



JASON E. MUMPOWER  
*Comptroller*

## TENNESSEE STATE SCHOOL BOND AUTHORITY

MARCH 25, 2024

### AGENDA

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable agenda items in accordance with 2023 Public Chapter 300 and Board guidelines
2. Approval of minutes from the November 29, 2023, meeting
3. Approval of the Resolution Authorizing Negotiation of New Revolving Credit Agreement
4. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for University of Tennessee Chattanooga – 910 E 8<sup>th</sup> Street, Chattanooga, TN Lease
5. Approval of Project for:

#### **The University of Tennessee**

- University of Tennessee, Chattanooga – Residence Hall Complex (A101); Cost: \$114,200,000 of which \$109,200,000 will be financed from TSSBA; Term of Financing: 30 years as long-term financing at an assumed tax-exempt rate.

6. Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**November 29, 2023**

The Tennessee State School Bond Authority (the “TSSBA”, or the “Authority”) met on Wednesday, November 29, 2023, at 2:54 p.m. CT, in the Volunteer Conference Center, 2<sup>nd</sup> 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 physically present:

The Honorable Tre Hargett, Secretary of State  
The Honorable David H. Lillard, Jr., State Treasurer  
Commissioner Jim Bryson, Department of Finance and Administration

The following proxies participated electronically as authorized by Tennessee Code Annotated § 8-44-108:

Luke Lybrand, proxy for Randy Boyd, President, University of Tennessee  
Angela Scott, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member was absent:

The Honorable Bill Lee, Governor

Comptroller Mumpower recognized a physical quorum present, with Luke Lybrand and Angela Scott participating electronically, and asked Ms. Sandra Thompson, TSSBA Assistant Secretary and the Director of the Division of State Government Finance (“SGF”), to call the roll. Ms. Thompson called the roll:

Treasurer Lillard – Present  
Secretary Hargett – Present  
Comptroller Mumpower – Present  
Commissioner Bryson – Present  
Angela Scott – Present  
Luke Lybrand – Present

Comptroller Mumpower called the meeting to order. In accordance with Public Chapter 300 and Board guidelines, Comptroller Mumpower asked Ms. Thompson if any requests for public comment had been received. Ms. Thompson responded that no requests for public comment had been received.

Comptroller Mumpower stated that the first item on the agenda was the consideration and approval of the minutes from the October 9, 2023, meeting of the Authority. Comptroller Mumpower asked if there were any questions or discussion regarding the minutes. Hearing none, Comptroller Mumpower made a motion to approve the minutes, Commissioner Bryson seconded the motion, and Ms. Thompson took the roll:

Treasurer Lillard – Aye  
Secretary Hargett – Aye  
Comptroller Mumpower – Aye  
Commissioner Bryson – Aye  
Angela Scott – Aye  
Luke Lybrand – Aye

The minutes were approved unanimously.

Comptroller Mumpower stated the next item on the agenda was the consideration and approval of an amendment to the financial advisor contract with PFM Financial Advisors, LLC (“PFM”). Comptroller Mumpower recognized Ms. Thompson to present the amendment. Ms. Thompson stated that the final version of the amendment (“Amendment Two”) to the financial advisory contract with PFM was provided to the Authority members in their packets. Ms. Thompson then stated that the original financial advisor

services contract was for three years and allowed for two one-year extensions. Ms. Thompson further stated that the first one-year extension expired at the end of the current year and that Amendment Two would extend the contract one additional year, from January 1, 2024, through December 31, 2024. Ms. Thompson then stated that staff had a good relationship with PFM and the services provided by them had been exemplary. Ms. Thompson then stated that it was staff's recommendation to the Authority to approve the amendment to extend the term of the contract for one year. Comptroller Mumpower made a motion to approve the amendment. Commissioner Bryson seconded the motion, and Ms. Thompson took the roll:

Treasurer Lillard – Aye  
Secretary Hargett – Aye  
Comptroller Mumpower – Aye  
Commissioner Bryson – Aye  
Angela Scott – Aye  
Luke Lybrand – Aye

The amendment was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the Consideration of a Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee Knoxville (“UTK”) – Cherokee Mills Suite 108. Comptroller Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at the University of Tennessee (“UT”) to present the request. Mr. Oakes explained that due to the construction of a new facility for the Haslam College of Business departments will be displaced and this lease will provide space needed for the departments to be displaced. Mr. Oakes stated that the lease would be for 11,872 square feet under a five-year agreement, with an option to extend for an additional five years and a total (average annual contract rent?) of \$240,645.44. Mr. Oakes also stated the funding source needed to be updated to reflect plant funds.

Secretary Hargett made a motion to approve the request, and Comptroller Mumpower seconded the motion and Ms. Thompson took the roll:

Treasurer Lillard – Aye  
Secretary Hargett – Aye  
Comptroller Mumpower – Aye  
Commissioner Bryson – Aye  
Angela Scott – Aye  
Luke Lybrand – Aye

The motion was approved unanimously.

Comptroller Mumpower stated that the next item on the agenda was the Consideration of a Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee (“UT”) – Institute for Public Service. Comptroller Mumpower recognized Mr. Austin Oakes to present the request. Mr. Oakes explained that the UT Law Enforcement Innovation Center (LEIC) is an agency of the University of Tennessee Institute for Public Service. Mr. Oakes stated Corporate Quarters LLC will provide housing comprised of 15 two-bedroom units in Anderson County for a total estimated cost of \$510,750 with tuition and fees as the source of funding.

Secretary Hargett made a motion to approve the request. Commissioner Bryson seconded the motion and Ms. Thompson took the roll:

Treasurer Lillard – Aye  
Secretary Hargett – Aye  
Comptroller Mumpower – Aye  
Commissioner Bryson – Aye  
Angela Scott – Aye  
Luke Lybrand – Aye

The motion was approved unanimously.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval of a project for the University of Tennessee at Knoxville (“UTK”). Comptroller Mumpower recognized Mr. Oakes to present the request.

- University of Tennessee Knoxville – Arena Renovations and Systems Improvements (A92); Increase in cost of \$1,100,000 for total funding of \$13,800,000 of which \$11,500,000 (includes a decrease of \$1,200,000) will be financed by TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate.

Mr. Oakes stated that the total project was increased by \$1.1 million, but with the inclusion of \$2.3 million in auxiliary plant funds, the TSSBA portion was decreased by \$1.2 million. Secretary Hargett made a motion to approve the project. Treasurer Lillard seconded the motion and Ms. Thompson took the roll:

Treasurer Lillard – Aye  
Secretary Hargett – Aye  
Comptroller Mumpower – Aye  
Commissioner Bryson – Aye  
Angela Scott – Aye  
Luke Lybrand – Aye

Comptroller Mumpower asked Ms. Thompson if SGF had conducted a feasibility analysis on the project. Ms. Thompson stated that SGF had performed a feasibility analysis and determined the revenues pledged would be sufficient to cover the maximum annual debt service on the project. Comptroller asked for comments or questions on the request from UT. Hearing no comments, the motion was unanimously approved.

Comptroller Mumpower stated that concluded the business on the agenda and made a motion to adjourn. Secretary Hargett seconded the motion and Ms. Thompson took the roll:

Treasurer Lillard – Aye  
Secretary Hargett – Aye  
Comptroller Mumpower – Aye  
Commissioner Bryson – Aye  
Angela Scott – Aye  
Luke Lybrand – Aye

The meeting was adjourned.

Approved on this \_\_\_\_ day of \_\_\_\_\_, 2024.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

**RESOLUTION AUTHORIZING NEGOTIATION OF  
REVOLVING CREDIT AGREEMENT**

WHEREAS, the Tennessee State School Bond Authority (the “Authority”) has entered into a Second Amended and Restated Revolving Credit Agreement dated as of December 1, 2022 (the “Existing Agreement”) with Wells Fargo Bank, National Association (“Wells Fargo”) and U.S. Bank National Association (“U.S. Bank” and, together with Wells Fargo, the “Banks”) and as administrative agent for the Banks, pursuant to which the Banks provided lines of credit to the Authority to provide a source of funds for the purposes provided therein;

WHEREAS, the Banks have made Revolving Loans under the Agreement to the Authority, \$28,374,107 of which currently are outstanding;

WHEREAS, the commitment of the Banks to make further loans to the Authority pursuant to such lines of credit expires on May 31, 2024, unless extended as provided in the Existing Agreement, and in contemplation of that expiration, the Division of State Government Finance of the Office of State Comptroller solicited proposals, in a competitive bidding process, from a number of financial institutions for the extension or replacement of the Existing Agreement or implementation of an alternate financing vehicle or program;

WHEREAS, the Division of State Government Finance received responses from seven (7) financial institutions, including a proposal from Bank of America, N.A., that was evaluated by the Division of State Government Finance, with the assistance of the Authority’s financial advisor, PFM Financial Advisors LLC, to be the proposal most favorable to the Authority;

WHEREAS, such proposal (the “Proposal”) is to replace the Existing Agreement with a revolving credit agreement (the “Replacement Agreement”) between the Authority and Bank of America, N.A., or an affiliate of Bank of America Corporation, as lender thereunder as set forth in more detail in the Revolving Line of Credit Term Sheet attached hereto (the “Term Sheet”); and

WHEREAS, the Authority desires to replace the Existing Agreement with the Replacement Agreement and borrowings thereunder,

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

SECTION 1. Negotiation of Replacement Agreement. The Authority hereby accepts the Proposal and the Term Sheet subject to modification of the Term Sheet to the satisfaction of the Authority and the negotiation of a Replacement Agreement satisfactory to the Authority, a final or substantially final form of which agreement shall be presented to the Authority for approval at a subsequent meeting of the Members of the Authority.

SECTION 2. Further Authority. All officers and members of the Authority, and other officers and employees of the State, including the Division of State Government Finance, are hereby authorized to carry out or cause to be carried out the transactions contemplated by this Resolution.

SECTION 3. Effective Date. This Resolution shall be in full force and effect immediately upon its adoption.

Adopted this 25th day of March, 2024.

Attachment: Term Sheet



March 7, 2024

Sandra W. Thompson, CCTS  
Director  
Comptroller of the Treasury  
Division of State Government Finance  
425 Rep. John Lewis Way, N. | Nashville, TN 37243

Dear Ms. Thompson:

On January 16, 2024, PFM Financial Advisors (“PFM”) in our capacity as Financial Advisor for the Tennessee State School Bond Authority (the “Authority”), released on behalf of the Authority a Request for Proposals (“RFP”) for a short-term financing (the “Financing”) to provide interim funding for its Higher Educational Facilities Program (the “Program”) with total financing needs estimated at \$300 million.

The RFP was distributed to over 30 diverse commercial and investment financial institutions. On February 8, 2024, seven (7) banks responded to the RFP. In those responses were two (2) responses for significantly less than \$300 million and one (1) to serve as Commercial Paper (“CP”) Remarketing Agent (not a complete financing program). Four (4) proposals for up to \$300 million for either/and commercial paper with a Standby Note Purchase Agreement (“SBPA”) and Revolving Credit Facility (“RCF”) were received:

1. Bank of America: *Option 1* Revolving Credit Facility; *Option 2* Commercial Paper with a Standby Note Purchase Agreement
2. JP Morgan: *Option 1* Revolving Credit Facility; *Option 2* Hybrid of Revolving Credit Facility and Standby Note Purchase Agreement
3. Sumitomo Mitsui Banking Corporation: Standby Note Purchase Agreement
4. US Bank/Wells Fargo: Revolving Credit Facility

For either program, CP with Standby Note Purchase Agreement or Revolving Credit Facility, JP Morgan was the high-cost provider and was not considered further.

PFM, on behalf of the Authority, conducted a cost analysis of two (2) scenarios on the remaining proposals (included as Appendix A) that reviewed the following options:

- Option 1: CP with Sumitomo Mitsui Banking Corporation Standby Bond Purchase Agreement
- Option 2: CP with Bank of America Standby Bond Purchase Agreement
- Option 3: Joint RCF with US Bank/Wells Fargo
- Option 4: RCF with Bank of America

Based on the cost analysis scenarios, the Joint RCF for 3 years with US Bank / Wells Fargo was the high-cost provider and no longer considered further.

Given the additional risk associated with CP, we then factored in the bank credit ratings. Bank of America is the higher credit rating (Aa1/A+/AA) and presents the least amount of risk to TSSBA and therefore SMBC (A1/A/A-) was no longer considered.

**pfm**

530 Oak Court Drive  
Suite 160  
Memphis, TN 38117  
901.682.8356

**pfm.com**



The remaining proposal was the two (2) options proposed by Bank of America. Given the cost comparison of the Bank of America options, including the upfront cost and ongoing, and the additional risk of a CP program, PFM recommends a 3-year Revolving Credit Facility with Bank of America for up to \$300 million (a lesser amount could be agreed upon).

Sincerely,

PFM FINANCIAL ADVISORS LLC

Lauren S. Lowe

Managing Director





## Appendix A

Estimated Cost Analysis: Estimated Cost Per Year - For Evaluation Purposes		
Options Based on Proposals	Scenario 1 Options: \$300 MM Based on <u>Average Historical Balances</u> & Average Interest Rates	Scenario 2 Options: \$300 MM Based on <u>Projected Balances</u> & Average Interest Rates
Option 1: CP with SMBC Standby Note Purchase Agreement ( <i>lower rating</i> )	2,860,000	3,630,000
Option 2: CP with Bank of America Standby Note Purchase Agreement	<b>2,980,000</b>	<b>3,750,000</b>
Option 3: RCF - US Bank/Wells Fargo	3,790,000	5,090,000
Option 4: RCF - Bank of America	<b>3,020,000</b>	<b>4,030,000</b>

**Key Assumptions:**

Average historical balances based on the last 3 years and considered the average amount of tax-exempt and taxable balances outstanding.

Projected balances are based on the expected draws provided by the Authority in consultation with the higher education institutions.

Interest rates are based on the last 3 years historical average.

Annual fees associated with CP are estimated and based on PFM's experience with other CP programs.

**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 Chattanooga campus (“UTC”), proposes to lease (the “Lease”) a small, single building apartment complex known as Palmetto Place (“Palmetto Place”) located at 901 E. 8th Street, Chattanooga, Tennessee; and

Whereas, Palmetto Place has thirty-five (35) two (2) bedroom units and one (1) one (1) bedroom unit (collectively, the “Units”) and is managed by Gig City Property Management, LLC (the “Landlord”) as agent for Bold Ventures, LLC; and

Whereas, Palmetto Place was built in 2013 and the Units come furnished; and

Whereas, UTC is pursuing construction of a new 784 bed residence hall with target completion in 2027 and the Lease is intended to help meet the demand for additional beds by students while the new residence hall is developed; and

Whereas, fall semester 2024 housing applications are expected to exceed UTC’s capacity and additional beds are expected to be needed, as in recent years past; and

Whereas, UTC has previously leased portions of Palmetto Place on a short-term, semester basis, the financial commitment and duration of term for which did not reach Tennessee State School Bond Authority (the “Authority”) or State Building Commission approval thresholds; and

Whereas, UTC now desires to lease the entirety of Palmetto Place for a term of one (1) year beginning on August 1, 2024 and ending on July 31, 2025 with three (3) one (1) year options to extend; and

Whereas, UTC therefore issued a Request for Proposal (RFP Transaction #2023-10-001) (the “RFP”) for such need and the only response to the RFP was made by the Landlord; and

Whereas, the Landlord was evaluated as satisfactory by UTC’s evaluation team and UTC is eager to secure a longer term lease for Palmetto Place since the building is located very close to UTC’s campus and UTC has had a good experience leasing portions of Palmetto Place in the past and these factors coupled with UTC’s ability to lease all of Palmetto Place as well as UTC’s ability to treat Palmetto Place as a residence hall make Palmetto Place particularly desirable to UTC; and

Whereas, UTC intends to house two (2) students per bedroom and four (4) students per two (2) bedroom Unit, with a resident advisor being housed in the one (1) bedroom Unit

Whereas the terms of the Lease include:

- 1.) the Landlord is responsible for maintenance and repair of the building and if a fixture fails due to normal wear and tear, the Landlord will repair or replace such fixture;
- 2.) UTC will be responsible for repairs caused by students, less ordinary wear and tear;
- 3.) the Landlord will be responsible for grounds maintenance;
- 4.) The rental rate (the “Rate”) is eight hundred eighty-five thousand five hundred forty-two dollars and no cents (\$885,542.00) per year, or seventy-three thousand seven hundred ninety-five dollars and sixty-six cents (\$73,795.66) per month. The Rate includes furnishings, all utilities, and wi-fi services; and

Whereas, Palmetto Place will be used in a manner similar to a UTC residence hall and integrated into UTC residence life programs with resident advisors and graduate assistants located on site and UTC campus police patrolling the area; and

Whereas, the Lease will be funded with 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 to enter into the Lease on behalf of UTC.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of March 25, 2024.

Adopted by the Authority at its meeting on March 25, 2024.

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JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY



## EXECUTIVE SUMMARY

### BACKGROUND:

The University of Tennessee, on behalf of its Chattanooga campus (“UTC”), proposes to lease a small, single building apartment complex located at 901 E. 8<sup>th</sup> Street, Chattanooga, TN. The apartment building, called Palmetto Place, has thirty-five (35) two (2) bedroom units and one (1) one (1) bedroom unit. It was built in 2013 and the units come furnished.

UTC is pursuing the construction of a new 784 bed residence hall with target completion in 2027. This lease is intended to help meet the demand for additional beds by students while this new residence hall is developed.

The University has previously leased portions of this apartment building on a short-term, semester basis, the financial commitment and duration of term for which did not reach TSSBA or SBC approval thresholds. However, UTC now desires to secure the entire apartment building, rather than only portions of it, for a term of one (1) year with three (3) one (1) year options to extend, so the University issued an RFP (RFP Transaction #2023-10-001) for this need. There was only one (1) respondent to the RFP, the management company for the owner of this apartment building, and the respondent was evaluated satisfactorily by the University’s evaluation team. UTC is eager to secure a longer-term lease for this well-located building (see attached map) that it has had a good experience leasing portions of in the past. The ability to lease the entire building and the ability to treat it as a residence hall is particularly desirable to UTC.

Fall semester housing applications are expected to exceed UTC’s capacity and additional beds are expected to be needed, as in recent years past.

### TERMS:

UTC intends to house two (2) students per bedroom and four (4) students per two (2) bedroom unit, with 4 RAs being housed in two 2-bedroom units (impacting 8 beds) and a GA being housed in the 1-bedroom unit.

The landlord is responsible for maintenance and repair of the building. If a fixture fails due to normal wear and tear, the landlord will repair or replace it. However, the University will be responsible for repairs caused by students, less ordinary wear and tear. For example, if a bathroom fixture is clogged, the University will repair it, similar to University owned housing. The Landlord will also be responsible for grounds maintenance.

The rental rate is \$885,542.00 per year, or \$73,795.66 per month. This rate includes furnishings, all utilities, and wi-fi services. Additionally, the University will pay the landlord \$564 per parking space for 36 spaces, totaling \$20,304 per year, which UTC will recoup in full from parking permit fees.

The apartments will be used in a manner similar to a residence hall and integrated into residence life programs, with RAs and GAs located on site and Campus Police patrolling this area.

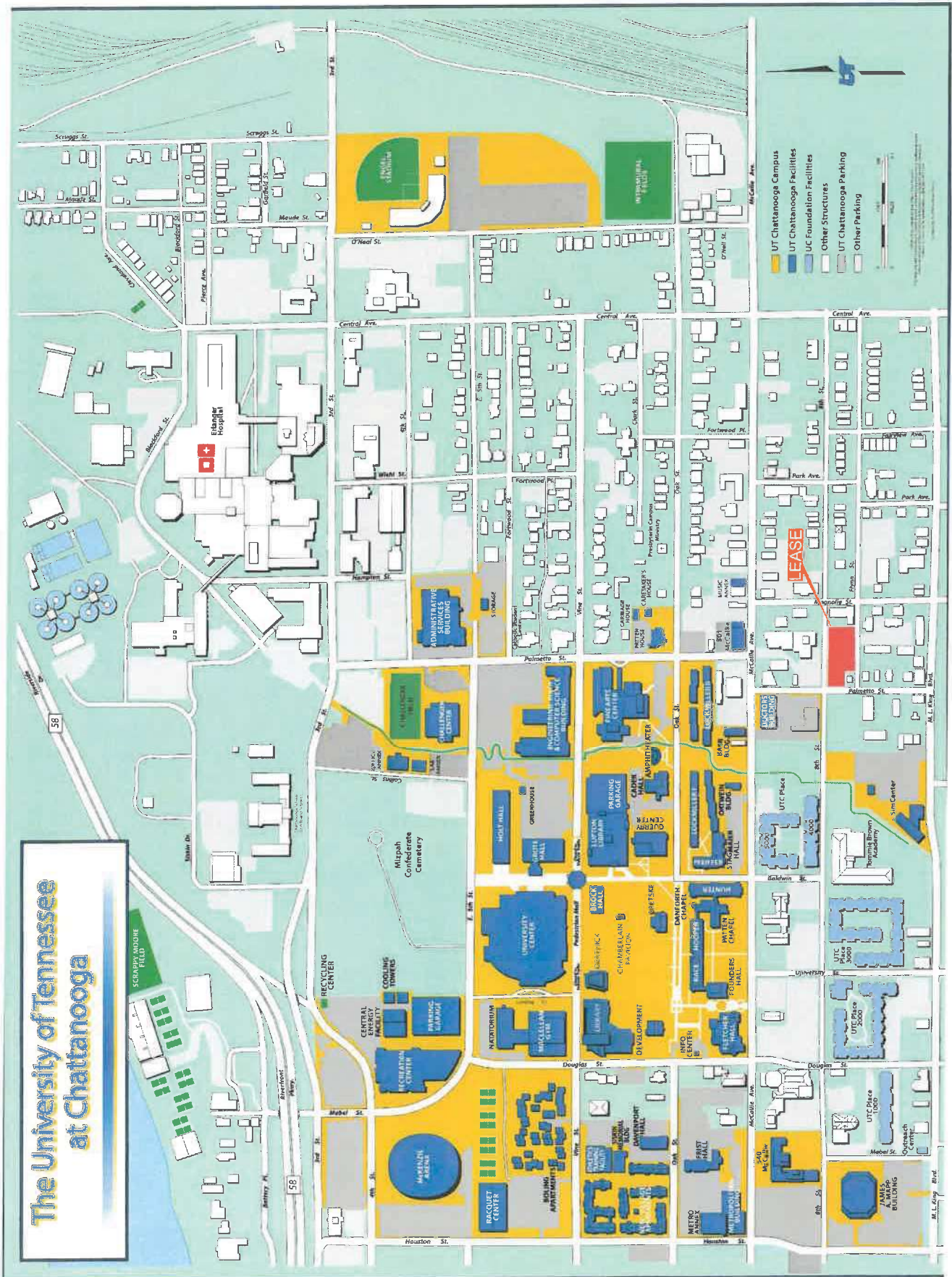
FUNDING:

The Lease will be funded with Plant Funds (Aux-Housing) (A).

REQUEST:

Request for APPROVAL to enter into LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115.

# The University of Tennessee at Chattanooga



- UT Chattanooga Campus
- UT Chattanooga Facilities
- UC Foundation Facilities
- Other Structures
- UT Chattanooga Parking
- Other Parking

LEASE

SCRAPPY ANNOUE FIELD

Elam Hospital

ADMINISTRATIVE BUILDING

UNIVERSITY CENTER

RECREATION CENTER

UNIVERSITY CENTER

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AGENCY:	
ALLOTMENT CODE:	COST CENTER:

This Instrument Prepared By:

University of Tennessee  
 Real Property & Space Administration  
 400 W. Summit Hill Drive  
 UT Tower 9<sup>th</sup> Floor  
 Knoxville, TN 37902

LE NO. \_\_\_\_\_

**LEASE**

1. Date of this Lease: \_\_\_\_\_

Name and Address of Building:  
Palmetto Place Apartments  
910 East 8<sup>th</sup> Street  
Chattanooga, TN 37403

2. Tenant: **University of Tennessee**

Landlord Name and Address:  
Gig City Property Management, LLC,  
2115 Stein Drive, Chattanooga, TN 37421  
as Agent for  
Bold Ventures, LLC

3. Leased Premises: space in the Building as identified herein and more particularly described on Exhibit B. If no Floor Plan or List of Units is inserted, one or both of the same shall be set in a supplemental Exhibit B signed by both parties to be attached once available.

4. Rentable Square Feet: **36 units (35 – 2 bedroom, 1 – 1 bedroom)**

5. Initial term of Lease: 1 year(s) and \_\_\_\_\_ month(s)  
 Commencement Date of Lease Term  
 (and of the obligations hereunder): August 1, 2024  
 Expiration Date of Initial Lease Term: July 31, 2025

Renewal Option: 3, 1-year renewal options – Tenant to provide 120 day written notice of intention to renew prior to next renewal cycle(s). If notification is not received, the lease will renew automatically per terms of the lease.

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; **provided, however, that such termination shall not be effective prior to N/A**.

7. Monthly Rental Installments Table		
Lease Term	Annual Rental	Monthly Rental Installments
Initial	\$885,542.00	\$73,795.00
Renewal 1	\$917,904.00	\$76,492.00
Renewal 2	\$954,612.00	\$79,551.00
Renewal 3	\$992,796.00	\$82,733.00

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: \$ N/A 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 or List of Units;  
 Other – Exhibit C – Furniture Inventory;  Parking – Exhibit D

<p><b>LANDLORD: BOLD VENTURES, LLC</b></p> <p>By: _____</p> <p>Date: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p><b>TENANT: UNIVERSITY OF TENNESSEE</b></p> <p>By: _____          Austin Oakes, Asst. Vice President, Capital Projects</p> <p>Date: _____</p> <p>By: _____          Jonathan Skrmetti, Attorney General &amp; Reporter          (For Form and Legality)</p> <p>Date: _____</p>
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**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, Capital Projects** for 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, Capital Projects** for the University of Tennessee.

Witness my hand and seal, at office in Nashville, Tennessee, this the \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

[ seal ]

**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 hereinbelow. 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 occupancy by student residents, 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.** Monthly Rental Installments as described in Section 7 above (the "Rent") are due in advance by the 1<sup>st</sup> day of each month during the Term. Should the 1<sup>st</sup> day of the month fall on a weekend, banking holiday, or holiday officially observed by Tenant, then Rent shall be due on the first non-holiday business day thereafter. Rent may be paid in any of the forms accepted by Landlord including ACH payments, provided Landlord has successfully completed vendor set up and payment terms selection in Tenant's Paymentworks platform (as described below). Rent paid after 5 p.m. E.T. on the 5<sup>th</sup> business day of the month shall be deemed late and must include additional rent of two (2%) percent ("Additional Rent for Late Payment").

No payment shall be made by Tenant under this Lease until:

A. Landlord shall complete vendor set-up and payment terms selection in Tenant's Paymentworks platform via a link to be provided by Tenant. By doing so, Landlord acknowledges and agrees that, once said vendor set-up is completed by Landlord, all payments to Landlord by Tenant, under this or any other contract Landlord has with Tenant, shall be made by Automated Clearing House (ACH) via the Paymentworks platform.

B. Landlord shall complete a "Substitute W-9 Form" provided by Tenant via Tenant's Paymentworks platform, as may be required as part of the Paymentworks vendor set-up. 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 under the terms of Section 3 below 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/Other:

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. Landlord shall also be responsible for, wi-fi services and security system including cameras. Landlord represents that the units are wired for cable, but the parties agree that neither Landlord nor Tenant shall be responsible for cable TV services. The residents of the units shall be solely responsible for obtaining such services by establishing individual accounts on a per unit basis and paying the associated costs directly to the provider. Community Washer/Dryers are no charge to residents (for those without stackable washer/dryers).

#### 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 (i) the repair, maintenance and replacement of the roof, foundation and exterior and load-bearing walls; (ii) the exterior of the Building; (iii) provide grounds maintenance on the land the Building is located on, including any landscaped areas, parking areas and driveways, and (iv) building systems and elevators, including HVAC system filter replacement.

#### 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 Five Hundred Thousand Dollars (\$500,000) per occurrence, One Million Dollars (\$1,000,000) per annual aggregate and a Ten Million Dollar (\$10,000,000) umbrella policy 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 and include a waiver of subrogation. Additionally, within five (5) business days after mutual execution of this Lease, 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. Trash Removal  
Landlord shall furnish and maintain appropriate trash and refuse receptacles for the disposal of trash and refuse from the Leased Premises. An adequate dumpster serving the complex and adequate trash cans in the Common Areas shall suffice. Student occupants shall be responsible for providing trash cans within each apartment unit.
- F. Pest Control  
Landlord shall, at Landlord's expense, provide monthly interior and quarterly exterior pest extermination services.
- G. Furniture  
Landlord will provide a single bed for each bedroom. In addition, Landlord will provide Tenant an inventory of all furniture in each apartment and the common areas attached as Exhibit C.
- H. Parking  
Landlord will provide thirty-five (35) standard parking spaces and one (1) ADA parking space to Tenant as provided for in Exhibit D at a cost of \$584.00 per year per space. Tenant shall administer the parking lot, permits, and enforcement pursuant to Tenant's separate arrangements with said student occupants. Student occupants and Tenant shall be responsible for all parking related matters, including compliance with and enforcement of Tenant's rules and regulations regarding on-site parking.
- I. Common Areas  
Landlord is responsible for the cleaning of all common areas.

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. Maintenance  
At Tenant's reasonable expense and in consultation with Tenant, Landlord shall (i) repair or replace building systems and fixtures as may be reasonably necessary and to the extent such repair or replacement has been caused by Tenant's student occupants, ordinary wear and tear excepted; (ii) repair the interior of the Building and the Leased Premises, including but not limited to repair, maintenance, patching, and painting of the walls, floors, ceilings, carpet and other surfaces to the extent such repair has been caused by Tenant's student occupants, ordinary wear and tear excepted.
- B. Insurance  
Tenant, as an agency of the State of Tennessee, is self-insured under the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301 et seq., which covers certain tort liability for actual damages of up to \$300,000 per claimant and \$1,000,000 per occurrence. The State of Tennessee self-insures the Tenants exposures in general liability, automobile liability, professional malpractice and workers compensation. The limits of liability under workers' compensation are those set forth in Tenn. Code Ann. §§ 50-6-101 et seq. Student occupants are responsible for providing their own renter's insurance or parents' homeowners' insurance.

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 with Landlord's prior written consent. 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) the availability of space in Tenant-owned property; 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.

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 any additional rent contemplated hereunder, 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 presentation 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 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

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 until such time as Tenant surrenders the Leased Premises to Landlord as provided for in this Section 9 above.

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 use of 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: University of Tennessee Chattanooga, Housing &

13. **QUIET ENJOYMENT.** Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term of this Lease 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, including ensuring that they are timely inspected and are operational.
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 not implicated by such event 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 Tennessee Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.
19. **IRAN DIVESTMENT ACT.** The requirements of Tenn. Code Ann. § 12-12-101 et. seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, are a material provision of this agreement. Apartment hereby certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
20. **ILLEGAL IMMIGRANTS.** In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Hotel 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.
21. **CONFLICTS OF INTEREST:**
- i. Apartment states that no part of the Apartment's compensation will be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Apartment in connection with any work contemplated or performed under this agreement.
  - ii. Apartment states that this agreement is immediately void if the Apartment is, or within the past 6 months has been, an employee of the State of Tennessee or if the Apartment is an entity in which a controlling interest is held by an individual who is, or within the past 6 months has been, an employee of the State of Tennessee.
22. **ISRAEL BOYCOTT.** In compliance with the requirements of Tenn. Code Ann. § 12-4-119, supplier hereby states that it is not currently engaged in, and will not for the duration of this agreement engage in, a boycott of Israel.
23. **PROHIBITION OF ILLEGAL IMMIGRANTS.**
- a. The requirements of Public Acts of 2006, Chapter Number 878, of the State of Tennessee, addressing the use of illegal immigrants in the performance of any Agreement to supply goods or services to the State of Tennessee, shall be a material provision of this Agreement, a breach of which shall be grounds for monetary and other penalties, including termination of this Agreement.
  - b. The Landlord hereby attests, certifies, warrants, and assures that the Landlord shall not knowingly utilize the services of an illegal immigrant in the performance of this Agreement and shall not

knowingly utilize the services of any sub-contractor or consultant who will utilize the services of any illegal immigrant in the performance of this Agreement. The Landlord shall affirm this attestation, in writing, by his signature on this Agreement.

- c. The Landlord understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law provides for the prohibition of a Landlord from any sub-Agreement with, or submitting an offer, proposal, or bid to Agreement with the State of Tennessee to supply goods or services for a period of one year after a Landlord is discovered to have knowingly used the services of illegal immigrants during the performance of this Agreement.
- d. For purposes of this Agreement, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a lawful permanent resident, or a person whose physical presence in the United States is authorized or allowed by the Department of Homeland Security and who, under Federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Agreement.

24. **CONFLICTS OF INTEREST.** The Landlord warrants that no part amounts under this Agreement shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation or gifts in exchange for acting as an officer, agent, employee, sub-contractor, or consultant to the Landlord in connection with any work contemplated or performed relative to this Agreement.

25. **NON-DISCRIMINATION.** No person on the grounds of handicap, race, color, religion, sex, or national origin will be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Agreement, or in the employment practices of the Landlord. The Landlord shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notices on non-discrimination.

**EXHIBIT B  
FLOOR PLAN OR LIST OF UNITS**

<u>Units</u>	<u>BRs</u>
910 E 8th St Unit 101	2
910 E 8th St Unit 102	2
910 E 8th St Unit 103	2
910 E 8th St Unit 104	2
910 E 8th St Unit 105	1
910 E 8th St Unit 106	2
910 E 8th St Unit 107	2
910 E 8th St Unit 108	2
910 E 8th St Unit 109	2
910 E 8th St Unit 110	2
910 E 8th St Unit 111	2
910 E 8th St Unit 112	2
910 E 8th St Unit 201	2
910 E 8th St Unit 202	2
910 E 8th St Unit 203	2
910 E 8th St Unit 204	2
910 E 8th St Unit 205	2
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910 E 8th St Unit 209	2
910 E 8th St Unit 210	2
910 E 8th St Unit 211	2
910 E 8th St Unit 212	2
910 E 8th St Unit 301	2
910 E 8th St Unit 302	2
910 E 8th St Unit 303	2
910 E 8th St Unit 304	2
910 E 8th St Unit 305	2
910 E 8th St Unit 306	2
910 E 8th St Unit 307	2
910 E 8th St Unit 308	2
910 E 8th St Unit 309	2
910 E 8th St Unit 310	2
910 E 8th St Unit 311	2
910 E 8th St Unit 312	2

EXHIBIT C

**FURNITURE INVENTORY**

Furniture: Each apartment shall include: 1 sofa, 1 chair, 1 coffee table, 1 end table, 1 entertainment center (no TV), 1 dining table, 4 chairs, 2 desk/worktable w/ chair, 2 dressers, 2 side tables. Each two (2) bedroom apartment shall have four (4) twin beds, except the one (1) bedroom will have one (1) single bed (141 total beds).

Appliances: Each apartment shall have a range, refrigerator, microwave, dishwasher. No small appliances shall be provided.



EXHIBIT D

**PARKING**

Tenant will be responsible for administration of the parking, with respect to the student residents of the complex. Landlord shall provide Tenant with all reasonable and necessary access, access codes, assistance and technical support to set up the gate controller with Tenant's parking permit/access credentials, etc. and on an ongoing basis, as needed.

For the term of this Lease, Tenant shall pay, in addition to Rent, \$564.00 per year per parking space for thirty-six (36) parking spaces (35 spaces + 1 handicap space) made available to Tenant by Landlord.

Landlord shall have the right to park two (2) vans or other service vehicles on the curb at the back of the parking lot – but NOT in the 36 parking spaces – so long as such parking shall not unreasonably interfere with Tenant's use of the parking lot.

FUNDING:

The Lease will be funded with Plant Funds (Aux-Housing) (A).

REQUEST:

Request for APPROVAL to enter into LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115.

## Palmetto Place - 12 Month Lease

Assuming 100% occupancy

	Year 1	Year 2	Year 3	Year 4
<b>4 Student Per Room</b>	<b>Rate</b>	<b>Rate</b>	<b>Rate</b>	<b>Rate</b>
Semester Rate (Fall & Spring)	\$ 4,402	\$ 4,578	\$ 4,761	\$ 4,952
Parking Permit Revenue (Annual)	\$ 20,304	\$ 20,304	\$ 20,304	\$ 20,304
<b>Revenue - 132 Beds (RA/GA beds not included)</b>	<b>\$ 1,182,432</b>	<b>\$ 1,228,917</b>	<b>\$ 1,277,262</b>	<b>\$ 1,327,540</b>
<b>Palmetto Place</b>	<b>12 Month Lease</b>	<b>12 Month Lease</b>	<b>12 Month Lease</b>	<b>12 Month Lease</b>
Monthly Rate	\$ 73,795	\$ 76,492	\$ 79,551	\$ 82,733
Number of Months	12	12	12	12
12 Month Lease	\$ 885,540	\$ 917,904	\$ 954,612	\$ 992,796
4 RAs in private rooms (Monthly Stipend & Meal Plan)	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855
Graduate Assistant	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855
Security	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709
Programming	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927
StarRez - Software	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278
Parking	\$ 20,304	\$ 20,304	\$ 20,304	\$ 20,304
Total Additional Expenses	\$ 113,304	\$ 116,094	\$ 118,968	\$ 121,928
<b>Total Expenses</b>	<b>\$ 998,844</b>	<b>\$ 1,033,998</b>	<b>\$ 1,073,580</b>	<b>\$ 1,114,724</b>
<b>Profit/Loss</b>	<b>\$ 183,588</b>	<b>\$ 194,919</b>	<b>\$ 203,682</b>	<b>\$ 212,816</b>
<b>Cumulative</b>	<b>\$ 183,588</b>	<b>\$ 378,507</b>	<b>\$ 582,189</b>	<b>\$ 795,005</b>

## Palmetto Place - 12 Month Lease

Assuming 90% occupancy

	Year 1	Year 2	Year 3	Year 4
<b>4 Student Per Room</b>	<b>Rate</b>	<b>Rate</b>	<b>Rate</b>	<b>Rate</b>
Semester Rate (Fall & Spring)	\$ 4,402	\$ 4,578	\$ 4,761	\$ 4,952
Parking Permit Revenue (Annual)	\$ 20,304	\$ 20,304	\$ 20,304	\$ 20,304
<b>Revenue - 132 Beds (RA/GA beds not included)</b>	<b>\$ 1,066,219</b>	<b>\$ 1,108,056</b>	<b>\$ 1,151,566</b>	<b>\$ 1,196,816</b>
<b>Palmetto Place</b>	<b>12 Month Lease</b>	<b>12 Month Lease</b>	<b>12 Month Lease</b>	<b>12 Month Lease</b>
Monthly Rate	\$ 73,795	\$ 76,492	\$ 79,551	\$ 82,733
Number of Months	12	12	12	12
12 Month Lease	\$ 885,540	\$ 917,904	\$ 954,612	\$ 992,796
4 RAs in private rooms (Monthly Stipend & Meal Plan)	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855
Graduate Assistant	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855
Security	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709
Programming	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927
StarRez - Software	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278
Parking	\$ 20,304	\$ 20,304	\$ 20,304	\$ 20,304
Total Additional Expenses	\$ 113,304	\$ 116,094	\$ 118,968	\$ 121,928
<b>Total Expenses</b>	<b>\$ 998,844</b>	<b>\$ 1,033,998</b>	<b>\$ 1,073,580</b>	<b>\$ 1,114,724</b>
<b>Profit/Loss</b>	<b>\$ 67,375</b>	<b>\$ 74,058</b>	<b>\$ 77,986</b>	<b>\$ 82,093</b>
Cumulative	\$ 67,375	\$ 141,433	\$ 219,419	\$ 301,512

# Tennessee State School Bond Authority Feasibility Study

## UTC Residence Hall Complex - Project Number A101

### Individual Project Summary

Revenue Source:	Annual Housing Revenue	\$8,856,790
	<b>Total Revenue Source:</b>	<b>\$8,856,790</b>
Assumptions:	TSSBA Funding Requested*	\$109,200,000
	Interest Rate	7.25%
	Tax Status	Tax-Exempt
	Term of Financing	30-Years
	Cost of Issuance	\$1,638,000

Feasibility Test		
	May Principal (No DSRF)	November Principal (no DSRF)
Pledged Revenues	\$8,856,790	\$8,856,790
New Max Annual Debt Service	\$8,847,878	\$8,765,173
<b>Feasible</b>	<b>Yes</b>	<b>Yes</b>

Prepared on March 12, 2024 by Jacqueline Felland

Project Disclosed in Budget

TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.

# **The University of Tennessee at Chattanooga Residence Hall Complex Executive Summary**

The University of Tennessee at Chattanooga (UTC) enrolls 9,982 undergraduate students and 1,398 graduate students. UTC is a residential campus with 10 residence halls accommodating 3,554 students. The residence halls currently consist of 7 apartment style housing with private bedrooms, 1 apartment style with double occupancy (shared), 1 suite style with private bedrooms, and 1 suite style with double occupancy (shared). There are a total of 2,513 private rooms and 1,041 shared rooms, which equates to a 70% private to 30% shared room ratio.

For the upcoming Fall 2024 semester, the university expects that on-campus housing demand will continue to grow. A comparison of applications received to date for this upcoming semester to the applications received at this point for Fall 2023 shows an overall increase of 60%.

The University is seeking to develop a new residence hall consisting of 784 private bedrooms in a suite style to reinforce the existing housing neighborhoods on campus, respond to students' desire to live in private rooms, and fulfill the objectives of the campus master plan. These additional beds will primarily be offered to freshmen students, although there will be some availability to be flexible with other students' needs as well. The site designated for this project is located west of the intersection of Douglas, E. 5th, and Mabel Streets.

The total estimated project cost is \$114,200,000.00 funded by 30-Year TSSBA funds of \$109,200,000.00 and Plant Funds (Aux-Housing) of \$5,000,000.00.

**Tennessee State School Bond Authority  
UTC Residence Hall Complex Project Application**

DEPARTMENT: University of Tennessee

INSTITUTION/LOCATION: Chattanooga

SBC PROJECT #: 540/005-xx-2024

**PROJECT BUDGET:**

<b>Funding Sources:</b>	<u>TSSBA</u>	<u>\$109,200,000</u>
	<u>Other: Plant Funds (Aux-Housing)</u>	<u>\$ 5,000,000</u>
	<b>Total</b>	<b><u>\$114,200,000</u></b>

**PROJECT REVENUES:** (Describe sources and projected levels)

Annual debt service to be funded by revenues generated by UTC housing revenue generated by student housing rental rate income. \$8,856,790 of revenue generated from housing fees, is pledged to support the debt service for the project.

**PROJECT LIFE:**

Anticipated Useful Life of Project: 30+ years

Desired Term for Financing (if less than useful life): 30 years

**ESTIMATED ANNUAL FINANCING CHARGE:** \$8,856,790

**PROJECT APPROVAL DATES:**

**BOARD:** 02/25/2022;  
01/26/2024

**THEC:** 11/18/2021

**SBC:** N/A

Disclosed in the Governor's Budget: X Yes      No If yes, what year? 2023

**PROJECT DESCRIPTION:** Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

Construction of a new residence hall complex to accommodate approximately 784 total beds.

**REAL ESTATE:**

Owner of real property The University of Tennessee

           To be acquired            To be leased or other arrangement

\*\*\*\*\*

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.)           Planning

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2. Project completion estimated to be:           2027
3. Project Owner:           University of Tennessee
4. Project Operator (see also item 8 below):           University of Tennessee
5. Intended Use of the Project:           Student Housing

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6. Intended Users of the Project (excluding use by the general public):           Students and Staff

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7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor



occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 245,981 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A

Operator \_\_\_\_\_

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? \_\_\_\_\_

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N/A

Type \_\_\_\_\_

Operator \_\_\_\_\_

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A

Operator \_\_\_\_\_

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? \_\_\_\_\_

E. Cafeteria or other food services areas:

Square Footage N/A

Operator \_\_\_\_\_

F. Provision of health care services:

Square Footage N/A

Operator \_\_\_\_\_

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N/A

Recipient \_\_\_\_\_

H. Office space utilized by or on behalf of private entities:

Square Footage N/A

Occupant \_\_\_\_\_

I. Provision of housing for persons or entities other than enrolled students:

Square Footage N/A

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

N/A

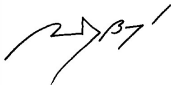
9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

N/A

11. Additional information not explained above. None

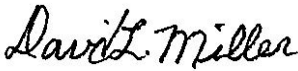
Completed this 30th day of January, 2024



Randy Boyd  
President



Austin Oakes, Assistant Vice President  
Department of Capital Projects



David Miller,  
Sr Vice President & Chief Financial Officer

*To be filled out by the Authority*

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

# University of Tennessee Chattanooga Financials One-Pager

February 5, 2024

Rental Rates	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Boling Apartments</b>									
3 Bedroom 1 Bath (Private Room)	\$ 3,463	\$ 3,636	\$ 3,781	\$ 3,933	\$ 4,090	\$ 4,254	\$ 4,424	\$ 4,601	\$ 4,785
4 Bedroom 1 Bath (Private Room)	\$ 3,247	\$ 3,409	\$ 3,781	\$ 3,933	\$ 4,090	\$ 4,254	\$ 4,424	\$ 4,601	\$ 4,785
<b>Johnson O'Bear Apartments</b>									
3 Bedroom 1 Bath (Private Room)	\$ 3,463	\$ 3,636	\$ 3,781	\$ 3,933	\$ 4,090	\$ 4,254	\$ 4,424	\$ 4,601	\$ 4,785
4 Bedroom 1 Bath (Private Room)	\$ 3,247	\$ 3,409	\$ 3,781	\$ 3,933	\$ 4,090	\$ 4,254	\$ 4,424	\$ 4,601	\$ 4,785
<b>Lockmiller Apartments</b>									
2 Bedroom 1 Bath (Shared Room)	\$ 2,814	\$ 2,955	\$ 3,073	\$ 3,196	\$ 3,324	\$ 3,457	\$ 3,595	\$ 3,739	\$ 3,889
2 Bedroom 1 Bath (Private Room)	\$ 3,679	\$ 3,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Stagmaier Hall</b>									
1 Bedroom 1 Bath (Private Room)	\$ 3,247	\$ 3,409	\$ 3,781	\$ 3,933	\$ 4,090	\$ 4,254	\$ 4,424	\$ 4,601	\$ 4,785
<b>West Campus Housing</b>									
1 Bedroom 1 Bath (Shared Room)	\$ 4,244	\$ 4,456	\$ 4,634	\$ 4,820	\$ 5,012	\$ 5,213	\$ 5,421	\$ 5,638	\$ 5,864
2 Bedroom 1 Bath (Shared Room)	\$ 4,031	\$ 4,233	\$ 4,402	\$ 4,578	\$ 4,762	\$ 4,952	\$ 5,150	\$ 5,356	\$ 5,570
2 Bedroom 2 Bath (Shared Room)	\$ 4,031	\$ 4,233	\$ 4,402	\$ 4,578	\$ 4,762	\$ 4,952	\$ 5,150	\$ 5,356	\$ 5,570
<b>New Housing Complex</b>									
4 Bedroom 1 Bath (Private Room)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,700	\$ 5,928	\$ 6,165	\$ 6,412

\*rates represent a semesterly charge.

\*rates reflect a projected annual 4% increase

Beds	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Boling Apartments	407	411	407	407	407	407	407	407	407
Johnson O'Bear Apartments	449	449	449	449	449	449	449	449	449
Lockmiller Apartments	344	354	383	383	383	383	383	383	383
Stagmaier Hall	75	75	75	75	75	75	75	75	75
West Campus Housing	600	608	599	599	599	599	599	599	599
New Housing Complex						784	784	784	784

\*numbers include possible rentable beds.

Occupancy	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Boling Apartments	96%	98%	98%	98%	98%	97%	97%	97%	97%
Johnson O'Bear Apartments	94%	98%	98%	98%	98%	97%	97%	97%	97%
Lockmiller Apartments	92%	98%	98%	98%	98%	95%	95%	95%	95%
Stagmaier Hall	98%	99%	99%	99%	99%	97%	97%	97%	97%
West Campus Housing	94%	96%	94%	94%	94%	92%	92%	92%	92%
New Housing Complex						96%	96%	96%	96%

\*percentages reflect projected Fall occupancy. Spring occupancy historically fluctuates based on attrition.

Revenue	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Spring
Boling Apartments	\$ 2,705,941	\$ 2,869,240	\$ 2,954,968	\$ 3,073,167	\$ 3,196,094	\$ 3,306,625	\$ 3,438,891	\$ 3,576,446	\$ 3,719,504	94%
Johnson O'Bear Apartments	\$ 2,898,621	\$ 3,134,523	\$ 3,259,904	\$ 3,390,300	\$ 3,525,912	\$ 3,642,120	\$ 3,787,805	\$ 3,939,317	\$ 4,096,890	94%
Lockmiller Apartments	\$ 1,796,425	\$ 1,987,533	\$ 2,236,368	\$ 2,325,822	\$ 2,418,855	\$ 2,475,889	\$ 2,574,925	\$ 2,677,922	\$ 2,785,039	92%
Stagmaier Hall	\$ 456,313	\$ 493,453	\$ 547,363	\$ 569,258	\$ 592,028	\$ 609,329	\$ 633,702	\$ 659,050	\$ 685,412	94%
West Campus Housing	\$ 4,497,828	\$ 4,761,278	\$ 4,825,691	\$ 5,018,719	\$ 5,219,468	\$ 5,368,921	\$ 5,583,678	\$ 5,807,025	\$ 6,039,306	89%
New Housing Complex						\$ 8,490,720	\$ 8,830,349	\$ 9,183,563	\$ 9,550,905	94%
<b>Total</b>	<b>\$ 12,355,128</b>	<b>\$ 13,246,027</b>	<b>\$ 13,824,294</b>	<b>\$ 14,377,266</b>	<b>\$ 14,952,357</b>	<b>\$ 23,893,605</b>	<b>\$ 24,849,349</b>	<b>\$ 25,843,323</b>	<b>\$ 26,877,056</b>	

\*Revenues can fluctuate between rentable beds, occupancy changes and summer operations.

\*Revenues projected beginning FY25 and beyond calculation = (Fall rate\*bed amount\*Fall occupancy rate)+(Fall rate\*bed amount\*Spring occupancy rate)

OpEx	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Personnel	\$ 2,273,794	\$ 2,337,805	\$ 2,415,353	\$ 2,487,814	\$ 2,562,448	\$ 3,164,781	\$ 3,280,605	\$ 3,379,023	\$ 3,480,394
Non-Personnel	\$ 4,660,628	\$ 4,791,831	\$ 4,950,783	\$ 5,099,306	\$ 5,252,286	\$ 6,486,895	\$ 6,660,621	\$ 6,860,440	\$ 7,066,253
<b>Total OpEx</b>	<b>\$ 6,934,422</b>	<b>\$ 7,129,636</b>	<b>\$ 7,366,136</b>	<b>\$ 7,587,120</b>	<b>\$ 7,814,734</b>	<b>\$ 9,651,676</b>	<b>\$ 9,941,226</b>	<b>\$ 10,239,463</b>	<b>\$ 10,546,647</b>

#### System Cashflows

Net Operating Income	\$ 5,420,706	\$ 6,116,391	\$ 6,458,159	\$ 6,790,146	\$ 7,137,623	\$ 14,241,929	\$ 14,908,123	\$ 15,603,860	\$ 16,330,409
Debt Service - Existing	\$ 4,020,844	\$ 4,019,265	\$ 4,020,845	\$ 4,020,945	\$ 3,512,487	\$ 3,511,696	\$ 3,514,960	\$ 3,526,669	\$ 3,523,706
Debt Service - New Bonded Project						\$ 8,856,790	\$ 8,856,790	\$ 8,856,790	\$ 8,856,790

<b>DSCR</b>	<b>1.35</b>	<b>1.52</b>	<b>1.61</b>	<b>1.69</b>	<b>2.03</b>	<b>1.15</b>	<b>1.21</b>	<b>1.26</b>	<b>1.32</b>
<b>Cashflow After Debt Service</b>	<b>\$ 1,399,862</b>	<b>\$ 2,097,126</b>	<b>\$ 2,437,314</b>	<b>\$ 2,769,201</b>	<b>\$ 3,625,136</b>	<b>\$ 1,873,443</b>	<b>\$ 2,536,373</b>	<b>\$ 3,220,401</b>	<b>\$ 3,949,913</b>

## The University of Tennessee at Chattanooga Housing Financial Pro Forma On-Campus Beds

Academic School Year	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Total On-Campus Beds	1899	1945	1934	1934	1934	2718	2718	2718	2718
Academic Year Occupancy	95%	98%	97%	97%	97%	96%	96%	96%	96%
<b>Total Revenues</b>	<b>12,355,128</b>	<b>13,246,027</b>	<b>13,824,294</b>	<b>14,377,266</b>	<b>14,952,357</b>	<b>23,893,605</b>	<b>24,849,349</b>	<b>25,843,323</b>	<b>26,877,056</b>
<b>Total Expenses</b>	<b>6,934,423</b>	<b>7,129,636</b>	<b>7,366,136</b>	<b>7,587,120</b>	<b>7,814,734</b>	<b>9,651,676</b>	<b>9,941,226</b>	<b>10,239,463</b>	<b>10,546,647</b>
OpEx/GSF	\$8.15	\$8.38	\$8.66	\$8.92	\$7.12	\$8.79	\$9.05	\$9.32	\$9.60
OpEx/Bed	\$3,652	\$3,666	\$3,809	\$3,923	\$4,041	\$3,551	\$3,658	\$3,767	\$3,880
<b>Net Operating Income</b>	<b>5,420,705</b>	<b>6,116,391</b>	<b>6,458,158</b>	<b>6,790,146</b>	<b>7,137,623</b>	<b>14,241,929</b>	<b>14,908,123</b>	<b>15,603,860</b>	<b>16,330,409</b>
Existing Debt	4,020,844	4,019,265	4,020,845	4,020,945	3,512,487	3,511,696	3,514,960	3,526,669	3,523,706
New Debt						8,856,790	8,856,790	8,856,790	8,856,790
<b>Total Debt</b>	<b>4,020,844</b>	<b>4,019,265</b>	<b>4,020,845</b>	<b>4,020,945</b>	<b>3,512,487</b>	<b>12,368,486</b>	<b>12,371,750</b>	<b>12,383,459</b>	<b>12,380,496</b>
<b>DCR</b>	<b>1.35</b>	<b>1.52</b>	<b>1.61</b>	<b>1.69</b>	<b>2.03</b>	<b>1.15</b>	<b>1.21</b>	<b>1.26</b>	<b>1.32</b>
<b>Total Surplus Cash Flow</b>	<b>1,399,861</b>	<b>2,097,126</b>	<b>2,437,313</b>	<b>2,769,201</b>	<b>3,625,136</b>	<b>1,873,443</b>	<b>2,536,373</b>	<b>3,220,401</b>	<b>3,949,913</b>
<b>Cumulative Surplus Cash Flow</b>	<b>1,399,861</b>	<b>3,496,987</b>	<b>5,934,300</b>	<b>8,703,501</b>	<b>12,328,637</b>	<b>14,202,081</b>	<b>16,738,454</b>	<b>19,958,855</b>	<b>23,908,768</b>

**Notes:**

*This pro forma does not account for revenue or expenses produced from UC Foundation owned housing. UTC does not receive revenues from UC Foundation owned housing.*

*New "estimated debt service" amount consists of a conservative approach; issuing 30 year bonded debt at an estimated 7.60% rate. The actual annual amount could possibly be less than what is shown on this schedule.*

*2022-23 Revenue & Expense based on actuals*

*2023-24 Revenue based on Fall actuals at 99% occupancy and Spring revenue projected at 97% occupancy. Expense projection based on expected expenses for the remainder of the FY.*

*2024-25 Revenue is based on 97% occupancy for on-campus and a 4% rate increase. Expenses include a 3% operating expense increase.*

*2025-26 Revenue is based on 97% occupancy for on-campus and a 4% rate increase. Expenses include a 3% operating expense increase.*

*2026-27 Revenue is based on 97% occupancy for on-campus and a 4% rate increase. Expenses include a 3% operating expense increase. Debt decreases by \$500K from JO debt retiring.*

*2027-28 Revenue is based on 95% occupancy for on-campus and a 4% rate increase to existing rates and adding new residence hall revenue. Expenses include a 3% operating expense increase and the operating cost for new residence hall.*

*2029-31 Revenue is increase by 4% and expenses increase by 3%*