



JASON E. MUMPOWER
Comptroller

TENNESSEE STATE SCHOOL BOND AUTHORITY
NOVEMBER 28, 2022
AGENDA

1. Call meeting to order
2. Approval of minutes from the October 19, 2022, meeting
3. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee – Innovation South Lease Amendment
4. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee – Quarry Trail
5. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee – Cherokee Mills
6. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee – UHS
7. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for the Tennessee State University – Jefferson Flats
8. Consideration and approval of the Resolution Authorizing and Providing with Respect to Second Amended and Restated Revolving Credit Agreement.
9. Consideration for approval of an amendment to the financial advisor contract with PFM Financial Advisors, LLC
10. Report on the TSSBA bond sale results
11. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
October 19, 2022

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Wednesday, October 19, 2022, at 1:10 p.m. in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable David Lillard, State Treasurer
The Honorable Tre Hargett, Secretary of State
Commissioner Jim Bryson, Department of Finance and Administration
Alisha Fox, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents
Randy Boyd, President, University of Tennessee

The following member was absent:

The Honorable Bill Lee, Governor

Mr. Mumpower stated that the first item on the agenda was the minutes of the September 8, 2022, meeting of the Authority. Mr. Mumpower asked if there were any questions or discussion regarding the minutes. Hearing none, Mr. Bryson made a motion to approve the minutes, Mr. Boyd seconded the motion, and Mr. Mumpower took the vote.

The minutes were approved unanimously.

Mr. Mumpower stated that the next item on the agenda was the consideration of a resolution to approve the borrowing of money by another method by the University of Tennessee (“UT”) on behalf of the Institute of Public Service (“IPS”). Mr. Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at UT, to present the request. Mr. Oakes stated that UT was requesting approval of a lease with Corporate Quarters, Inc. in Oak Ridge, Tennessee. Mr. Oakes stated that the lease would provide up to 15 two-bedroom units for attendees of the Law Enforcement Innovation Center (“LEIC”) training sessions this coming year. Mr. Oakes explained that the lease term was one year, covering four training sessions from January 8, 2023, through November 17, 2023. Mr. Oakes stated that the total estimated cost was \$408,600, and that either party may terminate the agreement with 30 days’ notice.

Mr. Hargett moved approval of the request, Mr. Bryson seconded the motion, and Mr. Mumpower took the vote.

The motion was approved unanimously.

Mr. Mumpower stated that concluded the business on the agenda. Mr. Hargett made a motion to adjourn, Mr. Mumpower seconded the motion, and Mr. Mumpower took the vote.

The motion was approved unanimously.

The meeting was adjourned.

Approved on this _____ day of _____, 2022.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

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

Recitals

Whereas, in March 2022 the Tennessee State School Bond Authority (the “Authority”) gave its approval to the University of Tennessee (“UT”), on behalf of its Knoxville campus (“UTK”), to enter into a lease (the “Original Lease”) with Innovation South Partners, LLC (“ISP”) as landlord and UT as lessee with ISP agreeing that it would build an approximately eighty-four thousand one hundred twenty-five (84,125 +/-) square foot building (referred to as “Innovation South”) and that UT would lease approximately thirty-seven thousand (37,000 +/-) square feet of Innovation South (the “UT Space”); and

Whereas, under the Original Lease the total estimated construction cost of Innovation South was approximately thirty-two million four hundred thousand dollars (\$32,400,000) which included eighteen million six hundred thousand dollars (\$18,600,000) to build out the UT Space with a provision that if the estimated guaranteed maximum price (“GMP” was greater than five per cent (5%) of the estimated amount, UT could terminate the Original Lease and pay costs incurred by ISP or seek appropriate university and state approvals to amend the Original Lease and execute such amended lease (the “Amended Lease”); and

Whereas, the GMP in the Original Lease (the “Original GMP”) was fifteen million three hundred ninety-five thousand seven hundred twelve dollars and no cents (\$15,395,712.00) with a total cost of eighteen million six hundred seventeen thousand nine hundred eighty-five dollars and no cents (\$18,617,985.00) and, due to a number of factors, the GMP has now been revised to eighteen million nine hundred forty-four thousand forty-two dollars and no cents (\$18,944,042.00) with a total cost of twenty-three million one hundred fifty-three thousand eight hundred eleven dollars and no cents (\$23,153,811.00) which is greater than five per cent (5%) of the Original GMP; and

Whereas, based on design of the UT space, the square footage has increased from an estimated thirty-seven thousand (37,000) +/- square feet to thirty-nine thousand four hundred and twenty-two (39,422) +/- square feet and although the cost per square foot of the Annual Rental and Common Area Maintenance (“CAM”) charges has remained the same, the payment has increased from an estimated one hundred thirty-seven thousand four hundred ninety-nine dollars and no cents (\$137,499.00) annually to an estimated one hundred forty-seven thousand forty-four dollars and four cents (\$147,044.04) (to be reconciled annually) based on the square footage increase with the annual rental payment being increased from two hundred ninety-one thousand five hundred eighty-two dollars and thirty-eight cents (\$291,582.38) to three hundred eleven thousand eight hundred twenty-eight dollars and twenty-eight cents (\$311,828.28) with a two per cent (2%) escalation in years one through forty (1-40) and a one per cent (1%) escalation thereafter; and

Whereas, UT desires to proceed with the Amended Lease based on several factors including that the revised cost of Innovation South appears to be in line for similar type space based on current

market conditions, that the UT space will be built specifically for UTK's use, UTK's immediate need for such space and the fact that Innovation South will be located in UT Research Park at Cherokee Farm; and

Whereas, all other terms and conditions of the Original Lease remain the same; and

Whereas, funding for payments of the Amended Lease will be made by UT with funds from Plant Funds (Non-Auxiliary) (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 to UT to enter into the Amended Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of November 28, 2022.

Adopted by the Authority at its meeting on November 28, 2022.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

Acquisition - Lease Amendment

Requested Action: Approval of a lease amendment

Transaction Description: Transaction No. 2020-10-01

- **Proposed Amendment**

- **Area / Costs:** See comment section below.

- **Current Lease**

- **Location:** University of Tennessee – Knoxville (UTK)
Knox County – approximately 37,000 sf - UT Research Park, Knoxville TN
 - **Landlord:** Innovation South Partners, LLC (ISP)
 - **Term:** 50 years ending December 31, 2072 with one (1) forty (40) year option to extend
 - **Area / Costs:** See comment section below.
- **Source of Funding:** Plant Funds (Non-Aux)(A)
- **FRF Rate:** \$18.00/sf (for reference only)

Comment:

In March 2022, SBC ESC approved a lease between the University and Innovation South Partners, LLC (ISP) for the lease of space in a new building to be constructed by ISP at the UT Research Park at Cherokee Farm. The terms of the lease include a provision that if the construction costs exceed the estimated guaranteed maximum price (GMP) by 5% or more, UTK may seek the appropriate university and state approvals to accept the revised GMP and amend the lease. The University is seeking approval for an amendment based on a revised GMP of \$18.94M and a total cost of \$23.15M.

The square footage has been revised slightly from an estimated 37,000 +/- square feet to 39,422 +/- square feet. The cost/square foot of the Annual Rental and Common Area Maintenance (CAM) charges have remained the same, but the payments have increased slightly based on the square footage increase.

All other terms and conditions of the lease agreement remain the same.

Previous Action: 03/21/2022 Approved a lease.

SSC Report: 11/14/2022

University of Tennessee
Amendment to Lease of space in New Building at the UT Research Park

Executive Summary

BACKGROUND

In March 2022, SBC ESC approved a lease between the UT Knoxville (UTK) and Innovation South Partners, LLC (ISP) for the lease of space in a new building to be constructed by ISP at the UT Research Park at Cherokee Farm. This facility will provide UTK space to grow research and development partnerships, collaborate innovation and talent development for the university and State of Tennessee, and serve as an expertise bridge between Oak Ridge National Labs and the Manufacturing Demonstration Facility.

The terms of the lease include a provision that if the construction costs exceed the estimated guaranteed maximum price (GMP) by 5% or more, UTK may terminate the lease and pay costs incurred by ISP or seek the appropriate university and state approvals to accept the revised GMP and amend the lease. The construction cost has exceeded the GMP by more than 5% and University is seeking approval to move forward with the agreement.

The original GMP was \$15,395,712 with a total cost of \$18,617,985. The revised GMP is \$18,944,042 with a total cost of \$23,153,811. The four initial payments to be made by the University would increase from \$4,654,496.48 to \$5,788,452.75.

Based on design of the space, the square footage has increased slightly from an estimated 37,000 +/- sf to 39,422 +/- sf. The cost/square foot of the Annual Rental and Common Area Maintenance (CAM) charges have remained the same, but the payment has increased slightly based on the square footage increase. The annual rental payment increased from \$291,582.38 to \$311,828.28 with 2% escalation in years 1-40 and 1% thereafter. The estimated CAM charges are \$147,044.04 and will be reconciled annually. Exhibits that include the floor plans, schedule of expense, schedule of rent payments, building drawings, project cost and schedule will all be updated in the amendment.

All other terms and conditions of the lease agreement remain the same.

The University desires to proceed based on several factors including the cost of the building appears to be in line for similar type space based on current market conditions, the space will be built based on programming specifically for UTK's use, the immediate need for the space and the location of the building.

The following pages include the Executive Summary that was submitted when the lease was approved by ESC in March 2022. This is provided for background and information and has not been revised.

Executive Summary submitted March 2022

University of Tennessee Lease of space in New Building at the UT Research Park

Executive Summary

Note: We are submitting a revised version of the Recognition Agreement related to the Innovation South Partners (ISP) Lease. This document is an exhibit to the ISP Lease, and the document that is signed by UT, UTRF, CFDC, the developer and the developer's lender to grant UT some rights with the lender. The edits that are reflected are technical, however, we anticipate that the lender may request further edits related to the length of the cure period in Section 8. We ask the SBC to approve further revisions to the Recognition Agreement that 1) cap the timeframe for UT to cure the developer's default before foreclosure and 2) either in addition to or in lieu of the cure rights, grant UT the first right to purchase the note to avoid foreclosure.

The language above is noted both on the Lead Sheet and Executive Summary.

The following information is the same as the prior information provided.

BACKGROUND

The University of Tennessee-Knoxville (UTK) has the need for approximately 37,000 square feet of high bay, conditioned space to be used by faculty from both the Tickle College of Engineering and the Herbert College of Agriculture to actively engage in both UTK led research and collaborative research with industry. The space is primarily needed for advanced materials and manufacturing research by the Governors Chair in Advanced Composites Manufacturing who also serves as the Director of the Fibers and Composites Manufacturing Facility. This facility will provide space to grow research and development partnerships, collaborate innovation and talent development for the university and State of Tennessee, and serve as an expertise bridge between Oak Ridge National Labs and the Manufacturing Demonstration Facility.

In 2018, an RFP was issued seeking to lease this type of space, but no proposals were received. Subsequent market surveys in 2018 and 2020 found no space in the Knoxville area that met the criteria. In October 2020, the SBC Executive Subcommittee approved a request for waiver of advertisement to initiate discussions with a developer to lease space in a proposed new building at the UT Research Park (UTRP) referred to as Innovation South. A program for UTK's space need was developed and the University entered into discussions with Innovation South Partners, LLC (ISP).

ISP will ground lease land in UTRP and build an 84,125 +/- square foot building. UTK will lease 37,000 +/- square feet of the building and the remaining space would be leased by ISP to private firms and research related entities that would likely partner with UT. The total estimated construction cost is approximately \$32.4M, which includes \$18.6M to build out the space that UTK will lease.

UTK's payments for the space would include prepaid rent, annual rent costs and CAM charges. UTK would also assume some maintenance and repair responsibilities. The term is approximately 50 years, ending December 31, 2072 with an option to renew for an additional 40 years. This term runs concurrently with ISP's ground lease at UTRP. Under the ground lease, the building will revert back to the University at the end of the extension option.

SUMMARY OF PROPOSED LEASE AGREEMENT

The developer, Innovation South Partners, LLC (ISP), will ground lease land at the UT Research Park for the development of a 84,125 square foot facility referred to as Innovation South, with approximately 37,000 +/- sf of high bay/laboratory/office space to be occupied by UTK and 47,00 +/-sf of spec space that will be leased to future tenants, including a small retail component.

Rent and CAM Charges

- In lieu of traditional monthly rental payments, UTK will prepay rent in four installments of approximately \$4.654M each, with the final payment on the Commencement Date of the lease. The payments will be held in escrow at a commercial bank or savings and loan association and only used to provide funds to satisfy costs of construction, development and other expenses related to UTK's portion of the building.
- The annual rent is \$7.91 per square foot or \$291,582.38 with 2% increases per year in year 1-40. This rate includes capital replacement of most building systems in years 1-40 of the lease (see details below). In years 41-91, the rental rate will be adjusted to reflect UTK taking responsibility for all capital replacement in the UTK space. The rent will increase 1% annually during this extended period.
- CAM charges, as outlined below in more detail, are estimated to be \$3.73/sf or \$137,499 per year. These charges will be reconciled annually.

Term

- Lease term will mirror ISP's ground lease at UTRP – approximately fifty (50) years with the base term ending December 31, 2072 with an option to extend for an additional forty (40) years (the date the ground lease expires).

Janitorial/Utilities/Taxes

- ISP will provide janitorial service for the office space. A \$1.00 per square foot cost has been included in the CAM charges, with actual costs to be reconciled annually and UTK paying any overage.
- UTK will be responsible for janitorial services in the high bay/laboratory space.
- UTK will pay all utilities costs including electrical, water, sewer and gas associated with its portion of the building.
- UTK will be responsible for the payment of property taxes associated with its portion of the building, if applicable, as part of the CAM charges.

Capital Replacement, Maintenance and Repair

- In years 1-40 of the lease and except as noted in the following bullets, ISP is responsible for capital replacement, maintenance and repair of the building and building systems including hvac, roofing,

foundation/exterior walls, plumbing, fire alarm and sprinkler system, lighting, electrical systems, doors (hardware and frames), windows, elevators, parking lot and grounds.

- Due to UTK's unique use of the space, UTK is responsible for the capital replacement, maintenance and repair of the hvac, plumbing, specialty lighting and specialty electrical systems in the high bay/laboratory space.
- ISP is responsible for all non-routine landscaping and parking lot repair.
- In years 41-91, ISP will be responsible for foundation and load bearing walls, non-routine landscaping and parking lot repair/replacement. UTK will be responsible for all remaining capital replacement and maintenance and has the option to perform maintenance and repair or reimburse ISP, excluding the fire alarm, sprinkler and security systems which will continue to be maintained and repaired by ISP.

Common Area Maintenance

- UTK will be responsible for paying its proportionate share of CAM expenses. CAM includes items such as maintenance and repair of common areas of the building, routine parking lot and landscaping maintenance, UTRP CAM charges, trash removal excluding specialty materials, pest control for the entire building, landlord required insurance for the entire building, property management services, security/fire alarm monitoring services for the entire building, and elevator maintenance.

Cost Summary (cost to UTK)

	Cost/SF	One-time or Annual Cost
Prepaid Rent*	\$505/sf	\$18,617,986 (one-time)
Annual Rent	\$7.91/sf	\$291,582.38/year
CAM	\$3.73/sf	\$137,499/year
Utilities	TBD	TBD
Capital replacement, maintenance and repair of hvac, plumbing, specialty lighting and specialty electrical in high bay/lab space	TBD	TBD
Janitorial (High Bay/ Laboratory only)	TBD	TBD
Property Taxes, if applicable	TBD	TBD

Other Key Terms

- The University has the right to review and approve design plans for the UTK space. The UT Research Park Design Guidelines will be followed for the overall building design.
- ISP Project lender to hold mortgage on entire building and ground lease.
- The lease and associated documents contain provisions that address UTK's ability to continue occupancy of its portion of the building in the event of default by ISP to its lender.
- As the primary tenant in the building, UTK will be granted exterior signage rights proportional to the square footage leased by UTK and consistent with UTRP development guidelines.

- Total design and construction cost estimates for the building are \$32.4M with an estimate of \$18.6M for UTK's portion. Any cost over runs or under runs will be paid/shared by UTK and ISP. If the construction costs exceed the estimated guaranteed maximum price (GMP), UTK and ISP will attempt to reduce the cost through value engineering. If the GMP is greater than 5% of the estimated amount, UTK may terminate the lease and pay costs incurred by ISP or seek the appropriate university and state approvals and execute the lease.

Amendment of Lease

This Amendment of Lease is made and entered into as of _____, 2022 by and between Innovation South Partners, LLC ("Landlord") and the University of Tennessee ("Tenant").

The parties have previously entered into a lease dated _____, 2022 pursuant to which Tenant leased from Landlord certain real property located in Knox County, Tennessee (the "Lease"). Pursuant to the terms of the Lease, Landlord has an obligation to construct certain improvements on the property subject to the Lease, as more specifically described in the Lease.

Exhibit E of the Lease sets forth a procedure to adjust the Additional Rent to be paid by Tenant in the event the cost of the improvements to be constructed by Landlord is greater than or less than the guaranteed maximum price set forth in Exhibit E. The parties have completed the process relating to the adjustment of the Additional Rent and now wish to set forth their agreement concerning the Additional Rent to be paid by Tenant.

Now, therefore, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Lease as set forth herein.

1. Amendment. The Lease is hereby amended as follows:

(a) Item 1 on page 1 of the Lease is amended to provide that the rentable square feet of the Leased Premises is approximately 39,422.

(b) Item 7 on page 1 of the Lease is amended to provide that for Lease Year 1 the Annual Rental is \$311,828.28, the Monthly Rental Installment is \$25,985.69, Common Area Maintenance is \$147,044.04 and the monthly installment of Common Area Maintenance (estimated) is \$12,253.67.

(c) Item 12 on page 1 of the Lease is amended by inserting at the end of the Item the following: The Plans dated June 17, 2022, prepared by MBI Companies, Inc. are hereby approved by the parties

(d) Exhibit B is deleted in its entirety and inserted in its place is Exhibit B attached hereto.

(e) Exhibit F is deleted in its entirety and inserted in its place is Exhibit F attached hereto.

(f) Exhibit G is deleted in its entirety and inserted in its place is Exhibit G attached hereto.

(g) Exhibit H is revised to include the Plans and Specifications dated June 17, 2022, prepared by MBI Companies, Inc., which are hereby approved by the parties.

(h) Exhibit J is deleted in its entirety and inserted in its place is Exhibit J attached hereto.

(i) Section 1 of Exhibit E is deleted in its entirety and inserted in its place is the following:

1. Additional Rent. In addition to the Monthly Rental Installments payable by Tenant under the Lease, the following amounts shall be paid by Tenant as additional rent:

(a) On or before the date Landlord closes the financing of the loan to be used to provide funds to construct the Building, Tenant shall pay to Landlord the sum of \$5,788,452.75.

(b) On the date which is 90 days after the payment described in Section 1(a) above, the Tenant shall pay to Landlord the sum of \$5,788,452.75.

(c) On the date which is 90 days after the payment described in Section 1(b) above, the Tenant shall pay to Landlord the sum of \$5,788,452.75.

(d) On the Commencement Date, Tenant shall pay to Landlord the sum of \$5,788,452.75.

If the actual cost of construction of the Building and Leased Premises is lower than the guaranteed maximum price of \$18,944,042.92, the payment described in Section 1(a) above shall be decreased by an amount calculated by multiplying the amount by which the actual cost of construction is less than the guaranteed maximum price by a fraction, the numerator of which is the square footage of the Leased Premises and the denominator of which is the total square footage of the Building; provided, however, to the extent the decrease in costs is related specifically to the Leased Premises or is the result of Tenant requested changes in the Plans, the decreased costs shall be allocated in its entirety to Tenant and shall not be allocated based on the size of the Leased Premises.

The payments described in this Section 1 shall be paid by Tenant as set forth above and held in an escrow account established in the name of Landlord at a commercial bank or savings and loan association in the State of Tennessee. Landlord's lender shall act as escrow agent. The parties, including Landlord's lender, shall enter into an escrow agreement setting forth the terms under which

such funds may be disbursed. Such escrow agreement shall provide that funds paid by Tenant pursuant to this Section 1 may be used only for the development of the Leased Premises and the Building of which the Leased Premises is a part. Funds shall be released from the escrow account only to satisfy the cost of construction, development and other expenses shown on the project budget approved by Landlord and Landlord's lender, as amended from time to time. Any release of funds in accordance with this Section shall not require the further consent of Landlord or Tenant. Any release of funds for construction costs shall be based on Landlord's architect's certification that the construction work for which payment is being requested has been completed in accordance with the Plans; provided, however, funds will be released in accordance with the project budget and shall include items other than construction costs.

(b) Exhibit L is deleted in its entirety and inserted in its place is Exhibit L attached hereto.

2. Capitalized Terms. All capitalized terms not otherwise defined in this Amendment shall have the meaning given them in the Lease.

3. Continued Effect. To the extent not modified or amended hereby, the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment of Lease as of the date set forth above.

UNIVERSITY OF TENNESSEE

INNOVATION SOUTH PARTNERS, LLC

By:_____

By:_____

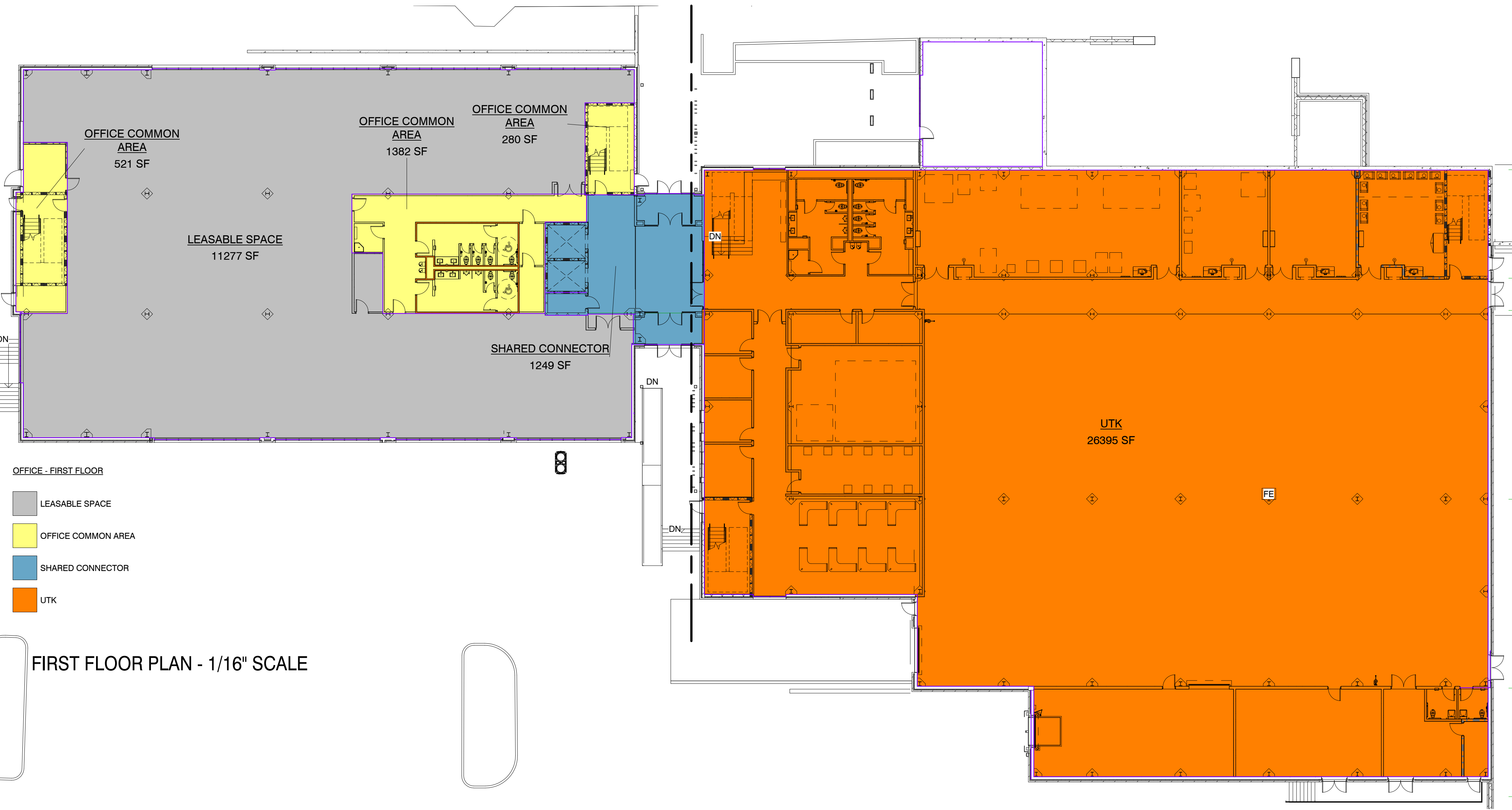
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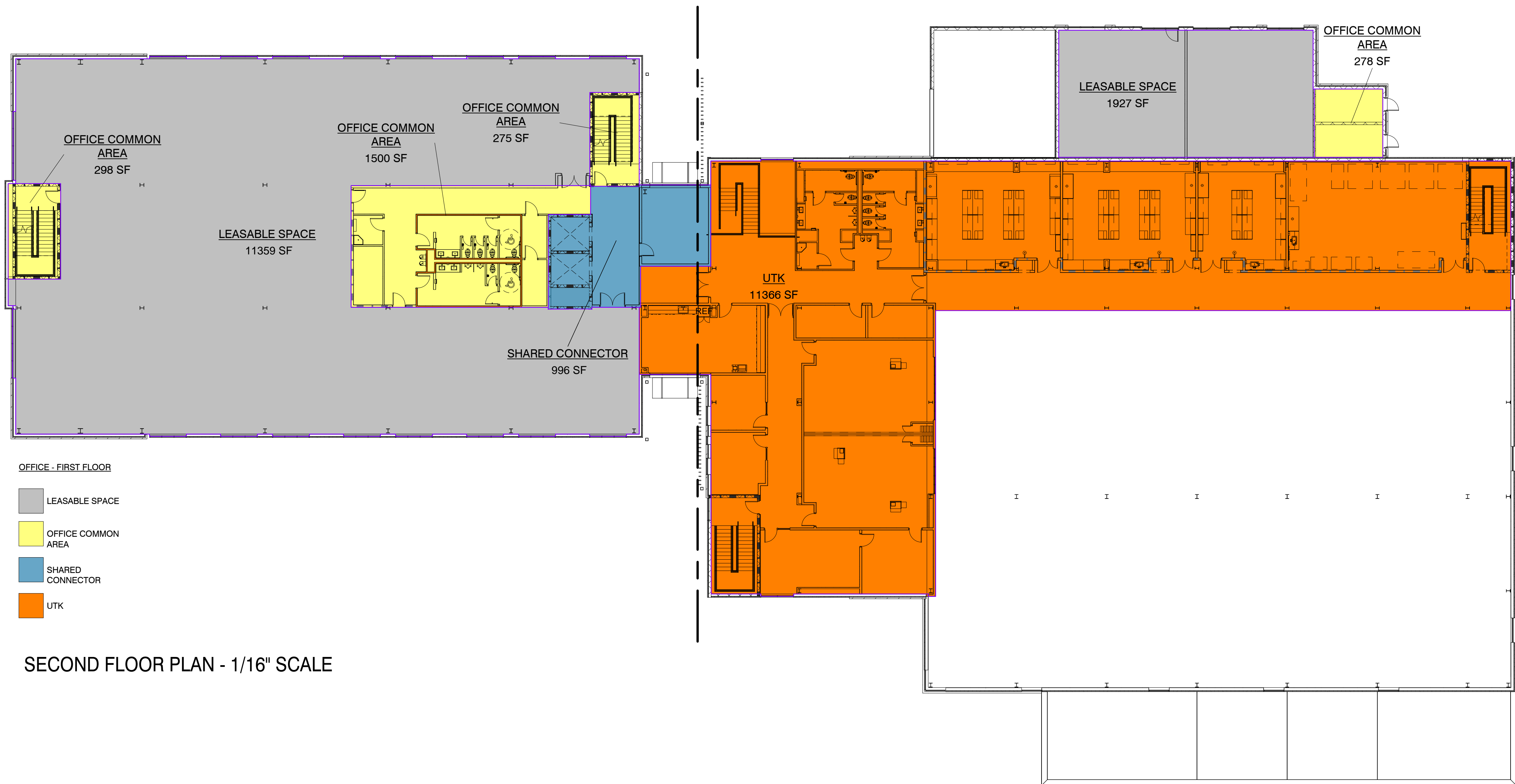
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STATE OF TENNESSEE

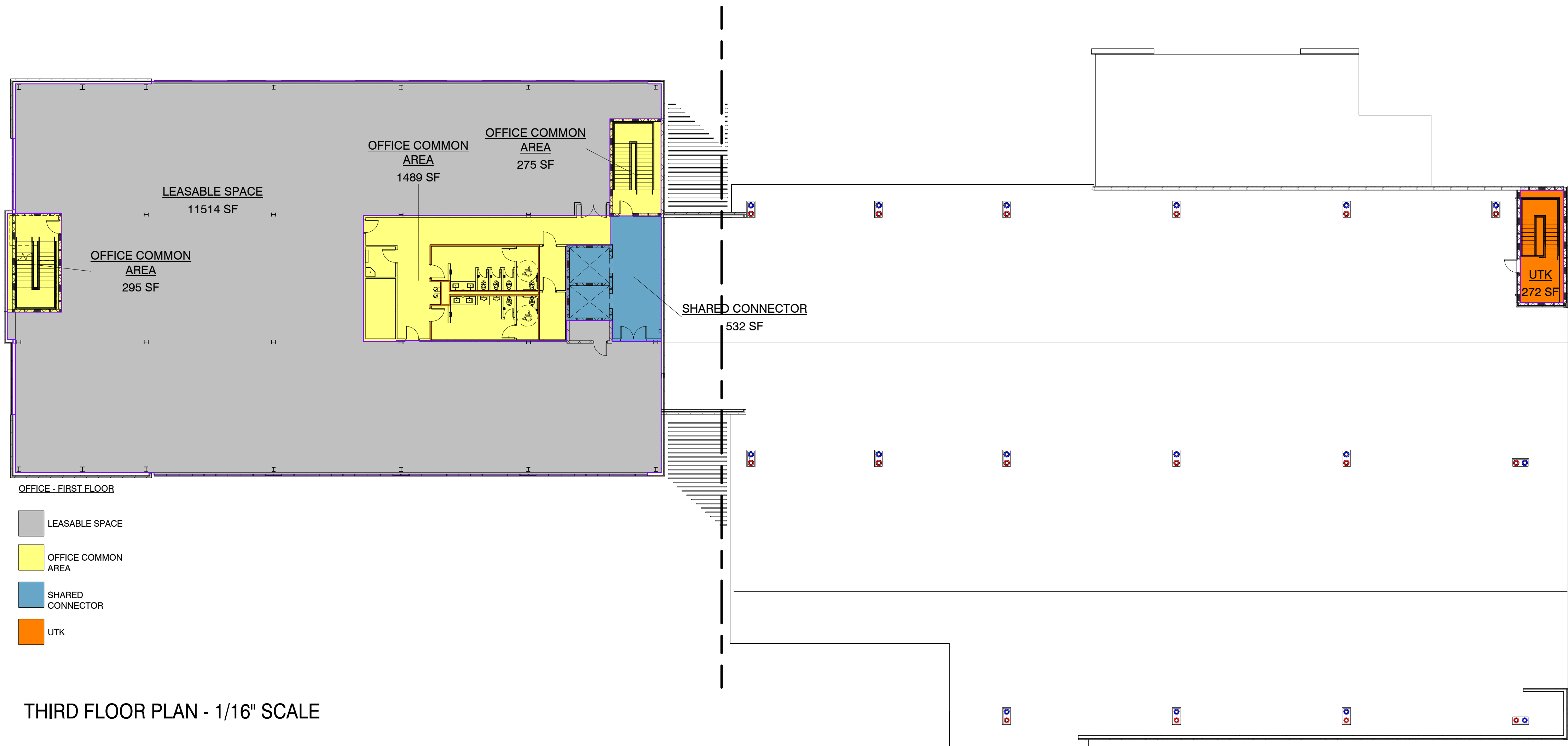
Approved for form and legality:

Jonathon Skrmetti, Attorney General and Reporter





SECOND FLOOR PLAN - 1/16" SCALE



THIRD FLOOR PLAN - 1/16" SCALE

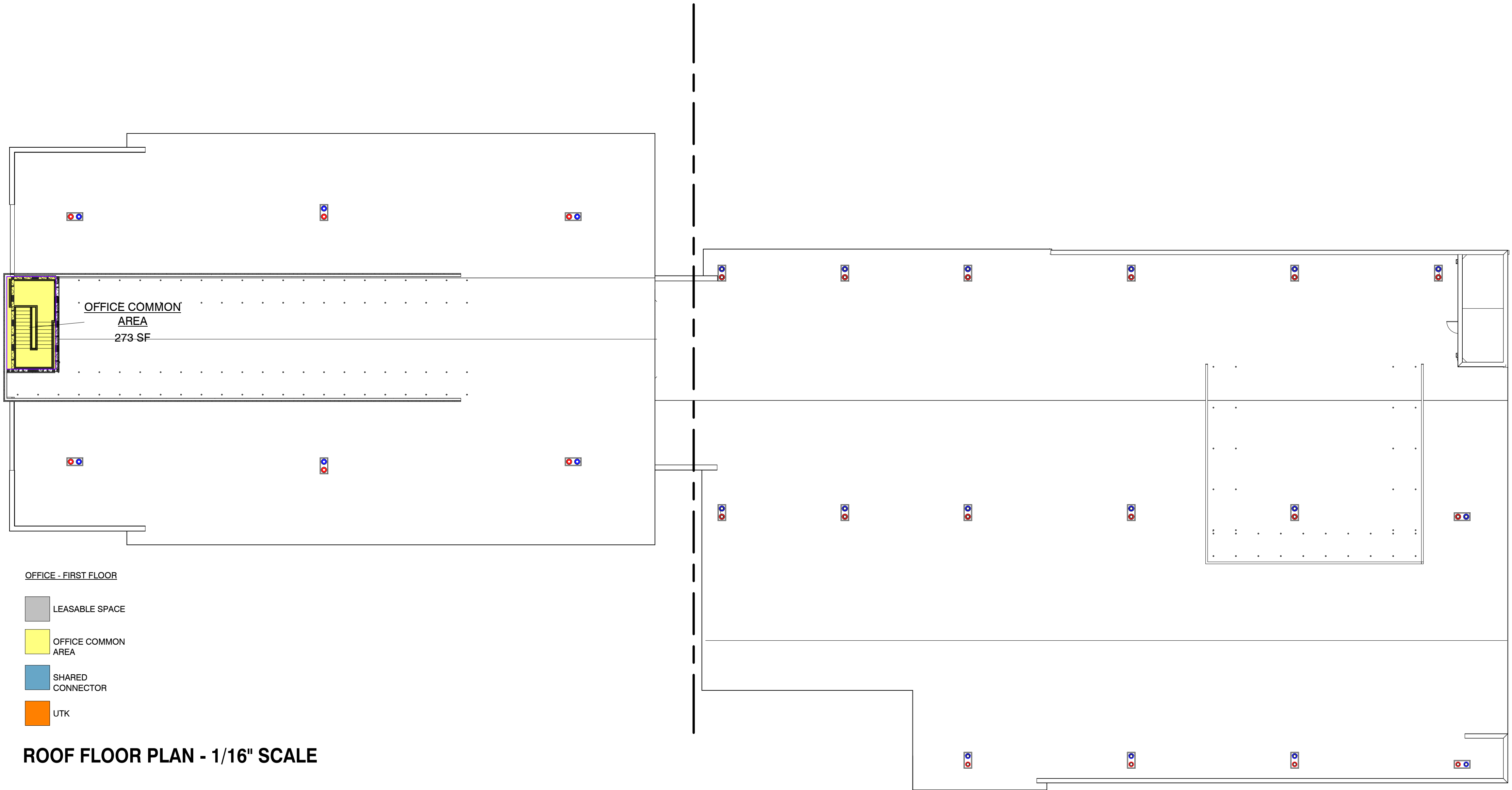


EXHIBIT F - SCHEDULE OF EXPENSES

39,422

Cost	One-Time Payment	Annual \$/sf	Annual Cost	Included in Lease Payment	\$/sf Included in Lease Payment/CAM	Annual Cost Included in Lease Payment/CAM	UTK Office Space	High Bay/Laboratory	Scope	Notes (e.g., expense stops)
UT Prepaid Rent	\$23,153,811.00									4 payments in accordance with Exhibit E
UT Annual Rent		\$7.91	\$311,828.28						Includes Capital Replacement Plan below	2% escalation through year 40, 1% thereafter
Annual Expenses										
* Utilities				No		\$0.00			Tenant responsibility	
* Capital Replacement Plan				Annual Rent	\$4.1323	\$162,903.53			Roof, HVAC for Office (No High Bay/Lab), Plumbing for Office (No High Bay/Lab), Lighting	For Years 1-40 of Lease
									Fixtures (excluding R&D specific/specialty lighting), Elevator, Doors (hardware and frames)	
									Sprinkler System Componentry, and Window (plate glass and store front)	
CAM		\$3.73	\$146,988.87							Reconciled annually
* HVAC Maintenance (excluding labs/High Bay)				CAM					filters/minor repairs - included in CAM repair and maintenance line item	Reconciled annually
* Elevator Maintenance				CAM	\$0.1702	\$6,709.62			Elevator maintenance contract	Reconciled annually
* Pest Control				CAM	\$0.0314	\$1,237.85			Pest control contract	Reconciled annually
* Landscaping										
* Routine				CAM	\$0.3535	\$13,935.68			Mowing, mulching, tree/shrub trimming, leaf removal, plant replacement as needed	Reconciled annually
* Non-routine									Landlord responsibility	
* Parking										
* Routine				CAM	\$0.0262	\$1,032.86			Cleaning, Snow Removal, Sealing, restriping	Reconciled annually
* Non-routine									Landlord responsibility	
* Insurance Expense				CAM	\$0.1571	\$6,193.20			Landlord required insurance	Reconciled annually
* Janitorial (UTK Office Space)				CAM	\$1.0000	\$39,422.00			UTK Office Space Janitorial services	Reconciled annually
* Janitorial (Common)				CAM	\$0.3666	\$14,452.11			Common Area Janitorial services	Reconciled annually
* Refuse Removal				CAM	\$0.0877	\$3,457.31			Refuse Removal Services (excluding specialty materials)	Reconciled annually
* Security/Fire Alarm Monitoring				CAM	\$0.1637	\$6,453.38			Monitoring contracts for security/fire alarm	Reconciled annually
* Property Management Services				CAM	\$0.4338	\$17,101.26			Property management services	Reconciled annually
* Cherokee Farm CAM				CAM	\$0.0786	\$3,098.57			UT Research Park CAM allocation	Reconciled annually
* Telephone Expense (Elevator)				CAM	\$0.0825	\$3,252.32			Telephone required in elevator	Reconciled annually
* Repairs & Maintenance (Common)				CAM	\$0.3273	\$12,902.82			Repairs and maintenance of common areas, UTK space (excluding labs/High Bay)	Reconciled annually
* Interior Finishes Refurbishment				No					Tenant responsibility	
* Tenant owned equipment				No					Tenant responsibility	
* Taxes				No					Tenant responsibility	
* Corrective Repairs and Maintenance				CAM	\$0.4500	\$ 17,739.90			corrective maintenance (stopped commodes, light bulbs, recommended maintenance by manufacturer)	Reconciled annually

Total		\$11.64	\$458,817.15
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Years 1-40 of Lease									
Activity				Payment Source		UTK Office Space	High Bay/Laboratory	Scope	
HVAC									
Capital Replacement Plan				UTK Annual Rent (office space)		ISP	UTK	Replacing failed/failing equipment due to end of life or failure (not due to UTK negligence).	
Preventive Maintenance				CAM-UTK (office space)		ISP	UTK	Scheduled maintenance as specified by manufacturer (replacing filters, inspection and cleaning, recharge refrigerant, lubricate belts, clean coil/drip pan/condensate lines, controls inspections, etc.)	
Corrective Maintenance				CAM-UTK (office space)		ISP	UTK		
Roof				UTK Annual Rent		ISP	ISP	Included in Capital Replacement Plan	
Foundation and Exterior and Load Bearing Walls				ISP		ISP	ISP	Landlord Responsibility	
Plumbing									
Capital Replacement Plan				UTK Annual Rent (office space)		ISP	UTK	Replacing failed/failing equipment due to end of life or failure (not due to UTK negligence, which is UTK's responsibility). Includes fixtures.	
Preventive Maintenance				CAM-UTK		ISP	UTK	Scheduled maintenance as specified by manufacturer.	
Corrective Maintenance				CAM-UTK		ISP	UTK	Repairing stopped commodes, sink drains (unless stoppage caused by building wastewater lines), etc.	
Fire Alarm and Sprinkler Systems									
Capital Replacement Plan				UTK Annual Rent		ISP	ISP	(unless damage caused by UTK)	
Preventive Maintenance				CAM-UTK		ISP	ISP	Maintenance contract included in CAM	
Corrective Maintenance				CAM-UTK		ISP	ISP	(unless damage caused by UTK)	
Lighting									
Capital Replacement Plan				UTK Annual Rent		ISP	ISP*	Replacing failed/failing equipment due to end of life or failure (not due to UTK negligence which is UTK's responsibility). Includes light fixtures (*excluding R&D specific/specialty lighting/fixtures in high bay/laboratory), etc.	
Preventive Maintenance				CAM-UTK		ISP	ISP*	Scheduled maintenance as specified by manufacturer (*excluding R&D specific/specialty light fixtures in high bay/laboratory).	
Corrective Maintenance				CAM-UTK		ISP	ISP*	Replacing light bulbs, etc. (*excluding R&D specific/specialty lighting in high bay/laboratory)	
Electrical Systems									
Capital Replacement Plan				UTK Annual Rent		ISP	ISP*	Replacing failed/failing equipment due to end of life or failure (not due to UTK negligence which is UTK's responsibility). Includes panels (unless damage caused by UTK), (*excluding R&D specific/specialty electrical in high bay/laboratory), etc.	
Preventive Maintenance				CAM-UTK		ISP	ISP*	Scheduled maintenance as specified by manufacturer (*excluding R&D specific/specialty electrical systems/fixtures in high bay/laboratory).	
Corrective Maintenance				CAM-UTK		ISP	ISP*	Minor repair to electrical outlets, etc. (*excluding R&D specific/specialty electrical in high bay/laboratory)	
Doors (hardware and frames) and Windows (plate glass and storefront)									
Capital Replacement Plan				UTK Annual Rent		ISP	ISP	(unless damage caused by UTK)	
Preventive Maintenance				CAM-UTK		ISP	ISP	scheduled maintenance as specified by manufacturer.	
Corrective Maintenance				CAM-UTK		ISP	ISP	(unless damage caused by UTK)	
Interior Finishes Refurbishment				UTK		UTK	UTK		
Tenant Owned Equipment				UTK		UTK	UTK		
Non-routine landscaping and parking lot repair, replacement.				ISP		ISP	ISP	Landlord responsibility and not included in CAM or any other chargeback to UTK. (unless damage caused by UTK)	
Property Taxes				CAM-UTK		UTK	UTK	For UTK's portion of the building only.	
Janitorial/Refuse Removal				CAM-UTK		ISP	UTK	UTK Office, Common area janitorial costs and refuse removal included in CAM charges. ISP to provide dumpsters for all trash, excluding specialty materials.	
Utilities				UTK		UTK	UTK		
Elevator									
Capital Replacement Plan				UTK Annual Rent		ISP	ISP	(unless damage caused by UTK)	
Preventive Maintenance				CAM-UTK		ISP	ISP	Maintenance contract included in CAM	
Corrective Maintenance				CAM-UTK		ISP	ISP	(unless damage caused by UTK)	

EXHIBIT G - SCHEDULE OF RENT PAYMENTS

RENT SCHEDULE							
Rent Schedule		39,422					
		Annual Rent	Rent PSF			Annual Rent	Rent PSF
Year 1	\$	311,828.28	\$ 7.91	Year 49	\$	554,514.98	\$ 14.07
Year 2	\$	318,064.85	\$ 8.07	Year 50	\$	560,060.13	\$ 14.21
Year 3	\$	324,426.15	\$ 8.23	Year 51	\$	565,660.74	\$ 14.35
Year 4	\$	330,914.67	\$ 8.39	Year 52	\$	571,317.34	\$ 14.49
Year 5	\$	337,532.96	\$ 8.56	Year 53	\$	577,030.52	\$ 14.64
Year 6	\$	344,283.62	\$ 8.73	Year 54	\$	582,800.82	\$ 14.78
Year 7	\$	351,169.29	\$ 8.91	Year 55	\$	588,628.83	\$ 14.93
Year 8	\$	358,192.68	\$ 9.09	Year 56	\$	594,515.12	\$ 15.08
Year 9	\$	365,356.53	\$ 9.27	Year 57	\$	600,460.27	\$ 15.23
Year 10	\$	372,663.66	\$ 9.45	Year 58	\$	606,464.87	\$ 15.38
Year 11	\$	380,116.93	\$ 9.64	Year 59	\$	612,529.52	\$ 15.54
Year 12	\$	387,719.27	\$ 9.84	Year 60	\$	618,654.82	\$ 15.69
Year 13	\$	395,473.66	\$ 10.03	Year 61	\$	624,841.36	\$ 15.85
Year 14	\$	403,383.13	\$ 10.23	Year 62	\$	631,089.78	\$ 16.01
Year 15	\$	411,450.79	\$ 10.44	Year 63	\$	637,400.68	\$ 16.17
Year 16	\$	419,679.81	\$ 10.65	Year 64	\$	643,774.68	\$ 16.33
Year 17	\$	428,073.41	\$ 10.86	Year 65	\$	650,212.43	\$ 16.49
Year 18	\$	436,634.88	\$ 11.08	Year 66	\$	656,714.55	\$ 16.66
Year 19	\$	445,367.58	\$ 11.30	Year 67	\$	663,281.70	\$ 16.83
Year 20	\$	454,274.93	\$ 11.52	Year 68	\$	669,914.52	\$ 16.99
Year 21	\$	463,360.43	\$ 11.75	Year 69	\$	676,613.66	\$ 17.16
Year 22	\$	472,627.64	\$ 11.99	Year 70	\$	683,379.80	\$ 17.34
Year 23	\$	482,080.19	\$ 12.23	Year 71	\$	690,213.60	\$ 17.51
Year 24	\$	491,721.79	\$ 12.47	Year 72	\$	697,115.73	\$ 17.68
Year 25	\$	501,556.23	\$ 12.72	Year 73	\$	704,086.89	\$ 17.86
Year 26	\$	511,587.35	\$ 12.98	Year 74	\$	711,127.76	\$ 18.04
Year 27	\$	521,819.10	\$ 13.24	Year 75	\$	718,239.04	\$ 18.22
Year 28	\$	532,255.48	\$ 13.50	Year 76	\$	725,421.43	\$ 18.40
Year 29	\$	542,900.59	\$ 13.77	Year 77	\$	732,675.64	\$ 18.59
Year 30	\$	553,758.61	\$ 14.05	Year 78	\$	740,002.40	\$ 18.77
Year 31	\$	564,833.78	\$ 14.33	Year 79	\$	747,402.42	\$ 18.96
Year 32	\$	576,130.45	\$ 14.61	Year 80	\$	754,876.44	\$ 19.15
Year 33	\$	587,653.06	\$ 14.91	Year 81	\$	762,425.21	\$ 19.34
Year 34	\$	599,406.12	\$ 15.21	Year 82	\$	770,049.46	\$ 19.53
Year 35	\$	611,394.25	\$ 15.51	Year 83	\$	777,749.96	\$ 19.73
Year 36	\$	623,622.13	\$ 15.82	Year 84	\$	785,527.46	\$ 19.93
Year 37	\$	636,094.57	\$ 16.14	Year 85	\$	793,382.73	\$ 20.13
Year 38	\$	648,816.46	\$ 16.46	Year 86	\$	801,316.56	\$ 20.33
Year 39	\$	661,792.79	\$ 16.79	Year 87	\$	809,329.72	\$ 20.53
Year 40	\$	675,028.65	\$ 17.12	Year 88	\$	817,423.02	\$ 20.74
Year 41	\$	512,085.29	\$ 12.99	Year 89	\$	825,597.25	\$ 20.94
Year 42	\$	517,206.14	\$ 13.12	Year 90	\$	833,853.22	\$ 21.15
Year 43	\$	522,378.20	\$ 13.25	Year 91	\$	842,191.76	\$ 21.36
Year 44	\$	527,601.98	\$ 13.38				
Year 45	\$	532,878.00	\$ 13.52				
Year 46	\$	538,206.78	\$ 13.65				
Year 47	\$	543,588.85	\$ 13.79				
Year 48	\$	549,024.74	\$ 13.93				

Exhibit J

Project Cost of Leased Premises

Survey	\$	16,406.00
Phase I Environmental Study/Geotech	\$	8,518.50
Appraisal	\$	4,101.50
Construction - UTK	\$	18,944,042.92
Construction - Common Connector	\$	563,739.88
Construction Contingency	\$	975,389.14
A&E	\$	1,622,416.30
Commissioning	\$	100,000.00
Recording Fees	\$	41,015.00
Title Insurance/Closing	\$	34,705.00
Lender Inspections	\$	11,358.00
Printing/Photography	\$	6,310.00
Landlord Project Expenses	\$	236,625.92
Legal/Accounting	\$	37,860.00
Project Management Services	\$	474,382.85
Soft Cost Contingency	\$	76,940.19
Total	\$	23,153,811.20

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

Recitals

Whereas on January 19, 2022 the Tennessee State School Bond Authority (the “Authority”) gave its approval to the University of Tennessee-Knoxville (“UT-K”) to enter into several master lease agreements for up to one thousand (1,000) beds with apartment complexes in Knoxville, Tennessee to house UT-K students; and

Whereas UT-K desires to enter into a lease beginning on August 12, 2023 and ending on July 31, 2024 (the “Lease”) for the rental of twenty-four (24) four (4) bedroom four (4) bath units and twenty-four (24) three (3) bedroom three (3) bath units (collectively the “Units” or individually, a “Unit”) for a total of one hundred and sixty-eight (168) beds with Bayou Park TIC LLC, a Texas limited liability company, with the Units located in an apartment complex commonly known as “Quarry Trail” located at 3999 Highland Crest Way, Knoxville, Tennessee 37920 (“Quarry Trail”); and

Whereas UT-K continues to experience an unexpected increase in enrollment and the Units will be for use by continuing students who wish to live on UT-K’s campus; and

Whereas the Units were chosen because of Quarry Trail’s proximity to UT-K’s campus, the Units are comparable to UT-K campus housing, the Units are fully furnished, and the rental rate is competitive; and

Whereas the terms of the Lease are: a lease term beginning August 12, 2023 and ending on July 31, 2024 with an average cost per bed of eight hundred and twenty dollars and twenty-nine cents (\$820.29) per month and the total estimated cost for the Units being one million six hundred fifty-three thousand six hundred and ninety-six dollars and no cents (\$1,653,689.00); and

Whereas the payments for the Lease 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 to 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 November 28, 2022.

Adopted by the Authority at its meeting on November 28, 2022.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

EXECUTIVE SUMMARY

NOTE: In December 2021, SBC ESC approved a waiver of advertisement for up to 1,000 beds for UTK student housing. This request for approval to enter into a lease with Quarry Trail Apartments for the Fall 2023/Spring 2024 semesters is the first of potentially several lease requests under this waiver.

BACKGROUND:

The University of Tennessee, on behalf of its Knoxville campus (UTK), proposes to enter into a master lease agreement for student housing at Quarry Trail Apartments, Knoxville, TN.

Enrollment at UT Knoxville continues to increase, creating the need for additional bed capacity for undergraduate students. Undergraduate applications for Fall 2022 increased by over 30% from the prior year and Fall 2023 applications are expected to meet or exceed that amount. UT Knoxville enrolled over 6,800 new first-time students in Fall 2022 exceeding the enrollment management team's projection of 6,700 students.

First-time students are required to live on campus their first year in college to increase student success and retention. However, the increase in first-time student enrollment will significantly limit on-campus bed availability for continuing students.

Retention concerns are most significant from first to second year, so it is imperative we expand housing options to accommodate more continuing students. In addition, a student's success is at risk when they don't have access to a safe and educational living environment, and we need the ability to work with management at apartment complexes who understand this and are willing to partner with the university on proper controls.

The renewal process for off-campus housing has begun with some apartment complexes starting as early as September. To lock-in favorable pricing and secure a block of rooms near campus, there is a need to begin executing leases immediately. Under this agreement, UTK will lease all units in two of the buildings at this property.

This complex was selected because of proximity to campus, the units are comparable to campus housing, the units are fully furnished, and the rate is competitive. Electricity costs will be billed separately and there is a one-time parking and utility administration fee that totals \$15,456 for all units. Due to the short-term nature of the lease, there is no termination for convenience.

TERMS:

The University proposes to lease 168 beds under a one (1) year lease term beginning August 12, 2023 and ending July 31, 2024. There are 24- 4 bedroom/4 bath units and 24 – 3 bedroom/3 bath units. The average cost per bed is \$820.29/month and the total rental cost is \$1,653,696. Electricity costs will be billed separately and there is a one-time parking and utility administration fee that totals \$15,456 for all units. Due to the short-term nature of the lease, there is no termination for convenience.

FUNDING:

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

REQUEST:

Request approval to enter into a lease agreements.

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 2021-12-010

• **Proposed Lease**

- **Location:** University of Tennessee – Knoxville (UTK), Knox County, Tennessee
Quarry Trail, 3999 Highland Crest Way, Knoxville, TN
- **Landlord:** Bayou Park TIC LLC & Dorel Laredo TIC LLC
- **Term:** 1 year (August 12, 2023 – July 31, 2024)
- **Area / Costs:** 24 – 4 bedroom/4 bath units, 24 – 3 bedroom/3 bath units (168 beds)

	\$/bed	Estimated Total Cost
Average cost per bed (incl utilities)	\$820.29/mo.	\$1,653,696/year

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

• **Current Lease**

- **Location:** University of Tennessee – Knoxville, Knox County, Tennessee
Quarry Trail, 3999 Highland Crest Way, Knoxville, TN
- **Landlord:** Quarry Trail (Knoxville) Propco LLC
- **Term:** 1 year (August 14, 2022 – July 31, 2023)
- **Area / Costs:** 10 – 4 bedroom/4 bath units (40 beds)

	\$/bed	Estimated Total Cost
Average cost per bed (incl utilities)	\$800/mo.	\$384,000.00/year

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

Comment: Enrollment at UT Knoxville continues to increase, creating the need for additional bed capacity for undergraduate students. With a requirement for first-time students to live on campus, this will significantly limit on-campus bed availability for continuing students. As a result, additional beds will be needed off-campus for these students.

The renewal process for off-campus housing has begun with some apartment complexes starting as early as September. To lock-in favorable pricing and secure a block of rooms near campus, there is a need to begin executing leases immediately. Under this agreement, UTK will lease all units in two of the buildings at this property.

This complex was selected because of proximity to campus, the units are comparable to campus housing, the units are fully furnished, and the rate is competitive. Electricity costs will be billed separately and there is a one-time parking and utility administration fee that totals \$15,456 for all units. Due to the short-term nature of the lease, there is no termination for convenience.

Previous Action:	12/20/2021	Approval of waiver of advertisement.
	01/24/2022	Approved a lease.
	02/28/2022	Approved a lease.
	05/23/2022	Approved a lease.
	06/20/2022	Approved a lease.

SSC Report:	11/14/2022
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Master Lease Agreement

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

Background:

- The University has a need for student housing beds 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 12, 2023 and ends at 11:59 PM Eastern Time on July 31, 2024.
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 14, 2023, 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 12, 2023. 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 addresses 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:
Bayou Park TIC LLC
3999 Highland Crest Way
Knoxville, TN 37920
Attn: Allyson Saltzman
Email:
Allyson.saltzman@quarrytrail.com

With copy to: Bayou Park TIC LLC
8901 Gaylord
Suite 100

Houston, TX 77024
Attn: Vekeno Kennedy
Email: vkennedy@nityacapital.com

University:
Legal notices only; do not send
invoices to this address:
The University of Tennessee
UT Tower, 9th Floor
400 W Summit Hill Drive
Knoxville, TN 37902
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. **Assignment:** Lessor shall have the right to assign this agreement so long as assignee assumes all obligations under this agreement which in no way will be waived or modified by Lessor or assignee.

30. **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

**Bayou Park TIC LLC
(determine if Dorel Laredo LLC
needs to be added)**

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Approved as to form and legality:
Tennessee Attorney General

Jonathan Skrmetti, Attorney General & 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 _____, 20__

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 _____, 2022.

Notary Public.

My Commission Expires:

Schedule A

Deliverables

1. 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. Electricity: Electricity usage will be billed directly to student residents through an online portal which they can access at their discretion. All electricity usage will be split evenly between all occupied spaces in the apartment.
3. Wireless Internet: The rental amount also includes wireless internet for the living room of each apartment unit.
4. 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.
5. Parking: Lessor will provide each bed space with access to one parking space. The cost per space is a one-time fee of \$20/bed. Lessor agrees to maintain it's current parking to unit ratio.

Residential Apartment Space

Summary (Full-Term)

Total number of apartments leased for 12-installment (8/15/2023 - 7/31/2024):

Twenty-four (24) 4x4 B1 units

Twenty-four (24) 3x3 A1 units

Total aggregate cost per month: \$137,808

Total one-time cost - \$15,456

Unit # and bedroom (list each unit specifically below

6 101 4BR/4BA - B1	6 301 4BR/4BA - B1	7 201 4BR/4BA - B1
6 102 3BR/3BA - A1	6 302 3BR/3BA - A1	7 202 3BR/3BA - A1
6 103 4BR/4BA - B1	6 303 4BR/4BA - B1	7 203 4BR/4BA - B1
6 104 3BR/3BA - A1	6 304 3BR/3BA - A1	7 204 3BR/3BA - A1
6 105 3BR/3BA - A1	6 305 3BR/3BA - A1	7 205 3BR/3BA - A1
6 106 4BR/4BA - B1	6 306 4BR/4BA - B1	7 206 4BR/4BA - B1
6 107 3BR/3BA - A1	6 307 3BR/3BA - A1	7 207 3BR/3BA - A1
6 108 4BR/4BA - B1	6 308 4BR/4BA - B1	7 208 4BR/4BA - B1
6 201 4BR/4BA - B1	7 101 4BR/4BA - B1	7 301 4BR/4BA - B1
6 202 3BR/3BA - A1	7 102 3BR/3BA - A1	7 302 3BR/3BA - A1
6 203 4BR/4BA - B1	7 103 4BR/4BA - B1	7 303 4BR/4BA - B1
6 204 3BR/3BA - A1	7 104 3BR/3BA - A1	7 304 3BR/3BA - A1
6 205 3BR/3BA - A1	7 105 3BR/3BA - A1	7 305 3BR/3BA - A1
6 206 4BR/4BA - B1	7 106 4BR/4BA - B1	7 306 4BR/4BA - B1
6 207 3BR/3BA - A1	7 107 3BR/3BA - A1	7 307 3BR/3BA - A1
6 208 4BR/4BA - B1	7 108 4BR/4BA - B1S	7 308 4BR/4BA - B1

Monthly Rental Payments:

Month	Payment	Month	Payment	Month	Payment
August 2023	\$137,808	December 2023	\$137,808	April 2024	\$137,808
September 2023	\$137,808	January 2024	\$137,808	May 2024	\$137,808
October 2023	\$137,808	February 2024	\$137,808	June 2024	\$137,808
November 2023	\$137,808	March 2024	\$137,808	July 2024	\$137,808

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	\$ 3,000,000
Limit Aggregate	\$3,000,000
Limit	

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 (“UT”), on behalf of its Knoxville campus (“UTK”) proposes to lease (the “Lease”) from Magnolia Cherokee Mills LP (the “Landlord”) up to 36,618 square feet of space at the Cherokee Mills office complex consisting of five (5) suites (the “Suites”) to be used by certain UTK departments displaced in connection with construction of the new Haslam College of Business Building (the “Project”); and

Whereas, departments being displaced as a result of the Project will be placed in on-campus space to the extent possible, but additional space is needed; and

Whereas, the Suites are located less than two (2) miles from the main UTK campus providing an ideal location and easy access for relocated departments to remain engaged with students and colleagues; and

Whereas, faculty and staff working in the Suites and visitors to the Suites will have access to free parking; and

Whereas, the term of the Lease is five (5) years with an option to extend for an additional five (5) years, and the Landlord will provide a twelve dollar and no cents (\$12.00) per square foot tenant improvement allowance; and

Whereas, the first-year contract rent for the Lease is five hundred eighty thousand one hundred twenty-three dollars and twenty-five cents (\$580,123.25), increases two and a half percent (2.5%) per year, and includes maintenance, utilities, and janitorial costs; and

Whereas, the total annual effective cost of the Lease is seven hundred seventy thousand six hundred twenty-nine dollars and twenty-five cents per year (\$770,629.25); and

Whereas, UT may terminate the Lease upon one hundred twenty (120) days’ notice for convenience, but must reimburse the Landlord for the unamortized balance of the tenant improvement allowance; and

Whereas, the Lease will be funded through Plant Funds (Non-Aux) (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 Tennessee State School Bond Authority (the “Authority”) gives its approval for UT 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 November 28, 2022.

Adopted by the Authority at its meeting on November 28, 2022.

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. 2022-08-004

- **Proposed Lease**

- **Location:** University of Tennessee-Knoxville (UTK) – 2200 Sutherland Avenue, Knoxville, Knox County, Tennessee
- **Landlord:** Magnolia Cherokee Mills LP
- **Term:** 5 years with a 5 year option to extend; various start dates – see comment below
- **Area / Costs:**
 - 36,618 Square Feet
 - First Year Contract Rent \$21.00/sf \$580,123.25/yr
 - Average Annual Contract Rent \$22.08/sf \$770,629.25/yr
 - (including utilities & janitorial)
 - Total Annual Effective Cost

\$22.08/sf \$770,629.25/yr

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

Comment: This space will be used for surge space for departments that are being relocated in connection with construction of the new Haslam College of Business Building. Departments will placed in on-campus space to the extent possible but additional space is needed. The University will lease five suites for a total of 36,618 sf. The lease start date for each suite varies based on the date it becomes available.

Utilities and janitorial are included in the base rental rate. The landlord will provide a \$12/sf tenant improvement (TI) allowance. The lease can be terminated for convenience with 120-days notice but the unamortized balance of the TI balance must be repaid.

Prior Action: 08/22/2022 Approval of waiver of advertisement.

SSC Report: 12/12/2022

EXECUTIVE SUMMARY

In 2022, the University of Tennessee, Knoxville campus received approval for the construction of a new facility for the Haslam College of Business.

Departments being displaced as a result of this project will be placed in on-campus space to the extent possible but additional space is needed. Cherokee Mills office complex located at 2200 Sutherland Avenue, Knoxville, TN 37919 is 1.6 miles from the main UT Knoxville campus providing an ideal location and easy access for relocated departments to remain engaged with students and colleagues. SBC ESC approved a waiver of advertisement in August 2022.

This building has five suites that are or will become available –

Suite	Square Footage	Availability
123	2,941	now
102	6,811	now
223	5,748	2/1/2023
228	13,355	4/1/2023
2	7,763	9/1/2023

Free parking that will accommodate faculty/staff working in the building and visitors is provided.

TERMS

The University proposes to lease a total of approximately 36,618 square feet at this location under a five (5) year agreement with an option to extend for an additional five (5) years. The lease rate is \$21/sf and increases 2.5% per year. Maintenance, utilities, and janitorial are included in the base rental. The landlord will provide a \$12/sf tenant improvement (TI) allowance. The lease can be terminated for convenience with 120-days' notice but the unamortized balance of the TI allowance must be repaid.

FUNDING

Funding for the lease payments will be funded by UTK through Plant Funds (Non-Auxiliary) (A).

REQUEST

Request for approval of a lease.

AGENCY:	
ALLOTMENT CODE:	COST CENTER:

This Instrument Prepared By:

University of Tennessee

UT Tower, 9th Floor
400 W Summit Hill Drive

Knoxville, Tennessee 37902

LE NO.

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this Lease.

This lease document is not effective or binding unless approved in accordance with all applicable laws.

LEASE

1. Date of this Lease: _____

Name and Address of Building:

2240 Sutherland Avenue

Knoxville, TN 37919

Suite 106

2. Tenant: **University of Tennessee**

Landlord Name and Address:

Magnolia Cherokee Mills LP

c/o Realty Trust Group

2220 Sutherland Avenue

Knoxville, TN 37919

3. Leased Premises: space in the Building as identified herein and more particularly described on Exhibit B together with all Common Areas, including, without limitation, parking and the Mill Room

4. Rentable Square Feet: 36,618 sf

5. Term of Lease: 5 year(s) and 0 month(s)
Commencement Date of Lease Term

(and of the obligations hereunder): January 1, 2023

Expiration Date of Lease Term: December 31, 2027

See Exhibit D for delivery date of each suite.

6. Termination for Convenience: Tenant may terminate this Lease at any time by giving written notice to Landlord at least 120 days prior to the date the termination becomes effective. If Tenant terminates this Lease prior to the Expiration Date for convenience or as outlined in Section 6(b), 6(c), or 6(d), Tenant will pay the unamortized balance of Tenant Improvement Allowance provided by Landlord.

Monthly Rental Installments Table

7. Lease Year(s)	Annual Rental	Monthly Rental Installments	Rental Rate Per Rentable Square Foot
Year 1			
Months 1	NA	\$17,066.00	\$21.00
Months 2-3	NA	\$27,125.00	\$21.00
Months 4-8	NA	\$50,496.25	\$21.00
Months 9-12	NA	\$64,081.50	\$21.00
Year 2	\$788,202.45	\$65,683.54	\$21.53
Year 3	\$807,907.51	\$67,325.63	\$22.06
Year 4	\$828,105.20	\$69,008.77	\$22.61
Year 5	\$848,807.83	\$70,733.99	\$23.18

8. Utilities & Services:

- ☒ All utilities are included in the Monthly Rental Installments.
- ☐ The following utilities are not included in the Monthly Rental Installments: _____
- ☐ Tenant is solely responsible for payment of the following separately metered utilities: ☐ electric ☐ gas ☐ water/sewer
- ☐ Janitorial services are not included in the Monthly Rental Installments.

9. **Improvements (check any that apply):** Leasehold Improvement Allowance: \$12.00 per Rentable Square Foot

☒ A. Existing Space (New Tenant or Renewal) ☐ B. Landlord to build out space pursuant to Exhibit _____

10. ☐ This Lease is a sublease pursuant to that certain _____ dated effective _____ by and between _____, as landlord, and Landlord, as tenant. If not checked, this paragraph is not applicable.

11. Attached hereto and incorporated herein for all purposes are the following additional exhibits:

Exhibit A -- Lease Standard Terms and Conditions; Exhibit B -- Floor Plan;

☒ Other -- Exhibit C -- Commencement Date; ☒ Other -- Exhibit D -- **Delivery Date for Suites**; ☒ Other -- Exhibit E -- **Build Out Terms**

LANDLORD:

By: _____

Date: _____

Name: _____

Title: _____

TENANT: UNIVERSITY OF TENNESSEE

By: _____
Austin Oakes, Assistant Vice President – Office of Capital Projects

Date: _____

By: _____
Jonathan Skrmetti., Attorney General & Reporter
(For Form and Legality)

Date: _____

(Notary Acknowledgements Attached)

LANDLORD NOTARY

STATE OF TENNESSEE

COUNTY OF _____

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself/herself to be, the within named Landlord, and that he/she, executed the foregoing instrument for the purposes therein contained

Witness my hand and seal, at office in _____, Tennessee, this the ____ day of _____, 202__.

Notary Public

My Commission Expires: _____

TENANT NOTARY

STATE OF TENNESSEE

COUNTY OF KNOX

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared **Austin Oakes**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be **Assistant Vice President, University of Tennessee Office of Capital Projects**, the within named Tenant, and that he as such representative, executed the foregoing instrument for the purposes therein contained and signed the name of the University of Tennessee, by herself as **Assistant Vice President, University of Tennessee Office of Capital Projects**

Witness my hand and seal, at office in Knoxville, Tennessee, this the ____ day of _____, 202__.

Notary Public

My Commission Expires: _____

[seal]

EXHIBIT A

In consideration of the mutual covenants and representations set forth in the Lease (the "Lease") and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows. The capitalized terms used in this Exhibit A shall have the meaning assigned to such terms in the Lease, unless another meaning is assigned to such terms in this Exhibit A.

1. DEMISE. Upon the terms and conditions hereinafter set forth and as set forth in the Lease, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Leased Premises for the Term of the Lease. Landlord represents and warrants to Tenant that Landlord is the fee simple owner of the Leased Premises and has the right to lease the Leased Premises to Tenant pursuant to the terms of the Lease. Landlord further represents and warrants to Tenant that there are no easements, covenants, restrictions or other agreements or instruments encumbering the Leased Premises that (i) contain any pre-approval rights relating to this Lease (including any lender approval rights) which have not been secured by Landlord, or (ii) would interfere with or restrict Tenant's ability to use the Leased Premises for office, storage and any other purpose permissible under applicable law (the "Permitted Use"). Landlord further represents and warrants to Tenant that (x) the use of the Leased Premises for the various purposes for which it is presently being used is permitted under all applicable zoning legal requirements and (y) all utilities necessary for the use of the Leased Premises for the various purposes for which it is presently being used are being supplied to the Building via publicly dedicated utility easement areas.

2. RENT. The Monthly Rental Installments for the Lease of the Leased Premises shall be due and payable on the 1st day of each month and considered late after the 5th day of each month during the term hereof to Landlord at Landlord's address as set forth on the Lease, provided Landlord has submitted a completed the ACH Form (as defined below) to Tenant. Landlord shall not invoice Tenant for services until Landlord has completed this form and submitted it to Tenant. The Monthly Rental Installments shall be prorated for any partial calendar month during the Term.

No payment shall be made by Tenant under this Lease until Tenant has received the following documentation properly completed:

1. Landlord shall complete, sign and present to Tenant an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by Tenant. By doing so, Landlord acknowledges and agrees that, once said form is received by Tenant, all payments to Landlord, under this or any other contract Landlord has with Tenant shall be made by Automated Clearing House (ACH).

2. Landlord shall complete, sign and present to Tenant a "Substitute W-9 Form" provided by Tenant. The taxpayer identification number detailed by said form must agree with Landlord's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Lease.

Landlord agrees that the Rent provided under the terms of this Section 2 is based in part upon the costs of the services, utilities, and supplies to be furnished by Landlord pursuant to Section 3 hereof and that should Tenant vacate the Leased Premises prior to the end of the term of this Lease, or, if after notice in writing from Tenant, all or any part of such services, utilities or supplies for any reason are not used by Tenant, then, in such event, the Monthly Rental Installments as to each month or portion thereof as to which such services, utilities or supplies are not used by Tenant shall be reduced by an amount equal to the average monthly costs of such unused services, utilities or supplies during the six-month period immediately preceding the first month in which such services, utilities or supplies are not used.

3. LANDLORD'S OBLIGATIONS.

A. Utilities:

Landlord shall, at Landlord's expense, furnish all utilities to the Leased Premises, including electrical, gas, water and sewer, heat, ventilation, and air conditioning in capacities sufficient for the Permitted Use; provided, however, Tenant shall be responsible for telephone and data services. Electrical, gas, water and sewer must be provided on a 24 hours per day, 7 days a week basis. Heat, ventilation and air conditioning must be provided at least during the hours of 6:00am-7:00pm, Monday through Friday; provided. Tenant shall reimburse the Landlord annually for the cost of utilities associated with and properly allocable to the Leased Premises in excess of the base year allowance. The Landlord shall provide the Tenant, on an annual basis at the end of each year of the term of this Lease, a detailed list of costs subject to reimbursement under this paragraph. In order for any expenses to be reimbursable hereunder by the Tenant, the costs incurred by the Landlord must have been reasonable and

necessary. The Landlord shall maintain documentation for all charges against the Tenant under this Lease. The books, records and documentation of the Landlord, insofar as they relate to reimbursement by the Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

B. Maintenance

Landlord shall, at Landlord's expense, and as required to keep the Building and the Leased Premises in a good, attractive and safe condition, maintain and repair, in a good and workmanlike manner and in compliance with all replacement and maintenance schedules followed by prudent landlords of commercial buildings, (i) the Building, including, but not limited to, the repair, maintenance and replacement of the roof, foundation and exterior and load-bearing walls; (ii) the mechanical, plumbing and electrical systems, including, but not limited to, air conditioning, heating, plumbing, wiring and piping and all filters, valves and other components; (iii) the exterior of the Building and the land upon which the Building is located, including any landscaped areas, parking areas and driveways, including, but not be limited to the following: weekly lawn cutting during the growing season, debris pick-up, leaf removal, mulching of planting beds, maintain any landscaping, daily snow and ice removal from parking areas and entrances to the Leased Premises; (iv) elevators, if any; (v) interior of the Building and the Leased Premises, including but not limited to repair, maintenance, patching, mold, mildew, and moisture removal, and, ceilings, and other surfaces; (vi) all lighting components, including but not limited to, furnishing and monthly replacement of electrical light bulbs, fluorescent tubes, ballasts and starters. Landlord shall also, at Landlord's expense, furnish and maintain appropriate outside trash and refuse receptacles for the disposal of trash and refuse from the Leased Premises. Furthermore, Landlord shall have maintenance personnel available to respond to routine calls within twenty four (24) hours and emergency calls within four (4) hours. "Emergency" repair or maintenance calls shall include, but not be limited to, situations involving HVAC, electrical, plumbing, roof leaks, utility disruptions, ingress and egress, and environmental issues. Tenant shall be permitted to maintain, inspect, repair and replace any equipment or fixtures installed by Tenant on the Leased Premises (the "Tenant Maintenance"), and Landlord shall hold Tenant harmless for any damage to the Leased Premises caused by the Tenant Maintenance. Tenant reimburses Landlord for prorata share of maintenance expenses over the Base Year as defined in Section 4A.

C. Insurance

Landlord shall, at Landlord's expense, maintain fire and extended coverage insurance on Leased Premises, in an amount not less than the full replacement cost of the Building, and comprehensive general liability insurance coverage in the sum of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate against any and all liability, loss or damage arising from any injury or damage to any person or property occurring in or about the Leased Premises or the Building resulting from Landlord's negligence or matters arising for reasons beyond Tenant's control. The policies described in this Section shall name Tenant as an additional insured. Annually, Landlord shall furnish Tenant with a certificate of such coverage which shall provide that thirty (30) days' advance written notice shall be given to Tenant in the event of cancellation or material change in the insurance policies maintained as required herein. Tenant reimburses Landlord for prorata share of insurance over the Base Year as defined in Section 4A.

D. Taxes

Landlord shall be responsible for payment of all real estate taxes assessed against the Building or land on which the Building is located, as well as all applicable local, state and federal income taxes which are or may be payable by Landlord. Landlord, by virtue of leasing property to Tenant, does not become a State of Tennessee agency, entity, or employee and is not entitled to any rights, privileges or immunities pertaining to the State or its agencies and instrumentalities. Tenant reimburses Landlord for prorata share of taxes over the Base Year as defined in Section 4A.

E. Janitorial

Landlord shall, at Landlord's expense, provide janitorial services to the Leased Premises in accordance with the following schedule:

- i. See Attached Scope of Services for Janitorial Services

F. Pest Control

Landlord shall, at Landlord's expense, provide monthly exterior pest extermination services. All such services shall be performed during normal business hours.

4. **TENANT'S OBLIGATIONS.** In addition to the said rent to be paid, Tenant also agrees to pay directly during the term of the Lease, commencing on the Commencement Date, the following items of expense as the same become due and payable:

- A. The Tenant's Base Year for Operating Costs for this Lease is calendar year 2022. Accordingly, beginning in 2022, Tenant agrees to pay as Additional Rent its proportionate share of any Operating Costs over and above the actual amount calculated during the Tenant's Base Year (i.e., calendar year 2022), specified in the preceding sentence and Paragraph 3 Sections (a), (b), and (c), capped at 5% increase/annum over the previous year ("Excess Operating Costs") in the following manner:

Operating Costs shall include taxes; insurance coverage for casualty loss, rent loss, and public liability; contract cleaning and supplies; management fees not exceeding 5% of gross rents and other tenant charges collected; all utilities provided and paid by the Landlord; building payroll; guard and other security services; general maintenance repairs; landscaping; the reasonable amortization of capital improvements which will improve the efficiency of operating, managing, or maintaining the Building or which will reduce the Landlord's operating expenses or the rate of increase thereof.

Taxes shall include all general and special real estate taxes assessed against the real property of which the Leased Premises are a part, all user fees levied or charged by any state, county, municipal or federal government for garbage collection, fire or police protection, sewer surcharge, or the like, and any other rate, levy, charge, assessment, license or fee upon the Landlord by way of capital levy, tax assessment levy, imposition or charge measured by or based in whole or in part upon the Leased Premises and imposed upon the Landlord, or measured by the rent payable upon the Landlord, or measured by the rent payable under this Lease, or by way of a landlord's gross receipts tax, commercial lease tax, sales tax, or any other new tax imposed by the United States of America, any state or municipality or political subdivision thereof of whatever name and kind and whether or not now known or within the contemplation of the parties and however levied, assessed, charged, imposed or computed in any way attributable to the Leased Premises, the Building, property on which it is situated, or the right to receive rent therefrom.

Real estate taxes shall be included in the computation of operating costs on a monthly basis.

All refunds, repayments and recoveries of amounts theretofore included in operating costs shall be included in the computation as a credit during the month received by Landlord. All other operating costs shall be included in the computation in the month when incurred.

Tenant shall pay the proportion of any such Excess Operating Costs that the rentable area of the Leased Premises bears to the total rentable area of the entire Building. Rentable area shall be computed according to the recommended standard method of floor measurement for office buildings issued by the "Building Owners and Managers Association International".

Landlord shall estimate for each calendar year, or any portion of a calendar year at the beginning and end of this Lease, Tenant's proportionate share of the Excess Operating Costs for the forthcoming year. Tenant shall pay, with each monthly installment of rent, one-twelfth (1/12th) of Tenant's estimated annual share of Excess Operating Costs. The amount of any such Excess Operating Costs shall be prorated on a daily basis for any partial month during which this Lease begins and ends.

Within ninety (90) days after the expiration of each calendar year, Landlord shall forward to Tenant a statement showing Tenant's actual pro rata share of the Excess Operating Costs. Should Tenant's actual share differ from the amount actually paid, then, within thirty (30) days after the date of Landlord's statement, either Landlord shall refund to Tenant any amount paid in excess of its actual share or Tenant shall remit to Landlord any amount by which its payments were deficient.

Tenant shall have the right to inspect Landlord's cost records at Landlord's offices during business hours and upon request in advance. No right given Tenant in this provision shall relieve Tenant of the obligation to pay its proportionate part of increase in operating costs as herein provided.

- B. Nothing herein shall be construed so as to require Tenant to pay or be liable for any gift, inheritance, estate, general income, capital gain, or similar tax imposed upon Landlord and not attributable to the property or the

rent therefrom as above provided. Nothing herein shall be construed so as to require Landlord to pay or be liable for any taxes separately levied on Tenant's leasehold estate or for taxes on Tenant's personal property, tenant improvements which do not become a part of the real estate or income, business, gross receipts or other taxes on Tenant or Tenant's income or business, all of the foregoing which shall be paid by Tenant

C. All service costs and installations of all telephone or data services.

5. **IMPROVEMENTS.** Tenant shall have the right during the existence of the Lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the Leased Premises under the Lease or any prior lease of the Leased Premises by Tenant shall be and remain the property of Tenant and may be removed therefrom by Tenant prior to the termination or expiration of this Lease or any renewal or extension thereof, or within a reasonable time thereafter. Any signs must have prior written approval from Landlord, which shall not be unreasonably withheld.

6. **TERMINATION FOR CAUSE.** Tenant may in its sole discretion terminate this Lease at any time for any of the following causes: (a) Landlord's failure to disclose any conflict or potential conflict of interest existing at the date of this Lease or hereafter created; (b) termination or consolidation of Tenant's operations or programs housed in the Leased Premises because of loss of funding; (c) lack of funding by the appropriate Legislative Body for obligations required of Tenant under this Lease; (d) the availability of space in Tenant-owned property, provided that no cancellation for this reason may take place until the Lease has been in effect for one year; and (e) any default by Landlord which is not adequately remedied in accordance with **Section 8** hereof. Notwithstanding the foregoing, all terms and conditions of the Lease are made subject to the continued appropriations by the appropriate Legislative Body. If Tenant terminates this Lease prior to the Expiration Date for convenience or as outlined in Sections 6(b), 6(c), and 6(d), Tenant must pay to Landlord the balance of unamortized tenant improvement allowance from Landlord at time of termination.

7. **ENVIRONMENTAL PROVISIONS.** Following due inquiry, Landlord represents that there are no hazardous substances or hazardous wastes as defined by the Comprehensive Environmental Response and Liability Act or any hazardous wastes as defined by the Resource Conservation and Recovery Act, or any mold, PCB's, radon or asbestos containing materials, located on, in or about the Leased Premises to be occupied by Tenant. Landlord agrees that should any hazardous wastes, hazardous substances, mold, PCB's, radon or asbestos containing materials be determined to be present as a result of the acts or omissions or negligence of any person or legal entity, other than Tenant, Landlord shall indemnify, hold harmless and defend Tenant from all claims, damages, expenses or litigation resulting from the presence of such materials. If Tenant reasonably believes that hazardous substances may be present in the Leased Premises or the Building, Landlord will engage, at its expense, a qualified third party engineer to conduct an appropriate environmental survey. If hazardous substances are found or such survey indicates a risk of such hazardous substances being present in the Leased Premises or Building, then Landlord, at its expense, will make all necessary changes and/or corrections so that the Building and/or the Leased Premises are in compliance with all environmental laws and regulations. In the event Landlord discovers hazardous materials on the Leased Premises during the Term of this Lease, Landlord shall promptly notify Tenant.

8. **DEFAULT.** Tenant shall be in default of the terms of the Lease if Tenant shall fail to make a payment of any rent or additional rent, and such rent or additional rent is not paid within ten (10) days of written notice by Landlord to Tenant of non-payment of same, or in the event that Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty (30) days of written notice by Landlord to Tenant of such default, or, if it is not possible to complete the cure by such time, Tenant has not commenced the cure within such 30 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of default by Tenant hereunder:

A. Landlord may continue the Lease in full force and effect and shall have the right to collect rent when due. During the term Tenant is in default, Landlord may re-enter the Leased Premises with legal process and relet same, or any part thereof, to third parties for Tenant's account. Tenant shall pay to Landlord the rent due under the Lease on the date such rent is due, less the rent Landlord receives from any reletting. Landlord shall make its best efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total rent due for the remainder of the term.

B. Landlord may terminate the Lease pursuant to the terms of this Section. Upon termination, Landlord shall have the right to collect an amount equal to all expenses, if any, not including attorneys' fees, incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated by Tenant.

Except as specifically set forth herein, Landlord shall be in default of the terms of the Lease if Landlord shall commit an act of default under the terms hereof, and shall not cure such default within twenty (20) days of written notice by Tenant to Landlord of such default, or, if it is not possible to complete the cure by such time, Landlord has not commenced the cure within such 20 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of a default by Landlord hereunder, Tenant may, in addition to all rights and remedies available at law or in equity, (i) cure such default and deduct any reasonable and necessary amounts incurred by Tenant in connection therewith from the rent next due by Tenant hereunder with the presentment of receipts for such reasonable and necessary actions, or (ii) terminate the Lease. Notwithstanding the foregoing, in the event that Tenant is unable, in its reasonable judgment, to operate in the Leased Premises as a result of the failure by Landlord to satisfy its obligations pursuant to Section 3 hereof (A) for a period of more than forty eight (48) consecutive hours, then the rent shall abate during the entire period of the disruption and Tenant shall have the right to terminate the Lease in the event Landlord remains unable to satisfy its obligations pursuant to Section 3 hereof for a period of more than ten (10) consecutive days; or (B) more than ten (10) days during any twelve (12) month period, then Tenant shall have the right to terminate the Lease.

9. **END OF TERM.** At the termination of this Lease, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any equipment, furniture, trade fixtures or other personal property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal. In the event of holding over by Tenant after the expiration or termination of the Term of this Lease, Tenant shall pay rent at the then-current rate for rent as set forth in the Lease, on a monthly basis and the Term of this Lease shall be automatically extended on a month to month basis.

10. **MISCELLANEOUS.** The article captions contained in the Lease are for the convenience of the parties only and shall not be considered in the construction or interpretation of any provision hereof. Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required to make hereunder. The making of repairs by Landlord or its agents shall be coordinated with Tenant to minimize disruptions of Tenant's conduct of business in the Leased Premises. The Lease contains the entire agreement between the parties and supersedes any and all other prior oral and written agreements between the parties regarding the subject matter contained herein and may not be changed or terminated orally but only by agreement in writing and signed by all parties. Landlord and Tenant acknowledge and agree that (i) all exhibits referenced in the Lease (or in any of its exhibits) are incorporated into the Lease by reference, and (ii) any reference to "the Lease," "this Lease," "hereunder," "herein" or words of like import shall mean and be a reference to the Lease including such exhibits. No waiver by either party shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision. The Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators. Landlord has provided to Tenant a list of names and addresses of persons, associations, or corporations who hold any financial interest in the Leased Premises; such list shall be immediately revised in the event of a transfer of any such interest. The Lease Proposal Package from which this lease originated and the Landlord's response to the Lease Proposal Package (collectively, the "Proposal Package") is hereby incorporated in the Lease; provided, however, that in the event of any conflict between the terms of the Proposal Package and the Lease, the terms of the Lease shall control.

11. **DAMAGE OR DESTRUCTION.** If the Leased Premises are damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any personal property which is owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty (60) days after the occurrence of such damage. Landlord shall notify Tenant within fifteen (15) days of the event of casualty of its determination. Until such repairs are completed, the rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty (60) days and Landlord nonetheless chooses to repair, then Tenant may, at its option, continue as Tenant under the Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate the Lease. A total destruction of the Building in which the Leased Premises are located shall automatically terminate the Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

12. **NOTICES.** Any notice required or permitted to be given hereunder shall be sufficiently given if personally served, sent by registered or certified mail, or by reputable overnight courier, addressed to the relevant party at the addresses specified in the Lease, for Landlord to: Realty Trust Group, Property Manager for Cherokee Mills, 2220 Sutherland Avenue, Knoxville, TN 37919, and for Tenant to: University of Tennessee, 301 Andy Holt Tower, Knoxville, Tennessee 37996.

13. **QUIET ENJOYMENT.** Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof.

14. **SUBORDINATION, ATTORNMEN AND NON-DISTURBANCE.** Tenant agrees that the Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage (collectively, "Mortgages"); provided as a condition to such subordination, any holder of the Mortgage must enter into a Subordination, Non-Disturbance and Attornment Agreement with Tenant in form reasonably acceptable to Tenant. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any Mortgage covering the Leased Premises or the Building, or in the event of termination of any Lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as Landlord under the Lease, unless the Lease is terminated. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of rent, or in the performance of any of the other terms, covenants or conditions of the Lease beyond any applicable cure periods, no mortgagee or similar person shall disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of the Lease notwithstanding any event or proceedings described in this section.

15. **APPROVALS.** Neither this Lease nor any amendment or modification hereto shall be effective or legally binding upon Tenant, unless and until a fully executed, original Lease has been returned to Tenant and the review and approval by all appropriate State officials and the State Building Commission, if applicable has been obtained.

16. **COMPLIANCE WITH LAWS.** Landlord represents and warrants to Tenant that as of the date of execution of this Lease, the Building complies with the provisions of the Americans with Disabilities Act (ADA) in all material respects. Landlord hereby indemnifies and holds harmless Tenant from and against all costs, liabilities, and causes of action occurring or arising as a result of Landlord's failure to comply with any of the requirements of the ADA or similar laws or as a result of any violation of any of the requirements of the ADA or similar laws by Landlord or its agents. Landlord shall provide all life safety equipment, including but not limited to, fire extinguishers and smoke alarms, in compliance with applicable municipal building codes.

17. **FORCE MAJEURE.** With the exception of the obligation of Tenant to pay rent and all other amounts that may be due from time to time under this Lease, if either party shall be delayed or hindered in or prevented from doing or performing any act or thing required hereunder by reason of any matters beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act or thing shall be extended for a period equivalent to the period of such delay. In such event, this Lease and the obligations of both parties to perform and comply with all of the other terms and provisions of this Lease shall in no way be affected, impaired, or excused.

18. **RECORDS RETENTION.** Landlord shall maintain documentation for all charges against Tenant under the Lease. The books, records and documentation of Landlord, insofar as they relate to reimbursement by Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

19. **SPACE AUDIT.** Landlord certifies that the rentable square feet set forth in the Lease is accurate to the best of its knowledge. Tenant reserves the right to perform physical measurements of the Leased Premises and adjust the Monthly Rental Installments proportionally based upon such measurements. Tenant shall use the current Building Owner's and Manager's Association standards of measurements for either single or multi-tenant occupancy, whichever is applicable.

20. **COMMON AREAS.** During the Term of the Lease, Landlord agrees that Tenant and its employees, agents, invitees and visitors shall have the non-exclusive right to use the Common Areas for their intended purpose. Except for repairs, maintenance and replacements required under this Lease, Landlord shall not materially alter (or permit the material alteration of) any entrances, exits, corridors, sidewalks or hallways providing access to or from the Leased Premises. Landlord represents and warrants to Tenant that the Common Areas include all areas which are necessary for the use of the Leased Premises for its current use. As used herein, "Common Areas" means all portions of the Building intended for the general use or benefit of tenants or owners of the Building, and their

employees, agents, and visitors, including, without limitation, all entrances, common corridors, parking areas, loading and unloading areas, trash areas, roadways, walkways, sidewalks and driveways.

**EXHIBIT B
FLOOR PLANS**

EXHIBIT C
COMMENCEMENT DATE

Commencement Date Agreement

RE: Lease dated as of _____, by and between _____, as
Landlord, and the University of Tennessee, as Tenant.

Dear Sirs:

Pursuant to the terms of the above captioned Lease, please be advised as follows:

1. The Commencement Date of the Lease Term is the _____ day of _____, 202__, and the
Expiration Date of the Lease Term is the _____ day of _____, _____, subject however
to the terms and provisions of the Lease.
2. Terms denoted herein by initial capitalization shall have the meanings ascribed thereto in the
Lease.

LANDLORD

By: _____

Title: _____

ACKNOWLEDGED AND AGREED:

University of Tennessee

By: _____

Title: _____

EXHIBIT D

Dates Suites will be Delivered to Tenant

Suite	Square Footage	Availability
123	2,941	01/01/2023
102	6,811	01/01/2023
223	5,748	02/01/2023
228	13,355	04/01/2023
2	7,763	09/01/2023

EXHIBIT E
BUILD OUT TERMS

1. Tenant's space needs and conceptual renovations are attached to this Exhibit E. Landlord's architect will meet with Tenant to refine these conceptual renovations. Landlord will provide a schedule for all work within f _____ (____) days of execution of this Amendment.
2. Landlord shall cause to be prepared by Landlord's architect or engineer the following:
 - (a) Detailed working drawings and specifications, including mechanical and electrical plans and specifications where necessary for the installation of air conditioning system and ductwork, heating, electrical, plumbing and other engineering plans (collectively, the "Plans"), for Landlord's build-out of the Leased Premises (the "Landlord's Work"); and
 - (b) Any subsequent modifications to the construction documents and specifications required by Landlord or requested by Tenant and agreed to by Landlord.
2. Landlord shall submit for Tenant's approval the Plans within ____ (____) days of the date of this Lease. If Tenant has not approved the Plans within fifteen (15) days of receipt, then the Plans shall be deemed disapproved. If Tenant disapproves the Plans, Landlord shall revise and resubmit the same to Tenant for approval within ten (10) business days following receipt of Tenant's disapproval, which process shall continue until the Plans are approved. A copy of the Plans shall be attached to the Lease as Exhibit F.
3. Any approval by Tenant of or consent by Tenant to any plans, specifications or other items to be submitted to and/or reviewed by Tenant pursuant to this Lease shall be deemed to be strictly limited to an acknowledgment of approval or consent by Tenant thereto and such approval or consent shall not constitute the assumption by Tenant of any responsibility for the accuracy, sufficiency or feasibility of any plans, specifications or other such items and shall not imply any acknowledgment, representation or warranty by Tenant that the design is safe, feasible, structurally sound or will comply with any legal or governmental requirements, and Landlord shall be responsible for all of the same.
4. Landlord will provide a Tenant Improvement Allowance of \$12.00 per square foot or \$439,416.00 for Landlord's Work. Tenant is responsible for the cost of Landlord's Work that exceeds this amount.
5. Landlord's Work requested by Tenant and approved by Landlord shall be performed (i) by Landlord's contractor or another contractor approved by Landlord, (ii) in a good and workmanlike manner, and (iii) in accordance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Leased Premises. Landlord agrees to request three bids from qualified contractors for the Landlord's work. Preference will be given to the lowest cost option unless this contractor is unable to meet the delivery date, has not demonstrated the ability to meet applicable codes and laws, or other reasons deemed significant by Landlord or Tenant. Prior to executing the construction contract, Landlord will seek approval from Tenant in writing. Once executed, any changes to the scope of work, schedule or budget must be approved by Tenant. Tenant assumes no liability for change orders that were not approved by Tenant prior to the work being completed.
6. During Landlord's work and on a monthly basis, Landlord will provide to Tenant copies of invoices indicating the work that was completed, the percent completion of the work, the amount paid and the remaining balance in the construction contract.
7. Landlord will cause Landlord's Work set forth in the Build Out Plans to be substantially completed and for occupancy within _____ (xx) days of Tenant's approval of the Build Out Plans. If Landlord's Work is not substantially complete and the Certificate of Occupancy has not been received by Landlord by such time, then Tenant, in its sole discretion, shall have the right to terminate the lease.
8. Landlord will allow Tenant's contractor to install telecommunications, fiber optic, and other cabling to support Tenant's audio and video needs while Landlord's Work is occurring.

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

Recitals

Whereas, the University of Tennessee (“UT”), on behalf of its Knoxville campus (“UTK”) proposes to lease (the “Lease”) up to 15,138 square feet of space from University Health System, Inc. (“UHS”) at a new ambulatory care/research facility known as the Orthopaedics Institute (the “Facility”), located at the UT Research Park at Cherokee Farm; and

Whereas, the Facility houses nine (9) surgical suites, a clinic, and multiple physicians’ offices on the first and second floors, and the third floor of the Facility is designated for research partnerships; and

Whereas UT previously received approval to lease up to 3,268 square feet of space at the Facility in April 2022; and

Whereas, the decision of another prospective tenant to relocate has provided UTK the opportunity to locate a larger translational research and commercialization program in the Facility than originally planned; and

Whereas, UTK’s space in the Facility will house the VOIs Healthcare Innovation LAB which brings UT faculty, staff, and students together across multiple disciplines to develop solutions to the most vexing healthcare challenges of our times and to improve the health and wellbeing of citizens, families, and communities of Tennessee and others far beyond; and

Whereas, the Lease will provide faculty, staff, and students with access to research labs and classroom-based and hands-on learning facilities essential to the development and implementation of real-world orthopaedic solutions, including clinical immersion opportunities, support for start-ups, understanding of regulatory requirements, prototyping, fundraising, and more; and

Whereas, the term of the Lease is ten (10) years, with the option to extend the Lease by an additional five (5) years, and UHS will provide a fifty-five dollar and no cents (\$55.00) per square foot tenant improvement allowance; and

Whereas, the first-year contract rent for the Lease is three hundred seventeen thousand eight hundred ninety-eight dollars and no cents (\$317,898.00) and increases two and a half percent (2.5%) per year, and UT will be responsible for its proportionate share of maintenance expenses, insurance costs, ground rent, and property taxes; and

Whereas, the estimated total annual effective cost of the Lease, including rent, utilities, and janitorial costs, is three hundred ninety-nine thousand three hundred forty dollars and forty-four cents (\$399,340.44) per year; and

Whereas, UT may terminate the Lease upon ninety (90) days' notice for convenience, but must reimburse UHS for the unamortized balance of the tenant improvement allowance; and

Whereas, the Lease will be funded through research operating funds and grants.

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 Tennessee State School Bond Authority (the "Authority") gives its approval for UT 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 November 28, 2022.

Adopted by the Authority at its meeting on November 28, 2022.

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. 2021-08-001

- **Proposed Lease**

- **Location:** University of Tennessee – Knoxville (UTK)
Knox County – 1600 Accelerator Way, Knoxville, TN
- **Landlord:** University Health System, Inc. (UHS)
- **Term:** 10 years
- **Area / Costs:** 15,138 Square Feet

First Year Contract Rent:	\$317,898.00/yr	\$21.00/sf
Average Annual Contract Rent	\$356,197.14/yr	\$23.53/sf
Estimated Annual Utility Cost	\$26,491.50/yr	\$1.75/sf
Estimated Annual Janitorial Cost	\$16,651.80/yr	\$1.10/sf
Total Annual Effective Cost	\$399,340.44/yr	\$26.38/sf

- **Source of Funding:** Research operating funds and grants
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00/sf (for reference only)

Comment:

A 91,354 square foot ambulatory care/research facility has been constructed at UT Research Park at Cherokee Farm by a partnership that includes OrthoTennessee and University Health System, Inc. (aka University of Tennessee Medical Center). UTK initially planned to lease 3,268 square feet of space in the building for its' VOIs Healthcare Innovation LAb (VOILA!). However, a small business planning to lease a portion of the third floor has chosen to locate elsewhere, providing UTK the opportunity to lease a larger space on the third floor, increasing the size from 3,268 square feet to approximately 15,138 square feet.

VOILA! brings together UT faculty, staff, and students across multiple disciplines to develop solutions to healthcare challenges. VOILA!-Ortho, a new VOILA! program focused on innovations in orthopaedics, will work hand-in-hand with OrthoTennessee physicians and other healthcare professionals to develop solutions to real-world orthopaedic challenges in the surgical suite, in hospital and ambulatory care processes, and in patient recovery and rehabilitation. This strategy of co-locating academic innovation teams and practitioners is consistent with best practices in translational research and innovation and yields the best possible outcomes.

The rental rate increases 2.5% per year. UHS will provide a \$55/sf tenant improvement (TI) allowance. The lease includes 90-day termination for convenience, but the University must reimburse the landlord for the unamortized balance of the TI allowance. The University will reimburse UHS for its' proportionate share of maintenance expenses, insurance costs, ground rent and property taxes.

Previous Action:	08/23/2021	Approved waiver of advertisement.
	04/25/2022	Approval of a lease.

SSC Report:	[date]	[Action taken at Staff Sub meeting]
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EXECUTIVE SUMMARY

BACKGROUND

In April 2022, ESC approved the lease of 3,268 square feet by UT Knoxville (UTK) in a new 91,354 square foot building constructed at the UT Research Park at Cherokee Farm. OrthoTennessee in partnership with the University Health System, Inc. (aka University of Tennessee Medical Center) built the new ambulatory care/research facility. The Orthopaedics Institute, as it is known, houses nine surgical suites, a clinic and multiple physicians' offices on the first and second floors. The third floor of the facility is designated for research partnerships and initially only a portion of the floor was available for UTK use. A small business planning to lease a portion of the third floor has chosen to locate elsewhere, providing UTK the opportunity to locate a larger translational research and commercialization program in the facility, increasing the size from 3,268 square feet to approximately 15,138 square feet. The lease approved in April 2022 has not been executed.

UTK's space will house the VOIs Healthcare Innovation Lab (VOILA!) which brings UT faculty, staff, and students together across multiple disciplines (e.g. biomedical engineering, kinesiology, nursing, vet medicine, and many others) to develop solutions to the most vexing healthcare challenges of our times. VOILA! faculty, staff, and students work side-by-side with clinicians and other healthcare professionals, health systems, and community, corporate and non-profit partners to develop innovative biomedical devices, diagnostics, interventions, and therapies to improve the health and wellbeing of the citizens, families and communities of Tennessee and others far beyond.

Faculty, staff and students engaged in VOILA!-Ortho, a new VOILA! program focused on innovations in orthopaedics, will work hand-in-hand with OrthoTennessee physicians and other healthcare professionals to develop solutions to real-world orthopaedic challenges in the surgical suite, in hospital and ambulatory care processes, and in patient recovery and rehabilitation.

The lease will provide space for UT faculty, staff and students with access to research labs and classroom-based and hands-on learning facilities essential to the development and implementation of real-world orthopaedic solutions, including clinical immersion opportunities, support for start-ups, understanding of regulatory requirements, prototyping, fundraising and more. Through this program, Vol innovators will develop the skills necessary to communicate effectively with clinicians and other healthcare professionals, as well as with investors and partners essential to translation success.

This space will maximize the opportunity for collaboration among OrthoTennessee physicians and healthcare professionals and UT faculty, staff and students working on translational research and hands-on learning projects. This strategy is consistent with best practices in translational research and innovation, in which the co-location of academic innovation teams and practitioners yields the best possible outcomes.

TERMS

The lease term is ten (10) years. The landlord is offering a \$55/sf tenant improvement allowance. The average annual rent, including utilities and janitorial, is \$26.38/sf over the ten-year term. The University will also reimburse the landlord for its' proportionate share of maintenance expenses, insurance costs, ground rent and property taxes.

The University can terminate the lease for convenience with 90-days notice but must reimburse the landlord for the unamortized balance of the tenant improvement allowance if the lease is terminated prior to the end of the term. Waiver of advertisement was approved by ESC on 08/23/2021 and the lease for 3,268 square feet was approved 04/25/2022.

FUNDING

Research operating funds and grants

REQUEST

Review of a request for APPROVAL of the following LEASE for the rental of real property as required by TCA 12-2-115.

AGENCY:

ALLOTMENT CODE:

COST CENTER:

This Instrument Prepared By:

University of Tennessee

UT Tower, 9th Floor

400 W summit Hill Drive

Knoxville, TN 37902

LE NO.

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this Lease.

This lease document is not effective or binding unless approved in accordance with all applicable laws.

LEASE

1. Date of this Lease: _____

Name and Address of Building:
1600 Accelerator Way
Knoxville, TN

2. Tenant: **University of Tennessee**

Landlord Name and Address:
University Health System, Inc.
2121 University Health System, Inc.
Knoxville, TN 37920

3. Leased Premises: space in the Building as identified herein, **Suite 320** and more particularly described on Exhibit B together with all Common Areas, including, without limitation, parking.

4. Rentable Square Feet: 15,138

5. Term of Lease: 10 year(s) and 0 month(s)
Commencement Date of Lease Term
(and of the obligations hereunder): TBD
Expiration Date of Lease Term: _____
If no fixed Commencement Date is inserted, the Commencement Date shall be set pursuant to Exhibit C. Tenant shall have the option to extend this Lease for an additional five (5) years with annual rental rate increases of three percent (3%) per year

6. Termination for Convenience: Tenant may terminate this Lease at any time by giving written notice to Landlord at least 90 days prior to the date the termination becomes effective; ***provided, however, Tenant shall pay the unamortized balance of the Tenant Improvement Allowance.***

Monthly Rental Installments Table			
7. <u>Lease Year(s)</u>	<u>Annual Rental</u>	<u>Monthly Rental Installments</u>	<u>Rental Rate Per Rentable Square Foot</u>
1	\$317,898.00	\$26,491.50	\$21.00
2	\$325,845.45	\$27,153.79	\$21.53
3	\$333,991.59	\$27,832.63	\$22.06
4	\$342,341.38	\$28,528.45	\$22.61
5	\$350,899.91	\$29,241.66	\$23.18
6	\$359,672.41	\$29,972.70	\$23.76
7	\$368,664.22	\$30,722.02	\$24.35
8	\$377,880.82	\$31,490.07	\$24.96
9	\$387,327.84	\$32,277.32	\$25.59
10	\$397,011.04	\$33,084.25	\$26.23

8. **Utilities & Services:**
☐ All utilities are included in the Monthly Rental Installments.
☐ The following utilities are not included in the Monthly Rental Installments: _____
☒ Tenant is solely responsible for payment of the following separately metered utilities: ☒ electric ☒ gas ☒ water/sewer
☒ Janitorial services are not included in the Monthly Rental Installments.

9. **Improvements (check any that apply):** Tenant Improvement Allowance: **\$55.00** per Rentable Square Foot
☐ A. Existing Space (New Tenant or Renewal) ☒ B. Landlord to build out space pursuant to Exhibit D.

10. ☒ This Lease is a sublease pursuant to that certain lease dated (or effective) _____ by and between Cherokee Farm Orthopedic Properties, LLC, as landlord, and University Health System, Inc. as tenant. If not checked, this paragraph is not applicable.

11. Attached hereto and incorporated herein for all purposes are the following additional exhibits:
Exhibit A -- Lease Standard Terms and Conditions; Exhibit B -- Floor Plan;
☐ Other -- Exhibit C -- Commencement Date; ☐ Other -- Exhibit D -- Build-Out Terms _____

Commented [HT(1)]: Add date of lease between CFOP and UHS

LANDLORD:	TENANT: UNIVERSITY OF TENNESSEE
By: _____	By: _____ Austin Oakes, Assistant Vice President
Date: _____	Date: _____
Name: _____	
Title: _____	By: _____ Jonathan Skmetti., Attorney General & Reporter (For Form and Legality)
	Date: _____

(Notary Acknowledgements Attached)

LANDLORD NOTARY

STATE OF TENNESSEE
COUNTY OF _____

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself/herself to be, the within named Landlord, and that he/she, executed the foregoing instrument for the purposes therein contained

Witness my hand and seal, at office in _____, Tennessee, this the ____ day of _____, 202____.

Notary Public

My Commission Expires: _____

TENANT NOTARY

STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared **Austin Oakes**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be **Assistant Vice President of the University of Tennessee**, the within named Tenant, and that he as such representative, executed the foregoing instrument for the purposes therein contained and signed the name of the University of Tennessee, by himself as **Assistant Vice President of the University of Tennessee**.

Witness my hand and seal, at office in Nashville, Tennessee, this the ____ day of _____, 20____.

Notary Public

My Commission Expires: _____

EXHIBIT A

NOTE: No hand written or interlineated changes to this Lease will override the printed text of this lease.

In consideration of the mutual covenants and representations set forth in the Lease (the "Lease") and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows. The capitalized terms used in this Exhibit A shall have the meaning assigned to such terms in the Lease, unless another meaning is assigned to such terms in this Exhibit A.

1. DEMISE. Upon the terms and conditions hereinafter set forth and as set forth in the Lease, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Leased Premises for the Term of the Lease. Landlord represents and warrants to Tenant that Landlord has the right to lease the Leased Premises to Tenant pursuant to the terms of the Lease. Landlord further represents and warrants to Tenant that there are no easements, covenants, restrictions or other agreements or instruments encumbering the Leased Premises that (i) contain any pre-approval rights relating to this Lease (including any lender approval rights) which have not been secured by Landlord, or (ii) would interfere with or restrict Tenant's ability to use the Leased Premises for office, research and any other purpose permissible under applicable law (the "Permitted Use"). Landlord further represents and warrants to Tenant that (x) the use of the Leased Premises for the various purposes for which it is presently being used is permitted under all applicable zoning legal requirements and (y) all utilities necessary for the use of the Leased Premises for the various purposes for which it is presently being used are being supplied to the Building via publicly dedicated utility easement areas.

2. RENT. The Monthly Rental Installments for the Lease of the Leased Premises shall be payable in arrears on the last day of each and every month during the term hereof to Landlord at Landlord's address as set forth on the Lease, provided Landlord has submitted a completed the ACH Form (as defined below) to Tenant. Landlord shall not invoice Tenant for services until Landlord has completed this form and submitted it to Tenant. The Monthly Rental Installments shall be prorated for any partial calendar month during the Term.

No payment shall be made by Tenant under this Lease until Tenant has received the following documentation properly completed:

1. Landlord shall complete, sign and present to Tenant an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by Tenant. By doing so, Landlord acknowledges and agrees that, once said form is received by Tenant, all payments to Landlord, under this or any other contract Landlord has with Tenant shall be made by Automated Clearing House (ACH).

2. Landlord shall complete, sign and present to Tenant a "Substitute W-9 Form" provided by Tenant. The taxpayer identification number detailed by said form must agree with Landlord's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Lease.

3. LANDLORD'S OBLIGATIONS.

A. Utilities:

Landlord shall, at Landlord's expense, furnish all utilities to the Leased Premises, including electrical, gas, water and sewer, heat, ventilation, and air conditioning in capacities sufficient for the Permitted Use; provided, however, Tenant shall be responsible for telephone and data services. Electrical, gas, water and sewer, must be provided on a 24 hours per day, 7 days a week basis. Heat, ventilation and air conditioning must be provided at least during the hours of 6:00am-7:00pm, Monday through Friday; provided, however, that the temperature of the telecom closet on the Leased Premises at all times shall be maintained between 64 and 75 degrees with a relative humidity range of 30-55%.

B. Maintenance

Landlord shall, at Landlord's expense, and as required to keep the Building and the Leased Premises in a good, attractive and safe condition, maintain and repair, in a good and workmanlike manner and in compliance with all replacement and maintenance schedules followed by prudent landlords of commercial buildings, (i) the Building, including, but not limited to, the repair, maintenance and replacement of the roof, foundation and exterior and load-bearing walls; (ii) the mechanical, plumbing and electrical systems, including, but not limited to, air conditioning, heating, plumbing, wiring and piping and all filters, valves and other components; (iii) the exterior of the Building and the land upon which the Building is located, including any landscaped areas, parking areas and driveways, including, but not be limited to the following: weekly lawn cutting during the growing season, debris pick-up, leaf removal, mulching of planting beds, maintain any landscaping, daily snow and ice removal from parking areas and entrances to the Leased Premises; (iv) elevators, if any; (v) interior of the Building and the Leased Premises, including but not limited to repair, maintenance, patching, mold, mildew, and moisture removal, and painting of the walls, floors, ceilings, carpet and other surfaces; (vi) all lighting components, including but not limited to, furnishing and monthly replacement of electrical light bulbs. Landlord shall also, at Landlord's expense, furnish and maintain appropriate outside trash and refuse receptacles for the disposal of trash and refuse from the Leased Premises. Furthermore, Landlord shall have maintenance personnel available to respond to routine calls within twenty-four (24) hours and emergency calls within four (4) hours. "Emergency" repair or maintenance calls shall include, but not be limited to, situations involving HVAC, electrical, plumbing, roof leaks, utility disruptions, ingress and egress, and environmental issues. Tenant shall be permitted to maintain, inspect, repair and replace any equipment or fixtures installed by Tenant on the Leased Premises (the "Tenant Maintenance"), and Landlord shall hold Tenant harmless for any damage to the Leased Premises caused by the Tenant Maintenance.

C. Insurance

Landlord shall, at Landlord's expense, maintain fire and extended coverage insurance on Leased Premises, in an amount not less than the full replacement cost of the Building, and comprehensive general liability insurance coverage in the sum of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate against any and all liability, loss or damage arising from any injury or damage to any person or property occurring in or about the Leased Premises

or the Building resulting from Landlord's negligence or matters arising for reasons beyond Tenant's control. The policies described in this Section shall name Tenant as an additional insured. Annually, Landlord shall furnish Tenant with a certificate of such coverage which shall provide that thirty (30) days' advance written notice shall be given to Tenant in the event of cancellation or material change in the insurance policies maintained as required herein.

D. Taxes

Landlord shall be responsible for payment of all real estate taxes assessed against the Building or land on which the Building is located, as well as all applicable local, state and federal income taxes which are or may be payable by Landlord. Landlord, by virtue of leasing property to Tenant, does not become a State of Tennessee agency, entity, or employee and is not entitled to any rights, privileges or immunities pertaining to the State or its agencies and instrumentalities.

E. Janitorial

Landlord shall, at Landlord's expense, provide janitorial services to the Leased Premises in accordance with the following schedule:

- i. Daily: Dust all furniture, counters, cabinets and window sills; sweep and/or vacuum all floors; empty all wastebaskets and ashtrays; dispose of all rubbish; clean and maintain in sanitary condition all restrooms and plumbing fixtures; sweep sidewalks, stairways and halls; and stock supplies.
- ii. Weekly: Mop all floors and dust all Venetian blinds; and vacuum carpets, if any.
- iii. Quarterly: Strip and wax all floors, if not carpeted.
- iv. Semi-Annually: Wash all windows, venetian blinds, light fixtures, walls and painted surfaces and clean all carpeted areas via commercial hot water extraction or commercial chemical dry cleaning.

F. Pest Control

Landlord shall, at Landlord's expense, provide monthly interior and quarterly exterior pest extermination services. All such services shall be performed after normal business hours.

Tenant shall reimburse the Landlord (monthly) for the costs of Sections 3A, 3B, 3C, 3D, 3E and 3F associated with and properly allocable to the Leased Premises. For Section 3.D. this reimbursement only applies real estate taxes assessed on the Building or land. The Landlord shall provide the Tenant, on an annual basis at the end of each year of the term of this Lease, a detailed list of costs subject to reimbursement under these sections. In order for any expenses to be reimbursable hereunder by the Tenant, the costs incurred by the Landlord must have been reasonable and necessary. The Landlord shall maintain documentation for all charges against the Tenant under this Lease. The books, records and documentation of the Landlord, insofar as they relate to reimbursement by the Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

In addition, annually Tenant shall reimburse Landlord a management fee estimated to be \$0.90 per square foot in year one of the lease and \$0.80 per square foot for costs associated with the Landlord's ground lease.

4. TENANT'S OBLIGATIONS. In addition to the said rent to be paid, Tenant also agrees to pay directly during the term of the Lease, commencing on the Commencement Date, the following items of expense as the same become due and payable:

A. ***The cost to service, keep and maintain the interior, including fixtures, doors, interior walls and appurtenances in good condition, repair and working order.***

B. All service costs and installations of all telephone or data services.

5. IMPROVEMENTS. Tenant shall have the right during the existence of the Lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the Leased Premises under the Lease or any prior lease of the Leased Premises by Tenant shall be and remain the property of Tenant and may be removed therefrom by Tenant prior to the termination or expiration of this Lease or any renewal or extension thereof, or within a reasonable time thereafter.

6. TERMINATION FOR CAUSE. Tenant may in its sole discretion terminate this Lease at any time for any of the following causes: (a) Landlord's failure to disclose any conflict or potential conflict of interest existing at the date of this Lease or hereafter created; (b) termination or consolidation of Tenant's operations or programs housed in the Leased Premises because of loss of funding; (c) lack of funding by the appropriate Legislative Body for obligations required of Tenant under this Lease; (d) misrepresentations contained in the response to the request for proposal or committed during the negotiation, execution or term of this Lease; (e) failure to comply with the assertions and promises set forth in the response to the request for proposals; (f) the availability of space in Tenant-owned property, provided that no cancellation for this reason may take place until the Lease has been in effect for one year; and (g) any default by Landlord which is not adequately remedied in accordance with **Section 8** hereof. Notwithstanding the foregoing, all terms and conditions of the Lease are made subject to the continued appropriations by the appropriate Legislative Body.

7. ENVIRONMENTAL PROVISIONS. Following due inquiry, Landlord represents that there are no hazardous substances or hazardous wastes as defined by the Comprehensive Environmental Response and Liability Act or any hazardous wastes as defined by the Resource Conservation and Recovery Act, or any mold, PCB's, radon or asbestos containing materials, located on, in or about the Leased Premises to be occupied by Tenant. Landlord agrees that should any hazardous wastes, hazardous substances, mold, PCB's, radon or asbestos containing materials be determined to be present as a result of the acts or omissions or negligence of any person or legal entity, other than Tenant, Landlord shall indemnify, hold harmless and defend Tenant from all claims, damages, expenses or litigation resulting from the presence of such materials. If Tenant reasonably believes that hazardous substances

may be present in the Leased Premises or the Building, Landlord will engage, at its expense, a qualified third party engineer to conduct an appropriate environmental survey. If hazardous substances are found or such survey indicates a risk of such hazardous substances being present in the Leased Premises or Building, then Landlord, at its expense, will make all necessary changes and/or corrections so that the Building and/or the Leased Premises are in compliance with all environmental laws and regulations. In the event Landlord discovers hazardous materials on the Leased Premises during the Term of this Lease, Landlord shall promptly notify Tenant.

8. DEFAULT. Tenant shall be in default of the terms of the Lease if Tenant shall fail to make a payment of any rent or additional rent, and such rent or additional rent is not paid within ten (10) days of written notice by Landlord to Tenant of non-payment of same, or in the event that Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty (30) days of written notice by Landlord to Tenant of such default, or, if it is not possible to complete the cure by such time, Tenant has not commenced the cure within such 30 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of default by Tenant hereunder:

- A. Landlord may continue the Lease in full force and effect and shall have the right to collect rent when due. During the term Tenant is in default, Landlord may re-enter the Leased Premises with legal process and relet same, or any part thereof, to third parties for Tenant's account. Tenant shall pay to Landlord the rent due under the Lease on the date such rent is due, less the rent Landlord receives from any reletting. Landlord shall make its best efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total rent due for the remainder of the term.
- B. Landlord may terminate the Lease pursuant to the terms of this Section. Upon termination, Landlord shall have the right to collect an amount equal to all expenses, if any, not including attorneys' fees, incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated by Tenant.

Except as specifically set forth herein, Landlord shall be in default of the terms of the Lease if Landlord shall commit an act of default under the terms hereof, and shall not cure such default within twenty (20) days of written notice by Tenant to Landlord of such default, or, if it is not possible to complete the cure by such time, Landlord has not commenced the cure within such 20 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of a default by Landlord hereunder, Tenant may, in addition to all rights and remedies available at law or in equity, (i) cure such default and deduct any reasonable and necessary amounts incurred by Tenant in connection therewith from the rent next due by Tenant hereunder with the presentment of receipts for such reasonable and necessary actions, or (ii) terminate the Lease. Notwithstanding the foregoing, in the event that Tenant is unable, in its reasonable judgment, to operate in the Leased Premises as a result of the failure by Landlord to satisfy its obligations pursuant to Section 3 hereof (A) for a period of more than forty eight (48) consecutive hours, then the rent shall abate during the entire period of the disruption and Tenant shall have the right to terminate the Lease in the event Landlord remains unable to satisfy its obligations pursuant to Section 3 hereof for a period of more than ten (10) consecutive days; or (B) more than ten (10) days during any twelve (12) month period, then Tenant shall have the right to terminate the Lease.

9. END OF TERM. At the termination of this Lease, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any equipment, furniture, trade fixtures or other personal property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal. In the event of holding over by Tenant after the expiration or termination of the Term of this Lease, Tenant shall pay rent at the then-current rate for rent as set forth in the Lease, on a monthly basis and the Term of this Lease shall be automatically extended for successive periods of one (1) year each; provided that during any automatically extended period following the expiration of the Term of this Lease, Landlord and Tenant shall each have the right to terminate this Lease by delivering written notice to the other at least ninety (90) days prior to the desired expiration date.

10. MISCELLANEOUS. The article captions contained in the Lease are for the convenience of the parties only and shall not be considered in the construction or interpretation of any provision hereof. Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required to make hereunder. The making of repairs by Landlord or its agents shall be coordinated with Tenant to minimize disruptions of Tenant's conduct of business in the Leased Premises. The Lease contains the entire agreement between the parties and supersedes any and all other prior oral and written agreements between the parties regarding the subject matter contained herein and may not be changed or terminated orally but only by agreement in writing and signed by all parties. Landlord and Tenant acknowledge and agree that (i) all exhibits referenced in the Lease (or in any of its exhibits) are incorporated into the Lease by reference, and (ii) any reference to "the Lease," "this Lease," "hereunder," "herein" or words of like import shall mean and be a reference to the Lease including such exhibits. No waiver by either party shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision. The Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators. Landlord has provided to Tenant a list of names and addresses of persons, associations, or corporations who hold any financial interest in the Leased Premises; such list shall be immediately revised in the event of a transfer of any such interest. The Lease Proposal Package from which this lease originated and the Landlord's response to the Lease Proposal Package (collectively, the "Proposal Package") is hereby incorporated in the Lease; provided, however, that in the event of any conflict between the terms of the Proposal Package and the Lease, the terms of the Lease shall control.

11. DAMAGE OR DESTRUCTION. If the Leased Premises are damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any personal property which is owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty (60) days after the occurrence of such damage. Landlord shall notify Tenant within fifteen (15) days of the event of casualty of its determination. Until such repairs are completed, the rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty (60) days and Landlord nonetheless chooses to repair, then Tenant may, at its option, continue as Tenant under the Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate the Lease. A total destruction of the Building in which the Leased Premises are located shall

automatically terminate the Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

12. NOTICES. Any notice required or permitted to be given hereunder shall be sufficiently given if personally served, sent by registered or certified mail, or by reputable overnight courier, addressed to the relevant party at the addresses specified in the Lease, for Landlord,

and for Tenant to:

The University of Tennessee
Real Property & Space Administration
5723 Middlebrook Pike
Knoxville, TN 37996.

13. QUIET ENJOYMENT. Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof.

14. SUBORDINATION, ATTORNMEN T AND NON-DISTURBANCE. Tenant agrees that the Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage (collectively, "Mortgages"); provided as a condition to such subordination, any holder of the Mortgage must enter into a Subordination, Non-Disturbance and Attornment Agreement with Tenant in form reasonably acceptable to Tenant. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any Mortgage covering the Leased Premises or the Building, or in the event of termination of any Lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as Landlord under the Lease, unless the Lease is terminated. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of rent, or in the performance of any of the other terms, covenants or conditions of the Lease beyond any applicable cure periods, no mortgagee or similar person shall disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of the Lease notwithstanding any event or proceedings described in this section.

15. APPROVALS. Neither this Lease nor any amendment or modification hereto shall be effective or legally binding upon Tenant, unless and until a fully executed, original Lease has been returned to Tenant and the review and approval by all appropriate State officials and the State Building Commission, if applicable has been obtained.

16. COMPLIANCE WITH LAWS. Landlord represents and warrants to Tenant that as of the date of execution of this Lease, the Building complies with the provisions of the Americans with Disabilities Act (ADA) in all material respects. Landlord hereby indemnifies and holds harmless Tenant from and against all costs, liabilities, and causes of action occurring or arising as a result of Landlord's failure to comply with any of the requirements of the ADA or similar laws or as a result of any violation of any of the requirements of the ADA or similar laws by Landlord or its agents. Landlord shall provide all life safety equipment, including but not limited to, fire extinguishers and smoke alarms, in compliance with applicable municipal building codes.

17. FORCE MAJEURE. With the exception of the obligation of Tenant to pay rent and all other amounts that may be due from time to time under this Lease, if either party shall be delayed or hindered in or prevented from doing or performing any act or thing required hereunder by reason of any matters beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act or thing shall be extended for a period equivalent to the period of such delay. In such event, this Lease and the obligations of both parties to perform and comply with all of the other terms and provisions of this Lease shall in no way be affected, impaired, or excused.

18. RECORDS RETENTION. Landlord shall maintain documentation for all charges against Tenant under the Lease. The books, records and documentation of Landlord, insofar as they relate to reimbursement by Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

19. SPACE AUDIT. Landlord certifies that the rentable square feet set forth in the Lease is accurate to the best of its knowledge. Tenant reserves the right to perform physical measurements of the Leased Premises and adjust the Monthly Rental Installments proportionally based upon such measurements. Tenant shall use the current Building Owner's and Manager's Association standards of measurements for either single or multi-tenant occupancy, whichever is applicable.

20. COMMON AREAS. During the Term of the Lease, Landlord agrees that Tenant and its employees, agents, invitees and visitors shall have the non-exclusive right to use the Common Areas and Shared Conference Room on the 3rd floor for their intended purpose. Except for repairs, maintenance and replacements required under this Lease, Landlord shall not materially alter (or permit the material alteration of) any entrances, exits, corridors, sidewalks or hallways providing access to or from the Leased Premises. Landlord represents and warrants to Tenant that the Common Areas include all areas which are necessary for the use of the Leased Premises for its current use. As used herein, "Common Areas" means all portions of the Building intended for the general use or benefit of tenants or owners of the Building, and their employees, agents, and visitors, including, without limitation, all entrances, common corridors, parking areas, loading and unloading areas, trash areas, roadways, walkways, sidewalks and driveways.

**EXHIBIT B
FLOOR PLAN**

EXHIBIT C
COMMENCEMENT DATE

Commencement Date Agreement

RE: Lease dated as of _____, by and between _____, as
Landlord, and the University of Tennessee, as Tenant.

Dear Sirs:

Pursuant to the terms of the above captioned Lease, please be advised as follows:

1. The Commencement Date of the Lease Term is the ____ day of _____, 202__, and the
Expiration Date of the Lease Term is the ____ day of _____, _____, subject however
to the terms and provisions of the Lease.
2. Terms denoted herein by initial capitalization shall have the meanings ascribed thereto in the
Lease.

LANDLORD

By: _____

Title: _____

ACKNOWLEDGED AND AGREED:

University of Tennessee

By: _____

Title: _____

EXHIBIT D
BUILD OUT TERMS

1. Tenant's space needs and conceptual renovations are attached to this Exhibit D. Landlord's architect will meet with Tenant to refine these conceptual renovations. Landlord will provide a schedule for all work within f_____ (____) days of execution of this Amendment.
2. Landlord shall cause to be prepared by Landlord's architect or engineer the following:
 - (a) Detailed working drawings and specifications, including mechanical and electrical plans and specifications where necessary for the installation of air conditioning system and ductwork, heating, electrical, plumbing and other engineering plans (collectively, the "Plans"), for Landlord's build-out of the Leased Premises (the "Landlord's Work"); and
 - (b) Any subsequent modifications to the construction documents and specifications required by Landlord or requested by Tenant and agreed to by Landlord.
2. Landlord shall submit for Tenant's approval the Plans within ____ (____) days of the date of this Lease. If Tenant has not approved the Plans within fifteen (15) days of receipt, then the Plans shall be deemed disapproved. If Tenant disapproves the Plans, Landlord shall revise and resubmit the same to Tenant for approval within ten (10) business days following receipt of Tenant's disapproval, which process shall continue until the Plans are approved. A copy of the Plans shall be attached to the Lease as Exhibit E.
3. Any approval by Tenant of or consent by Tenant to any plans, specifications or other items to be submitted to and/or reviewed by Tenant pursuant to this Lease shall be deemed to be strictly limited to an acknowledgment of approval or consent by Tenant thereto and such approval or consent shall not constitute the assumption by Tenant of any responsibility for the accuracy, sufficiency or feasibility of any plans, specifications or other such items and shall not imply any acknowledgment, representation or warranty by Tenant that the design is safe, feasible, structurally sound or will comply with any legal or governmental requirements, and Landlord shall be responsible for all of the same.
4. Landlord will provide a Tenant Improvement Allowance of \$45 per square foot or \$147,060.00 for Landlord's Work. Tenant is responsible for the cost of Landlord's Work that exceeds this amount.
5. Landlord's Work requested by Tenant and approved by Landlord shall be performed (i) by Landlord's contractor or another contractor approved by Landlord, (ii) in a good and workmanlike manner, and (iii) in accordance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Leased Premises. Landlord agrees to request three bids from qualified contractors for the Landlord's work. Preference will be given to the lowest cost option unless this contractor is unable to meet the delivery date, has not demonstrated the ability to meet applicable codes and laws, or other reasons deemed significant by Landlord or Tenant. Prior to executing the construction contract, Landlord will seek approval from Tenant in writing. Once executed, any changes to the scope of work, schedule or budget must be approved by Tenant. Tenant assumes no liability for change orders that were not approved by Tenant prior to the work being completed.
6. During Landlord's work and on a monthly basis, Landlord will provide to Tenant copies of invoices indicating the work that was completed, the percent completion of the work, the amount paid and the remaining balance in the construction contract.
7. Landlord will cause Landlord's Work set forth in the Build Out Plans to be substantially completed and for occupancy within _____ (xx) days of Tenant's approval of the Build Out Plans. If Landlord's Work is not substantially complete and the Certificate of Occupancy has not been received by Landlord by such time, then Tenant, in its sole discretion, shall have the right to terminate the lease.
8. Landlord will allow Tenant's contractor to install telecommunications, fiber optic, and other cabling to support Tenant's audio and video needs while Landlord's Work is occurring.

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

Recitals

Whereas, Tennessee State University (“TSU”) proposes to lease from Jefferson Flats Managers, LLC (“Landlord”) the entirety of the Jefferson Flats apartment complex (the “Apartments”) located at 2714 Jefferson Street, Nashville, Tennessee (the “Lease”) because TSU does not currently have the campus housing capacity necessary to meet the student demand brought on by skyrocketing housing costs in the Nashville metro area; and

Whereas, the Apartments are located adjacent to the TSU campus and have been recently renovated; and

Whereas, TSU originally hoped to house graduate students at Jefferson Flats, but due to its current, dire need for undergraduate student housing, TSU now intends to place two (2) undergraduate students per bedroom at the Apartments for the Spring 2023 and Summer 2023 semesters; and

Whereas, TSU plans to offer units at the Apartments to graduate students once TSU’s undergraduate student housing needs are met through other upcoming projects; and

Whereas, pursuant to the Lease, TSU will have access to twenty-two (22) units, including ten (10) one-bedroom units and twelve (12) two-bedroom units (thirty-four (34) total bedrooms), allowing TSU to house up to sixty-eight (68) individuals adjacent to campus with no need for shuttle or dining services; and

Whereas, the Lease term runs from January 5, 2023, through January 4, 2028, the cost per bedroom throughout the term of the Lease, including utilities and maintenance, is one thousand seventy-eight dollars and forty-three cents (\$1,078.43) per month (for a total of four hundred forty thousand dollars and no cents (\$440,000.00) per year); and

Whereas, TSU will have Residence Life and security staff on site and will control the Apartments, including the adjacent gated parking area; and

Whereas, TSU may terminate the Lease with one hundred eight (180) days’ written notice to Landlord; and

Whereas, the Lease payments will be funded by TSU 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 Tennessee State School Bond Authority (the “Authority”) gives its approval for TSU 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 November 28, 2022.

Adopted by the Authority at its meeting on November 28, 2022.

JASON E. MUMPOWER, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

TENNESSEE STATE UNIVERSITY

Acquisition – Lease

Requested Action: **Approval of lease**

Transaction Description: Transaction No.

- **Proposed Lease**

- **Location:** Jefferson Flats, 2714 Jefferson Street, Nashville, Davidson County, TN
- **Landlord:** Jefferson Flats Managers, LLC
- **Term:** Five (5) years (January 5, 2023 – January 4, 2028)
- **Area / Costs:** 34 bedrooms / 10 one-BR units, 12 two-BR units / 15,860 total square footage
\$1,078.43 per bedroom per month
Total Year 1 cost: \$440,000.00
Average cost: \$440,000.00

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

- **Procurement Method:** Negotiated

Comment: Tennessee State University does not currently hold any housing options for graduate students despite student demand brought on by skyrocketing housing costs in the Nashville metro area. The Jefferson Flats apartment complex is located adjacent to the TSU campus, has been recently renovated, and is willing to lease the entire complex to the university.

Due to the timing of the complex's availability, TSU intends to place undergraduate students at the complex for the spring 2023 semesters. TSU plans to offer the complex units to graduate students in the future.

The Jefferson Flats lease will provide TSU the ability to house up to 68 individuals adjacent to campus with no need for shuttles or dining services. TSU will have Residence Life and security staff on site and will control the entire complex, including its adjacent gated parking area.

Utilities and maintenance are included in the negotiated rent and there is no increase in the rent amount over the five-year term.

Previous action: 06/21/2021 Approved waiver of advertisement

Tennessee State University

Executive Summary and Request for Waiver of Advertisement

Tennessee State University requests approval of waiver of advertisement and approval of a five-year lease with the Jefferson Flats apartment complex located at 2714 Jefferson Street, Nashville, Tennessee 37209, to house TSU students.

Under the lease agreement, TSU will have access to the entire complex which includes twelve two-bedroom apartment units and ten one-bedroom apartment units, common spaces, and an adjacent gated parking area. The cost of electrical, water, and stormwater utilities is included in the rent amount.

Request

Tennessee State University is asking for approval of a lease agreement with Jefferson Flats Managers, LLC for the Jefferson Flats apartment complex located adjacent to TSU's main campus. This five-year lease agreement will provide TSU with the ability to provide a housing option to graduate students. Due to the timing of the complex's availability, TSU intends to place undergraduate students in the complex in the spring 2023 semester and thereafter offer the units to graduate students.

The Jefferson Flats apartment complex offers a total of 34 bedrooms which can accommodate up to 68 individuals. Due to its close proximity to the campus, no shuttle or dining services will be needed at this location. TSU will have Residence Life and security staff on site and will control the entire complex.

Benefit to TSU

TSU is committed to serving its student population, including housing services to accommodate student needs. The benefits to TSU include:

- Increased retention of students by providing affordable housing in the increasingly unaffordable Nashville market.
- Students may utilize financial aid to cover the cost of their on-campus housing
- Provides a housing option for TSU's graduate students.

Jefferson Flats Housing

		Residence Hall	Number of Beds	Cost per student	Student Housing (per semester)	# of Rooms	Cost per room	Housing Costs (per semester)	Net
									-
Spring 2023		Jefferson Flats	64	3,500	\$ 224,000	34	6470.58	\$ (220,000)	4,000
Fall 2023		Jefferson Flats	64	3,675	\$ 235,200	34	6470.58	\$ (220,000)	15,200
Spring 2024		Jefferson Flats	64	3,675	\$ 235,200	34	6470.58	\$ (220,000)	15,200
Fall 2024		Jefferson Flats	64	3,859	\$ 246,960	34	6470.58	\$ (220,000)	26,960
Spring 2025		Jefferson Flats	64	3,859	\$ 246,960	34	6470.58	\$ (220,000)	26,960
Fall 2025		Jefferson Flats	64	4,052	\$ 259,308	34	6470.58	\$ (220,000)	39,308
Spring 2026		Jefferson Flats	64	4,052	\$ 259,308	34	6470.58	\$ (220,000)	39,308
Fall 2026		Jefferson Flats	64	4,254	\$ 272,273	34	6470.58	\$ (220,000)	52,273
Spring 2027		Jefferson Flats	64	4,254	\$ 272,273	34	6470.58	\$ (220,000)	52,273
Fall 2027		Jefferson Flats	64	4,467	\$ 285,887	34	6470.58	\$ (220,000)	65,887

Notes: There are no additional charges for shuttle services as Jefferson Flats is on the same daily route. Undergraduate students will be housed at Jefferson Flats during the Spring 2023 semester. Thereafter it will be reserved for graduate and nontraditional students.

Master Lease Agreement

This Master Lease Agreement (the “Lease Agreement”) is dated _____, 2022 and is between **Jefferson Flats Managers, LLC**, a Delaware limited liability company (“Lessor”) and **Tennessee State University**, acting for the benefit of the Tennessee State University Board of Trustees (“Institution”).

Background:

Institution has a need to increase the currently available student housing and desires to place students, resident assistants, and/or employees in apartments owned by Lessor.

Lessor has twenty-two (22) units for a total of thirty-four (34) bedrooms available at its apartment complex known as Jefferson Flats and located at 2714 Jefferson Street, Nashville, TN 37208 (“Complex”) and has agrees to lease such units to Institution (the “Leased Units”).

The nature of the transaction between Institution and Lessor is that Institution will be responsible for paying rent to Lessor. Institution’s students will occupy the units as described in Schedule A.

Lessor and Institution agree as follows:

1. **Term:** The term of this agreement begins at 12:01 a.m. Central on January 5, 2023, and end at 11:59 p.m. Central on January 4, 2028.
2. **Termination:**
 - a. **When Allowed:**
 - i. **By Either Party:** Either party may terminate this Agreement if a party is insolvent and/or files a voluntary petition in bankruptcy or consents to or acquiesces in the filing of an involuntary petition in bankruptcy.
 - ii. **By Institution:**

Institution shall have the right to terminate this Agreement at the end of any fiscal year in the event sufficient funds are not appropriated by the General Assembly and/or budgeted for continuation of this Agreement. In the event funds are not appropriated or budgeted for continuation of this Agreement, Institution shall provide notification to Lessor within three (3) business days. Institution may terminate this Agreement by providing no less than one hundred eighty (180) days written notice of such to Lessor.
 - iii. **By Lessor:**

Lessor shall have the right to terminate this Agreement in the event that (a) Institution ceases to have legal existence, or (b) if Lessee's representations are untrue or are misleading when made.

- 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 of termination, Lessor shall be entitled to receive payment for Rental Fees, late fees and property damage incurred up to the date of termination, but in no event shall Institution be liable to Lessor for Rental Fees beyond the date of termination. Upon such termination and 100% tenant removal from property, Lessor shall have no right to any special, incidental, consequential, damages whatsoever of any description or amount. Either party may terminate this Agreement if the other party defaults on the performance of its obligations under this Agreement and fails to cure the default within thirty (30) days of notice from the terminating party.
3. **Lease and Deliverables:** Lessor hereby leases to Institution and Institution hereby leases from Lessor the Complex as described on Schedule A, together with rights to utilize all common areas associated with the Complex. Lessor shall provide the deliverables stated in Schedule A throughout the Lease Term (as defined below). Lessor shall not charge occupants for any deliverables stated in Schedule A.
4. **Payment:** Institution shall pay Lessor the ("Rental Fees") listed in Schedule A. All Rental Fees shall be sent by Institution to Lessor at the address designated in Section 19 below upon receiving an invoice. Payments to Lessor shall be made as follows throughout the Term of this Lease Agreement:

January 5: \$183,333.34

June 5: \$110,000.00

September 5: \$146,666.66

Lessor shall send invoices to Institution no less than forty-five (45) days prior to the date the payment is due. Payments will be considered late on the 6th day after the payment is due, provided timely delivery of the invoice. Any applicable interest on such amount shall be paid by Institution at the maximum rate permitted under the Tennessee Prompt Payment Act (T.C.A. §12-4-701 et. seq.). If Lessor is a non-resident alien, payment of any portion of this Agreement from any source will not be made by the Institution until an individual Taxpayer Identification Number or Social Security Numbers has been assigned to Lessor by the Internal Revenue Service and Immigration Naturalization Service and presented to the Institution. Any applicable interest payment obligations by the Institution will not be unduly withheld to the Lessor and shall survive the expiration or termination of this Agreement.

5. **Condition of Premises:** Lessor shall deliver possession of the Complex on January 5th, 2023. To the best of Lessor's knowledge the Leased Units are in good working order and repair. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants or agreements, expressed or implied, to such party other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants or

agreements other than those expressly set forth herein. By its acceptance of this agreement, institution acknowledges that lessor has made no representations or warranties of any kind whatsoever (and that lessor has made no express or implied representations or warranties or merchantability, or fitness for a particular purpose), that institution has made all such investigations and assessments of the leased units as institution deems or has deemed appropriate to inform itself as to the condition of the leased units, and that institution accepts the leased units and is leasing the leased units and any improvements thereon "as is, where is and with all faults, if any",

6. Damages:

- a. **Institution Obligations:** Any repairs or replacements required to the Leased Units and the common areas of the Complex caused by vandalism, negligence, willful misconduct or abuse or otherwise not considered to be "normal wear and tear" shall be the student's responsibility, reimbursed by the University with student funds as provided in Subsection (b) below.
- b. **Security Deposits:** No security deposits will be collected from students. Lessor will invoice Institution separately for any damages not considered to be normal wear and tear and provide Institution appropriate documentation to support any such claim. Institution will review and confirm the amount of damages that will be approved for reimbursement with student funds of any such claim and remit same to Lessor within thirty (30) days of receipt of written invoice by Lessor.

7. **Rules and Regulations:** Institution 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. Notwithstanding the foregoing, in the event Lessor determines, in its sole and absolute discretion, that a student should be evicted from the Complex, Institution shall use reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to assist Lessor in evicting any such student.
8. **Maintenance and Repairs:** Lessor shall maintain the Leased Units and the Complex in good working order and in the same condition or better as exists on the date of this Agreement. Institution will ensure that the students are aware of how to request maintenance, including repairs, and will forward such requests to Lessor as needed.
9. **Fire and Other Casualties:** In the case of damage by fire or other casualty to the Complex, if the damage is so extensive as to render a Leased Unit untenable, this agreement will terminate immediately for the affected Leased Unit(s), 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 Institution under this Agreement. Lessor will maintain its records for at least three (3) years and will maintain its records in accordance with generally accepted accounting principles.
- b. **Audit:** During the term of this agreement and for three (3) years after the last payment from Institution to Lessor under this Agreement, the State of Tennessee Comptroller or Institution'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" vendor by the U.S. federal government.

12. **Background Checks:**

- a. General Obligation: Lessor will not knowingly assign any individual to provide services to Institution 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.
- b. Tennessee Abuse Registry; Tennessee Sex Offender: Lessor must inform Institution immediately if any of Lessor's employees or subcontractors are listed in the Tennessee Abuse Registry and/or the Tennessee Sex Offender Registry. Institution must inform Lessor immediately if Institution is or becomes aware that any of the students, resident assistants, and/or employees placed at the Complex are listed in the Tennessee Abuse Registry and/or the Tennessee Sex Offender Registry.
- c. Prompt Background Checks: If Institution requests, Lessor must perform a comprehensive criminal background check on any Lessor employee or subcontractor.

13. **Reporting:** If either Lessor or Institution has actual knowledge of the items below, it shall notify the other party immediately if any of the following items occur in one of the Leased Units or elsewhere on the Complex:

- a. Crimes, including attempted crimes
- b. Emergencies
- c. Alcohol consumption by minors
- d. Use of illegal drugs

14. **Insurance:** Lessor shall comply with the insurance requirements stated in Schedule B.

15. **Illegal Immigrants:** In compliance with the requirements of T.C.A. § 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 a result of circumstances beyond its control (including, without limitation, pandemic, 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 laws of the State of Tennessee govern this Agreement. Institution'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 subsection (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:

Evan Holladay
Jefferson Flats LLC
9020 Overlook Blvd, Suite 120
Brentwood, TN 37027
1.859.307.8652

Wes Weigel
Westcott Law PLLC
109 Westpark Drive, STE 230
Brentwood, TN 37027
1.615.794.8780

evan@holladayventures.com

wweigel@westcottlawtn.com

Institution:

Frank Stevenson
Assoc. Vice President of Student Affairs
Tennessee State University
3500 John A. Merritt Blvd.
Nashville, TN 37209
(615) 963-2154
fsteven1@tnstate.edu

Laurence Pendleton
General Counsel
Tennessee State University
3500 John A. Merritt Blvd.
Nashville, TN 37209
(615) 963-7925
laurence.pendleton@tnstate.edu

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:** In compliance with the requirements of T.C.A. § 12-3-306, Lessor hereby attests that it has registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Agreement.
21. **Iran Divestment Act:** Lessor certifies, under penalty of perjury, that to the best of its knowledge and belief, Lessor is not on the list created pursuant to T.C.A. § 12-12-106. Lessor further certifies that it shall not utilize any subcontractor that is on the list created pursuant to T.C.A. § 12-12-106.
22. **Third-Party Beneficiaries:** Excepting the students, there are no other intended third-party beneficiaries to this Agreement. Institution is not a party to, and is not responsible for, any agreements between Lessor and students directly.
23. **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.
24. **Modification; Waiver:**

a. Modification:

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.

- i. Only Institution's authorized officials have the authority to bind Institution.
- ii. 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.

25. **Counterparts; Electronic Signatures:** If the parties sign this Agreement in several counterparts, each will be deemed an original, but all counterparts together will constitute one instrument. Electronic signatures of this Agreement (such as a pdf scan) shall be binding and deemed as valid as an original signature.

26. **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.

27. **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 Institution. 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 Institution.

28. **End of Term:** Upon termination or expiration of this Agreement, Institution will peaceably surrender to Lessor the Leased 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 for which Lessor is responsible pursuant to this Lease Agreement, excepted. Institution will have no duty to remove any improvements or fixtures placed by it on the Leased Units or to restore any portion of the Leased Units altered by it, save and except in the event Institution elects to remove any such improvement or fixture and such removal causes damages or injury to the Complex 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 and approved for form and legality by the Attorney General and Reporter.

JEFFERSON FLATS MANAGERS LLC

TENNESSEE STATE UNIVERSITY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: President/President's Designee

Date: _____

Date: _____

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Personally appeared before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared Dr. Glenda Glover, with whom I am personally acquainted (or provide to me on the basis of satisfactory evidence), and who upon oath acknowledged herself to be President of Tennessee State University, and that she as such representative, executed the foregoing instrument for the purposes therein contained and signed the name of Tennessee State University, by herself as President of Tennessee State University.

Witness my hand and official seal, at office in Nashville, TN, this the ____ day of _____, 2022.

Notary Public

My commission expires:

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Personally appeared before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared Evan Holladay, _____ of Jefferson Flats Managers, LLC, with whom I am personally acquainted (or provide to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be _____ of Jefferson Flats Managers, LLC, and that he as such representative, executed the foregoing instrument for the purposes therein contained and signed the name of Jefferson Flats Managers, LLC, by himself as _____.

Witness my hand and official seal, at office in Nashville, TN, this the ____ day of _____, 2022.

Notary Public

My commission expires:

Approved for form and legality:

Jonathan Skrmetti
Attorney General and Reporter

Schedule A

Deliverables:

1. **Electricity, Gas, HVAC, Sewer and Water:** The rental amounts listed below include the costs of all utilities which will be provided in reasonable capacity for use of the Leased Units as residential apartments. Institution shall pay to Lessor all utility costs occasioned by electronic data processing equipment, telephone equipment, computers, special lighting, and other equipment of high utility consumption if and to the extent such utility consumption exceeds normal residential usage of \$200 per unit per month. Lessor reserves the privilege of stopping any or all utility services in case of an accident, breakdown, or for the purpose of making alterations, repairs or improvements, upon reasonable notice under the circumstances. Subject to Tennessee law, including T.C.A. § 66-28-101-522, Lessor shall not be responsible for the failure of any equipment or machinery to function properly or for disruption on account of any such interruption of utility services.
2. **Washer and Dryer:** Included in all units.
3. **Parking:** As part of this Agreement, Lessor shall offer use of the full parking lot located on the premises for the Leased Units residents and Institution staff. Lessor agrees to maintain the parking lot in working order throughout the term of the Agreement.
4. **Common Areas:** Lessor shall maintain common areas throughout the term of the Lease Agreement, including all landscaping.
5. **Access:** Institution will have access to the Leased Units and common areas at all times (24/7). Two master keys and gate access will be provided to Institution for access to all Leased Units. Lessor will provide Institution with access to video security footage upon Institution's request.
6. **Pest Control:** Lessor will provide pest control services with the exception of bed bug treatments which will be provided by Institution.

Leased Units:

Total Number of Units:	22
Total Cost Per Month:	\$36,666.66
Total Annual Cost:	\$440,000

Unit Number	Number of Bedrooms	Square Feet
101	2	780
102	2	780
103	1	650
104	1	650
105	2	780
106	1	650
107	2	780
108	2	780
109	1	650
110	1	650
111	2	780
201	2	780
202	2	780
203	1	650
204	1	650
205	2	780
206	1	650
207	2	780
208	2	780
209	1	650
210	1	650
211	2	780

Schedule B

Institution Insurance requirements: Institution, as an agency of the State of Tennessee is self-funded and does not carry or maintain commercial general liability insurance or medical, professional or hospital insurance. Any and all claims against the State, including the Institution or its employees, shall be heard and determined by the Tennessee Claims Commission in the manner prescribed by law. Damages recoverable against the State shall be limited to claims paid by the Claims Commission pursuant to TCA §9-8-301 et seq.

Lessor 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 liability assumed under an insurance agreement, including defense costs. The policy must be endorsed to include the following additional insured language: “Tennessee State University, 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, [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

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: \$1,000,000

Aggregate Limit: \$1,000,000

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

1. On insurance policies where Institution is named as an additional insured, Institution must be an additional insured to the full limits of liability purchased by Lessor, even if those limits of liability are in excess of those required by this Agreement.
2. 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 Institution, except when cancellation is for non-payment of premium; then 10 days' prior notice may be given.

If any insurance company refuses to provide the required notices, Lessor or its insurance broker shall notify Institution of any cancellation, suspension or non-renewal of any insurance within seven (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 Institution 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 Institution before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of the lease under this Agreement and remain in effect for the duration of the Lease Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal is a material breach of contract.

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

Subcontractors: Lessor's certificate(s) must include all subcontractors as additional insured under its policies, or Lessor shall furnish to Institution 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 State of Tennessee Claims and Risk Management Division, whose decision will be final. Such action will not require a formal amendment to this Agreement.

**RESOLUTION AUTHORIZING AND PROVIDING WITH RESPECT TO
SECOND AMENDED AND RESTATED REVOLVING CREDIT
AGREEMENT**

WHEREAS, the Tennessee State School Bond Authority (the “Authority”) previously entered into a Revolving Credit Agreement dated as of March 20, 2014, with U.S. Bank National Association (“U.S. Bank”) and Wells Fargo Bank, National Association (“Wells Fargo” and, together with U.S. Bank, the “Banks”) as several (not joint) lenders thereunder, and U.S. Bank as administrative agent for both Banks, as amended, including as most recently amended by the Amended and Restated Revolving Credit Agreement dated as of June 2, 2021 (the “Prior Revolving Credit Agreement”); and

WHEREAS, borrowings under the Prior Revolving Credit Agreement are based primarily on a London Interbank Offered Rate (LIBOR), and in contemplation of the announced cessation of LIBOR as a reference rate, the Authority desires to replace LIBOR-based rates with rates primarily based on Secured Overnight Financing Rate (SOFR) calculations; and

WHEREAS, to effectuate such replacement, the Authority now desires to amend and restate the Prior Revolving Credit Agreement with an amended and restated revolving credit agreement, and to confirm and ratify the Prior Authorizing Resolution (as hereinafter defined) and related agreements,

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TENNESSEE STATE SCHOOL BOND AUTHORITY:

SECTION 1. Certain Definitions. As used herein:

(a) “Prior Authorizing Resolution” means the Resolution Authorizing and Providing with Respect to Revolving Credit Agreement, Loans and Promissory Notes, and Termination of Commercial Paper Program, adopted by the Authority on March 13, 2014, as heretofore amended.

(b) “Second Program Bond Resolution” means the Higher Educational Facilities Second Program General Bond Resolution adopted by the Authority on April 27, 1998, as amended.

(c) The following term shall have the respective meanings given to them in the Second Program Bond Resolution: Project Costs.

(d) The following terms shall have the respective meanings given to them in the Revolving Credit Agreement (as such term is defined in Section 2(a)):

- (i) Advances;
- (ii) Authorized Representative;
- (iii) Notes;
- (iv) Obligations;
- (v) Reimbursement Obligations;

- (vi) Revolving Loans;
- (vii) Taxable Loans;
- (viii) Tax-Exempt Loans; and
- (ix) Term Loans.

SECTION 2. Amended and Restated Revolving Credit Agreement; Promissory Notes; Authorized Representatives. (a) *Revolving Credit Agreement.* The Authority hereby authorizes the execution by the Secretary of the Authority (or any other officer or member of the Authority designated by him), and delivery to the other parties of, and the performance of the Authority's obligations under, an amended and restated revolving credit agreement among the Authority, U.S. Bank and Wells Fargo as lenders thereunder, and U.S. Bank as administrative agent, substantially in the form of the "Second Amended and Restated Revolving Credit Agreement" presented to this meeting and previously distributed to the members of the Authority, with such changes and additions to and omissions from said form as the person executing such agreement, after consultation with counsel to the Authority, shall approve as necessary or appropriate (the "Revolving Credit Agreement"), such execution and delivery to be conclusive evidence of such approval and consultation.

(b) *Authorized Representatives.* The Chairman, Vice Chairman, Secretary and any Assistant Secretary of the Authority and the Secretary of State, State Treasurer and Commissioner of Finance and Administration of the State, or any of them, are hereby appointed as Authorized Representatives for purposes of the Revolving Credit Agreement.

SECTION 3. Borrowings Under Revolving Credit Agreement. (a) *Borrowings Authorized.* Any Authorized Representative is hereby authorized to make borrowings under and pursuant to the Revolving Credit Agreement from time to time, by requesting Advances and Revolving Loans thereunder and converting Revolving Loans into Term Loans and otherwise as provided in the Revolving Credit Agreement, in such amounts and at such times as shall be determined to be necessary or appropriate by such Authorized Representative, the request for and conversion of such borrowings to be conclusive evidence of such determinations.

(b) *Purpose of Borrowings.* Borrowings may be made under and pursuant to the Revolving Credit Agreement only (i) to pay Project Costs, including but not limited to funded interest, (ii) in the case of Tax-Exempt Loans, to prepay the principal of Taxable Loans, and *vice versa*, and (iii) to pay or provide for the payment or prepayment in full of any outstanding revolving loans or notes issued and outstanding under the Prior Revolving Credit Agreement as of the Effective Date.

(c) *Compliance with Term Limits.* The Revolving Credit Agreement includes provisions whereby each Advance or Revolving Loan and, if the same is converted to a Term Loan, such Term Loan shall mature not later than six (6) years after the date such Advance or Revolving Loan is made, in satisfaction of the requirements of Section TCA 49-3-1207(b)(1). Any failure by the Authority to pay the principal of and interest on any outstanding Advance, Revolving Loan or Term Loan within the six (6) year time frame referenced in the immediately preceding sentence shall not relieve the Authority's obligation to make such payments.

(d) *Coordination with Prior Authorizing Resolution.* The provisions of the Prior Authorizing Resolution in all respects material to the issuance and payment of, and security for, the Notes shall remain in full force and effect and are hereby ratified and confirmed, provided that references in any such provisions to a “Revolving Credit Agreement” shall be deemed to refer to the Prior Revolving Credit Agreement as amended and restated by the Revolving Credit Agreement authorized by this Resolution.

SECTION 4. Further Authority. All officers and members of the Authority, and other officers and employees of the State, including the Division of State Government Finance, Tennessee Comptroller of the Treasury, are hereby authorized to carry out or cause to be carried out the obligations of the Authority under the Revolving Credit Agreement, subject to Section 2 of this Resolution, and otherwise to carry out the transactions contemplated by this Resolution. The Authorized Representatives and all other officers, employees and agents of the Authority, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all such agreements, certificates, documents and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Revolving Credit Agreement and the Notes.

SECTION 5. Ratification. All action taken prior to the adoption of this Resolution by the officers and members of the Authority, and other officers and employees of the State, including the Division of State Government Finance, Tennessee Comptroller of the Treasury, relating to the transactions contemplated by this Resolution are hereby ratified and confirmed.

SECTION 6. Amendments. This Resolution may be amended from time to time by further resolutions of the Authority, including but not limited to amendments to modify the designations of persons authorized to act for the Authority pursuant to Sections 2(b) and 3(a).

SECTION 7. Effective Date. This Resolution shall be in full force and effect immediately upon its adoption.

Adopted this 28th day of November, 2022.

AMENDMENT ONE
to
CONTRACT BETWEEN
THE STATE OF TENNESSEE,
OFFICE OF THE COMPTROLLER OF THE TREASURY, AND
PFM FINANCIAL ADVISORS LLC

The contract dated December 20, 2019, by and between the State of Tennessee, Office of the Comptroller of the Treasury (“Comptroller”) and PFM Financial Advisors LLC (“Contractor”), for the purpose of retaining Contractor as Financial Advisor to the Comptroller on financial issues of the State of Tennessee (“State”) and the Tennessee State Funding Board, Tennessee Local Development Authority, and Tennessee State School Bond Authority (jointly “Issuers”) to assist the Comptroller in the capacity as Secretary to the Issuers, is hereby amended as follows:

1. Section A.1. is amended by deleting the current section A.1. in its entirety and inserting the following in its place:

The Contractor agrees to serve as financial advisor to the State and to the Issuers. The Contractor will assign the following individuals to provide the services described in this Contract:

Lisa Daniel
Lauren Lowe
Todd Fraizer, CFA
Daniel Kozloff
Joshua McCoy
Randall Bauer
Marcie Lewis
Seth Williams
Ricardo Callender
Brooke Baldwin
Matt Rudroff
Elise Lomel
Mike Nadol
Stanley Geberer
Kevin Plenzler
Matthew Stitt
Danielle Scott
JoAnne Carter

These individuals will be assisted from time to time by other members of the Contractor’s staff. The Comptroller has the right to approve or disapprove any proposed changes in the staff of the Contractor providing services under this Contract from the above listed individuals.

2. Section B.2. is amended by deleting the current section B.2. in its entirety and inserting the following in its place:

For the three-year contract term commencing on January 1, 2020 and ending on December 31, 2022, and for the one-year extension contract term, commencing on January 1, 2023, and ending December 31, 2023, the maximum contract amount shall not exceed \$778,632.

The total contract term budget as referenced above is derived from a set of assumptions provided by the State in the Outline for Proposal for Financial Advisor for State of Tennessee Funding Board, Tennessee State School Bond Authority and Tennessee Local Development Authority, dated October 21, 2019 (the “RFP”). The assumptions and expected related costs are attached to this Contract as Exhibit A. As the RFP stated, the assumptions are subject to change and/or negotiation. However, the total maximum contract amount as noted above is fixed in aggregate as adopted by the Issuers

3. Section B.3. is amended by deleting the current section B.3. in its entirety and inserting the following in its place:

It is expected that the maximum contact amount will be allocated as follows:

Transactional advisory fees (including special project)	\$504,000
Retainer fee	\$249,132
Reimbursement of expenses	<u>\$ 25,500</u>
TOTAL	\$778,632

The other terms and conditions of the Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have signed this Amendment One to the Contract by their duly authorized representatives on the dates indicated below.

PUBLIC FINANCIAL MANAGEMENT, INC.

By: _____
Lisa Daniel, Managing Director

Date: _____

STATE OF TENNESSEE, OFFICE OF THE COMPTROLLER OF THE TREASURY

By: _____

Jason Mumpower, Comptroller of the Treasury

Date: _____

APPROVAL AS TO FUNDING:

By: _____

Jim Bryson, Commissioner of Finance and Administration

Date: _____



TENNESSEE STATE SCHOOL BOND AUTHORITY
Higher Educational Facilities Second Program Bonds
RESULTS OF BOND SALE
\$282,330,000 2022 SERIES A BONDS
\$25,235,000 2022 SERIES B BONDS

For Bonds Sold on October 25, 2022, and Closed on November 15, 2022

	2022 Series A Tax-Exempt <u>New Money</u>	2022 Series B Taxable <u>New Money</u>	Total 2022 Series A & B
Bond Proceeds:			
Par Amount:			
New Money	\$ 282,330,000.00	\$ 25,235,000.00	\$ 307,565,000.00
Bond Premium	<u>16,692,957.59</u>	<u>-</u>	<u>16,692,957.59</u>
Total Proceeds	<u><u>\$ 299,022,957.59</u></u>	<u><u>\$ 25,235,000.00</u></u>	<u><u>\$ 324,257,957.59</u></u>
Statistics:			
Final Maturity	November 1, 2052	November 1, 2032	
Range of Yields	3.160% - 4.590%	4.630% - 5.100%	
True Interest Cost	4.508%	4.883%	