



JASON E. MUMPOWER
Comptroller

TENNESSEE STATE SCHOOL BOND AUTHORITY

June 15, 2021

AGENDA

1. Call meeting to order
2. Approval of the Minutes from the TSSBA meeting of May 24, 2021
3. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the Middle Tennessee State University
4. Consideration and approval of the Resolution to Approve the Borrowing of Money to Acquire Real Estate by the University of Tennessee
5. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee - Health Science Center
6. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee - Knoxville
7. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
May 24, 2021

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Monday, May 24, 2021, at 2:00 p.m. in the Executive Conference Room, State Capitol, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were present:

The Honorable Tre Hargett, Secretary of State
The Honorable David Lillard, State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
Mark Paganelli, proxy for Randy Boyd, President, University of Tennessee

The following member participated telephonically as authorized by Tennessee Code Annotated § 8-44-108:

Danny Gibbs, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum, Mr. Mumpower called the meeting to order and stated that the first item on the agenda was the approval of the minutes of the meeting held on March 22, 2021. Mr. Mumpower asked if there were any comments, questions, or discussion on the minutes. Hearing none, Mr. Hargett moved approval of the minutes, and Mr. Lillard seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the next item to come before the Authority was the consideration of approval of a Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee (“UT”). Mr. Mumpower recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee, to present the request.

Mr. Oakes stated that the first request from UT was for a sublease with waiver of advertisement and appraisal for property located at 1924 Alcoa Highway in Knoxville. Mr. Oakes explained that this lease with the University Health System will provide up to 14,177 square feet for the college of pharmacy for a five-year term beginning July 1, 2021. Mr. Oakes stated that the average annual cost was \$286,000, and that the University may terminate the agreement with 90 days prior notice. Mr. Oakes explained that the waiver of advertisement and appraisal was requested due to the location of the space, the adjacency to the college of medicine, and UT’s prior buildout of the space for this specific use.

Mr. Mumpower asked if there were any questions on the item. Hearing none, Mr. Lillard moved approval of the request and Mr. Hargett seconded the motion.

The motion was approved unanimously.

Mr. Mumpower recognized Mr. Oakes to present another Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee (“UT”). Mr. Oakes stated that the second request from UT was for the lease of photocopiers at the future UT Southern campus in Pulaski. Mr. Oakes explained that this lease with RJ Young Company will provide equipment and supply maintenance for a five-year term that began July 31, 2019. Mr. Oakes stated that the annual cost is \$46,800 with 37 months remaining on the lease term as of the closing date. Mr. Oakes explained that the agreement will be assigned to UT through an amendment after final approvals for the acquisition are in place.

Mr. Mumpower asked if there were any questions on the item. Hearing none, Mr. Hargett moved approval of the request and Mr. Lillard seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that the next item on the agenda was the consideration and approval of the Resolution Authorizing and Providing with Respect to Amended and Restated Revolving Credit Agreement (RCA). Mr. Mumpower recognized Ms. Sandi Thompson, Director of the Division of State Government Finance (SGF) and Assistant Secretary to the Authority to present the item.

Ms. Thompson stated that this was the last step of the process related to the Authority's negotiation of the terms of the RCA with the current providers. Ms. Thompson explained that the current agreement had been extended until June 15, 2021. Ms. Thompson stated that the request before the Authority was for approval and authorization of the amended and restated RCA. Ms. Thompson explained that the revisions reflected the following:

- the effective date of the amended and restated agreement is June 2, 2021,
- the Commitment Expiration Date is May 31, 2024,
- the aggregate commitment amount of \$300,000,000 remains the same, and
- updates to the notice section to reflect appropriate contact names and addresses.

Ms. Thompson stated that the meeting materials included a copy of the resolution, the amended and restated RCA, by and between the TSSBA, and U.S. Bank and Wells Fargo, and a letter from PFM, Financial Advisor to the TSSBA, that summarizes the RFQ/RFP process and recommends that the TSSBA proceed to negotiate the terms and conditions of the RCA with US Bank/Wells Fargo. Mr. Mumpower asked if there were any questions or discussion. Hearing none, Mr. Lillard moved approval of the resolution and Mr. Hargett seconded the motion.

The motion was approved unanimously.

Mr. Mumpower stated that concluded the agenda for the meeting and made a motion to adjourn. Mr. Hargett seconded the motion.

The motion was approved unanimously.

The meeting was adjourned.

Approved on this ____ day of _____, 2021.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

**RESOLUTION TO APPROVE THE
BORROWING OF MONEY BY ANOTHER METHOD BY
MIDDLE TENNESSEE STATE UNIVERSITY**

Recitals

Whereas, Middle Tennessee State University (“MTSU”) uses a firewall platform as part of a multi-layer cybersecurity strategy to protect its information assets; and

Whereas, MTSU’s current platform cannot be upgraded due to planned end of life and the existing hardware must therefore be upgraded as soon as possible to continue to provide security of MTSU information assets; and

Whereas, CDW-G, a division of CDW Corporation (“CDW-G”), provides information technology services that proactively manage security threats; and

Whereas, CDW-G has offered a 40% discount on the original list price of \$1,996,580.00 for new hardware with the latest security features and updates (the “New Hardware”); and

Whereas, CDW-G has provided quotes indicating that the five (5) year cost of renewing maintenance on existing hardware and the cost of purchasing the New Hardware are approximately the same (the cost of renewing maintenance of existing hardware is \$1,123,075.00 and the cost of purchasing the New Hardware is \$1,198,954.20); and

Whereas, MTSU proposes to enter into a five (5) year lease/purchase agreement (the “Agreement”) with Key Government Finance, Inc. (“KGF”) for the cost of the New Hardware from August 1, 2021 to August 1, 2025; and

Whereas, subject to final approvals, the terms of the Agreement include CDW-G making a payment of \$58,802.59 to KGF on July 1, 2021, which is equal to the total amount of interest due over the life of the lease; and

Whereas MTSU will make installment payments (the “Payments”) to KGF in the amount of \$165,000.00 for Year 1 and \$258,488.55 for Years 2-5 due on August 1, annually; and

Whereas, subject to final approvals, KGF will be granted a security interest constituting a first lien on MTSU’s interest in the New Hardware to secure performance of MTSU’s obligation under the Agreement; and

Whereas, subject to final approvals, MTSU shall have the option to purchase KGF’s security interest in the New Hardware on the last day of the Agreement upon payment in full plus one dollar (\$1), if MTSU provides written notice to KGF (60) days prior to the last day of the Agreement; and

Whereas, the Payments will be funded by MTSU through annual appropriations; and

Whereas, the Agreement provides that, in any year where MTSU is not appropriated sufficient funds to make the Payments, the Agreement shall be terminated with no penalty to MTSU (but MTSU must return the New Equipment).

BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval for MTSU to enter into the Agreement.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of June 15, 2021.

Adopted by the Authority at its meeting on June 15, 2021.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

Office of the Vice President for
Information Technology and CIO
217 Cope Administration Building
1301 East Main Street
Murfreesboro, Tennessee 37132
Office: 615-898-5570 • Fax: 615-898-5007
www.mtsu.edu/itd



To: Tennessee State School Bonding Authority

From: Bruce Petryshak, Vice President for Information Technology and CIO

Date: May 13, 2021

Subject: MTSU Firewall Refresh Proposal

After evaluating the state of our existing firewall infrastructure, we determined that our existing hardware must be upgraded as soon as possible. Our current firewall platform cannot be upgraded to the latest vendor recommended firmware version, which is now two major revisions ahead, due to planned end of life. This means a foundational layer of our multi-layer cybersecurity strategy to protect the University's information assets will no longer be afforded the latest security features and updates.

In addition, after evaluating the costs of renewing maintenance on our existing hardware, we concluded the 5 year long term costs of renewing maintenance will be approximately the same as replacing the equipment and paying it over the same amount of time. Simply renewing maintenance on existing hardware will cost approximately \$1,123,075 over the next five years based on the latest annual maintenance budgetary quote (see CDW-G quote MCWB709). By contrast, we can purchase new equipment with the latest security features and updates for \$1,198,954.20 (see CDW-G quote LZKQ004).

We request approval to enter a financing arrangement with Key Government Finance and CDW-G to pay for this purchase over 5 years. CDW-G is offering a 40% discount where the original list price is \$1,996,580.00 and the discounted purchase price is \$1,198,954.20. The total interest for this lease/purchase is \$58,802.59 (see Exhibit 1 in the Key Government Finance agreement), and this will be paid by CDW-G. Per the supporting documentation, this would commit us to a payment of \$165,000 in year 1 and payments of \$258,488.55 in years 2-5.

Thank you for your consideration.

A handwritten signature in blue ink that reads "Bruce Petryshak".

Bruce Petryshak

QUOTE CONFIRMATION



DEAR AARON SCHMUHL,

Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
MCWB709	5/12/2021	PALO ALTO FULL RENEWAL	1573634	\$224,615.00

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
Palo Premium Support Program - extended service agreement (renewal) - 1 yea Mfg. Part#: PAN-SVC-PREM-500-R UNSPSC: 81111811 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET	1	2599468	\$990.00	\$990.00
Palo Threat Prevention for PA-500 - subscription license renewal (1 year) - Mfg. Part#: PAN-PA-500-TP-R UNSPSC: 43233204 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	1	2773950	\$690.00	\$690.00
Palo Alto Networks Premium Support Program - extended service agreement (re Mfg. Part#: PAN-SVC-PREM-3050-R UNSPSC: 81111811 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET	1	3357360	\$5,265.00	\$5,265.00
Palo Premium Support Program - extended service agreement (renewal) - 1 yea Mfg. Part#: PAN-SVC-PREM-220-R UNSPSC: 81111811 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET	1	4731640	\$200.00	\$200.00
Palo Threat Prevention for PA-220 - subscription license renewal (1 year) - Mfg. Part#: PAN-PA-220-TP-R UNSPSC: 43233204 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	1	4787925	\$175.00	\$175.00
Palo Premium Support Program - extended service agreement (renewal) - 1 yea Mfg. Part#: PAN-SVC-PREM-500-R UNSPSC: 81111811 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET	1	2599468	\$990.00	\$990.00

QUOTE DETAILS (CONT.)

Mfg. Part#: PAN-SVC-PREM-500-R

UNSPSC: 81111811

Timeframe:01/13/2021-1/13/2022

Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

Contract: MARKET

[Palo Threat Prevention for PA-500 - subscription license renewal \(1 year\) -](#)

1

2773950

\$690.00

\$690.00

Mfg. Part#: PAN-PA-500-TP-R

UNSPSC: 43233204

Timeframe:01/13/2021-1/13/2022

Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

Electronic distribution - NO MEDIA

Contract: MARKET

[Palo GlobalProtect Gateway for PA-500 - subscription license renewal \(1 yea](#)

1

3449814

\$690.00

\$690.00

Mfg. Part#: PAN-PA-500-GP-R

UNSPSC: 43233204

Timeframe:01/13/2021-1/13/2022

Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

Contract: MARKET

[Palo Premium Support Program - extended service agreement \(renewal\) - 1 yea](#)

1

2599468

\$990.00

\$990.00

Mfg. Part#: PAN-SVC-PREM-500-R

UNSPSC: 81111811

Timeframe:01/13/2021-1/13/2022

Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

Contract: MARKET

[Palo Threat Prevention for PA-820 - subscription license renewal \(1 year\) -](#)

1

4994237

\$600.00

\$600.00

Mfg. Part#: PAN-PA-820-TP-HA2-R

UNSPSC: 43233205

Timeframe:06/18/2021-6/18/2022

Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

Contract: MARKET

[Palo Alto Networks Premium Support Program - extended service agreement \(re](#)

1

4844825

\$875.00

\$875.00

Mfg. Part#: PAN-SVC-PREM-820-R

UNSPSC: 81111811

Timeframe:06/15/2021-6/15/2022

Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

Contract: MARKET

[Palo Threat Prevention for PA-820 - subscription license renewal \(1 year\) -](#)

1

4994237

\$600.00

\$600.00

Mfg. Part#: PAN-PA-820-TP-HA2-R

UNSPSC: 43233205

Timeframe:06/18/2021-6/18/2022

Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

Contract: MARKET

[Palo Alto Networks Premium Support Program - extended service agreement \(re](#)

1

4844825

\$875.00

\$875.00

Mfg. Part#: PAN-SVC-PREM-820-R

UNSPSC: 81111811

Timeframe:06/15/2021-6/15/2022

Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

Contract: MARKET

QUOTE DETAILS (CONT.)

<u>WildFire for PA-500 - subscription license renewal (1 year) - 1 device</u>	1	3321128	\$690.00	\$690.00
Mfg. Part#: PAN-PA-500-WF-R UNSPSC: 43233204 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET				
<u>Palo URL Filtering for PA-500 for High Availability - subscription license</u>	1	3252129	\$490.00	\$490.00
Mfg. Part#: PAN-PA-500-URL4-HA2-R UNSPSC: 43233205 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET				
<u>Palo Threat Prevention for PA-500 for High Availability - subscription lice</u>	1	2968078	\$490.00	\$490.00
Mfg. Part#: PAN-PA-500-TP-HA2-R UNSPSC: 43233204 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET				
<u>Palo Threat Prevention for PA-500 - subscription license renewal (1 year) -</u>	1	2773950	\$690.00	\$690.00
Mfg. Part#: PAN-PA-500-TP-R UNSPSC: 43233204 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET				
<u>Palo URL Filtering for PA-500 - subscription license renewal (1 year) - 1 f</u>	1	3302370	\$690.00	\$690.00
Mfg. Part#: PAN-PA-500-URL4-R UNSPSC: 43233205 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET				
<u>Palo Threat Prevention for PA-500 - subscription license renewal (1 year) -</u>	1	2773950	\$690.00	\$690.00
Mfg. Part#: PAN-PA-500-TP-R UNSPSC: 43233204 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET				
<u>Palo Premium Support Program - extended service agreement (renewal) - 1 yea</u>	1	2599468	\$990.00	\$990.00
Mfg. Part#: PAN-SVC-PREM-500-R UNSPSC: 81111811 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET				
<u>Palo Premium Support Program - extended service agreement (renewal) - 1 yea</u>	1	2599468	\$990.00	\$990.00
Mfg. Part#: PAN-SVC-PREM-500-R UNSPSC: 81111811				

QUOTE DETAILS (CONT.)

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

Palo Premium Support Program - extended service agreement (renewal) - 1 yea	1	2599468	\$990.00	\$990.00
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Mfg. Part#: PAN-SVC-PREM-500-R
UNSPSC: 81111811

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

Palo Threat Prevention for PA-850 - subscription license renewal (1 year) -	1	5031933	\$1,535.00	\$1,535.00
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Mfg. Part#: PAN-PA-850-TP-R
UNSPSC: 43233205

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

Palo Alto Networks Premium Support Program - extended service agreement (re	1	4884469	\$1,825.00	\$1,825.00
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Mfg. Part#: PAN-SVC-PREM-850-R
UNSPSC: 81111811

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

Palo PANDb URL Filtering for PA-850 - subscription license renewal (1 year)	1	5034197	\$1,525.00	\$1,525.00
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Mfg. Part#: PAN-PA-850-URL4-R
UNSPSC: 43233205

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

Palo Alto Networks Premium Support Program - extended service agreement (re	1	4884469	\$1,825.00	\$1,825.00
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Mfg. Part#: PAN-SVC-PREM-850-R
UNSPSC: 81111811

Timeframe:02/15/2021-2/15/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

Palo Alto Networks Premium Support Program - technical support (renewal) -	1	3060294	\$1,925.00	\$1,925.00
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Mfg. Part#: PAN-SVC-PREM-PRA-25-R
UNSPSC: 86101601

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

Palo Thraat Prevention for PA-5060 for High Availability - subscription lic	1	3145506	\$14,015.00	\$14,015.00
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Mfg. Part#: PAN-PA-5060-TP-HA2-R
UNSPSC: 43233204

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Electronic distribution - NO MEDIA
Contract: MARKET

Palo Alto Networks Premium Support Program - technical support (renewal) -	1	3013918	\$28,905.00	\$28,905.00
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Mfg. Part#: PAN-SVC-PREM-5060-R

QUOTE DETAILS (CONT.)

UNSPSC: 86101601

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

<u>Palo Threat Prevention for PA-5020 - subscription license renewal (1 year)</u>	1	3210663	\$6,160.00	\$6,160.00
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Mfg. Part#: PAN-PA-5020-TP-R
UNSPSC: 43233204

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Electronic distribution - NO MEDIA
Contract: MARKET

<u>Palo Alto Networks Premium Support Program - technical support (renewal) -</u>	1	3013918	\$28,905.00	\$28,905.00
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Mfg. Part#: PAN-SVC-PREM-5060-R
UNSPSC: 86101601

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

<u>Palo Threat Prevention for PA-5060 for High Availability - subscription lic</u>	1	3145506	\$14,015.00	\$14,015.00
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Mfg. Part#: PAN-PA-5060-TP-HA2-R
UNSPSC: 43233204

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Electronic distribution - NO MEDIA
Contract: MARKET

<u>Palo Alto Networks Premium Support Program - technical support (renewal) -</u>	1	3013918	\$28,905.00	\$28,905.00
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Mfg. Part#: PAN-SVC-PREM-5060-R
UNSPSC: 86101601

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

<u>Palo Threat Prevention for PA-5060 for High Availability - subscription lic</u>	1	3145506	\$14,015.00	\$14,015.00
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Mfg. Part#: PAN-PA-5060-TP-HA2-R
UNSPSC: 43233204

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Electronic distribution - NO MEDIA
Contract: MARKET

<u>Palo Premium Support Program - extended service agreement (renewal) - 1 yea</u>	1	3146498	\$8,900.00	\$8,900.00
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Mfg. Part#: PAN-SVC-PREM-5020-R
UNSPSC: 81111811

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

<u>Palo Premium Support Program - extended service agreement (renewal) - 1 yea</u>	1	3146498	\$8,900.00	\$8,900.00
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Mfg. Part#: PAN-SVC-PREM-5020-R
UNSPSC: 81111811

Timeframe:01/13/2021-1/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

QUOTE DETAILS (CONT.)

Palo Alto Networks Premium Support Program - technical support (renewal) -	1	3013918	\$28,905.00	\$28,905.00
Mfg. Part#: PAN-SVC-PREM-5060-R UNSPSC: 86101601 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET				
Palo Threat Prevention for PA-5060 for High Availability - subscription lic	1	3145506	\$14,015.00	\$14,015.00
Mfg. Part#: PAN-PA-5060-TP-HA2-R UNSPSC: 43233204 Timeframe:01/13/2021-1/13/2022 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET				

These services are considered Third Party Services, and this purchase is subject to CDW's [Third Party Cloud Services Terms and Conditions](#), unless you have a written agreement with CDW covering your purchase of products and services, in which case this purchase is subject to such other written agreement.

The third-party Service Provider will provide these services directly to you pursuant to the Service Provider's standard terms and conditions or such other terms as agreed upon directly between you and the Service Provider. The Service Provider, not CDW, will be responsible to you for delivery and performance of these services. Except as otherwise set forth in the Service Provider's agreement, these services are non-cancellable, and all fees are non-refundable.

PURCHASER BILLING INFO	SUBTOTAL	\$224,615.00
Billing Address: MIDDLE TENNESSEE STATE UNIVERSITY ACCOUNTS PAYABLES COPE ADMINISTRATION 108 MURFREESBORO, TN 37132-0001 Phone: (615) 898-2008 Payment Terms: NET 30 Days-Govt/Ed	SHIPPING	\$0.00
	SALES TAX	\$0.00
	GRAND TOTAL	\$224,615.00
DELIVER TO	Please remit payments to:	
Shipping Address: MIDDLE TENNESSEE STATE UNIVERSITY AARON SCHMUHL 1672 GREENLAND DR MURFREESBORO, TN 37132-3101 Shipping Method: DROP SHIP-GROUND	CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515	

Need Assistance? CDW•G SALES CONTACT INFORMATION

Sean Queenev

(877) 898-8452

seanque@cdwg.com

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at <http://www.cdwg.com/content/terms-conditions/product-sales.aspx>
For more information, contact a CDW account manager

© 2021 CDW•G LLC, 200 N. Milwaukee Avenue, Vernon Hills, IL 60061 | 800.808.4239

QUOTE CONFIRMATION



DEAR AARON SCHMUEHL,

Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
LZKQ004	3/12/2021	PALO ALTO 5YR W/WILDFIRE V6	1573634	\$1,198,954.20

IMPORTANT - PLEASE READ

Special Instructions: Total MSRP:\$1,996,580.00

QUOTE DETAILS

ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
Palo Alto Networks PA-3220 - Security Appliance Mfg. Part#: PAN-PA-3220 UNSPSC: 43222501 MSRP:\$18,900.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET	1	5001114	\$9,935.35	\$9,935.35
Palo Alto Networks Premium Support Program - extended service agreement - 5 Mfg. Part#: PAN-SVC-PREM-3220-5YR UNSPSC: 81111811 MSRP:\$17,100.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	1	5011953	\$14,750.00	\$14,750.00
Palo PA-820 - security appliance Mfg. Part#: PAN-PA-820 UNSPSC: 43222501 MSRP:\$4,730.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET	6	4476801	\$2,934.65	\$17,607.90
Palo Alto Networks GlobalProtect Gateway - subscription license (5 years) - Mfg. Part#: PAN-PA-820-GP-5YR UNSPSC: 43233204 MSRP:\$3,800.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	1	4673798	\$2,808.75	\$2,808.75
Palo Threat Prevention for PA-820 - subscription license (5 years) - 1 dev Mfg. Part#: PAN-PA-820-TP-5YR UNSPSC: 43233205 MSRP:\$3,800.00 Sourcewell 081419-CDW Tech Catalog	5	4493877	\$2,808.75	\$14,043.75

QUOTE DETAILS (CONT.)

(081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET				
Palo Bright cloud URL Filtering for PA-820 - subscription license (5 years) Mfg. Part#: PAN-PA-820-URL4-5YR UNSPSC: 43233205 MSRP:\$3,800.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	2	4493879	\$2,808.75	\$5,617.50
WildFire for PA-820 - subscription license (5 years) - 1 device Mfg. Part#: PAN-PA-820-WF-5YR UNSPSC: 43233204 MSRP:\$3,800.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	1	4493884	\$2,808.75	\$2,808.75
Palo Premium Support Program - extended service agreement - 5 years - shipm Mfg. Part#: PAN-SVC-PREM-820-5YR UNSPSC: 81111811 MSRP:\$4,250.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	6	4483430	\$3,631.10	\$21,786.60
Palo Alto Networks PA-5220 - security appliance Mfg. Part#: PAN-PA-5220-AC UNSPSC: 43222501 MSRP:\$52,500.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET	2	4477677	\$29,703.00	\$59,406.00
Palo Premium Support Program - extended service agreement - 5 years - shipm Mfg. Part#: PAN-SVC-PREM-5220-5YR UNSPSC: 81111811 MSRP:\$47,500.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	2	4482805	\$36,351.35	\$72,702.70
Palo PA-5260 - security appliance Mfg. Part#: PAN-PA-5260-AC UNSPSC: 43222501 MSRP:\$189,000.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Contract: MARKET	2	4477718	\$94,345.45	\$188,690.90
Palo Threat Prevention for PA-5260 - subscription license (5 years) - 1 dev Mfg. Part#: PAN-PA-5260-TP-5YR-HA2 UNSPSC: 43233204 MSRP:\$133,100.00 Sourcewell 081419-CDW Tech Catalog (081419#CDW) Electronic distribution - NO MEDIA Contract: MARKET	2	4579989	\$76,240.00	\$152,480.00
Palo Bright cloud URL Filtering for PA-5260 for High Availability - subscri Mfg. Part#: PAN-PA-5260-URL4-5YR-HA2	2	4580126	\$76,240.00	\$152,480.00

QUOTE DETAILS (CONT.)

UNSPSC: 43233205

MSRP:\$133,100.00
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Electronic distribution - NO MEDIA
Contract: MARKET

<u>WildFire for PA-5260 for High Availability - subscription license (5 years)</u>	2	4580128	\$76,240.00	\$152,480.00
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Mfg. Part#: PAN-PA-5260-WF-5YR-HA2

UNSPSC: 43233204

MSRP:\$133,100.00
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Electronic distribution - NO MEDIA
Contract: MARKET

<u>Palo Premium Support Program - extended service agreement - 5 years - shipm</u>	2	4562402	\$121,128.00	\$242,256.00
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Mfg. Part#: PAN-SVC-PREM-5260-5YR

UNSPSC: 81111811

MSRP:\$171,000
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

<u>Palo Alto Networks PA-3260 - security appliance</u>	2	5001197	\$18,600.00	\$37,200.00
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Mfg. Part#: PAN-PA-3260

UNSPSC: 43222501

MSRP:\$37,800.00
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

<u>Palo Alto Networks Premium Support Program - extended service agreement - 5</u>	2	5076455	\$25,950.00	\$51,900.00
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Mfg. Part#: PAN-SVC-PREM-3260-5YR

UNSPSC: 81111811

MSRP:\$34,200.00
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Electronic distribution - NO MEDIA
Contract: MARKET

<u>Palo PANdb URL Filtering for PA-850 - subscription license renewal (1 year)</u>	1	5034197	\$0.00	\$0.00
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Mfg. Part#: PAN-PA-850-URL4-R

UNSPSC: 43233205

MSRP:\$2,000.00
Timeframe:01/13/2021-01/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

<u>Palo Premium Support Program - extended service agreement (renewal) - 1 yea</u>	1	4731640	\$0.00	\$0.00
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Mfg. Part#: PAN-SVC-PREM-220-R

UNSPSC: 81111811

MSRP:\$190.00
Timeframe:01/13/2021-01/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)
Contract: MARKET

<u>Palo Alto Networks Premium Support Program - extended service agreement (re</u>	1	4884469	\$0.00	\$0.00
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Mfg. Part#: PAN-SVC-PREM-850-R

UNSPSC: 81111811

MSRP:\$1,800.00
Timeframe:01/13/2021-01/13/2022
Sourcewell 081419-CDW Tech Catalog
(081419#CDW)

QUOTE DETAILS (CONT.)

Contract: MARKET

<u>Palo Threat Prevention for PA-220 - subscription license renewal (1 year) -</u>	1	4787925	\$0.00	\$0.00
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Mfg. Part#: PAN-PA-220-TP-R
 UNSPSC: 43233204
 MSRP:\$210.00
 Timeframe:01/13/2021-01/13/2022
 Sourcewell 081419-CDW Tech Catalog
 (081419#CDW)
 Electronic distribution - NO MEDIA
 Contract: MARKET

<u>Palo Threat Prevention for PA-850 - subscription license renewal (1 year) -</u>	1	5031933	\$0.00	\$0.00
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Mfg. Part#: PAN-PA-850-TP-R
 UNSPSC: 43233205
 MSRP:\$2,000.00
 Timeframe:01/13/2021-01/13/2022
 Sourcewell 081419-CDW Tech Catalog
 (081419#CDW)
 Contract: MARKET

<u>Palo Alto Networks Premium Support Program - technical support (renewal) -</u>	1	3060294	\$0.00	\$0.00
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Mfg. Part#: PAN-SVC-PREM-PRA-25-R
 UNSPSC: 86101601
 MSRP:\$1,900.00
 Timeframe:01/13/2021-01/13/2022
 Sourcewell 081419-CDW Tech Catalog
 (081419#CDW)
 Contract: MARKET

<u>Palo Alto Networks Premium Support Program - extended service agreement (re</u>	1	4884469	\$0.00	\$0.00
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Mfg. Part#: PAN-SVC-PREM-850-R
 UNSPSC: 81111811
 MSRP:\$1,800.00
 Timeframe:02/15/2021-02/15/2022
 Sourcewell 081419-CDW Tech Catalog
 (081419#CDW)
 Contract: MARKET

These services are considered Third Party Services, and this purchase is subject to CDW's [Third Party Cloud Services Terms and Conditions](#), unless you have a written agreement with CDW covering your purchase of products and services, in which case this purchase is subject to such other written agreement.

The third-party Service Provider will provide these services directly to you pursuant to the Service Provider's standard terms and conditions or such other terms as agreed upon directly between you and the Service Provider. The Service Provider, not CDW, will be responsible to you for delivery and performance of these services. Except as otherwise set forth in the Service Provider's agreement, these services are non-cancellable, and all fees are non-refundable.

PURCHASER BILLING INFO		SUBTOTAL	\$1,198,954.20
Billing Address: MIDDLE TENNESSEE STATE UNIVERSITY ACCOUNTS PAYABLES COPE ADMINISTRATION 108 MURFREESBORO, TN 37132-0001 Phone: (615) 898-2008 Payment Terms: NET 30 Days-Govt/Ed		SHIPPING	\$0.00
		SALES TAX	\$0.00
		GRAND TOTAL	\$1,198,954.20
DELIVER TO		Please remit payments to:	
Shipping Address: MIDDLE TENNESSEE STATE UNIVERSITY AARON SCHMUHL 1672 GREENLAND DR MURFREESBORO, TN 37132-3101 Shipping Method: DROP SHIP-GROUND		CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515	



Sean Queeney

(877) 898-8452

seanque@cdwg.com

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at
<http://www.cdwg.com/content/terms-conditions/product-sales.aspx>
For more information, contact a CDW account manager

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Key Government Finance, Inc.
1000 South McCaslin Boulevard
Superior, CO 80027-9456

May 12, 2021

Middle Tennessee State University
1301 E Main St.
Murfreesboro, TN 37132

Re: Key Government Finance, Inc. – Master Tax-Exempt Lease/Purchase Agreement dated July 01, 2021 and Property Schedule No. 2002341789 thereunder

Dear Chad Mullis:

Enclosed, please find two (2) sets of financing documents for your review and execution - please **print out two (2) sets**. Execute both sets and return all of the originals to my attention. **The original sets of the executed documents are required prior to funding your transaction. To expedite the return of these documents, please overnight them to me:**

KEY GOVERNMENT FINANCE, INC.

ATTN: Peter Brook

1000 S. MCCASLIN BLVD, SUPERIOR, CO 80027

Only the person(s) with Signing Authority, as listed in the contract, should execute the documents. For verification of original documents, please execute in blue ink. Upon closing, Key Government Finance will return a fully executed original set for your files.

Please Note: All fully executed documents must be returned no later than June 30, 2021; otherwise, the transaction is subject to re-pricing. Also, one of our representatives will contact you prior to funding to conduct a Telephone Audit to review the terms of your contract and to confirm the property that we are financing for you. We will also answer any questions you may have. If you will not be available, list the name of any individual that you wish to authorize on your behalf to complete this Audit.

Name _____ Title _____

Executed documents required for funding are:

- Master Tax-Exempt Lease/Purchase Agreement*
- Property Schedule No. 2002341789*
- Property Description and Payment Schedule (Exhibit 1)
- Lessee's Counsel's Opinion (Exhibit 2) – This is the standard legal opinion used by Key Government Finance, Inc. This opinion will need to be processed by your attorney on their letterhead. Your attorney will want to review the Master Tax-Exempt Lease/Purchase Agreement and Property Schedule.
- Acceptance Certificate (Exhibit 3) – **The date of Acceptance will need to be filled in** with the date the property is installed and accepted.
- Certificate of Insurance – Required prior to funding. Please fill out the form and provide it to your insurance company. The Insurance Certificate(s) is required prior to funding.
- Sales/Use Tax Exemption Certificate or Letter, if applicable
- IRS Form 8038-G or 8038-GC – The original form will be required for funding, which we will submit to the IRS on your behalf. Or, you may submit the original completed form to the IRS directly. KGF will require a copy of the completed form and proof of filing prior to funding

*The items above marked with an asterisk require a signature in the presence of a witness/attestor. The attesting of the signature does not require a notary, but the signature of a person present at the time the document is signed.

Please contact me at 720-304-1295 with any questions.

Sincerely,
Peter Brook
Account Manager

Master Tax-Exempt Lease/Purchase Agreement

BETWEEN:	Key Government Finance, Inc. (the "Lessor") 1000 South McCaslin Blvd. Superior, CO 80027
AND:	Middle Tennessee State University (the "Lessee") 1301 E Main St. Murfreesboro, TN 37132
DATED:	July 01, 2021

ARTICLE I

1.01 **Definitions.** The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Actual Damages" damages governed by the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301, et. seq.

"Agent" means any agent for the Registered Owners, if any, to which all or a portion of Lessor's right, title and interest in, to and under a Property Schedule and the Property under such Property Schedule may be assigned for the benefit of the Registered Owners of Lease Participation Certificates in such Property Schedule.

"Agreement" means this Master Tax-Exempt Lease/Purchase Agreement, including all exhibits and schedules attached hereto.

"Commencement Date" is the date when the term of a Property Schedule and Lessee's obligation to pay rent thereunder commences, which date shall be set forth in the Property Schedule.

"Event of Nonappropriation" is defined in Section 6.06.

"Event of Default" is defined in Section 13.01.

"Financed Fees" means the Software license, usage, or other fees and the charges for Services, if any.

"Lease Participation Certificates" means certificates evidencing a right to receive a share of Rental Payments payable under a Property Schedule and Purchase Price Payments payable under a Property Schedule and any other rights set forth herein with respect to the Property under said Property Schedule.

"Lease Term" means, with respect to a Property Schedule, the Original Term and all Renewal Terms. The Lease Term for each Property Schedule executed hereunder shall be set forth in such Property Schedule, as provided in Section 4.02.

"Lessee" means the entity identified as such in the first paragraph hereof, and its permitted successors and assigns.

"Lessor" means the entity identified as such in the first paragraph hereof, and its successors and assigns.

"License Agreement" means the software license agreement(s) between Lessee and Licensor relating to Software.

"Licensor" means a supplier of the Software, in its (their) capacity as licensor of such Software.

"Original Term" means, with respect to a Property Schedule, the period from the Commencement Date until the end of the budget year of Lessee in effect at the Commencement Date.

"Property" means, collectively, the property leased/purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto, and Financed Fees made pursuant to Section 8.01 or Article IX. Where rights to receive license fees for Software and charges for Services supplied or to be supplied to Lessee are included in the amount financed by Lessor under the Agreement, references to leasing, purchases, ownership and administration of "Property" under the Agreement shall be broadly interpreted to include such Software receivables and Services receivables.

"Property Schedule" means a Property Schedule in the form attached hereto for Property Schedule 1. Subsequent Property Schedules pursuant to this Agreement shall be numbered consecutively, beginning with Property Schedule 2.

"Purchase Price" means the amount that Lessee may, in its discretion, pay to Lessor to purchase the Property under a Property Schedule, as provided in Section 11.01 and as set forth in the Property Schedule.

"Registered Owners" means the registered owners of Lease Participation Certificates in a Property Schedule as shown on the registration books maintained by the Agent.

"Renewal Terms" means the renewal terms of a Property Schedule, each having a duration of one year and a term coextensive with Lessee's budget year.

"Rental Payments" means the rental payments payable by Lessee under Article VI of this Agreement and each Property Schedule, as set forth in each Property Schedule.

"Rental Payments Dates" means the rental payments dates for the Rental Payments as set forth in each Property Schedule.

"Services" means all training, installation, transportation, handling, maintenance, custom programming, integration, technical consulting and support services relating to Property and financed by Lessor.

"Software" means the software and all related documentation, corrections, updates and revisions installed in or used in connection with Property financed under a Property Schedule.

"State" means the state in which Lessee is situated.

"Vendor" means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor from whom Lessor or Lessee purchased or is purchasing all or any portion of the Property.

ARTICLE II

2.01 **Property Schedules Separate Financings.** Each Property Schedule executed and delivered under this Agreement shall be treated as a separate financing, distinct from other Property Schedules. Without limiting the foregoing, upon the occurrence of an Event of Default or an Event of Nonappropriation with respect to a Property Schedule, Lessor shall have the rights and remedies specified herein with respect to the Property financed and the Rental Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Lessor shall have no rights or remedies with respect to Property financed or Rental Payments payable under any other Property Schedules unless an Event of Default or Event of Nonappropriation has also occurred under such other Property Schedules. **EACH PROPERTY SCHEDULE MERGES ALL PRIOR UNDERSTANDINGS AND CONSTITUTES THE FINAL AND COMPLETE AGREEMENT** between Lessor and Lessee for the property. Documentation (e.g., orders and invoices) between or among Lessee and any property/equipment vendor, dealer, distributor or manufacturer does not apply to any Property Schedule or to Lessor.

ARTICLE III

3.01 **Covenants of Lessee.** As of the Commencement Date of this Agreement and for each Property Schedule executed and delivered hereunder, Lessee shall be deemed to represent, covenant and certify for the benefit of Lessor, any Agent, and any Registered Owners, as follows:

- (a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent Lessee should merge with another entity under the laws of the State, Lessee agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder.
- (c) Lessee has been duly authorized to execute and deliver this Agreement and the Property Schedule by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Property Schedule, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the Property Schedule and the acquisition by Lessee of the Property thereunder. On or before the Commencement Date for the Property Schedule, Lessee shall cause to be executed an opinion of counsel in substantially the form attached to the form of the Property Schedule as Exhibit 2.
- (d) During the Lease Term for the Property Schedule, the Property thereunder will perform and will be used by Lessee only for the purpose of performing essential governmental uses and public functions within the permissible scope of Lessee's authority
- (e) Lessee will provide Lessor with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Lessee to continue this Agreement and the Property Schedule in such form and containing such information as may be requested by Lessor.
- (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Rental Payments under the Property Schedule and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code. Lessee covenants and agrees that it will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Property Schedule.
- (g) The execution, delivery and performance of this Agreement and the Property Schedule and compliance with the provisions hereof and thereof by Lessee does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease or other instrument to which Lessee is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over Lessee or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of Lessee or to which it is subject.
- (h) As of the date hereof, no litigation is pending, (or, to Lessee's knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of this Agreement or of other agreements similar to this Agreement; (b) questioning the authority of Lessee to execute this Agreement, or the validity of this Agreement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of this Agreement; or (d) affecting the provisions made for the payment of or security for this Agreement.
- (i) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior notice to Lessor

ARTICLE IV

4.01 **Lease of Property.** On the Commencement Date of each Property Schedule executed hereunder, Lessor will be deemed to demise, lease and let to Lessee, and Lessee will be deemed to rent, lease and hire from Lessor, the Property described in such Property Schedule, in accordance with this Agreement and such Property Schedule, for the Lease Term set forth in such Property Schedule.

4.02 **Lease Term.** The term of each Property Schedule shall commence on the Commencement Date set forth therein and shall terminate upon payment of the final Rental Payment set forth in such Property Schedule and the exercise of the Purchase Option described in Section 11.01, unless terminated sooner pursuant to this Agreement or the Property Schedule.

4.03 **Delivery, Installation and Acceptance of Property.** Lessee shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Property Schedule and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. To the extent funds are deposited under an escrow agreement or trust agreement for the acquisition of the Property, such funds shall be disbursed as provided therein. When the Property described in such Property Schedule is delivered, installed and accepted as to Lessee's specifications, Lessee shall immediately accept the Property and evidence said acceptance by executing and delivering to Lessor the Acceptance Certificate substantially in the form attached to the Property Schedule.

4.04. **Software; Services.** To the extent that any Property Schedule relates to or includes Software or Services:

- (a) Lessee acknowledges that (i) all Software is furnished to Lessee under one or more separate License Agreements governing Lessee's rights thereto, (ii) the Agreement does not convey any explicit or implicit license for the use of Software or other intellectual property relating to Property, and (iii) Lessor does not hold title to any Software and Lessee certifies that at the date of entry into the related Agreement it shall be the licensee of such Software directly from the Licensor.
- (b) Lessee shall not amend, modify or otherwise alter, any term or condition of any License Agreement, including, without limitation, any such term or condition related to (i) payment of any amounts due thereunder, (ii) any liabilities or obligations of Lessee as licensee, (iii) the payment of late fees on past due amounts, or (iv) the payment of applicable taxes; provided, however, that this provision shall not apply to those terms or conditions relating solely to amounts owing to Licensor which have not been financed under the Agreement.

- (c) Lessee acknowledges that Lessor may finance certain amounts for Lessee under a Property Schedule that represents accounts receivable purchased from a third party for Services to be provided to Lessee by such third party. Lessee further understands and agrees that Lessor will provide financing for the Services at Lessee's request as a passive source of financing only, and that in no event shall Lessor have any obligation to perform any Services.

ARTICLE V

5.01 Enjoyment of Property. Lessee shall during the Lease Term peaceably and quietly have, hold and enjoy the Property, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement. No Registered Owner shall interfere with such quiet use and enjoyment during the Lease Term so long as Lessee is not in default under the subject Property Schedule.

5.02 Location; Inspection. The Property will be initially located or based at the location specified in the applicable Property Schedule. Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Property.

ARTICLE VI

6.01 Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional, statutory or charter limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the faith and credit or taxing power of Lessee. Upon the appropriation of Rental Payments for a fiscal year, the Rental Payments for said fiscal year, and only the Rental Payments for said current fiscal year, shall be a binding obligation of Lessee; provided that such obligation shall not include a pledge of the taxing power of Lessee.

6.02 Payment of Rental Payments. Lessee shall promptly pay Rental Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Lessor in such amounts and on such dates as described in the applicable Property Schedule, at Lessor's address set forth on the first page of this Agreement, unless Lessor instructs Lessee otherwise. Lessee shall be liable to Lessor for Actual Damages in the event of delinquent Rental Payment. In addition, Lessee shall be liable for interest payments in the amount of 1.5% per annum or the maximum amount permitted under Tennessee law on all delinquent Rental Payments.

6.03 Interest Component. A portion of each Rental Payment due under each Property Schedule is paid as, and represents payment of, interest, and each Property Schedule hereunder shall set forth the interest component (or method of computation thereof) of each Rental Payment thereunder during the Lease Term.

6.04 Rental Payments to be Unconditional. SUBJECT TO SECTION 6.06, AND TO THE EXTENT PERMITTED BY TENNESSEE LAW, THE OBLIGATIONS OF LESSEE TO PAY THE RENTAL PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR AS PROVIDED IN SECTION 10.02.

6.05 Continuation of Lease by Lessee. Lessee intends to continue all Property Schedules entered into pursuant to this Agreement and to pay the Rental Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the term of all Property Schedules can be obtained. Lessee agrees that its staff will provide during the budgeting process for each budget year to the governing body of Lessee notification of any Rental Payments due under the Property Schedules during the following budget year. Notwithstanding this covenant, if Lessee fails to appropriate the Rental Payments for a Property Schedule pursuant to Section 6.06, such Property Schedule shall terminate. Although Lessee has made this covenant, in the event that it fails to provide such notice, no remedy is provided and Lessee shall not be liable for any damages for its failure to so comply.

6.06 Non-Appropriation. Non-Appropriation means the failure of Lessee's governing body to appropriate funds to pay Rental Payments. If Lessee appropriates moneys for the Rental Payments, the Lessee's obligation to pay Rental Payments will be irrevocable, enforceable and the failure to pay the Rental Payments will be an Event of Default under this Agreement. If sufficient funds are not appropriated to make Rental Payments required under a Property Schedule, such Property Schedule shall terminate and Lessee shall not be obligated to make Rental Payments under said Property Schedule beyond the then current fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (an "Event of Nonappropriation") Lessee shall, no later than the end of the fiscal year for which Rental Payments have been appropriated, deliver possession of the Property under said Property Schedule to Lessor. If Lessee fails to deliver possession of the Property to Lessor upon termination of said Property Schedule by reason of an Event of Nonappropriation, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of Actual Damages as determined by the Tennessee Claims Commission pursuant to Tenn. Code Ann. §§ 9-8-301, et. seq.. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Rental Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

6.07 Defeasance of Rental Payments. Lessee may at any time irrevocably deposit in escrow with a defeasance escrow agent for the purpose of paying all of the principal component and interest component accruing under a Property Schedule, a sum of cash and non-callable securities consisting of direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof, in such aggregate amount, bearing interest at such rates and maturing on such dates as shall be required to provide funds sufficient for this purpose. Upon such defeasance, all right, title and interest of Lessor in the Property under said Property Schedule shall terminate. Lessee shall cause such investment to comply with the requirements of federal tax law so that the exclusion from gross income of the interest component of Rental Payments on said Property Schedule is not adversely affected.

ARTICLE VII

7.01 Title to the Property. Upon acceptance of the Property by Lessee and unless otherwise required by the laws of the State, title to the Property shall vest in Lessee, subject to Lessor's interests under the applicable Property Schedule and this Agreement.

7.02 Personal Property. The Property is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Property from any party having an interest in any such real estate or building.

7.03 Security Interest. To secure the performance of all of Lessee's obligations under this Agreement, including without limitation all Property Schedules now existing or hereafter executed, Lessee grants to Lessor, for the benefit of Lessor and its successors and assigns, a security interest constituting a first lien on Lessee's interest in all of the Property, whether now owned or hereafter acquired, all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, and on any proceeds of any of the foregoing, including insurance proceeds. Lessee shall execute any additional documents, including financing statements, affidavits, notices and similar instruments, in form and substance satisfactory to Lessor, which Lessor deems necessary or appropriate to establish, maintain and perfect a security interest in the Property in favor of Lessor and its successors and assigns. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest.

7.04 Substitution. Lessee may substitute for all or any portion of the Property under a Property Schedule personal property of approximately equal or greater market value and with an equal or greater useful life. In the event of any such substitution, Lessee shall deliver to Lessor a certification that the personal property proposed to be substituted has approximately equal or greater market value and an equal or greater useful life as the portion of the Property being substituted for, together with an opinion of counsel acceptable to Lessor to the effect that the proposed substitution will not adversely affect the exemption of the interest components of Rental Payments under the Property Schedule from federal income taxation. Lessee shall cause all financing statements, fixture filings, certificates of title, affidavits, notices and similar instruments, to be made or filed in a timely manner to secure and perfect the security interest of Lessor in the substituted property.

ARTICLE VIII

8.01 Maintenance of Property by Lessee. Lessee shall keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Lessee shall have sole responsibility to maintain and repair the Property. Should Lessee fail to maintain, preserve and keep the Property in good repair and working order and in accordance with manufacturer's specifications, and if requested by Lessor, Lessee will enter into maintenance contracts for the Property in form approved by Lessor and with approved providers.

8.02 Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Property free of all levies, liens and encumbrances, except for the interest of Lessor under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Property will be exempt from all property taxes. The Rental Payments payable by Lessee under this Agreement and the Property Schedules hereunder have been established to reflect the savings resulting from this exemption from taxation. Lessee will take such actions necessary under applicable law to obtain said exemption. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation or later becomes subject to such taxes, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Lessee shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property. Lessee shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the then current fiscal year of the Lease Term for such Property.

8.03 Insurance. Lessee is self-insured under the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301 et seq.,

8.04

ARTICLE IX

9.01 Damage or Destruction. If (a) the Property under a Property Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessor and Lessee will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, unless Lessee shall have exercised its right to defease the Property Schedule as provided herein, or unless Lessee shall have exercised its option to purchase Lessor's interest in the Property if the Property Schedule so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of Section 14.03(b) and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

9.02 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01, Lessee shall be liable to Lessor for Actual Damages.

ARTICLE X

10.01 Disclaimer of Warranties. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND TO THE EXTENT PERMITTED BY TENNESSEE LAW, LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE. Lessee acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. Lessee understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Lessor, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. To the extent permitted by Tennessee law, in no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Property Schedules, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Property Schedules. Any limitation of liability shall not apply to intentional torts, criminal acts, fraudulent conduct, or acts or omissions resulting in personal injuries or death.

10.02 Vendor's Warranties. Lessor hereby irrevocably assigns to Lessee all rights that Lessor may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. To the extent permitted by Tennessee law, Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.

10.03 Use of the Property. Lessee will not install, use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Property Schedule. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Property. In addition, Lessee agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property; provided that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Property or its interest or rights under this Agreement. Lessee shall promptly notify Lessor in writing of any pending or threatened investigation, inquiry, claim or action by any governmental authority which could adversely affect this Agreement, any Property Schedule or the Property thereunder.

10.04 Modifications. Subject to the provisions of this Section, Lessee shall have the right, at its own expense, to make alterations, additions, modifications or improvements to the Property. All such alterations, additions, modifications and improvements shall thereafter comprise part of the Property and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, on completion of any alterations, additions, modifications or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Property immediately prior to the making of such alterations, additions, modifications and improvements. Lessee shall, at its own expense, make such alterations, additions, modifications and improvements to the Property as may be required from time to time by applicable law or by any governmental authority.

ARTICLE XI

11.01 Option to Purchase. Lessee shall have the option to purchase Lessor's entire interest in all of the Property subject to a Property Schedule and to terminate any restrictions herein on the Property under such Property Schedule on the last day of the Lease Term for a Property Schedule, if the Property Schedule is still in effect on such day, upon payment in full of the Rental Payments due thereunder plus payment of One (1) Dollar to Lessor. Lessee shall give written notice to Lessor of its intent to purchase Lessor's interest in the Property at least sixty (60) days prior to the last day of the Lease Term for applicable Property Schedule. Upon exercise of the purchase option as set forth in this Section 11.01 and payment of the purchase price under the applicable Property Schedule, and performance by Lessee of all other terms, conditions and provisions hereof, Lessor shall deliver to Lessee all such documents and instruments as Lessee may reasonably require to evidence the transfer, without warranty by or recourse to Lessor, of all of Lessor's right, title and interest in and to the Property subject to such Property Schedule to Lessee.

11.02 Option to Prepay. Lessee shall have the option to prepay the Rental Payments due under a Property Schedule, but only if the Property Schedule so provides, and on the terms set forth in the Property Schedule.

ARTICLE XII

12.01 Assignment by Lessor. Lessor's right, title and interest in, to and under each Property Schedule and the Property under such Property Schedule may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor and, to the extent of their interest, by any Registered Owner, without the necessity of obtaining the consent of Lessee; provided that (i) any assignment, other than an assignment to or by a Registered Owner, shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee, and (ii) any assignment to or by a Registered Owner shall not be effective until it is registered on the registration books kept by the Agent. Lessee shall retain all such notices as a register of all assignees (other than Registered Owners) and shall make all payments to the assignee or assignees designated in such register or, in the case of Registered Owners, to the Agent. In the event that Lessor's interest in a Property Schedule and the Property thereunder is assigned to the Agent, Lease Participation Certificates in that Property Schedule may be executed and delivered by the Agent to Registered Owners. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in this Agreement and the Property Schedules.

12.02 Property Schedules Separate Financings. Assignees of the Lessor's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have been separately assigned. Lessor may collectively assign two or more Property Schedules with the same Commencement Date to the Agent for the purpose of causing the execution and delivery of Lease Participation Certificates in the Property Schedules with the same Commencement Date. Such assignment shall occur on such Commencement Date and upon such assignment all Property Schedules so assigned shall be treated as a single financing and a single Property Schedule with respect to rights and remedies upon the occurrence of an Event of Default or an Event of Nonappropriation under this Agreement. Registered Owners rights with respect to the Property Schedules shall be determined as provided in the escrow agreement or trust agreement relating to such Lease Participation Certificates.

12.03 Assignment and Subleasing by Lessee. NONE OF LESSEE'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER THIS AGREEMENT AND IN THE PROPERTY MAY BE ASSIGNED, SUBLEASED OR ENCUMBERED BY LESSEE FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR.

12.04 Risk of Loss: Covenants. Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement.

12.05 Tax Exemption. The parties hereto contemplate that interest payable under this Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Code. The tax-exempt status of this Agreement provides the inducement for the Lessor to offer financing at the interest rate set forth. Therefore, should this Agreement be deemed by any taxing authority not to be exempt from taxation, Lessee agrees that the interest rate shall be adjusted, as of the date of loss of tax exemption, to an interest rate calculated to provide Lessor or its assignee an after tax yield equivalent to the tax exempt rate and Lessor shall notify Lessee of the taxable rate. Provided, however, that the preceding sentence shall apply only upon a final determination that the interest payments are not excludable from gross income under Section 103(a) of the Code, and shall not apply if the determination is based upon the individual tax circumstances of the Lessor, or a finding that the party seeking to exclude such payments from gross income is not the owner and holder of the obligation under the Code.

ARTICLE XIII

13.01 Events of Default Defined. Any of the following shall constitute an "Event of Default" under a Property Schedule:

- (a) Failure by Lessee to pay any Rental Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein;
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Lessee in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- (e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days

The foregoing provisions of Section 13.01 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to perform its agreements under this Agreement and the Property Schedule (other than the obligations on the part of Lessee contained in Article VI hereof) Lessee shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

13.02 Remedies on Default. Whenever any Event of Default exists with respect to a Property Schedule, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Without terminating the Property Schedule, and by written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee thereunder to the end of the then-current budget year of Lessee to be due, including without limitation delinquent Rental Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 1.5% per annum or the maximum rate permitted by Tennessee law, whichever is less;
- (b) Lessor may terminate the Property Schedule. Any liability of the Lessee to Lessor and third parties for any claims, damages, losses, or costs arising out of or related to acts performed by the Lessee under this agreement will be governed by the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301, et. seq.
- (e) Lessor may take any action, at law that is permitted by Tennessee law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

13.03 **No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

13.04

ARTICLE XIV

14.01 **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses on the first page to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee (other than a Registered Owner) at its address as it appears on the registration books maintained by Lessee and to any Registered Owner at its address as it appears on the registration books maintained by the Agent.

14.02 **Continuing Disclosure.** Lessor acknowledges that, in connection with Lessee's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Lessee pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice of its incurrence of its obligations under this Agreement and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Agreement, in each case including a description of the material terms thereof (each such notice, an "EMMA Notice"). Lessee shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lessor or the Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Lessee acknowledges and agrees that Lessor is not responsible in connection with any EMMA Notice relating to this Agreement for Lessee's compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

14.03 **Certification as to Arbitrage.** Unless a separate Certificate as to Arbitrage is delivered on the Commencement Date, Lessee shall be deemed to make the following representations and covenants as of the Commencement Date for each Property Schedule:

- (a) The estimated total costs, including taxes, freight, installation, cost of issuance, of the Property under the Property Schedule will not be less than the total principal amount of the Rental Payments.
- (b) The Property under the Property Schedule has been ordered or is expected to be ordered within six months and the Property is expected to be delivered and installed, and the Vendor fully paid, within one year from the Commencement Date. Lessee will pursue the completion of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence.
- (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments under the Property Schedule, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments under the Property Schedule.
- (d) The Property under the Property Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments under the Property Schedule.
- (e) There are no other obligations of Lessee which (i) are being sold within 15 days of the Commencement Date of the Property Schedule; (ii) are being sold pursuant to the same plan of financing as the Property Schedule; and (iii) are expected to be paid from substantially the same source of funds.
- (f) The officer or official who has executed the Property Schedule on Lessee's behalf is familiar with Lessee's expectations regarding the use and expenditure of the proceeds of the Property Schedule. To the best of Lessee's knowledge, information and belief, the facts and estimates set forth herein are accurate and the expectations of Lessee set forth herein are reasonable.

14.04 **Further Assurances.** Lessee agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Lessor, to perfect, confirm, establish, reestablish, continue, or complete the interests of Lessor in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Property Schedules.

14.05 **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

14.06 **Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14.07 **Waiver of Jury Trials.** Unless prohibited by Tennessee law, Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Lessor or Lessee in the negotiation, administration, performance or enforcement hereof.

14.08 **Amendments, Changes and Modifications.** This Agreement may be amended in writing by Lessor and Lessee to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of the applicable assignee or Agent, if any, shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

14.09 **Execution in Counterparts.** This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14.10 **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

14.11 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: Key Government Finance, Inc.
By:
Name:
Title:

Lessee: Middle Tennessee State University
By:
Name: Alan R. Thomas
Title: Vice President of Business and Finance

The above named representative of Lessee held at the time of authorization of this Agreement by the governing body of Lessee and holds at the present time the office set forth above, has been duly authorized to sign this Agreement, and the signature set forth above is his or her true signature.

Attest By:
Name:
Title:

Property Schedule No. 2002341789

Master Tax-Exempt Lease/Purchase Agreement

This **Property Schedule No. 2002341789** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of July 01, 2021, between Key Government Finance, Inc., and Middle Tennessee State University.

1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Lessee in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is July 01, 2021.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Rental Payment Schedule for this Property Schedule is set forth in Exhibit 1.
4. Opinion. The Opinion of Lessee's Counsel is attached as Exhibit 2.
5. Payment of Proceeds. Lessor shall disburse the proceeds of this Property Schedule in accordance with the instructions included in Exhibit 1.
6. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 3.
7. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, and so long as no Event of Default has occurred and is continuing, Lessee may prepay, in whole but not in part, the principal outstanding hereunder together with all accrued and unpaid interest thereon, plus a prepayment premium equal to 3% of the outstanding principal.
8. (Initial if applicable: _____) Lessee hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.00.
9. Additional Lessee Representations:
 - a) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or an Event of Nonappropriation (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.
 - b) The acquisition of all Property under this Property Schedule has been duly authorized by the governing body of Lessee.
 - c) Lessee has never defaulted, failed to pay or non-appropriated on a lease, loan or bond.
 - d) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the current budget year under this Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.
 - e) As of the date hereof, no litigation is pending, (or, to Lessee's knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery this Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute this Property Schedule, or the validity of the Master Agreement or this Property Schedule, or the payment of principal of or interest on, this Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of this Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and this Property Schedule.
10. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Lessor at its place of business by June 30, 2021.
11. Effective Interest Rate. 2.29%.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above. This Property Schedule shall not be binding upon Lessor until any and all conditions precedent contained herein have been met and receipt of, in form satisfactory to Lessor in its sole discretion, all required documentation and credit enhancements from Lessee including but not limited to, acceptance certificate, counsel opinion(s), insurance certificate(s), and tax documentation.

Lessor: Key Government Finance, Inc.
By:
Name:
Title:

Lessee: Middle Tennessee State University
By:
Name: Alan R. Thomas
Title: Vice President of Business and Finance

The above named representative of Lessee held at the time of authorization of this Property Schedule by the governing body of Lessee and holds at the present time the office set forth above, has been duly authorized to sign this Property Schedule, and the signature set forth above is his or her true signature.

Attest By:
Name:
Title:

EXHIBIT 1

Property Description and Payment Schedule

The Property is as follows:	Property as described in CDW-G Quote No. LZXQ004 - Dated 03/12/2021, referred to and incorporated herein by this reference.
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PROPERTY LOCATION:

1301 E Main St Murfreesboro, TN 37132-0002

USE: Palo Alto Networking Equipment - This use is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

RENTAL PAYMENT SCHEDULE:

If the Due Dates are not defined in this Rental Payment Schedule, they shall be defined as the 1st day of each annual period of this Rental Payment Schedule commencing with the Acceptance Date.

Total Principal Amount: \$1,198,954.20.

The financing table below is net of the special financing promotion payment from the vendor in the amount of \$58,802.59. This payment will be made by the vendor to Lessor. Lessee is responsible for any and all taxes associated with this initial payment.

Payment Due Date	Vendor Payment	Installment Payment	Principal	Interest	Outstanding Principal
7/1/2021	\$ 58,802.59	-	\$ 58,802.59	-	\$ 1,140,151.61
8/1/2021	-	\$ 165,000.00	\$ 162,822.69	\$ 2,177.31	\$ 977,328.92
8/1/2022	-	\$ 258,488.55	\$ 236,092.12	\$ 22,396.43	\$ 741,236.79
8/1/2023	-	\$ 258,488.55	\$ 241,502.40	\$ 16,986.15	\$ 499,734.40
8/1/2024	-	\$ 258,488.55	\$ 247,036.66	\$ 11,451.89	\$ 252,697.74
8/1/2025	-	\$ 258,488.55	\$ 252,697.74	\$ 5,790.81	\$ 0.00

LESSEE'S PAYMENT OF PROCEEDS INSTRUCTIONS:

Lessee hereby requests and authorizes Lessor to disburse the net proceeds of the Property Schedule No. 2002341789 as follows:

PAYEE NAME	AMOUNT	PAY BY
CDW-G	\$1,198,954.20	<input checked="" type="checkbox"/> X Wire (please separately include vendor's wire instructions)

LESSEE'S INVOICE INSTRUCTIONS:

LESSEE'S BILL TO ADDRESS: _____

LESSEE'S BILLING CONTACT:

First and Last Name: _____
 Title: _____ Phone Number: _____
 Email: _____

PURCHASE ORDER NUMBER:

Invoices require purchase order numbers: YES _____ NO _____ Purchase Order Number: _____

Lessee: Middle Tennessee State University
By:
Name: Alan R. Thomas
Title: Vice President of Business and Finance

[To be provided on letterhead of Lessee's counsel.]

[Address to Lessor and Lessee]

RE: Property Schedule No. 2002341789, dated July 01, 2021, to Master Tax-Exempt Lease/Purchase Agreement dated July 01, 2021, between Key Government Finance, Inc. and Middle Tennessee State University.

Ladies and Gentlemen:

We have acted as special counsel to Middle Tennessee State University ("Lessee"), in connection with the Master Tax-Exempt Lease/Purchase Agreement, dated as of July 01, 2021 (the "Master Agreement"), between Middle Tennessee State University, as lessee, and Key Government Finance, Inc. as lessor ("Lessor"), and the execution of Property Schedule No. 2002341789 (the "Property Schedule") pursuant to the Master Agreement and, if applicable, that certain Escrow Agreement dated as of July 01, 2021 by and among Lessee, Lessor and The Bank of New York Mellon Trust Company, N.A. as Escrow Agent (the "Escrow Agreement", and collectively the "Transaction Documents"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Transaction Documents.

As to questions of fact material to our opinion, we have relied upon the representations of Lessee in the Transaction Documents and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Transaction Documents and to perform its obligations thereunder, including the account(s) opened pursuant to the Escrow Agreement.
3. The execution, delivery and performance of the Transaction Documents by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Transaction Documents, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Lessee has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.
6. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Transaction Documents.
7. The Transaction Documents have been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Transaction Documents or of other agreements similar thereto; (b) questioning the authority of Lessee to execute the Transaction Documents, or the validity of the Transaction Documents, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Transaction Documents; or (d) affecting the provisions made for the payment of or security for the Transaction Documents.

9. The Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder, and the portion of payments identified as the interest component of the rents (as set forth in the payment schedule attached to the Property Schedule) will not be includable in Federal gross income of the recipient under the statutes, regulations, court decisions and rulings existing on the date hereof and consequently will be exempt from Federal income taxes.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Very truly yours,

By: _____
DO NOT SIGN THIS FORM – MUST BE ON LETTERHEAD OF LESSEE’S COUNSEL

Dated: _____

Acceptance Certificate

In accordance with **Property Schedule No.** 2002341789, dated July 01, 2021, to Master Tax-Exempt Lease/Purchase Agreement dated July 01, 2021, between Key Government Finance, Inc. and Middle Tennessee State University ("Lessee"), the undersigned hereby certifies and represents to, and agrees with Key Government Finance, Inc. ("Lessor"), as follows:

(1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.

(2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.

(3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or an Event of Nonappropriation (as such terms are defined in the Master Agreement) exists at the date hereof.

Date: _____

Middle Tennessee State University
as Lessee

By: _____

Name: Alan R. Thomas

Title: Vice President of Business and Finance

INVOICE



Key Government Finance, Inc.
1000 S. McCaslin Blvd.
Superior CO 80027

Bill to: Middle Tennessee State University Cope Admin Building Room 106 Murfreesboro, TN 37132-0001	Invoice No.	2002341789 - 01
	Invoice Date:	May 12, 2021
	Lease No.	2002341789
	Purchase Order No.	
	Reference:	First Payment

Qty	Item	Description	Total
1	Lease Payment	Payment due August 01, 2021	\$165,000.00
		Tax	
		Balance Due	\$165,000.00

Please remit funds to:
Key Government Finance, Inc.
Attn: Peter Brook
1000 S. McCaslin Blvd.
Superior, CO 80027
Contact Phone: 720-304-1295

REMITTANCE INFORMATION

Date:	
Amount Due:	
Amount Enclosed:	

Please remember to:

- 1) Make checks payable to Key Government Finance, Inc
- 2) Return a copy of this invoice with your payment.
- 3) Keep a copy of this invoice for your records.
- 4) Direct all inquiries to the contact listed above.

Comments:

Information Return for Tax-Exempt Governmental Bonds

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting AuthorityIf Amended Return, check here ☐

1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ►	18	
19a If bonds are TANs or RANs, check only box 19a	► <input type="checkbox"/>	
b If bonds are BANs, check only box 19b	► <input type="checkbox"/>	
20 If bonds are in the form of a lease or installment sale, check box	► <input type="checkbox"/>	

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	
28 Proceeds used to refund prior taxable bonds. Complete Part V	28	
29 Total (add lines 24 through 28)	29	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	►	years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	►	years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	►	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions **36a**
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ► _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☐ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ► _____
- d** Enter the name of the issuer of the master pool bond ► _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► _____
- c** Type of hedge ► _____
- d** Term of hedge ► _____
- 42** If the issuer has superintegrated the hedge, check box ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ► ☐
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ► ☐
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☐ and enter the amount of reimbursement ► _____
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative _____ Date _____ Type or print name and title _____

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

**RESOLUTION TO APPROVE THE
BORROWING OF MONEY TO ACQUIRE REAL ESTATE
BY THE UNIVERSITY OF TENNESSEE**

Recitals

Whereas, in September 2020, The University of Tennessee (“UT”) and Martin Methodist College (“MMC”), signed a letter of intent regarding the acquisition the assets of MMC by UT, contingent upon approval from the Board of Trustees at both institutions (the “Boards”) and all necessary state approvals; and

Whereas, the Tennessee General Assembly has authorized funds to establish a new campus of the University of Tennessee at the site of MMC and such new campus will be named the “University of Tennessee, Southern”; and

Whereas, in 2018, MMC, through a wholly-owned non-profit subsidiary, Reveille Properties, LLC, (“Reveille”) borrowed seven million dollars (\$7,000,000.00) with a thirty (30) year term from the United States Department of Agriculture (“USDA”) under its Rural Development Loan Program to restructure existing debt (“USDA Loan”) and, in conjunction with that transaction, MMC transferred the ownership of several buildings (the “Buildings”) to Reveille and Reveille, in turn, allowed the USDA to place a lien (the “Lien”) on the Buildings in order for the Buildings to serve as collateral for the USDA Loan; and

Whereas, the transfer of MMC assets to UT will be effected by an Asset Transfer and Transition Agreement to be executed after the approval of the Boards on June 25, 2021 and such transaction is set to close on July 1, 2021; and

Whereas, although ownership of the Buildings will be transferred from Reveille to UT for no consideration, the Lien must be lifted in order for UT to acquire full title to the Buildings and UT has decided the most efficient and cost-effective method to do so is for UT to enter into an unsecured commercial loan with First Horizon Bank (the “First Horizon Loan”) and use the proceeds of the First Horizon Loan to pay off the USDA Loan thereby lifting the Lien and, thus, UT will acquire full title to real estate (the Buildings) by virtue of entering into the First Horizon Loan; and

Whereas, the initial principal amount of the USDA Loan was seven million dollars (\$7,000,000.00) but due to several factors, including Covid-19, payments over the last year have been interest only and, as a result, the current USDA Loan balance is seven million one hundred seventy-five thousand six hundred twenty dollars and ninety-eight cents (\$7,175,620.98); and

Whereas, the USDA Loan has an interest rate of three and eight hundred seventy five thousandths per cent (3.875%) with a thirty (30) year term and monthly principal and interest payments of thirty-three thousand five hundred thirty dollars (\$33,530.00) and the First Horizon

Loan will have an initial interest rate of one and three hundred thirty-five thousandths per cent (1.335%) with such rate subject to monthly fluctuation (the “Interest Rate”) depending upon changes in the London Interbank Offered Rate of Interest (“LIBOR Rate”); and

Whereas, the Interest Rate will change not more than once a month and the LIBOR Rate is subject to a floor set at 0% with the Interest Rate calculated using a rate of one and two hundred and fifty thousandths (1.250) percentage points over the LIBOR Rate; and

Whereas, the First Horizon Loan has a term of five (5) years, although First Horizon Bank has indicated it will renew in five (5) year increments; and

Whereas, upfront costs of the First Horizon Loan include a one thousand five hundred dollar (\$1,500) finance fee and a four hundred dollar (\$400) document fee; and

Whereas, Tennessee Code Annotated Section 49-9-103(b)(1) provides that with prior approval of the Tennessee State School Bond Authority (the “Authority”), UT has full authority at any meeting of its Board of Trustees to borrow money to, among other things, acquire real estate.

BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-9-103(b)(1), the Authority gives its approval for UT to enter into the First Horizon Loan.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of June 15, 2021.

Adopted by the Authority at its meeting on June 15, 2021.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

EXECUTIVE SUMMARY

BACKGROUND

In September 2020, The University of Tennessee System (UT System) and Martin Methodist College (MMC), signed a letter of intent regarding the acquisition the assets of MMC by the UT System, contingent upon approval from the Board of Trustees at both institutions and all necessary state approvals. In Public Chapter 454, the Tennessee General Assembly authorized funds to establish a new campus of the University of Tennessee at the site of MMC. The new campus will be named the University of Tennessee, Southern.

In 2018, MMC, through a wholly-owned non-profit subsidiary, Reveille Properties, LLC, ("Reveille") borrowed \$7 million with a 30 year term from the United States Department of Agriculture ("USDA") under its Rural Development Loan Program to restructure existing debt ("USDA Loan"). MMC transferred the ownership of several buildings to Reveille to serve as collateral for the USDA Loan.

The transfer of MMC assets to UT will be effected by an Asset Transfer and Transition Agreement to be executed after the approval of both boards on June 25, 2021 and set to close on July 1, 2021. The buildings will be transferred for no consideration, but UT System has to assume the USDA loan. UT System has negotiated with the USDA to assume the loan as a non-program borrower but the negotiations have not been successful because of the collateral requirements of the USDA.

To pay off the USDA Loan and release the lien on the buildings necessary to the operation of the new campus, the UT System proposes to enter a commercial loan with First Horizon Bank with no collateral requirement. The commercial loan is for a shorter term of five years with a reduced interest rate from the 3.875% under the USDA Loan.

REQUEST

The UT System is seeking TSSBA review and approval of a commercial loan through First Horizon Bank for \$7,175,620.98. The loan will be used to repay the USDA Loan. The USDA Loan is currently secured by four properties including -

- Student Clinic – this small 1,736 square foot facility was a former house that was renovated in 2013. The clinic provides basic health care needs to faculty, staff, and students.
- Colonial Hall – a 14,300 square foot two story building renovated in 2002 that serves as the main administration building and houses admissions, financial aid, business office, career services and human resources.
- Student Apartments A & B – these include one three-story and one four-story co-ed apartment buildings built in 2004 to house 116 students.
- Curry Christian Life Center – this 37,000 square foot structure was built in 1983 and renovated in 2008. Uses include a gymnasium, indoor pool, indoor track, weight room, racquetball courts, and an athletic training room.

With the repayment of the USDA Loan, these buildings may be transferred to UT System will no longer be subject to the USDA lien.

LOAN TERMS

The initial principal amount of the USDA Loan was \$7.0M but due to several factors including Covid-19, payments over the last year have been interest only. As a result, the current loan balance is \$7,175,620.98. The USDA Loan has an interest rate of 3.875% with a thirty (30) year term. Monthly principal and interest payments are \$33,530.00.

The proposed loan is with First Horizon Bank with offices in Memphis, Tennessee. The current interest rate is 1.335% and can fluctuate each month based on changes in the LIBOR Rate, the London Interbank Offered Rate of Interest (defined as "Index") for an interest period of one (1) month. The interest rate change will not occur more often than each month and the LIBOR Rate is subject to a floor set at 0%. The Index currently is 0.085% per year. Interest on the unpaid principal balance would be calculated using a rate of 1.250 percentage points over the Index, resulting in the initial rate of 1.335%.

When the LIBOR Rate ceases to be published June 30, 2023, First Horizon will designate a replacement rate of interest to the LIBOR Rate to be used as the Index that gives consideration to any evolving or then-existing convention for similar U.S. dollar denominated credit facilities for such alternative benchmarks and adjustments. More detailed information on this is provided in the Promissory Note and LIBOR Cessation Announcement documents, both included with this package.

The loan will be due at the end of five (5) years, although First Horizon has indicated they will renew in five (5) year increments.

Upfront costs of the First Horizon loan include a \$1,500 finance fee and a \$400 document fee.

Supporting loan documents and an amortization schedule are provided. UT General Counsel and TSSBA Counsel have prepared a side letter to clarify certain terms of the First Horizon Loan Agreement as amended, modified, supplemented or restated from time to time. First Horizon has reviewed and approved this side agreement (also provided below).

SOURCE OF FUNDS.

The First Horizon loan will be repaid with auxiliary funds.

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$7,175,620.98	06-30-2021	07-15-2026	TR # 300052677	04A0 / USEC	****	56913	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "****" has been omitted due to text length limitations.

Borrower: The University of Tennessee
301 Andy Holt Tower
Knoxville, TN 37996

Lender: First Horizon Bank
Commercial Banking Dept-Knoxville
800 South Gay Street
Knoxville, TN 37929
(865) 971-6291

THIS BUSINESS LOAN AGREEMENT dated June 30, 2021, is made and executed between The University of Tennessee ("Borrower") and First Horizon Bank ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of June 30, 2021, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

LINE OF CREDIT. The Indebtedness contemplates multiple loan advances.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

Organization. Borrower is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Tennessee. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 301 Andy Holt Tower, Knoxville, TN 37996. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: **None.**

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than 270 days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, audited by a certified public accountant satisfactory to Lender.

Additional Requirements.

NOTE: All references in the Loan Documents to Generally Accepted Accounting Principles (GAAP) are understood and agreed, by Lender and Borrower, to be those Generally Accepted Accounting Principles as set forth by the Governmental Accounting Standards Board (GASB)

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may

reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge or restructure as a legal entity (whether by division or otherwise), consolidate with or acquire any other entity, change its name, convert to another type of entity or redomesticate, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

TSSBA BOND RATING. The Tennessee State School Bond Authority ("TSSBA") Higher Education Facilities Program Bond rating falls below Moody's Aa3 or S&P AA-.

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

EXCLUSION FROM INDEBTEDNESS. Excluded from indebtedness shall be any indebtedness governed by the Federal Truth in Lending Act.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to

modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Tennessee without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Tennessee.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Shelby County, State of Tennessee.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means The University of Tennessee and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Tennessee Hazardous Waste Management Substances Act of 1998, T.C.A., 68-212-201, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means First Horizon Bank, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated June 30, 2021 and executed by The University of Tennessee in the principal amount of \$7,175,620.98, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED JUNE 30, 2021.

BORROWER:

The UNIVERSITY OF TENNESSEE

By: _____

David L Miller, CFO of The University of Tennessee

LENDER:

FIRST HORIZON BANK

By: _____

Authorized Signer

[University of Tennessee]

_____, 2021

First Horizon Bank
165 Madison Avenue
Memphis, TN 38103

Re: *University of Tennessee Business Loan Agreement with First Horizon Bank*

Ladies and Gentlemen:

In connection with the Business Loan Agreement between First Horizon Bank (“Bank”) and the University of Tennessee (“UT”) related to a Promissory Note from UT to the Bank in the amount of seven million and ____ dollars (\$7,1____,____) dated _____, 2021, the Bank and the UT agree to this letter agreement (this “Side Letter”) to clarify certain terms of the Loan Agreement as amended, modified, supplemented or restated from time to time (the “Loan Agreement”). Each capitalized term used and not defined herein shall have the meaning ascribed to such term in the Bank Agreement.

This Side Letter shall evidence our understanding as follows:

Sovereign Immunity

The Bank acknowledges that UT, being an instrumentality of the State of Tennessee, enters into the Loan Agreement (as the same may be amended from time to time in accordance with the provisions thereof) without waiver of its status as a sovereign state or entity, including, but not limited to, those under the Eleventh Amendment of the United States Constitution. No provision of the Loan Agreement or this Letter Agreement shall be construed as a waiver or limitation of such immunities, defenses, rights or actions.

Governing Law/Forum Selection

Any action, suit, claim, or proceeding instituted by the Bank against UT may be brought only in such venue as is permissible under the laws and constitution of the State of Tennessee. Should any provision of this Side Letter or the Loan Agreement be determined to be invalid, illegal, unenforceable, or otherwise inconsistent with the laws and constitution of the State of Tennessee, such provision shall not be enforceable against the UT by Bank.

Limitation of Remedies

Any provision of the Loan Agreement in which UT purports to hold harmless, indemnify or limit its remedies in any manner shall be valid only to the extent permitted by Tennessee law. UT makes no representation to the extent any such provisions is permitted by Tennessee law.

Miscellaneous

1. This Side Letter may be executed in counterparts (whether original or facsimile counterparts), each of which shall be deemed an original and which together shall constitute one and the same instrument.
2. This Side Letter is binding on and enforceable against the Bank and the Bank notwithstanding any contrary provisions of the Bank Agreement, and in the event of a conflict between the provisions of this Side Letter and the Bank Agreement, the provisions of this Side Letter shall control. This Side Letter shall survive delivery of fully executed originals of the Bank Agreement and Subscription Agreement, and the UT's admission to the Bank as a Limited Partner.
3. This Side Letter may be amended and the observance of any provision hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of each party hereto.
4. This Side Letter shall be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties hereto.

[Signature Page Follows]

If this Side Letter correctly sets forth our understanding and agreement with respect to the matters addressed herein, please so confirm by executing this Side Letter in the space provided below.

Very truly yours,

By: _____
David L. Miller
Chief Financial Officer and Senior Vice
President

Acknowledged and agreed
as of the date first above written:

FIRST HORIZON BANK

By: _____
Name:
Title:

**RESOLUTION TO APPROVE THE
BORROWING OF MONEY BY ANOTHER METHOD BY
THE UNIVERSITY OF TENNESSEE**

Recitals

Whereas, the University of Tennessee at Knoxville (“UT-K”) typically provides campus housing for medical students doing clinical rotations at the University of Tennessee Health Science Center (“UTHSC”) in Knoxville; and

Whereas, the COVID-19 pandemic prevented UT-K from providing campus housing to medical students doing clinical rotations at UTHSC; and

Whereas, UT-K has experienced an increase in student enrollment for the 2021-2022 school year that has made UT-K unable to accommodate all student housing requests; and

Whereas, the ability to provide a limited amount of housing for medical students is considered a valuable recruiting tool in attracting students to UTHSC with the long-term benefit of medical students considering Knoxville for their residency; and

Whereas, UT-K, on behalf of UTHSC, proposes to enter into a lease with Quarry Trail Propco, LLC at 3999 Highland Crest Way, Knoxville, Tennessee (the “Lease”) for up to six (6) four (4) bedroom apartments (with five units being leased immediately and, depending upon enrollment, a sixth unit could be added) and one (1) three (3) bedroom apartment for use by UTHSC medical students doing clinical rotations; and

Whereas, UTK has proposed a Lease term of one (1) year beginning August 1, 2021 and ending July 31, 2022 at a rate of \$735.00/bed per month or up to \$217,800.00 per year with the apartments being fully furnished and parking and utilities included; and

Whereas, the apartments are in close proximity to UTHSC and the rental rate is competitive for the Knoxville area; and

Whereas, advertising is not required because the term of the Lease is only one (1) year and an unforeseen situation has arisen making it impractical to advertise; and

Whereas, UTK will issue an advertisement in the spring or summer of 2022 to accommodate needs for the 2022-2023 school year, if any; and

Whereas, the Lease payments will be funded by UTHSC through Plant Funds (Aux-Housing) (A).

BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval for UT-K to enter into the Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of June 15, 2021.

Adopted by the Authority at its meeting on June 15, 2021.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 2021-06-001

- **Proposed Lease**

- **Location:** University of Tennessee – Health Science Center (UTHSC)
Knox County – 3999 Highland Crest Way, Knoxville, TN
- **Landlord:** Quarry Trail (Knoxville) Propco LLC
- **Term:** 1 year (August 1, 2020 – July 31, 2022)
- **Area / Costs:** Up to six (6) four (4) bedroom units and one (1) three (3) bedroom unit (2 mos only)

	\$/unit	Estimated Total Cost
Cost per unit (incl utilities) – 4BR units	\$2,940/mo	\$211,680/year
Cost per unit (incl utilities) – 3 BR unit	\$3,060/unit	<u>\$6,120(2 mos)</u>
		\$217,800/total

- **Source of Funding:** Plant Funds (Aux-Housing) (A)
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00/sf (for reference only)

Comment: This lease accommodates UTHSC medical students doing clinical rotations with UT's College of Medicine – Knoxville. In prior years, housing for these students was provided by UT Knoxville campus housing. Due to Covid-19, the units were not available during the 2020-2021 school year. UTK has experienced an increase in Fall 2021 enrollment and housing requests and will not have space available during the 2021-2022 school year.

The apartments are furnished and the rate includes utilities. A one-time parking fee of \$20 per space will be assessed. One three-bedroom unit will be leased for two months to Fall 2021 demand.

This complex was selected because of the location, the units are fully furnished, the configuration of the units, and the rate is competitive. Advertising is not required since the term of this lease is only one year and an unforeseen situation has arisen making it impractical to advertise. The University will issue an advertisement for this need in Spring/Summer 2022 to accommodate 2022/2023 needs, if any. Due to the short-term of the lease, there is no termination for convenience.

SSC Report: 07/14/2021

EXECUTIVE SUMMARY

BACKGROUND:

The University of Tennessee, on behalf of its Health Science Center (UTHSC), proposes to lease up to six (6) four (4) bedroom apartments in Knoxville, TN for use by medical students doing clinical rotations with UTHSC's College of Medicine–Knoxville. In addition, a two month lease for one of one (1) three (3) bedroom unit is needed.

In prior years, housing for medical students in Knoxville has been provided by UT Knoxville Campus Housing. However, due to Covid-19, these units were not available during the 2020-2021 academic year. UTK has experienced an increase in Fall 2021 enrollment and housing requests and will not have space available during the 2021-2022 school year.

UTHSC expects to lease five (5) four (4) bedroom units initially along with the one (1) three (3) bedroom unit September – October 2021 to meet the expected demand in Fall 2021.

The ability to provide a limited amount of housing for students is considered a highly significant and a valuable recruiting tool in attracting students to the UTHSC with the long-range benefit of students considering Knoxville for their residency. The Dean of the College of Medicine, Knoxville along with the Department Chairs, Program Directors and Faculty consider this essential to the success of the educational program for both Medical Students and future Residents.

TERMS:

The University proposes a one (1) year lease term beginning August 1, 2021 and ending July 31, 2022. The rate is \$735/bed per month or up to \$217,800 per year which includes utilities and parking. The units come furnished.

This complex was selected because of the location, the units are fully furnished, the configuration of the units, and the rate is competitive. Advertising is not required since the term of this lease is only one year and an unforeseen situation has arisen making it impractical to advertise. The University will issue an advertisement for this need in Spring/Summer 2022 to accommodate 2022/2023 needs, if any. Due to the short-term of the lease, there is no termination for convenience.

FUNDING:

Funding for the lease payments will be funded by UTHSC through Plant Funds (Aux-Housing) (A).

REQUEST:

Request for approval to enter into a lease agreement.

To: David Miller, Senior Vice President & Chief Financial Officer

From: Tony Hopson, Director of Real Property and Space Administration

Date: June 1, 2021

Re: Justification for Not Advertising – UT Health Science Center (UTHSC) Apartment Leases

UTHSC proposes to lease up to six (6) four (4) bedroom apartments and one (1) three (3) bedroom apartment in Knoxville, TN for use by medical students doing clinical rotations with UTHSC's College of Medicine–Knoxville.

The ability to provide a limited amount of housing for students is considered a highly significant and a valuable recruiting tool in attracting students to the UTHSC with the long-range benefit of students considering Knoxville for their residency. The Dean of the College of Medicine, Knoxville along with the Department Chairs, Program Directors and Faculty consider this essential to the success of the educational program for both Medical Students and future Residents.

Housing for medical students in Knoxville was provided by UT Knoxville campus housing in prior years. However, due to Covid-19, these units were not available for use by UTHSC during the 2020/2021 school year. Due to an increase in enrollment applications and housing requests, UTK will not be able to meet this need during the 2021/2022 school year. As a result, a one-year lease is requested to meet immediate needs for the coming academic year. The University will issue an advertisement for this need in Spring/Summer 2022 to accommodate 2022/2023 needs, if any.

Due to the immediate need to accommodate students, it is impractical to advertise.

Approved:



Date: 5/28/2021

David L. Miller, Senior Vice President & Chief Financial Officer

Cc: Austin Oakes

CERTIFICATION OF FUNDS

Please be advised that The University of Tennessee Health Science Center has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the real property lease with **Quarry Trail (Knoxville) Propco LLC** in the amount of **Two hundred eighteen thousand two hundred sixty and 00/100 (\$218,260.00) per year.**



Date: May 28, 2021

David L. Miller
Senior Vice President & Chief Financial Officer

Part I

Date Needed: (Mo./Yr.)	SPACE ACTION REQUEST TRANSMITTAL Tennessee Department of Finance & Administration Real Property Administration William R. Snodgrass Tennessee Tower 312 Rosa L. Parks Avenue, 22 nd Floor Nashville, Tennessee 37243	F&A Date Logged In: (Mo./Day/Yr.)
SAR Transmittal Instructions: Prepare in duplicate, include attachments and submit to F&A		F&A Transaction No.:
		F&A Transaction Code:

REQUESTING AGENCY: UNIVERSITY OF TENNESSEE Allotment Code: <u>332.10</u> Agency Cost Center: _____ Address (including County, City & Zip Code): 5723 Middlebrook Pike Suite 207 Knox County, Knoxville, TN 37996-0045 Agency Contact (Name & Phone No.): 865-974-2441 Tony Hopson ahopson4@tennessee.edu	SUBJECT LOCATION Complete only if different from information shown at left. ADDRESS (INCLUDING COUNTY, CITY & ZIP CODE): Quarry Trail (Knoxville) Propco LLC 3999 Highland Crest Way, Knoxville, TN ON-SITE CONTACT (NAME & PHONE NO.): Tony Hopson 865-974-2441
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* Reason for REQUEST * Check item(s) that best describe current situation and need * Must attach either letter of justification/explanation or Office Space Needs Worksheet to address both the reason and the action requested * Current Space: <input type="checkbox"/> State Owned <input type="checkbox"/> Leased <input type="checkbox"/> Other Reflects Space: <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input checked="" type="checkbox"/> No Change <input checked="" type="checkbox"/> Lease Expiration <input type="checkbox"/> New Unit Activated <input type="checkbox"/> Staff Reorganization: <input type="checkbox"/> Reconfigure Existing Staff Only (OR) <input type="checkbox"/> Staff Increase <input type="checkbox"/> Decrease From: _____ To: _____ <input type="checkbox"/> File / Storage / Equipment Space Need <input type="checkbox"/> Unresolved Tenant-Landlord Issue <input checked="" type="checkbox"/> Other Reason: Current lease expires and space not available with UTK Housing.	* ACTION REQUESTED * Check item(s) that will best meet need <input type="checkbox"/> Terminate Existing Lease <input type="checkbox"/> Amend (OR) <input type="checkbox"/> Hold-Over Existing Lease <input checked="" type="checkbox"/> Initiate Action for New Lease <input type="checkbox"/> Unique and Special Requirement (TCA 12-2-114) <input type="checkbox"/> Desire Space Assignment in State Owned Building <input type="checkbox"/> Make Alteration to Current Space for Accommodating Need <input type="checkbox"/> Contact Landlord and/or DGS on Behalf of Tenant <input type="checkbox"/> Other Action: (Cost estimate, planning consultation, etc.)
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Current Data
 Current SF = NA Current Lease Number: NA FRF Cost Center: NA Current Lease Expiration Date: NA
TYPE OF SPACE NEEDED (Check all that apply)
☐ Office ☐ Land ☐ Airport Facilities
☐ Warehouse ☐ House (Living Quarters) ☐ Educational Facilities ☒ Other: Apartments
NEW LOCATION CONSIDERATIONS
 Location (County/City) and Boundaries if Required*: **See Executive Summary**

* Must attach justification letter for special boundaries *

 Cost Estm: NA SF x NA (FRF Rate) = NA // NA SF x NA (A-87 Rate)= NA

 Lease Term: 1 Years Commencing August 1 2021 ; Ending July 31 2022
☐ Cancellation upon ☐ Lack of funding (OR) ☒ No Cancellation ☐ Convenience with fee

☒ **Parking Included** (OR) ☐ Parking spaces desired to accommodate ☐ staff (approximate _____) ☐ clients (approx. no.: _____) no.:

 Other Considerations: **See Executive Summary**
ATTACHMENTS (Check all that apply)
☐ Office Space Needs Worksheet* ☒ Lead Sheet ☐ Photo ☒ Other: **Executive Summary**
☐ Justification / Explanation Letter* ☐ Other: ☐ Map ☒ Other: **Lease**
REQUESTING AGENCY AUTHORIZATION
 DocuSigned by:
Austin Baker Assistant Vice President, Capital Projects 06/01/2021
 Signature Title Date
☒ Fiscal Office Review Funding Source: Plant Funds (Auxiliary)(A) ☒ Planned Budget Item ☐ Unplanned Budget Item

Master Lease Agreement

This master lease agreement is dated _____, 20__ and is between Quarry Trail Operator, LLC, a Tennessee limited liability company ("Lessor"), and The University of Tennessee, an instrumentality of the state of Tennessee ("University").

Background:

- The University has a need for apartments for medical students in Knoxville, Tennessee.
- Lessor has space available in its apartment complex located at 3999 Highland Crest Way, Knoxville, TN 37920, commonly known as "Quarry Trail" ("complex") and has agreed to lease to the University.
- The nature of the transaction between the University and Lessor is that the University will be responsible for paying rent to Lessor. University's students ("students") will occupy the space described in Schedule A.
- Lessor will require the students to sign agreements that bind the Lessor and students with respect to the use and occupancy of the spaces in the complex. Those agreements will relate to Lessor's rules and regulations. The University will not be a party to those agreements.

Agreement: Lessor and University agree as follows:

1. **Term:** The term of this agreement begins at 12:01 AM Eastern Time on August 1, 2021 and ends at 11:59 PM Eastern Time on July 31, 2022.
2. **Termination:**
 - a. **When Allowed:**
 - i. **By Lessor:** Except as permitted under the Uniform Residential Landlord Tenant act, Lessor may only terminate this agreement for any specific unit if the student materially violates Lessor's rules and regulations and after providing not less than 5 days written notice to the University.
 - ii. **By University:** University may terminate this agreement for any specific unit immediately if a student occupying a unit dies
 - b. **Notice Requirement:** Either party must provide termination notice to the other in accordance with the Notice section of this agreement.
 - c. **Effect:** In the event that either party terminates this agreement for any particular unit, the University's obligation to pay for the unit will end on the effective date of the notice.

3. **Lease and Deliverables:** Lessor hereby leases to University and University hereby leases from Lessor the property ("units") described in Schedule A, together with rights to utilize all common areas associated with the apartment complex in which the units are located. Lessor will provide the deliverables stated in Schedule A for as long as a unit is subject to this agreement. Lessor shall not charge the students for anything stated in Schedule A.
4. **Payment:** University shall pay the amounts listed in Schedule A. University shall pay Lessor the first installment by August 1, 2021, and each monthly installment thereafter by the 1st day of each month via ACH transfer. In the event that the University fails to pay by the 6th of each month, Lessor may charge a 1.5% late payment fee. Payment in full of the amounts set forth in Schedule A will constitute payment by University for the units and all services provided by Lessor under this agreement; neither University nor the students will be responsible for any charges for taxes, insurance, utilities, maintenance or any other items, except for costs associated with repairs to damages caused by students which will be the obligation of the student(s) causing such damage.
5. **Condition of Premises:** Lessor shall deliver possession of the units beginning at 10:00 AM Eastern Time on August 1, 2021. Lessor states that the units are in good order and repair.
6. **Damages:**
 - a. **Generally:** ***The University is not responsible for the acts or omissions of its students.*** The University's sole obligation under this agreement is to pay the rent amounts listed in Schedule A. Accordingly, Lessor acknowledges that the individual residents are responsible for any costs associated with damages. Any liability of the University to Lessor and third parties for any claims, damages, losses, or costs arising out of or related to acts performed by the university under this agreement will be governed by the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301, et. seq.
 - b. **Ordinary Wear and Tear:** Students will not be liable for ordinary wear and tear.
7. **Rules and Regulations:** The University is not responsible for the students' compliance with Lessor's rules and regulations. Lessor is responsible for ensuring that students are aware of Lessor's rules and regulations.
8. **Maintenance and Repairs:** Lessor shall maintain the units and the complex in good working order and in the same condition or better as exists on the date of this agreement. Lessor will ensure that the students are aware of how to request maintenance, including repairs.
9. **Fire and Other Casualties:** In the case of damage by fire or other casualty to the building in which the units are located, if the damage is so extensive as to render the units untenable, this agreement will terminate immediately for the affected units, and the rental costs will be apportioned to the time of the fire or casualty.

10. Records; Audit:

- a. Records: Lessor will maintain records for all expenses for which Lessor invoices the University under this agreement. Lessor will maintain its records for at least 5 years, and will maintain its records in accordance with generally accepted accounting principles.
- b. Audit: During the term of this agreement and for 5 years after the last payment from the University to Lessor under this agreement, the State of Tennessee Comptroller or the University's internal audit, or both, may audit Lessor's records that relate to this agreement.

11. Debarment: Lessor hereby states that the following are true statements:

- a. Lessor is not currently debarred by the U.S. federal government.
- b. Lessor is not currently suspended by the U.S. federal government.
- c. Lessor is not currently named as an "excluded" Lessor by the U.S. federal government.

12. Background Checks:

- a. General Obligation: Lessor will not knowingly assign any individual to provide services to University if the individual has a history of criminal conduct. For purposes of this agreement, "criminal conduct" means charges filed by any government agency, excluding non-moving violations and speeding violations or any other non-felonious charge.
- b. Tennessee Abuse Registry; Tennessee Sex Offender: Lessor must inform the University's Office of Procurement Services immediately if any of Lessor's employees or sub-contractors are listed in:
 - i. The Tennessee Abuse Registry.
 - ii. The Tennessee Sex Offender Registry.
- c. Prompt Background Checks: If the University requests, Lessor must perform a comprehensive criminal background check on any Lessor employee or sub-contractor.

13. Reporting: If Lessor has actual knowledge of the items below, Lessor shall notify the University immediately if any of the following items occur in one of the units or elsewhere on Lessor's premises, provided Lessor is permitted to do so by applicable law:

- a. Crimes, including attempted crimes
- b. Emergencies involving personal injury to a student
- c. Alcohol consumption by minor students (provided Lessor has no obligation to monitor for same)

- d. Use of illegal drugs by students (provided Lessor has no obligation to monitor for same)

14. **Insurance**: Lessor shall comply with the insurance requirements stated in Schedule B.
15. **Illegal Immigrants**: In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Lessor hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.
16. **Force Majeure**: Neither party's delay or failure to perform any provision of this agreement, as result of circumstances beyond its control (including, without limitation, war, strikes, floods, governmental restrictions, power, telecommunications or Internet failures, or damage to or destruction of any network facilities) will be deemed a breach of this agreement.
17. **Dispute Resolution**: The parties shall make reasonable efforts to resolve any dispute before filing any formal legal action.
18. **Governing Law**: The internal laws of the State of Tennessee, without giving effect to its principles of conflicts of law, govern this agreement. The University's liability is governed by the Tennessee Claims Commission Act.
19. **Notice**:
 - a. For a notice or other communication under this agreement to be valid, it must be in writing and delivered (1) by hand, (2) by a national transportation company, with all fees prepaid, or (3) by registered or certified mail, return receipt requested and postage prepaid;
 - b. Subject to sub-section (d) below, a valid notice or other communication under this agreement will be effective when received by the party to which it is addressed. It will be deemed to have been received as follows:
 - i. if it is delivered by hand, delivered by a national transportation company, with all fees prepaid, or delivered by registered or certified mail, return receipt requested and postage prepaid, upon receipt as indicated by the date on the signed receipt; and
 - ii. if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address for which no notice was given, then upon that rejection, refusal, or inability to deliver.

- c. For a notice or other communication to a party under this agreement to be valid, it must be addressed using the information specified below for that party or any other information specified by that party in a notice in accordance with this section.

Lessor:

Quarry Trail Operator, LLC
3999 Highland Crest Way
Knoxville, TN 37920
Attn: Allyson Saltzman
Email: Allyson.saltzman@quarrytrail.com

With copy to: Quarry Trail Operator, LLC
262 Harbor Drive, 3rd Floor
Stamford, CT 06902
Attn: Jared Heuer
Email: jheuer@realcocp.com

University:

Legal notices only; do not send invoices to this address:

The University of Tennessee
5723 Middlebrook Pike
Knoxville, TN 37921-5946
ATTN: Real Property & Space Administration

Fax: 865-974-4231

- d. If a notice or other communication addressed to a party is received after 5:00 p.m. on a business day at the location specified in the address for that party, or on a day that is not a business day, then the notice will be deemed received at 9:00 a.m. on the next business day.
20. **Registration with Tennessee Department of Revenue:** The Lessor hereby attests that it is not registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax because the Lessor does not engage in the business of selling, renting, or charging for any rooms, lodgings, or accommodations for a period less than ninety (90) days, and the University acknowledges that, pursuant to Tenn. Code Ann. § 12-3-306, the Lessor is not required to so register in order to enter into this agreement with the University.
21. **Iran Divestment Act:** The Lessor certifies, under penalty of perjury, that to the best of its knowledge and belief the Lessor is not on the list created pursuant to Tenn. Code Ann. § 12-12-106. The Lessor further certifies that it shall not utilize any subcontractor that is on the list created pursuant to Tenn. Code Ann. § 12-12-106.

22. **Use of University Intellectual Property:** Except as allowed in this section, Lessor shall not use the University's name, logo, or any other University-owned intellectual property for any reason, without the written consent of an authorized official of the University. During the term of this agreement, Lessor may list the University's name in Lessor's list of clients.
23. **Third-Party Beneficiaries:** There are no third-party beneficiaries to this agreement. The University is not party to, and is not responsible for, any agreements between the Lessor and students directly.
24. **Severability:** The parties intend as follows:
- a. that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;
 - b. that if an unenforceable provision is modified or disregarded in accordance with this section, then the rest of the agreement will remain in effect as written; and
 - c. that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.
25. **Modification; Waiver:**
- a. **Modification:**
 - i. No amendment of this agreement will be effective unless: (1) it is in writing; (2) it is signed by authorized officials of both parties; and (3) it specifically references this agreement.
 - ii. Only the University's authorized officials have the authority to bind the University. A list of the University's authorized officials is located here: <http://treasurer.tennessee.edu/contracts/contractsignature.html>. Approval of the State Building Commission and the State Attorney General will also be required for any amendment of this agreement.
 - b. **Waiver:** No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation.
26. **Counterparts:** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.
27. **Compliance with law:** Lessor shall comply with all applicable laws, including the Tennessee Uniform Residential Landlord and Tenant Act and the Americans with Disabilities Act.

28. **Entire agreement:** This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties. In the event Lessor's invoices, order forms, or other Lessor-provided items contain terms, Lessor acknowledges that Lessor's terms do not apply to the University. Further, in the event Lessor's website, mobile applications, or other platforms contain click-wrap, browse-wrap, or shrink-wrap terms and conditions, Lessor states that such terms and conditions do not apply to University.
29. **End of Term:** Upon termination or expiration of this agreement, the University will peaceably surrender to the Lessor the units in as good order and condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the University has no control or for which Lessor is responsible pursuant to this lease, excepted. The University will have no duty to remove any improvements or fixtures placed by it in the units or to restore any portion of the units altered by it, save and except in the event the University elects to remove any such improvement or fixture and such removal causes damages or injury to the units and then only to the extent of any such damages or injury.

The parties are signing this agreement on the date stated in the introductory clause. This agreement is not binding until signed by all parties below.

The University of Tennessee

Signature: _____

Name: _____

Title: _____

Quarry Trail Operator, LLC

Signature: _____

Name: _____

Title: _____

Approved as to form and legality:

Tennessee Attorney General

Herbert H. Slatery III, Attorney General and Reporter

LESSOR NOTARY

STATE OF TENNESSEE

COUNTY OF _____

Before me, the undersigned notary of the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, swore to and acknowledged himself/herself to be _____ of _____, the within-named bargainor, a limited liability company, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company by himself/herself as such officer.

WITNESS my hand and seal at office in _____, this ____ day of _____, 2020.

Notary Public

My Commission Expires: _____

UNIVERSITY NOTARY

STATE OF TENNESSEE

COUNTY OF KNOX

Personally appeared before me, the undersigned Notary Public for Knox County, _____, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged that he/she is the _____ of the University of Tennessee and that he/she as officer, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the University of Tennessee by himself as officer.

Witness my hand and seal, at office in, this _ day of _____, 2020.

Notary Public.

My Commission Expires:

Schedule A

Deliverables:

1. Electricity, HVAC, Sewer and Water: The rental amounts listed below include the costs of all utilities which will be provided in sufficient capacities for use of the units as residential apartments.
2. Wireless Internet: The rental amount also includes wireless internet for the living room of each apartment unit.
3. Furniture: The rental amount also includes use of the following furniture items:
 - a. Common area which is the living room and kitchen area: Couch, Club Chair, Dining Table with Chairs, Entertainment Center, Coffee Table, End Table and Barstools
 - b. Bedroom: Full Size Bed, Desk, Chair, Nightstand and Dresser.
4. Parking: Lessor will provide each bed space with access to one reserved parking space. The cost per space is a one-time fee of \$20/bed. Lessor agrees to maintain its current parking to unit ratio.

Residential Apartment Space:

Summary (Full-Term):

Total number of apartment units leased for 12 months: Five (5) 4x4 B1 upgraded units.

Total aggregate cost per month: \$14,700 (\$2,940 per unit per installment).

Total one-time cost (20 parking spaces at \$20/space) due on August 1st, 2021: \$400

Unit # and bedroom (list each unit specifically below)

Units 2-101, 2-201, 2-303, 2-306, and 2-308

Move-In Date

August 1, 2021

Monthly Rental Payments:

Month	Payment	Month	Payment	Month	Payment
August 2021	\$14,700.00	December 2021	\$14,700.00	April 2022	\$14,700.00
September 2021	\$14,700.00	January 2022	\$14,700.00	May 2022	\$14,700.00
October 2021	\$14,700.00	February 2022	\$14,700.00	June 2022	\$14,700.00
November 2021	\$14,700.00	March 2022	\$14,700.00	July 2022	\$14,700.00

Summary (Short-Term):

Total number of apartment units leased for two (2) months (September 2021 and October 2021): One (1) 3x3 upgraded unit.

Total aggregate cost per month: \$3,060 (\$3,060 per unit per installment).

Total one-time cost (three (3) parking spaces at \$20/space) due on Sept. 1st, 2021: \$60

Unit # and bedroom (list each unit specifically below)

Unit 2-305

Move-In Date

September 1, 2021

Monthly Rental Payments:

Month	Payment	Month	Payment	Month	Payment
August 2021		December 2021		April 2022	
September 2021	\$3,060.00	January 2022		May 2022	
October 2021	\$3,060.00	February 2022		June 2022	
November 2021		March 2022		July 2022	

Schedule B

Insurance requirements: Lessor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a “following form” basis. Coverage must be maintained for the full term of the agreement.

Commercial General Liability – Occurrence Form: Policy must include bodily injury, property damage, and, and liability assumed under an insured agreement, including defense costs. The policy must be endorsed to include the following additional insured language: “The University of Tennessee, its affiliated organizations, successors, or assignees, its officials, trustees, employees, agents, and volunteers shall be named as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Lessor.”

Minimum Limits:

- General Aggregate \$ 2,000,000
- Products/Completed Operations Aggregate \$ 2,000,000
- Each Occurrence Limit \$ 1,000,000
- Personal/Advertising Injury \$ 1,000,000

Automobile Liability: Bodily injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this agreement.

Minimum Limits:

- Bodily Injury/Property Damage (Each Accident) \$ 1,000,000

Umbrella/Excess Liability: designed to provide liability protection above and beyond that provided by standard liability contracts. The Umbrella or Excess Liability policy must be Follow Form.

Minimum Limits:

Each Occurrence Limit	\$ 3,000,000
Aggregate Limit	\$ 3,000,000

Workers’ Compensation and Employers’ Liability

Minimum Limits:

- Each Accident \$ 100,000
- Disease, each employee \$ 100,000
- Disease, policy limit \$ 500,000

Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where The University of Tennessee is named as an additional insured, The University of Tennessee must be an additional insured to the full limits of liability purchased by the Lessor, even if those limits of liability are in excess of those required by this agreement.
2. The Lessor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

Notice of Cancellation: Each insurance policy required by the insurance provisions of this agreement must provide the required coverage and shall not be suspended, voided, or canceled except after 30 days' prior written notice has been given to The University of Tennessee, except when cancellation is for non-payment of premium; then 10 days' prior notice may be given. Lessor must provide notice to:

The University of Tennessee Office of Risk Management
5723 Middlebrook Pike, Ste. 218
Knoxville, TN 37996

If any insurance company refuses to provide the required notices, the Lessor or its insurance broker shall notify The University of Tennessee of any cancellation, suspension or non-renewal of any insurance within 7 days of receipt of insurers' notification to that effect.

Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Tennessee and with an "A.M. Best" rating of not less than A- VII.

Verification of Coverage: Lessor shall furnish The University of Tennessee with certificates of insurance (ACORD form or equivalent) as required by this agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by The University of Tennessee before work commences. Each insurance policy required by this agreement must be in effect at or prior to commencement of work under this agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this agreement or to provide evidence of renewal is a material breach of agreement.

All certificates required by this agreement must be sent directly to The University of Tennessee at the address shown. The project/agreement number and project description must be noted on the certificate of insurance. The University of Tennessee reserves the right to require complete, certified copies of all insurance policies required by this contract at any time.

Subcontractors: Lessor's certificate(s) must include all subcontractors as additional insureds under its policies, or contractor shall furnish to The University of Tennessee separate certificates and endorsements for each subcontractor. All coverages for subcontractors are subject to the minimum requirements identified above.

Approval: Any modification or variation from the insurance requirements in this agreement must be made by the University's risk management department, whose decision will be final. Such action will not require a formal amendment to this agreement.

**RESOLUTION TO APPROVE THE
BORROWING OF MONEY BY ANOTHER METHOD BY
THE UNIVERSITY OF TENNESSEE**

Recitals

Whereas, the University of Tennessee at Knoxville (“UT-K”), based on enrollment projections, will need to increase bed capacity to offer on-campus housing for first year students who are required to live on campus; and

Whereas, while changes in demand are expected over the summer, UT-K proposes to enter into two (2) master leases (the “Leases”) with apartment complexes known as 303 Flats and Aspen Heights, respectively, because the Leases will likely be needed to offset UT-K’s deficit of on-campus beds; and

Whereas, UT-K proposes to lease up to 325 beds under the Leases for a one (1) year term beginning August 8, 2021 and ending August 7, 2022 with a mix of fully furnished two, three and four bedroom apartments and an average rate per bed of \$888 per month which includes utilities, cable and internet; and

Whereas, 303 Flats and Aspen Heights were selected because of their proximity to UT-K’s campus and also because the apartments have comparable or upgraded amenities compared to on-campus housing, the rental rate is competitive and, in addition, 303 Flats and Aspen Heights have a high volume of completely vacant units which allows UT-K students to be housed together and not share space with non-UT-K students; and

Whereas, advertising is not required because the term of the Leases are only one (1) year and an unforeseen situation has arisen making it impractical to advertise; and

Whereas, payments for the Leases will be funded by UT-K through Plant Funds (Aux-Housing) (A).

BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval for UT-K to enter into the Leases.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of June 15, 2021.

Adopted by the Authority at its meeting on June 15, 2021.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 2021-06-002

- **Proposed Lease**

- **Location:** University of Tennessee – Knoxville, Knox County, Tennessee
 - 303 Flats, 303 W Blount Avenue, Knoxville, TN - 303 West, LLC
 - Aspen Heights, 2223 Cumberland Avenue, Knoxville, TN – ([VERIFYING OWNER NAME](#))
- **Landlord:** See above
- **Term:** 1 year (August 8, 2021 – August 7, 2022)
- **Area / Costs:** Up to 325 beds (mix of 2, 4 and 5 br units)

	\$/bed	Estimated Total Cost
Average cost per unit (incl utilities)	\$888/mo	\$3,463,200/year

- **Source of Funding:** Plant Funds (Aux-Housing) (A)
- **Procurement Method:** Negotiated

Comment: Based on enrollment projections, UTK will need to increase bed capacity in order to offer on-campus housing for first year students who are required to live on campus. While changes in demand are expected over the summer, these master leases will likely be needed to offset the deficit of on-campus beds.

These complexes were selected because of the proximity to campus, the units have comparable or upgraded amenities compared to on-campus housing, the rate is all inclusive including utilities, cable and internet, the units are fully furnished, and the rate is competitive. These complexes also have a high volume of completely vacant units which allows UTK students to be housed together and not share space with non-UTK students. Advertising is not required since the term of this lease is only one year and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience.

SSC Report: 07/13/2020

EXECUTIVE SUMMARY

BACKGROUND:

The University of Tennessee, on behalf of its Knoxville campus (UTK), proposes to enter into master lease agreements for student housing in Knoxville, TN. These master leases are needed to provide up to 325 additional beds for students beginning Fall 2021. Based on enrollment projections, UTK will need to increase bed capacity in order to offer on-campus housing for first year students who are required to live on campus. While changes in demand are expected over the summer, these master leases will likely be needed to offset the deficit of on-campus beds.

These complexes were selected because of the proximity to campus, the units have comparable or upgraded amenities compared to on-campus housing, the rate is all inclusive including utilities, cable and internet, the units are fully furnished, and the rate is competitive. These complexes also have a high volume of completely vacant units which allows UTK students to be housed together and not share space with non-UTK students.

A one year lease is requested to meet immediate needs for the coming academic year.

TERMS:

The University proposes to lease up to 325 beds under a one (1) year lease term beginning August 8, 2021 and ending August 7, 2022. The units are a mix on two, three and four bedroom apartments and the average rate per bed is \$888 per month which includes utilities, cable and internet. The units also come fully furnished.

Advertising is not required since the term of this lease is one year and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience.

FUNDING:

Funding for the lease payments will be through Plant Funds (Aux-Housing) (A).

REQUEST:

Request for approval to enter into master lease agreements.

To: David Miller, Senior Vice President & Chief Financial Officer

From: Tony Hopson, Director of Real Property and Space Administration

Date: June 1, 2021

Re: Justification for Not Advertising – UT Knoxville (UTK) Apartment Leases

UTK proposes to lease up to three hundred twenty five beds at 303 Flats and Aspen Heights Apartments in Knoxville, Tennessee. Based on first-year enrollment projections, UTK will need to increase bed capacity in order to offer on-campus housing for first year students who are required to live on campus. While changes in demand are expected over the summer, these master leases will likely be needed to offset the deficit of on-campus beds.

These complexes were selected because of the proximity to campus, the units have comparable or upgraded amenities compared to on-campus housing, the rate is all inclusive including utilities, cable and internet, the units are fully furnished, and the rate is competitive. These complexes also have a high volume of completely vacant units which allows UTK students to be housed together and not share space with non-UTK students.

The average rate per bed is \$888 per month and the apartments are a mix of 2, 4 and 5 bedroom units. Advertising is not required since the term of this lease is one year and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience.

Approved:



David L. Miller, Senior Vice President & Chief Financial Officer

Cc: Austin Oakes

CERTIFICATION OF FUNDS

Please be advised that The University of Tennessee Health Science Center has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the real property lease at **303 Flats and Aspen Heights** in the amount of **Three million four hundred sixty three thousand two hundred and 00/100 (\$3,463,200.00) per year.**



June 1, 2021

Date: _____

David L. Miller

Senior Vice President & Chief Financial Officer

Part I

Date Needed: (Mo./Yr.)	SPACE ACTION REQUEST TRANSMITTAL Tennessee Department of Finance & Administration Real Property Administration William R. Snodgrass Tennessee Tower 312 Rosa L. Parks Avenue, 22 nd Floor Nashville, Tennessee 37243	F&A Date Logged In: (Mo./Day/Yr.)
SAR Transmittal Instructions: Prepare in duplicate, include attachments and submit to F&A		F&A Transaction No.:
		F&A Transaction Code:

REQUESTING AGENCY: UNIVERSITY OF TENNESSEE Allotment Code: <u>332.10</u> Agency Cost Center: _____ Address (including County, City & Zip Code): 5723 Middlebrook Pike Suite 207 Knox County, Knoxville, TN 37996-0045 Agency Contact (Name & Phone No.): 865-974-2441 Tony Hopson ahopson4@tennessee.edu	SUBJECT LOCATION Complete only if different from information shown at left. ADDRESS (INCLUDING COUNTY, CITY & ZIP CODE): 303 Flats – 303 W Blount Avenue, Knoxville, TN Aspen Heights – 2223 Cumberland Avenue, Knoxville, TN ON-SITE CONTACT (NAME & PHONE NO.): Tony Hopson 865-974-2441
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* Reason for REQUEST * Check item(s) that best describe current situation and need * Must attach either letter of justification/explanation or Office Space Needs Worksheet to address both the reason and the action requested * Current Space: <input type="checkbox"/> State Owned <input type="checkbox"/> Leased <input type="checkbox"/> Other Reflects Space: <input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease <input checked="" type="checkbox"/> No Change <input type="checkbox"/> Lease Expiration <input type="checkbox"/> New Unit Activated <input type="checkbox"/> Staff Reorganization: <input type="checkbox"/> Reconfigure Existing Staff Only (OR) <input type="checkbox"/> Staff Increase <input type="checkbox"/> Decrease From: _____ To: _____ <input type="checkbox"/> File / Storage / Equipment Space Need <input type="checkbox"/> Unresolved Tenant-Landlord Issue <input checked="" type="checkbox"/> Other Reason: Additional housing needed for large incoming Fall 2021 class.	* ACTION REQUESTED * Check item(s) that will best meet need <input type="checkbox"/> Terminate Existing Lease <input type="checkbox"/> Amend (OR) <input type="checkbox"/> Hold-Over Existing Lease <input checked="" type="checkbox"/> Initiate Action for New Lease <input type="checkbox"/> Unique and Special Requirement (TCA 12-2-114) <input type="checkbox"/> Desire Space Assignment in State Owned Building <input type="checkbox"/> Make Alteration to Current Space for Accommodating Need <input type="checkbox"/> Contact Landlord and/or DGS on Behalf of Tenant <input type="checkbox"/> Other Action: (Cost estimate, planning consultation, etc.)
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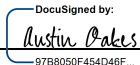
Current Data
 Current SF = NA Current Lease Number: NA FRF Cost Center: NA Current Lease Expiration Date: NA
TYPE OF SPACE NEEDED (Check all that apply)
☐ Office ☐ Land ☐ Airport Facilities
☐ Warehouse ☐ House (Living Quarters) ☐ Educational Facilities ☒ Other: Apartments
NEW LOCATION CONSIDERATIONS
 Location (County/City) and Boundaries if Required*: **See Executive Summary**

* Must attach justification letter for special boundaries *

 Cost Estm: NA SF x NA (FRF Rate) = NA // NA SF x NA (A-87 Rate) = NA

 Lease Term: 1 Years Commencing August 8 2021 ; Ending August 7 2022
☐ Cancellation upon ☐ Lack of funding (OR) ☒ No Cancellation ☐ Convenience with fee

☒ **Parking Included** (OR) ☐ Parking spaces desired to accommodate ☐ staff (approximate _____) ☐ clients (approx. no.: _____) no.:

 Other Considerations: **See Executive Summary**
ATTACHMENTS (Check all that apply)
☐ Office Space Needs Worksheet* ☒ Lead Sheet ☐ Photo ☒ Other: **Executive Summary**
☐ Justification / Explanation Letter* ☐ Other: ☐ Map ☒ Other: **Lease**
REQUESTING AGENCY AUTHORIZATION
 DocuSigned by:
 Assistant Vice President, Capital Projects 06/01/2021
 Signature Title Date
☒ Fiscal Office Review Funding Source: Plant Funds (Auxiliary)(A) ☒ Planned Budget Item ☐ Unplanned Budget Item

Master Lease Agreement

This master lease agreement is dated _____, 20__ and is between _____, a Tennessee limited liability company ("Lessor"), and The University of Tennessee, an instrumentality of the state of Tennessee ("University"). _____ is the master lessee of _____ and is authorized to sign the lease with the University.

Background:

- The University has a need for apartments for students in Knoxville, Tennessee.
- Lessor has space available in its apartment complex located at _____, Knoxville, TN, commonly known as "_____" ("complex") and has agreed to lease to the University.
- The nature of the transaction between the University and Lessor is that the University will be responsible for paying rent to Lessor. University's students ("students") will occupy the space described in Schedule A.
- Lessor will require the students to sign agreements that bind the Lessor and students with respect to the use and occupancy of the spaces in the complex. Those agreements will relate to Lessor's rules and regulations. The University will not be a party to those agreements.

Agreement: Lessor and University agree as follows:

1. **Term:** The term of this agreement begins at 12:01 AM Eastern Time on _____, 2021 and ends at 11:59 PM Eastern Time on _____, 2022.
2. **Termination:**
 - a. **When Allowed:**
 - i. **By Lessor:** Except as permitted under the Uniform Residential Landlord Tenant act, Lessor may only terminate this agreement for any specific unit if the student materially violates Lessor's rules and regulations and after providing not less than 5 days written notice to the University.
 - ii. **By University:** University may terminate this agreement for any specific unit immediately if a student occupying a unit dies
 - b. **Notice Requirement:** Either party must provide termination notice to the other in accordance with the Notice section of this agreement.

- c. **Effect:** In the event that either party terminates this agreement for any particular unit, the University's obligation to pay for the unit will end on the effective date of the notice.
3. **Lease and Deliverables:** Lessor hereby leases to University and University hereby leases from Lessor the property ("units") described in Schedule A, together with rights to utilize all common areas associated with the apartment complex in which the units are located. Lessor will provide the deliverables stated in Schedule A for as long as a unit is subject to this agreement. Lessor shall not charge the students for anything stated in Schedule A.
4. **Payment:** University shall pay the amounts listed in Schedule A. University shall pay Lessor the first installment within 10 days from the latter of the date of this agreement or occupancy on _____, and each monthly installment thereafter by the 1st day of each month via ACH transfer. In the event that the University fails to pay by the 6th of each month, Lessor may charge a 1.5% late payment fee. Payment in full of the amounts set forth in Schedule A will constitute payment by University for the units and all services provided by Lessor under this agreement; neither University nor the students will be responsible for any charges for taxes, insurance, utilities, maintenance or any other items, except for costs associated with repairs to damages caused by students which will be the obligation of the student(s) causing such damage.
5. **Condition of Premises:** Lessor shall deliver possession of the units beginning at 10:00 AM Eastern Time on _____. Lessor states that the units are in good order and repair.
6. **Damages:**
- a. **Generally:** ***The University is not responsible for the acts or omissions of its students.*** The University's sole obligation under this agreement is to pay the rent amounts listed in Schedule A. Accordingly, Lessor acknowledges that the individual residents are responsible for any costs associated with damages. Any liability of the University to Lessor and third parties for any claims, damages, losses, or costs arising out of or related to acts performed by the university under this agreement will be governed by the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301, et. seq.
- b. **Ordinary Wear and Tear:** Students will not be liable for ordinary wear and tear.
7. **Rules and Regulations:** The University is not responsible for the students' compliance with Lessor's rules and regulations. Lessor is responsible for ensuring that students are aware of Lessor's rules and regulations.
8. **Maintenance and Repairs:** Lessor shall maintain the units and the complex in good working order and in the same condition or better as exists on the date of this agreement. Lessor will ensure that the students are aware of how to request maintenance, including repairs.

9. **Fire and Other Casualties**: In the case of damage by fire or other casualty to the building in which the units are located, if the damage is so extensive as to render the units untenable, this agreement will terminate immediately for the affected units, and the rental costs will be apportioned to the time of the fire or casualty.
10. **Records; Audit**:
- a. **Records**: Lessor will maintain records for all expenses for which Lessor invoices the University under this agreement. Lessor will maintain its records for at least 5 years, and will maintain its records in accordance with generally accepted accounting principles.
 - b. **Audit**: During the term of this agreement and for 5 years after the last payment from the University to Lessor under this agreement, the State of Tennessee Comptroller or the University's internal audit, or both, may audit Lessor's records that relate to this agreement.
11. **Debarment**: Lessor hereby states that the following are true statements:
- a. Lessor is not currently debarred by the U.S. federal government.
 - b. Lessor is not currently suspended by the U.S. federal government.
 - c. Lessor is not currently named as an "excluded" Lessor by the U.S. federal government.
12. **Background Checks**:
- a. **General Obligation**: Lessor will not knowingly assign any individual to provide services to University if the individual has a history of criminal conduct. For purposes of this agreement, "criminal conduct" means charges filed by any government agency, excluding non-moving violations and speeding violations or any other non-felonious charge.
 - b. **Tennessee Abuse Registry; Tennessee Sex Offender**: Lessor must inform the University's Office of Procurement Services immediately if any of Lessor's employees or sub-contractors are listed in:
 - i. The Tennessee Abuse Registry.
 - ii. The Tennessee Sex Offender Registry.
 - c. **Prompt Background Checks**: If the University requests, Lessor must perform a comprehensive criminal background check on any Lessor employee or sub-contractor.

13. **Reporting**: If Lessor has actual knowledge of the items below, Lessor shall notify the University immediately if any of the following items occur in one of the units or elsewhere on Lessor's premises, provided Lessor is permitted to do so by applicable law:
- a. Crimes, including attempted crimes
 - b. Emergencies involving personal injury to a student
 - c. Alcohol consumption by minor students (provided Lessor has no obligation to monitor for same)
 - d. Use of illegal drugs by students (provided Lessor has no obligation to monitor for same)
14. **Insurance**: Lessor shall comply with the insurance requirements stated in Schedule B.
15. **Illegal Immigrants**: In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Lessor hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.
16. **Force Majeure**: Neither party's delay or failure to perform any provision of this agreement, as result of circumstances beyond its control (including, without limitation, war, strikes, floods, governmental restrictions, power, telecommunications or Internet failures, or damage to or destruction of any network facilities) will be deemed a breach of this agreement.
17. **Dispute Resolution**: The parties shall make reasonable efforts to resolve any dispute before filing any formal legal action.
18. **Governing Law**: The internal laws of the State of Tennessee, without giving effect to its principles of conflicts of law, govern this agreement. The University's liability is governed by the Tennessee Claims Commission Act.
19. **Notice**:
- a. For a notice or other communication under this agreement to be valid, it must be in writing and delivered (1) by hand, (2) by a national transportation company, with all fees prepaid, or (3) by registered or certified mail, return receipt requested and postage prepaid;
 - b. Subject to sub-section (d) below, a valid notice or other communication under this agreement will be effective when received by the party to which it is addressed. It will be deemed to have been received as follows:
 - i. if it is delivered by hand, delivered by a national transportation company, with all fees prepaid, or delivered by registered or certified mail, return

receipt requested and postage prepaid, upon receipt as indicated by the date on the signed receipt; and

- ii. if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address for which no notice was given, then upon that rejection, refusal, or inability to deliver.
- c. For a notice or other communication to a party under this agreement to be valid, it must be addressed using the information specified below for that party or any other information specified by that party in a notice in accordance with this section.

Lessor:

University:

Legal notices only; do not send invoices to this address:

The University of Tennessee
5723 Middlebrook Pike
Knoxville, TN 37921-5946
ATTN: Real Property & Space Administration

Fax: 865-974-4231

- d. If a notice or other communication addressed to a party is received after 5:00 p.m. on a business day at the location specified in the address for that party, or on a day that is not a business day, then the notice will be deemed received at 9:00 a.m. on the next business day.
20. **Registration with Tennessee Department of Revenue:** The Lessor hereby attests that it is not registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax because the Lessor does not engage in the business of selling, renting, or charging for any rooms, lodgings, or accommodations for a period less than ninety (90) days, and the University acknowledges that, pursuant to Tenn. Code Ann. § 12-3-306, the Lessor is not required to so register in order to enter into this agreement with the University.
21. **Iran Divestment Act:** The Lessor certifies, under penalty of perjury, that to the best of its knowledge and belief the Lessor is not on the list created pursuant to Tenn. Code Ann. § 12-12-106. The Lessor further certifies that it shall not utilize any subcontractor that is on the list created pursuant to Tenn. Code Ann. § 12-12-106.
22. **Use of University Intellectual Property:** Except as allowed in this section, Lessor shall not use the University's name, logo, or any other University-owned intellectual property for any

reason, without the written consent of an authorized official of the University. During the term of this agreement, Lessor may list the University's name in Lessor's list of clients.

23. **Third-Party Beneficiaries:** There are no third-party beneficiaries to this agreement. The University is not party to, and is not responsible for, any agreements between the Lessor and students directly.
24. **Severability:** The parties intend as follows:
- a. that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;
 - b. that if an unenforceable provision is modified or disregarded in accordance with this section, then the rest of the agreement will remain in effect as written; and
 - c. that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.
25. **Modification; Waiver:**
- a. **Modification:**
 - i. No amendment of this agreement will be effective unless: (1) it is in writing; (2) it is signed by authorized officials of both parties; and (3) it specifically references this agreement.
 - ii. Only the University's authorized officials have the authority to bind the University. A list of the University's authorized officials is located here: <http://treasurer.tennessee.edu/contracts/contractsignature.html>. Approval of the State Building Commission and the State Attorney General will also be required for any amendment of this agreement.
 - b. **Waiver:** No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation.
26. **Counterparts:** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.
27. **Compliance with law:** Lessor shall comply with all applicable laws, including the Tennessee Uniform Residential Landlord and Tenant Act and the Americans with Disabilities Act.
28. **Entire agreement:** This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other

agreements, whether written or oral, between the parties. In the event Lessor's invoices, order forms, or other Lessor-provided items contain terms, Lessor acknowledges that Lessor's terms do not apply to the University. Further, in the event Lessor's website, mobile applications, or other platforms contain click-wrap, browse-wrap, or shrink-wrap terms and conditions, Lessor states that such terms and conditions do not apply to University.

29. **End of Term:** Upon termination or expiration of this agreement, the University will peaceably surrender to the Lessor the units in as good order and condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the University has no control or for which Lessor is responsible pursuant to this lease, excepted. The University will have no duty to remove any improvements or fixtures placed by it in the units or to restore any portion of the units altered by it, save and except in the event the University elects to remove any such improvement or fixture and such removal causes damages or injury to the units and then only to the extent of any such damages or injury.

The parties are signing this agreement on the date stated in the introductory clause. This agreement is not binding until signed by all parties below.

The University of Tennessee

Signature: _____

Name: _____

Title: _____

Landlord Name

Signature: _____

Name: _____

Title: _____

Approved as to form and legality:

Tennessee Attorney General

Herbert H. Slatery III, Attorney General and Reporter

LESSOR NOTARY

STATE OF TENNESSEE
COUNTY OF _____

Before me, the undersigned notary of the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, swore to and acknowledged himself/herself to be _____ of _____, the within-named bargainor, a limited liability company, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company by himself/herself as such officer.

WITNESS my hand and seal at office in _____, this ____ day of _____, 2020.

Notary Public

My Commission Expires: _____

UNIVERSITY NOTARY
STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, the undersigned Notary Public for Knox County, _____, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged that he/she is the _____ of the University of Tennessee and that he/she as officer, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the University of Tennessee by himself as officer.

Witness my hand and seal, at office in, this _ day of _____, 2020.

Notary Public.

My Commission Expires:

Schedule A

Deliverables:

1. Electricity, HVAC, Sewer and Water: The rental amounts listed below include the costs of all utilities which will be provided in sufficient capacities for use of the units as residential apartments.
2. Wireless Internet: The rental amount also include wireless internet for the living room of each apartment unit.
3. Furniture: The rental amount also include use of the following furniture items:
 - a. Common area which is the living room and kitchen area: Couch, Club Chair, TV Stand, Coffee Table, End Table and Barstools
 - b. Bedroom: Full Size Bed, Desk, Chair, Nightstand and dresser.
4. Parking: Lessor will provide each unit (bed) with access to four parking spaces for a 4-bedroom unit and three parking spaces for a 3-bedroom unit. Lessor will waive any costs for parking and agrees to maintain its current parking to unit ratio.

Residential Apartment Space:

Summary:

Total number of apartment units leased: ____ (__) four-bedroom units and ____ (__) three-bedroom units

Total, aggregate cost per month: \$_____ except for partial month occupancy.

Unit # and bedroom (list each unit specifically below)

Move-In Date

Monthly Rental Payments:

Month	Payment	Month	Payment	Month	Payment
August 2021		December 2020		April 2021	
September 2020		January 2021		May 2021	
October 2020		February 2021		June 2021	
November 2020		March 2021		July 2021	

Schedule B

Insurance requirements: Lessor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a “following form” basis. Coverage must be maintained for the full term of the agreement.

Commercial General Liability – Occurrence Form: Policy must include bodily injury, property damage, and, and liability assumed under an insured agreement, including defense costs. The policy must be endorsed to include the following additional insured language: “The University of Tennessee, its affiliated organizations, successors, or assignees, its officials, trustees, employees, agents, and volunteers shall be named as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Lessor.”

Minimum Limits:

- General Aggregate \$ 2,000,000
- Products/Completed Operations Aggregate \$ 2,000,000
- Each Occurrence Limit \$ 1,000,000
- Personal/Advertising Injury \$ 1,000,000

Automobile Liability: Bodily injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this agreement.

Minimum Limits:

- Bodily Injury/Property Damage (Each Accident) \$ 1,000,000

Umbrella/Excess Liability: designed to provide liability protection above and beyond that provided by standard liability contracts. The Umbrella or Excess Liability policy must be Follow Form.

Minimum Limits:

Each Occurrence Limit	\$ 3,000,000
Aggregate Limit	\$ 3,000,000

Workers’ Compensation and Employers’ Liability

Minimum Limits:

- Each Accident \$ 100,000
- Disease, each employee \$ 100,000
- Disease, policy limit \$ 500,000

Additional Insurance Requirements: The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where The University of Tennessee is named as an additional insured, The University of Tennessee must be an additional insured to the full limits of liability purchased by the Lessor, even if those limits of liability are in excess of those required by this agreement.
2. The Lessor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

Notice of Cancellation: Each insurance policy required by the insurance provisions of this agreement must provide the required coverage and shall not be suspended, voided, or canceled except after 30 days' prior written notice has been given to The University of Tennessee, except when cancellation is for non-payment of premium; then 10 days' prior notice may be given. Lessor must provide notice to:

The University of Tennessee Office of Risk Management
5723 Middlebrook Pike, Ste. 218
Knoxville, TN 37996

If any insurance company refuses to provide the required notices, the Lessor or its insurance broker shall notify The University of Tennessee of any cancellation, suspension or non-renewal of any insurance within 7 days of receipt of insurers' notification to that effect.

Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Tennessee and with an "A.M. Best" rating of not less than A- VII.

Verification of Coverage: Lessor shall furnish The University of Tennessee with certificates of insurance (ACORD form or equivalent) as required by this agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by The University of Tennessee before work commences. Each insurance policy required by this agreement must be in effect at or prior to commencement of work under this agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this agreement or to provide evidence of renewal is a material breach of agreement.

All certificates required by this agreement must be sent directly to The University of Tennessee at the address shown. The project/agreement number and project description must be noted on the certificate of insurance. The University of Tennessee reserves the right to require complete, certified copies of all insurance policies required by this contract at any time.

Subcontractors: Lessor's certificate(s) must include all subcontractors as additional insureds under its policies, or contractor shall furnish to The University of Tennessee separate certificates and endorsements for each subcontractor. All coverages for subcontractors are subject to the minimum requirements identified above.

Approval: Any modification or variation from the insurance requirements in this agreement must be made by the University's risk management department, whose decision will be final. Such action will not require a formal amendment to this agreement.