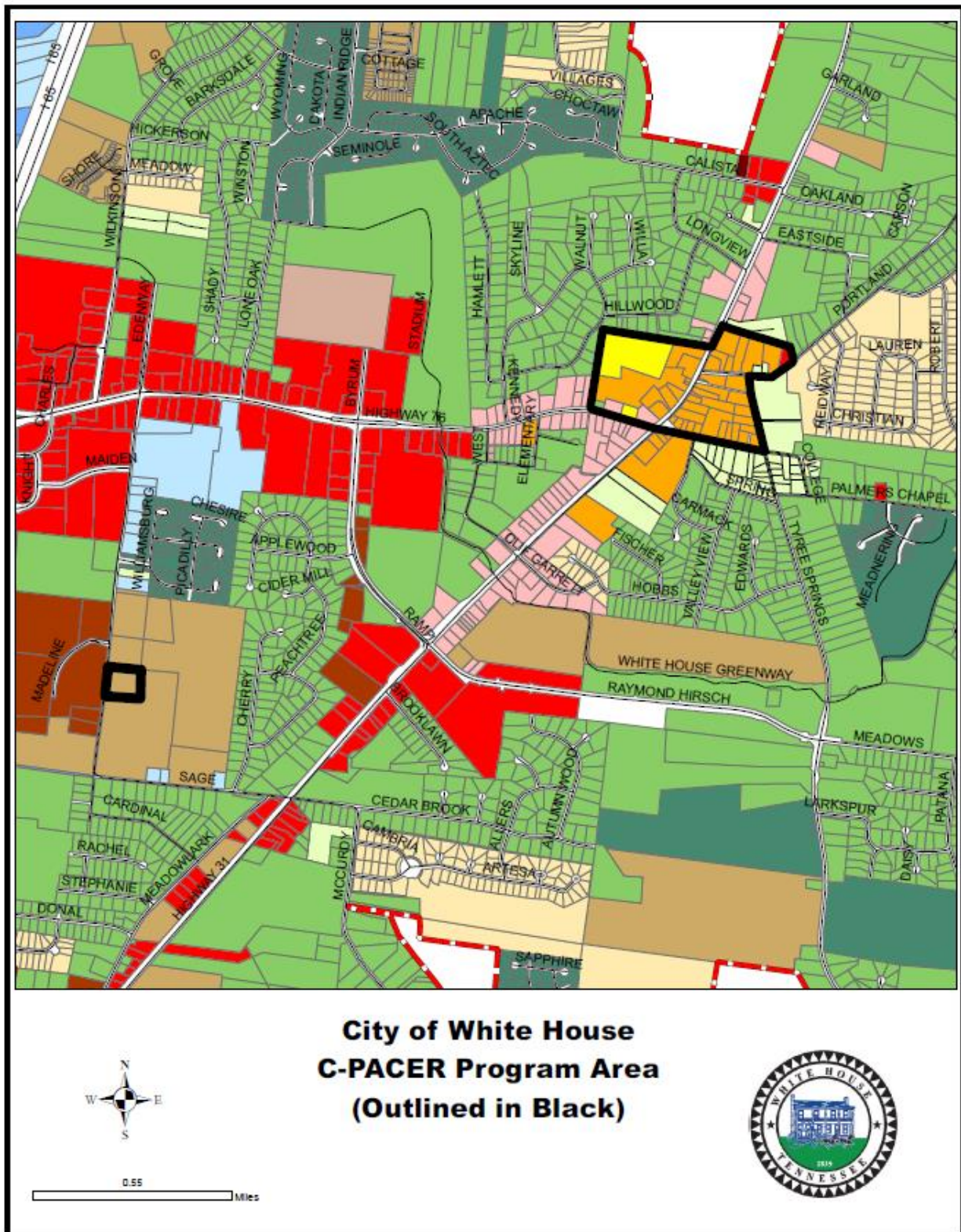
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FARRIS H. BIBB, JR., Mayor

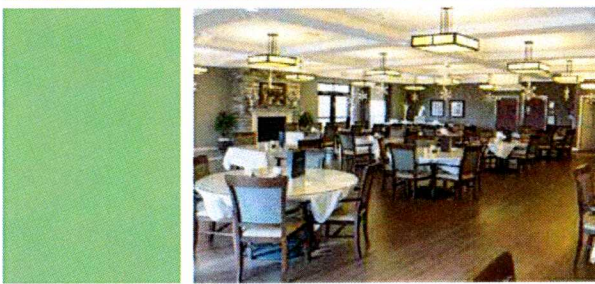
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DEREK WATSON, City Recorder

**EXHIBIT A**







# DMK

## DEVELOPMENT GROUP

*A Premier Seniors Housing  
Design-Build Specialist*





# **WHITE HOUSE SENIOR PARTNERS, LLC**

## **CHARTER SENIOR LIVING AT WHITE HOUSE**

### **New Construction**

Mixed-Use Senior Living Community  
Located in White House, Tennessee



**Featuring Assisted Living and Memory Care**



## PROJECT SUMMARY

- Charter Senior Living at White House (the "Project") is located on a 52-acre parcel, with approximately 5-acres parceled off for our assisted living and memory project. The remaining acreage is going to be developed into single-family homes. The site is located at the intersection of North Sage Road and Madeline Way in White House, Tennessee.



- The Project is being developed by DMK Development Group, LLC ("DMK"), also serving as the general contractor. DMK will form a special-purpose entity, White House Senior Partners, LLC ("Owner"), to serve as Owner and Borrower for the Project. Charter Senior Living, LLC ("Charter") will serve as the manager of the community under a management agreement with the Owner.
- The Project has a building that will be one-story and approximately 64,000 s.f. It will have a total of 79 resident units representing 56 assisted living ("AL") units and 23 units reserved for Memory Care ("MC") programming. The total project budget is approximately \$18.0MM with an anticipated construction schedule of 14 months.
- The Project will be capitalized with a combination of construction financing, special assessment financing through the PACE (Property Assessed Clean Energy) program and sponsorship equity from individual owners.



## **PACE FINANCING OVERVIEW**

### **WHAT IS PACE FINANCING**

Property Assessed Clean Energy (PACE) is a financing mechanism that enables low-cost, long-term funding for energy efficiency, renewable energy and water conservation projects. PACE financing is repaid as an assessment on the property's regular tax bill, and is processed the same way as other local public benefit assessments (sidewalks, sewers) have been for decades. Depending on local legislation, PACE can be used for commercial, nonprofit and residential properties.

### **HOW PACE FINANCING WORKS**

PACE is a national initiative, but programs are established locally and tailored to meet regional market needs. State legislation is passed that authorizes municipalities to establish PACE programs, and local governments have developed a variety of program models that have been successfully implemented. Regardless of model, there are several keystones that hold true for every PACE program.

- PACE is voluntary for all parties involved.
- PACE can cover 100% of a project's hard and soft costs.
- Long financing terms to 25+ years.
- Can be combined with utility, local and federal incentive programs.
- Energy projects are permanently affixed to a property.
- The PACE assessment is filed with the local municipality as a lien on the property.



## CONSTRUCTION POINTS

- The Project has a building that will be one-story and approximately 64,000 s.f. It will have a total of 79 resident units representing 56 assisted living (“AL”) units and 23 units reserved for Memory Care (“MC”) programming.
  - Beautifully landscaped courtyards with putting green for resident’s and family entertainment.
  - Large private studio, one or two bedroom apartments with all of the comforts of home.
  - Restaurant style dining room will offer a fine dining experience for residents and their guests.
  - Systematic safety and infection control protocols, testing policies and access to high-quality safety partnerships
- The total project budget is approximately \$18.0MM with an anticipated construction schedule of 14 months. DMK is the developer and general contractor for the Project and will source as many of the trades as possible from the local area in and around White House.

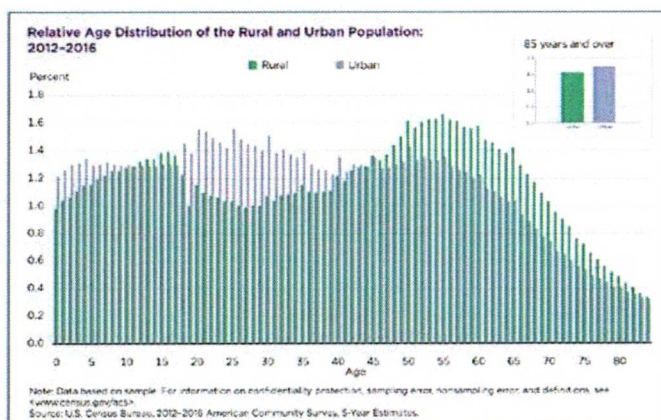
## ECONOMIC IMPACT

- Over the next twenty years, the population aged 65 and over is expected to grow from 48 million to 79 million. Meanwhile, the number of households headed by someone in that age group will increase by 66 percent to almost 50 million—with the result that by 2035, one out of three American households will be headed by someone aged 65 or older.
- The Project being presented will create approximately 200 construction jobs, as well as 60-70 permanent jobs once the community is open. Additionally, it is anticipated to supply approximately 20 indirect jobs at other local businesses. The result of local purchases made by the community, as well as employee spending.
- Upon the community reaching stabilization it is anticipated that annual direct salaries will be approximately \$1.5MM.
- Provides a needed service to residents of White House to offer high-quality care and assistance to the ever-growing elderly population.

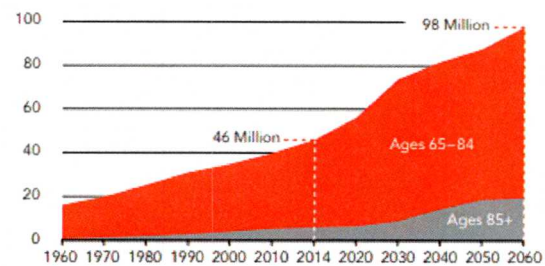
## THE TARGET MARKET

The United States is on the cusp of the most dramatic aging demographic shift it has ever experienced. By 2060, the number of adults aged 65 and over will more than double from 46 million in 2014 to 98 million in 2060. The need for quality, affordable senior housing will be in high demand over the next several decades. The current landscape in senior housing is ripe with developers and operators targeting high-end, private pay communities that offer amenities and rates affordable only to the affluent. At the opposite end of the spectrum are low-income housing communities funded through government programs that offer accommodations to income qualified seniors. The target market for such developments remain primarily in large-metropolitan areas and their surrounding suburbs. There remains a large unmet need for economical senior housing developments in the countries more rural, tertiary markets.

More than 1 in 5 older Americans live in rural areas, many concentrated in states where more than half of their older populations are in rural areas. A report, *The Older Population in Rural America: 2012-2016*, shows that 17.5% of the rural population was 65 years and older compared to 13.8% in urban areas.



U.S. Population Ages 65 and Older, 1960 to 2060 (Millions)



Source: PRD analysis of data from the U.S. Census Bureau.

The share of urban population 65 years and older living in skilled-nursing facilities was 3.1% compared to only 1.4% of people in rural areas. This may signal an unmet demand for skilled-nursing facility options in rural areas that will increase as baby boomers age. The approach to this current and growing problem is to offer economical accommodations with high-quality care to keep America's small city and towns senior population in the hometown's they love.



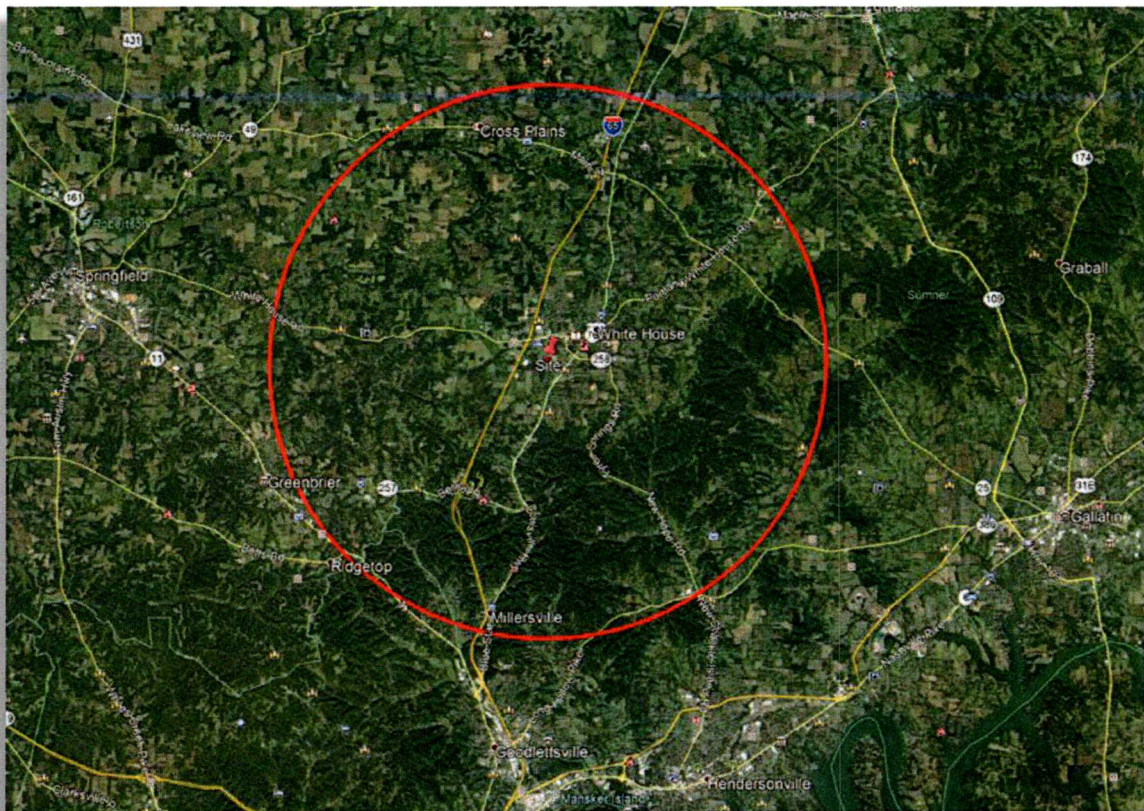
## MARKET & DEMAND ANALYSIS COMMENTARY – WHITE HOUSE, TN

### PRIMARY MARKET AREA DEMOGRAPHICS

*DMK hired CBRE to conduct a market study of the proposed project and the following information is taken from that study.*

The first step in analyzing the competitive market for the subject is delineating the subject's primary market area (PMA). A PMA can be defined by a radius, node(s), submarket(s), zip code(s), county(s) or township(s), or any variety of such defining terms. This cohort represents where approximately 70% to 80% of the residents currently occupying the subject resided prior to moving into the subject property.

Based on discussions with property management as well as marketing directors at comparable properties to the subject, the subject's primary market area is outlined in the following map at a 7-mile radius around the site. ***There are NO competitors within the 7-mile PMA and thus CBRE took competition from surrounding towns as basis for competition.***



## MARKET & DEMAND ANALYSIS COMMENTARY – WHITE HOUSE, TN

### DEMOGRAPHIC TRENDS

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
Proposed Assisted Living 491 N Sage Rd	5 Miles	7 Miles	10 Miles
<b>Population</b>			
2025 Total Population	30,429	46,953	101,895
2020 Total Population	28,199	43,887	93,640
2010 Total Population	23,807	38,121	78,733
2000 Total Population	19,033	31,204	62,527
Annual Growth 2020 - 2025	1.53%	1.36%	1.70%
Annual Growth 2010 - 2020	1.71%	1.42%	1.75%
Annual Growth 2000 - 2010	2.26%	2.02%	2.33%
<b>Households</b>			
2025 Total Households	11,000	17,122	37,203
2020 Total Households	10,193	16,006	34,249
2010 Total Households	8,567	13,853	28,801
2000 Total Households	6,704	11,102	22,507
Annual Growth 2020 - 2025	1.54%	1.36%	1.67%
Annual Growth 2010 - 2020	1.75%	1.46%	1.75%
Annual Growth 2000 - 2010	2.48%	2.24%	2.50%
<b>Income</b>			
2020 Median Household Income	\$77,582	\$76,190	\$78,229
2020 Average Household Income	\$90,597	\$90,710	\$95,135
2020 Per Capita Income	\$32,688	\$33,057	\$34,861
2020 Pop 25+ College Graduates	4,552	7,042	18,323
Age 25+ Percent College Graduates - 2020	23.2%	23.0%	28.1%
Source: CBRE Fast Reports & ESRI			

The immediate neighborhood is supportive of the subject's proposed use as seniors housing. Access to area highways, employment centers, and shopping is good. Development has been occurring within the subject's neighborhood. These developments conform to the subjects proposed use as an assisted living and memory care community. The neighborhood is in a stage of growth having a positive impact on the subject property.

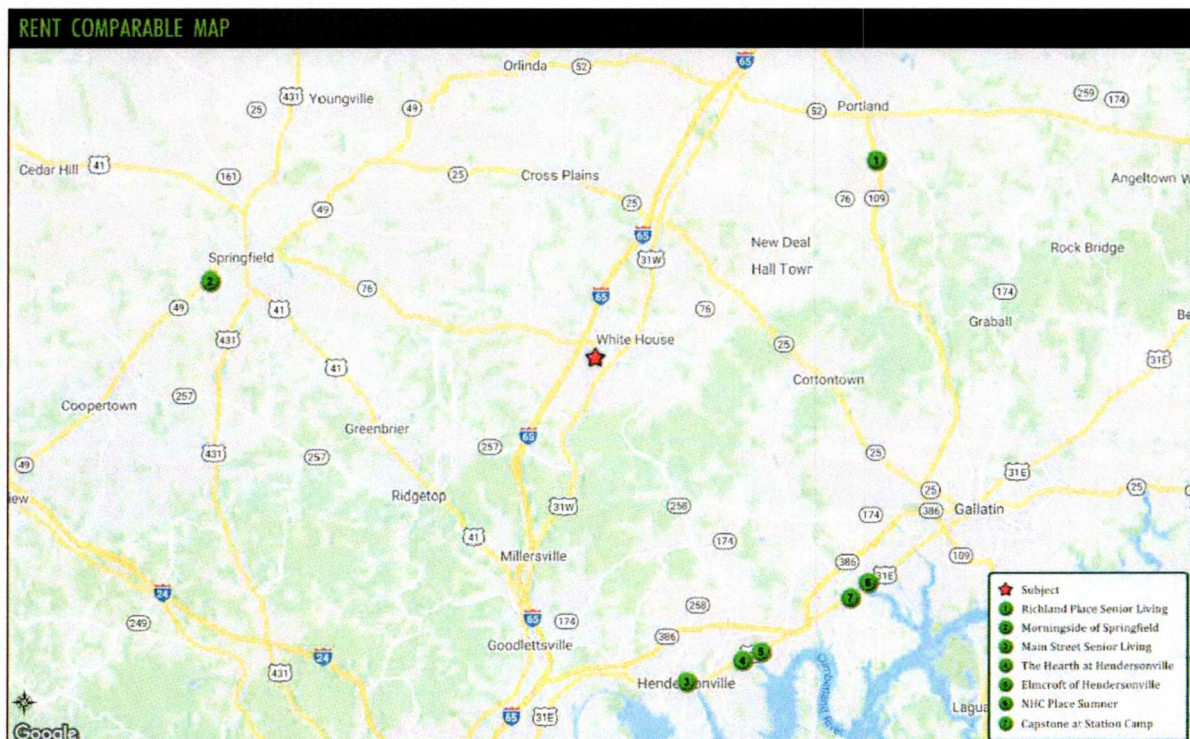


## MARKET & DEMAND ANALYSIS COMMENTARY – WHITE HOUSE, TN

### COMPETITIVE LANDSCAPE

SUMMARY OF COMPARABLE RENTALS												
Comp. No.	Property Name and Location	Year Built	Rev. Units			Census		Base Rent (\$/Month)		LOC \$/Month	Community Fee	Second Res. Fee
			Total	AL	MC	AL	MC	AL	MC			
1	Richland Place Senior Living 918 S Broadway, Portland, Tennessee	2008	52	52		77%		\$3,100 \$3,300		\$100 \$700		
2	Morningside of Springfield 205 Westgate Drive, Springfield, Tennessee	1989	54	47		85%		\$3,035 \$4,380		\$230 \$925	\$500	\$600
3	Main Street Senior Living 674 E Main St, Hendersonville, Tennessee	2000	58	40	18	80%	89%	\$2,400 \$3,650	\$2,100 \$3,600	\$250 \$1,800	\$1,250	\$750
4	The Hearth at Hendersonville 419 E Main St, Hendersonville, Tennessee	2012	130	100	30	87%	93%	\$3,225 \$4,195	\$4,375 \$5,450	\$300 \$1,800	\$3,725	\$1,000
5	Elmcroft of Hendersonville 1020 Carrington Pl, Hendersonville, Tennessee	1999	59	23	36	78%	75%	\$3,133 \$5,718	\$3,528 \$5,262	\$300 \$1,000	\$1,000	\$1,065 \$2,462
6	NHC Place Sumner 140 Thorne Boulevard, Gallatin, Tennessee	2015	152	40	20	95%	95%	\$4,070 \$5,050	\$5,360 \$6,335	\$304 \$821	\$1,000	\$1,000
7	Capstone at Station Camp 1965 Nashville Pike, Gallatin, Tennessee	2021	100	56	44			\$3,563 \$4,368	\$4,956 \$5,830	\$375 \$2,100	\$2,500	\$1,000

Source: CBRE VIEW Database



## MARKET & DEMAND ANALYSIS COMMENTARY – WHITE HOUSE, TN

### DEMAND COVERAGE ANALYSIS

A demand coverage analysis serves as a more detailed way of understanding specific supply and demand characteristics of a primary market area. This methodology incorporates income qualifications, care utilization specific to the sub-property type and specific age cohorts. Once market vacancy is considered, a net demand indication is calculated.

AGE AND INCOME QUALIFIED DEMAND	
<b>2020</b>	<b>AL</b>
Income Qualified 65 - 74 Population	2,254
65 - 74 Care Utilization Factor	3.6%
65 - 74 Age/ Care Qualified Demand	81
Income Qualified 75 - 84 Population	813
75 - 84 Care Utilization Factor	7.7%
75 - 84 Age/ Care Qualified Demand	63
Income Qualified 85+ Population	218
85+ Care Utilization Factor	21.1%
85+ Age/ Care Qualified Demand	46
<b>Total Age/ Care Qualified Demand</b>	<b>190</b>
<b>2025</b>	<b>AL</b>
Income Qualified 65 - 74 Population	2,564
65 - 74 Care Utilization Factor	3.6%
65 - 74 Age/ Care Qualified Demand	92
Income Qualified 75 - 84 Population	1,152
75 - 84 Care Utilization Factor	7.7%
75 - 84 Age/ Care Qualified Demand	89
Income Qualified 85+ Population	284
85+ Care Utilization Factor	21.1%
85+ Age/ Care Qualified Demand	60
<b>Total Age/ Care Qualified Demand</b>	<b>241</b>
Care Factor Source: U.S. Department of Health and Human Services	
Compiled By: CBRE	

DEMAND COVERAGE	
<b>2020</b>	<b>AL</b>
Total Demand	190
Frictional Vacancy	10.00%
<b>Total Adjusted Demand</b>	<b>211</b>
Total Supply	0
<b>Net Surplus Demand (Rev. Units)</b>	<b>211</b>
Market Balance	Under Supply
<b>2025</b>	<b>AL</b>
Total Demand	241
Frictional Vacancy	10.00%
<b>Total Adjusted Demand</b>	<b>268</b>
Total Supply	81
<b>Net Surplus Demand (Rev. Units)</b>	<b>187</b>
Market Balance	Under Supply
Compiled By: CBRE	

MEMORY CARE DEMAND COVERAGE		
	<b>2020</b>	<b>2025</b>
Total Demand - AL and MC	190	241
MC Utilization Factor	40.0%	40.0%
Total Demand - MC	76	96
Frictional Vacancy	10.00%	10.00%
<b>Total Adjusted Demand - MC</b>	<b>84</b>	<b>107</b>
Total Supply - MC	0	25
<b>Net Surplus Demand (Rev. Units)</b>	<b>84</b>	<b>82</b>
Market Balance	Under Supply	Under Supply
Compiled By: CBRE & NCHS Study of Long-Term Care Providers		



## MARKET & DEMAND ANALYSIS COMMENTARY – WHITE HOUSE, TN

### MARKET CONCLUSION

Current market occupancy and demand indications reflect an under supplied market for assisted living and memory care. Through the five-year projection period, future demand is still well-reflected within the PMA.

#### Assisted Living Demand

According to the bed need methodologies used to calculate the demand for more assisted living units, the White House Primary Market (7-mile radius) appears to be under-supplied. The calculations show a surplus in demand of 211 units in 2020, reducing to a surplus of 187 units in 2025. **Worthy of note the Total Competitive Supply in 2025 includes the Subject Property, while the Total Supply in 2020 does not. The inclusion of the Subject Property in 2025 results in the reduction of under-supplied units.**

#### Memory Care Demand

According to the bed need methodologies used to calculate the demand for more memory care units, the White House Primary Market (7-mile radius) appears to be under-supplied. The calculations show a surplus in demand of 84 units in 2020, reducing to a surplus of 102 units in 2025. **Worthy of note the Total Competitive Supply in 2025 includes the Subject Property, while the Total Supply in 2020 does not. The inclusion of the Subject Property in 2025 results in the reduction of under-supplied units.**







## CHARTER SENIOR LIVING PROFILE

Founded in 2016, Charter Senior Living, LLC ("Charter") operates, owns and develops high-quality Independent Living, Assisted Living and Memory Care communities where seniors enjoy a true sense of purpose by leading happier, healthier and more fulfilling lives. Known for creating engaging, uplifting lifestyles and innovative programming and for providing respectful, personalized care, Charter is one of today's most trusted senior living owners/operators/managers. Over the last 5 years, Charter has consistently grown its portfolio of to better serve the local communities in which it operates. Currently, Charter operates 46 communities throughout the Midwest, Southeast and Mid-Atlantic regions of the country.

### OUR MISSION & CORE VALUES

**Mission:**

To Enhance the Human Spirit

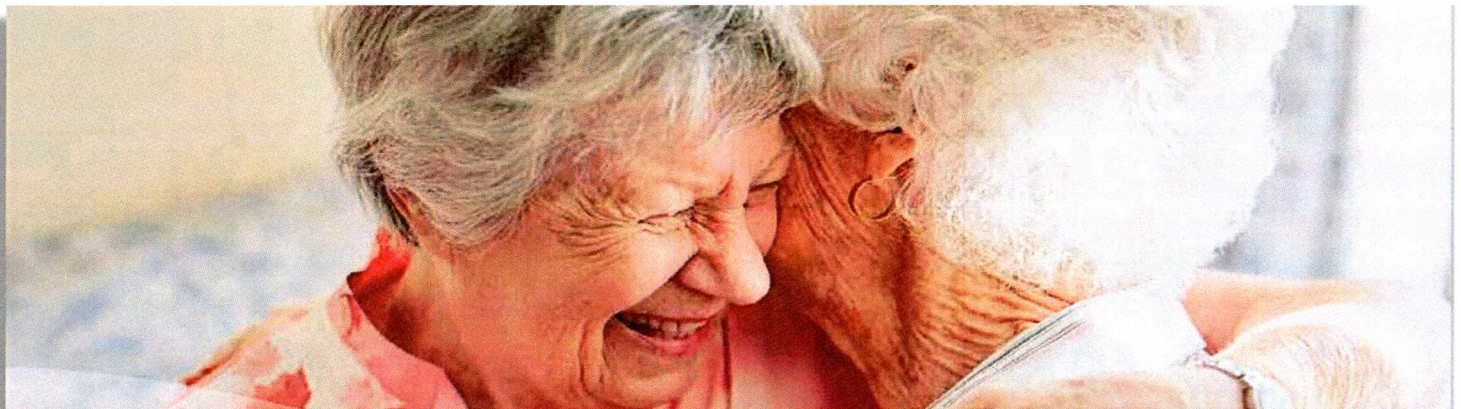
**Core Values:**

Serve with Heart  
Serve with Purpose  
Serve with Courage  
Have Fun While Serving

### CORE COMPETENCIES

Charter's core competencies are Independent Living, Assisted Living and Memory Care.

Charter has successful experience in the turnaround of existing communities, revenue and NOI growth in stabilized communities, and ground-up development from site selection to initial lease-up to stabilization.

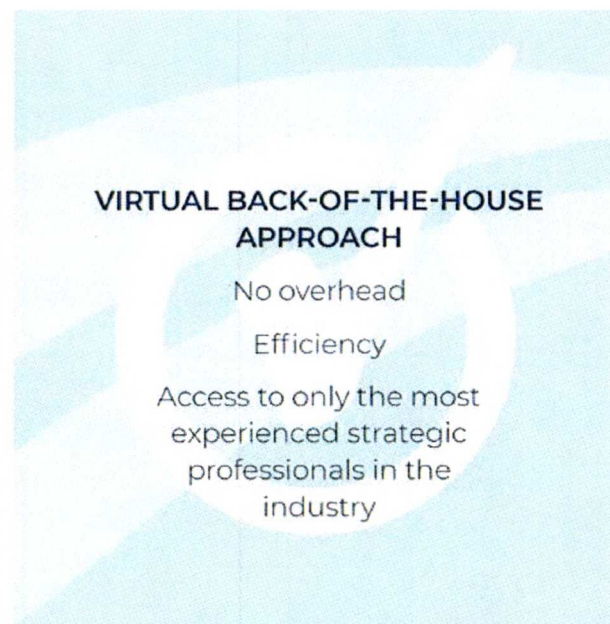
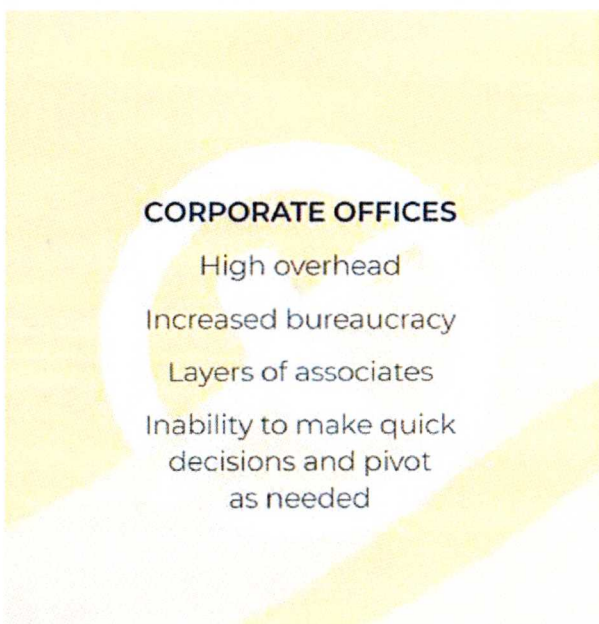






## CHARTER'S POINTS OF DIFFERENCE

- Our virtual back office means reduced overhead expenses, which allows for more investment in “field” support for our partner communities.
- Our Senior leadership team can be in communities on a consistent basis providing operations oversight and driving culture rather than being secluded in a corporate office.
- We are in communities far more than most organizations, which means we stay close to residents, families and associates – we know what they want and need, and we respond appropriately.
- Our vetted partners are committed to Charter’s mission and values and demonstrate a relentless commitment to providing extraordinary service to our communities.
- Because of our extensive industry experience, we excel in recruitment and training of key leadership and staff.
- Our education, training and active support foster high satisfaction and retention.
- We create and implement best-in-class practices and programs.
- We believe in and practice an on-site, hands-on approach.
- We utilize the most innovative and successful technologies to manage business and operations.



## CHARTER'S POINTS OF DIFFERENCE (CONTINUED)

### CAPITAL NEEDS

A comprehensive capital needs assessment secures capital to restore conditions that support operating initiatives, improvement plans and opportunities.

### COMMUNITY LEADERSHIP

Evaluate all key personnel to ensure the Charter philosophy and culture is resident-centric. Our management team serves as a resource, not a substitute for center-based leadership.

### REVENUE ENHANCEMENT

Our active, progressive and customized approach extends to all facets of sales, marketing, market analyses, competitive trends/techniques, and opportunities for ancillary revenue generation.

### EXPENSE MANAGEMENT

With a concentration on labor and management, operating expenses are subject to daily practice tools that manage costs while maintaining appropriate staffing and care. Financial management is supported by routine oversight and techniques that monitor resident needs and foster maximum efficiency.

### NOI ENHANCEMENT

Our margin performance supports the community capital structure and continuing operations – extending to capital needs, employee development, program development and overall sustainability.

### SYSTEMS DEVELOPMENT

Beyond a continuing concentration on technology-based systems solutions, we leverage our industry expertise and economies of business operations to introduce and support best practices in Policy, Practice and Procedures, as well as employee education, training and development, resulting in higher satisfaction.

### CUSTOMIZATION

Our operating philosophy is to recognize and leverage unique attributes and opportunities while fostering uniform standards of our operating practices and quality assurance. Each community will exhibit our standards of excellence without compromising its unique, valued identity.



## CHARTER'S POINTS OF DIFFERENCE (CONTINUED)

### PREMIER MANAGEMENT TEAM



**Keven J. Bennema**  
President & CEO

After a humbling but formative beginning as a caregiver, Keven rose to executive ranks in the senior living sector, working for several large national providers. He worked in every functional department of a skilled nursing community before ultimately earning his Nursing Home Administrator License in the state of Ohio. Concurrently, he completed his MBA in Health Care Administration from Cleveland State University. Keven continued his career in several senior living companies, serving as Executive Director, Regional Director and eventually becoming Executive Vice President/Chief Operating Officer of Senior Lifestyle Corporation in Chicago.

Now, with his own company underway and 14 properties (and counting) under his direct leadership, Keven is focused exclusively on advancing his team-inspired vision for senior living under the Charter banner.



**Jayne Sallerson**  
Chief Operating Officer/ Partner

Jayne Sallerson, a seasoned veteran in the senior living industry, joined Charter Senior Living as an investor, partner and Chief Operating Officer. Jayne oversees all facets of operations for the company. For the past 25 years, she has served in various senior management roles for both large and small senior living organizations, exposing her to over 750 communities throughout the United States. She has developed and executed sales and operational infrastructures where the net result has been increased revenue, reduced expenses and improved NOI. Her unique blend of both sales and operations experience allows for a balanced approach to driving NOI while keeping customer and employee satisfaction at the core of operating strategies. Most recently, she served as Executive Vice President of Sales & Operations for Benchmark Senior Living and spent seven years as Executive Vice President of Sales & Marketing for Emeritus Senior Living prior to the Brookdale merger.

Jayne is well recognized within the senior housing industry. She has served on multiple Argentum roundtables and is a frequent presenter on a variety of topics for the senior living industry's major national conferences.



CONCEPTUAL FLOOR PLAN



FLOOR PLAN

ROOM TABULATION		
RESIDENTIAL CARE ASSISTED LIVING		
AL-1A STUDIES UNITS WITH OUT BATH	1 ROOMS	8 BDRS
AL-1B STUDIES UNITS WITH BATH	1 ROOMS	8 BDRS
AL-2A PRIVATE UNITS (IN BEDROOM AL) WITH BATH	1 ROOM	8 BDRS
AL-2B PRIVATE UNITS (IN BEDROOM AL) WITH BATH	1 ROOM	8 BDRS
AL-3A PRIVATE UNITS (IN BEDROOM WITH BATH)	1 ROOMS	8 BDRS
AL-3B PRIVATE UNITS (IN BEDROOM WITH BATH)	1 ROOMS	8 BDRS
AL-4 PRIVATE UNITS (IN BEDROOM WITH BATH)	1 ROOMS	8 BDRS
AL-5 PRIVATE UNITS (IN BEDROOM WITH BATH)	1 ROOMS	8 BDRS
TOTALS	26 ROOMS	88 BDRS
PERSONAL CARE RESIDENTIAL CARE		
PRIVATE UNITS	1 ROOMS	8 BDRS
PRIVATE UNITS	1 ROOMS	8 BDRS
TOTALS	2 ROOMS	16 BDRS

SQUARE FOOTAGE BREAKDOWN		
RESIDENTIAL CARE ASSISTED LIVING	10,000 SQ. FT.	10,000 SQ. FT.
PERSONAL CARE RESIDENTIAL CARE	10,000 SQ. FT.	10,000 SQ. FT.
TOTAL	20,000 SQ. FT.	20,000 SQ. FT.
TOTAL SQUARE FOOTAGE	20,000 SQ. FT.	20,000 SQ. FT.



FINISHED PRODUCT





## DEVELOPMENT PHILOSOPHY

Since its inception, DMK Development Group, has been specifically focused on developing and constructing only the highest quality senior housing facilities. At DMK Development, we also understand that no two senior housing projects are alike and each project desires creative, customizable solutions that achieve the demands each project requires.

Understanding the complexities of each senior housing project has led DMK Development to compile a team with extensive operations experience in the senior housing industry. DMK Development leverages its industry experience and knowledge to form mutually beneficial and lasting partnerships with our clients. DMK's collaborative approach creates an engaging environment that leads to tailor-made solutions maximizing our client's investment and delivering high-quality, specifically functioning senior living assets.

Our clients simply bring us an idea, and we make it a reality through a collaborative, transparent and individualized development process. We have the expertise to handle every step of the construction process, including site selection, feasibility analysis, financing, budgeting, design consulting, scheduling and all aspects of production until the moment the facility doors open.







Uniquely qualified with 25+ years of seniors housing operations, development and construction experience throughout the U.S.

Successfully developed and constructed over 70 seniors housing properties over the last 10+ years representing in excess of \$800MM.

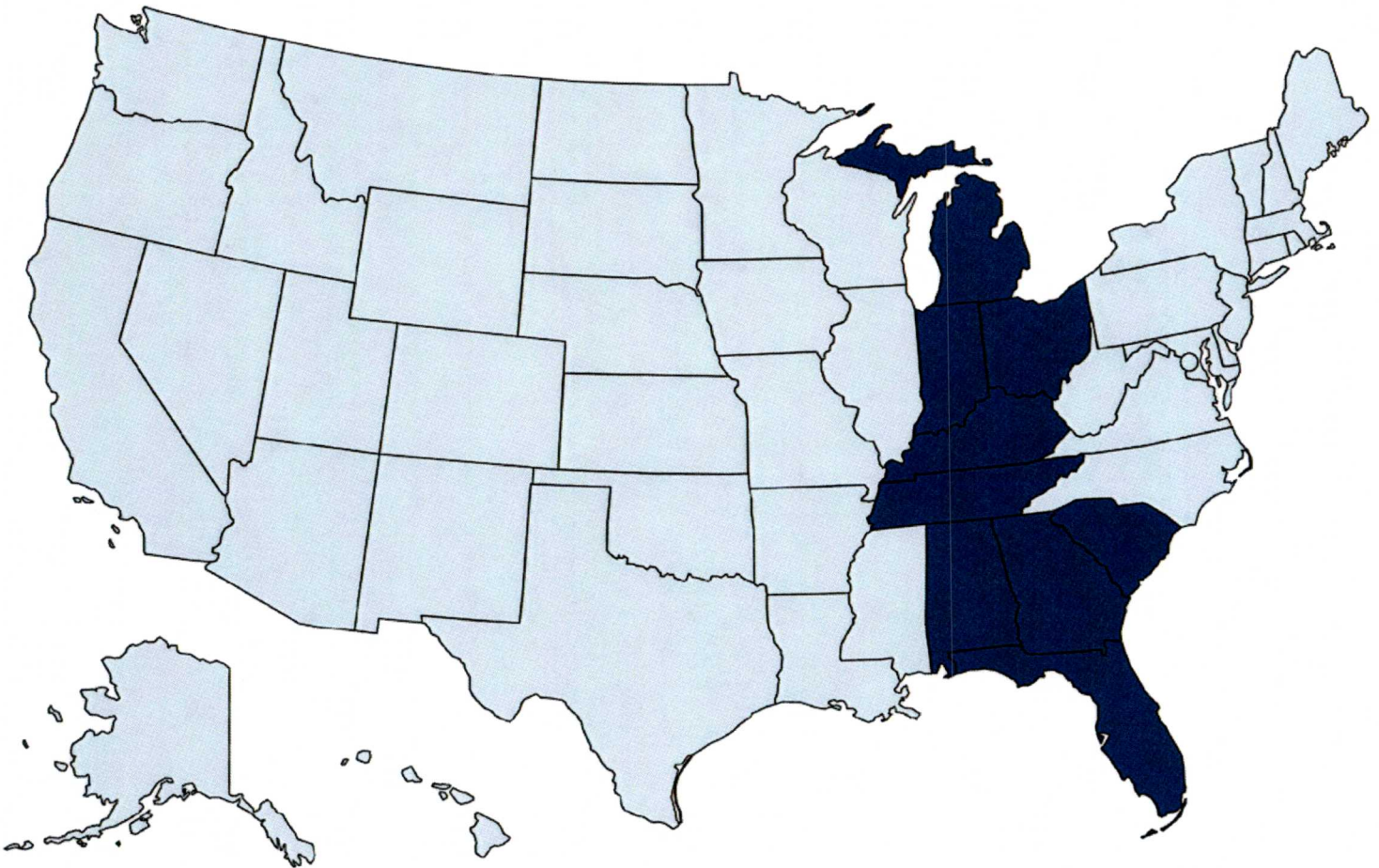
## DMK COMPANY OVERVIEW

- Company founded in 2007
- Consistent annual revenue and employee growth
- Construct and invest high-quality properties focused on need-driven care
- Partner with leading regional operators with strong operating track records
- Full suite of services offering a comprehensive seniors housing solution
- \$800 million in seniors housing construction since 2007
- Over 70 newly constructed seniors housing communities completed since 2007



## DMK GEOGRAPHICAL DEVELOPMENT FOOTPRINT

*With active projects in Kentucky, Indiana, Ohio, Michigan, Alabama, Florida, Georgia, South Carolina and Tennessee, DMK covers a broad geographic range.*







## Senior Healthcare Properties – PropCo/OpCo Platform

- DMK Development Group has developed, constructed and currently operating through Senior Healthcare Properties via a Third-Party Management Agreement with Trilogy Health Services three communities in Kentucky.
- The communities are located in Bardstown, Danville and Winchester
- Each community is comprised of 56 Personal Care Units and 23 Memory Care Units. The communities are approximately 60,000 square feet, single-story buildings.
- Currently, DMK has under construction two more projects under this platform in Shelbyville and Owensboro, KY which are being operated by Trilogy Health Services. A project in New Albany, IN is currently under development.
- DMK and Trilogy are expanding the pipeline of this project to four additional sites yet to be determined
- Currently, DMK and Charter have one project under construction in this platform with four additional projects in development including in White House, TN.







## The Legacy Reserve at Old Town- Columbus, Georgia

- Located on 8 acres inside of the Old Town master development community in Columbus, GA. The total development was \$30.0MM
- Legacy Reserve - a 160,000 SF, three story, 167-unit IL/AL/MC community leased and operated by Atlas Senior Living and
- DMK services included project design, feasibility analysis, land entitlement project financing and general contracting services.
- The Legacy Reserve was completed and opened in October 2020.





## Springs at Stonybrook – Louisville, Kentucky

- Leased to Trilogy Health Services
- 129 Beds. 22 Independent Living, 41 Assisted Living and 66 Skilled Nursing beds. Approximately 92,000 square feet.
- DMK Development Group was selected by Louisville-based Trilogy Health Services to provide turnkey development services for its health campus. Development services included feasibility and site acquisition, land permitting/entitlements, CON/licensure transfer, project financing and general contracting services.
- The project was completed in November 2018 with an approximate construction schedule of sixteen months.
- Lease terms – 10-year triple-net lease with two five-year renewal options. Pre-determined purchase option offered in the lease.





## Springfield Health Campus – Springfield, Ohio

- Leased to Trilogy Health Services
- 113 Beds. 22 Independent Living, 41 Assisted Living and 50 Skilled Nursing beds.  
Approximately 88,000 square feet.
- DMK Development Group was selected by Louisville-based Trilogy Health Services to provide turnkey development services for its health campus. Development services included feasibility and site acquisition, land permitting/entitlements, CON/licensure transfer, project financing and general contracting services.
- The project was completed in January 2018 with an approximate construction schedule of sixteen months.
- Lease terms – 10-year triple-net lease with two five-year renewal options. Pre-determined purchase option offered in the lease.





## Arcadia Senior Living – Clarksville, Tennessee

For-Profit - Owned by Arcadia Senior Living

- 81-Total Units. 65-Assisted Living and 16-Assisted Living. 79,141 square foot community consisting of three stories.
- DMK Development Group was selected to provide design-build and general contractor services. DMK selected the architect and worked with the Arcadia operations and clinical team to finalize the layout and design. DMK was contracted to provide design, land entitlement and general contracting services. The project was owner/operator financed on balance sheet.

