



JASON E. MUMPOWER  
*Comptroller*

## **TENNESSEE STATE SCHOOL BOND AUTHORITY**

**MAY 19, 2025**

### **AGENDA**

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable agenda items in accordance with Tenn. Code Ann. § 8-44-112
2. Approval of minutes from March 24, 2025, meeting
3. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee, Knoxville – Lease for Cherokee Mills Complex with TUFF 2200 Sutherland Avenue, LLC
4. Report on the results of the bond sale for Tennessee State School Bond Authority 2025 Series A and 2025 Series B (Federally Taxable) bonds
5. Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**March 24, 2025**

The Tennessee State School Bond Authority (the “TSSBA”, or the “Authority”) met on March 24, 2025, at 2:02 p.m., CT, in the Volunteer Conference Center on the 2<sup>nd</sup> floor of the Cordell Hull Building, Nashville, Tennessee. Commissioner Jim Bryson, Department of Finance and Administration, was present and presided over the meeting.

The following members were physically present:

William Wood, proxy for the Honorable Jason Mumpower, Comptroller of the Treasury  
The Honorable Tre Hargett, Secretary of State  
Jamie Wayman, proxy for the Honorable David H. Lillard, Jr., State Treasurer  
Dick Tracy, proxy for Dr. Flora W. Tydings, Chancellor, Tennessee Board of Regents

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

Luke Lybrand, proxy for Randy Boyd, President, University of Tennessee (“UT”)

The following member was absent:

The Honorable Bill Lee, Governor

Commissioner Bryson recognized a physical quorum present, with Mr. Lybrand participating electronically, and asked Ms. Sandi Thompson, TSSBA Assistant Secretary and Director of the Division of State Government Finance (SGF), to call the roll. Ms. Thompson called the roll:

Commissioner Bryson – Present  
Secretary Hargett – Present  
William Wood – Present  
Jamie Wayman - Present  
Luke Lybrand – Present  
Dick Tracy – Present

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

Commissioner Bryson stated that the first item on the agenda was the consideration and approval of the minutes from the December 16, 2024, meeting of the Authority. Commissioner Bryson asked if there were any questions or discussion regarding the minutes. Hearing none, Commissioner Bryson asked for a motion to approve the minutes. Secretary Hargett moved approval of the minutes, Mr. Wayman seconded the motion, and Ms. Thompson took the roll:

Commissioner Bryson – Aye  
Secretary Hargett – Aye  
William Wood – Aye  
Jamie Wayman - Aye  
Luke Lybrand – Aye  
Dick Tracy – Aye

The minutes were unanimously approved.

Commission Bryson stated that the next item on the agenda was the consideration and approval of a “Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee, Health Science Center” – Corporate Quarters. Commissioner Bryson recognized Mr. Austin Oakes,

Assistant Vice President of the Office of Capital Projects at UT to present the request. Mr. Oakes explained that UT was requesting a housing lease with a five-year term. Mr. Oakes stated the lease is for approximately eleven two-bedroom apartment units located at 960 East 3<sup>rd</sup> Street, Chattanooga, Tennessee. Mr. Oakes stated the rent would be paid from student tuition and fees. Mr. Oakes stated this space would provide housing for the medical and dental students on clinical rotation with UT Health Science Center's College of Medicine – Chattanooga. Commissioner Bryson asked if there were any questions or comments. Secretary Hargett then moved approval of the request, Commissioner Bryson seconded the motion, and Ms. Thompson took the roll:

Commissioner Bryson – Aye  
Secretary Hargett – Aye  
William Wood – Aye  
Jamie Wayman - Aye  
Luke Lybrand – Aye  
Dick Tracy – Aye

The motion was approved unanimously.

Commissioner Bryson stated that the next item on the agenda was the consideration and approval of a “Resolution to Approve the Borrowing of Money by Another Method by Middle Tennessee State University” – Amendment to lease with City of Shelbyville. Commissioner Bryson recognized Mr. Bill Waits, Assistant Vice President of the Office of Campus Planning and Architect at Middle Tennessee State University (“MTSU”) and Mr. Alan Thomas, Vice President for Business and Finance at MTSU to present the request. Mr. Waits explained that MTSU was requesting an amendment to the lease between the City of Shelbyville and MTSU. Mr. Waits stated the amendment would increase the leased space by 4.8 acres at the existing rental rate for the first lease year with 1% rate increases annually, to support future expansion of the MTSU Aerospace facilities at the Shelbyville Municipal Airport. Commissioner Bryson asked how the property would be developed and utilized. Mr. Waits explained that the first phase of development would focus on moving the professional pilot flight operations facility with approximately 1,000 students from the Murfreesboro municipal airport to the Shelbyville municipal airport. Mr. Waits explained that MTSU would be constructing instructional space, and hangar space to house approximately 50 aircraft for MTSU. Mr. Waits stated that MTSU planned for future development phases to move other aerospace concentrations such as the maintenance management program to the Shelbyville airport property. Commissioner Bryson asked if there were any questions or comments. Secretary Hargett then moved approval of the request, Jamie Wayman seconded the motion, and Ms. Thompson took the roll:

Commissioner Bryson – Aye  
Secretary Hargett – Aye  
William Wood – Aye  
Jamie Wayman - Aye  
Luke Lybrand – Aye  
Dick Tracy – Aye

The motion was approved unanimously.

Commissioner Bryson stated the next item on the agenda was the consideration and approval of a project for the Tennessee Board of Regents at Tennessee Technological University (“TTU”). Commissioner Bryson recognized Mr. Jim Cobb, Director of Capital Projects and Planning, and Dr. Claire Stinson, Vice President for Planning and Finance at TTU to present the request.

- Tennessee Technological University – J.J. Oakley Innovation Center Residence Hall (933); Cost: \$72,560,000 of which \$56,000,000 will be funded by TSSBA; Term of Financing: 30 years at an assumed tax-exempt rate.

Mr. Cobb stated TTU was requesting approval of \$56,000,000 of bond funding for this project. Mr. Cobb stated the total project budget for the first phase of the project is \$72,560,000. Mr. Cobb stated the funding

is for the residence hall that would be approximately 98,000 square feet with 400 beds. Mr. Cobb stated that plant funds would be used to fund the remaining balance of the project that is not being financed by the TSSBA. Commissioner Bryson asked if there were any questions. Secretary Hargett moved approval of the request, and Mr. Wood seconded the motion. Commissioner Bryson asked Ms. Thompson if SGF had completed a feasibility study. Ms. Thompson stated that SGF had completed the feasibility analysis and determined that the pledged revenues from the project would be sufficient to cover the annual debt service. Commissioner Bryson asked Ms. Thompson to take roll:

Commissioner Bryson – Aye  
Secretary Hargett – Aye  
William Wood – Aye  
Jamie Wayman - Aye  
Luke Lybrand – Aye  
Dick Tracy – Aye

The motion was approved unanimously.

Commissioner Bryson stated the next item on the agenda is the approval of the “Supplemental Resolution Authorizing and Providing for the Issuance and Sale of Higher Educational Facilities Second Program Bonds” for the 2025 Series Bonds and delegate the authority to the Comptroller to sell and fix the details of the bonds. Commissioner Bryson called upon Ms. Thompson to present the information. Ms. Thompson stated in accordance with the TSSBA Debt Management Policy, detailed information on the purpose of the bond financing, the proposed structure of the financing, the source of payment to be pledged to the financing, the proposed method of sale, the proposed financing team, and an estimate of all costs associated with the financing was to be presented to the Authority and staff.

Ms. Thompson stated for the transaction that she, with the assistance of SGF staff, Bond Counsel, Financial Advisor, and members of the financing team, had prepared a draft Preliminary Official Statement (“POS”), that described the proposed transaction and the security for the debt that is fully compliant with all legal requirements. Ms. Thompson stated the POS was presented to the members of the Authority for review in advance of the TSSBA meeting at which this Supplemental Resolution is to be adopted.

Ms. Thompson stated the Supplemental Resolution included:

- The **original purpose** of the financing is to issue new money bonds to fund project costs;
- **New money bonds** are authorized by this resolution to be issued in an amount not to exceed **\$250,000,000**; there are projects that are currently financed in the RCF, that could be financed with long-term debt.
- **Proposed structure** – the structure of the financing for **new money** bonds would be 20-30 year, level debt service with some bonds structured to amortize over a shorter period in order that the projects to be financed were not financed beyond their useful life; may be issued as **Tax-Exempt or Taxable debt**;
- **Proposed method of sale** - Bonds may be sold through a **competitive or negotiated sale**; The preferred method is competitive, and the TSSBA’s financial advisors have provided a recommendation letter to sell the bonds through a competitive sale; however, if it is in the Authority’s best interest, it may negotiate the sale of its bonds.
- Interest cost – the True Interest Cost (TIC) of the bonds shall not exceed **5.5% for tax-exempt bonds and 6.5% for taxable bonds**

Ms. Thompson stated the following documents were provided in conjunction with the proposed bond transaction and are referenced in the supplemental resolution:

- **Preliminary Official Statement**, the most recent draft of which was distributed to the members of the TSSBA for their review prior to this meeting at which the supplemental bond resolution is to be approved.
- **Continuing Disclosure Undertaking** in substantive form (from the most recent bond sale - 2022 transaction),
- **Notice of Sale** in substantive form (draft for this transaction for competitive bond sale) to be executed by the Authority;
- **PFM Recommendation Letter**, indicating that the financial advisor recommended that the TSSBA sell the bonds competitively.
- Form of **Bond Purchase Agreement** in the event the TSSBA negotiates the bond sale.

Commissioner Bryson moved approval of the Supplemental Resolution, Dick Tracy seconded the motion, and Ms. Thompson took roll:

Commissioner Bryson – Aye  
 Secretary Hargett – Aye  
 William Wood – Aye  
 Jamie Wayman - Aye  
 Luke Lybrand – Aye  
 Dick Tracy – Aye

The motion was approved unanimously.

Commissioner Bryson stated that concluded the business on the agenda. Mr. Wood made a motion to adjourn, Mr. Wayman seconded the motion, and Ms. Thompson took the role:

Commissioner Bryson – Aye  
 Secretary Hargett – Aye  
 William Wood – Aye  
 Jamie Wayman - Aye  
 Luke Lybrand – Aye  
 Dick Tracy – Aye

The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

Respectfully submitted,

Sandra Thompson  
 Assistant Secretary

**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”), currently leases (through several existing leases-the “Existing Leases”) fifty-three thousand two hundred eighty-five (53,285) square feet of space in the Cherokee Mills Complex (“CM Complex”) located at 2200 Sutherland Avenue, Knoxville, Tennessee; and

Whereas, TUFF 2200 Sutherland Avenue, LLC (the “Landlord”) acquired the CM Complex in December 2024 and now desires to enter into a master lease (the “Lease”) with UT whereby UTK will initially lease approximately fifty-eight thousand four hundred seventy-nine (58,479) square feet of space; and

Whereas, pursuant to the Lease, the Landlord will ultimately lease the entire CM Complex (a total of one hundred ninety-two thousand one hundred seventeen [192,117] square feet) to UT with additional space being added to the Lease as space becomes available through third-party lease expiration; and

Whereas, the space UTK currently occupies in the CM Complex is used as surge space supporting campus growth and capital project activity with the additional space expected to house other functions that will be disrupted due to construction on the UTK campus and, longer term, for educational, operational, research and technology uses; and

Whereas, the Lease will replace the Existing Leases and offer UT better pricing for both its existing space and the space to be added and also multiple opportunities to purchase the CM Complex at various points during the Lease; and

Whereas, the initial term of the Lease will be for ten (10) years with two (2) additional ten (10) year renewal options and UT’s average annual rent during the initial term (calculated for one hundred ninety-two thousand one hundred seventeen [192,117] square feet) will be one million seven hundred seventy-five thousand six hundred ninety-seven dollars and eight cents (\$1,775,697.08) and UT’s estimated share of operating expenses during the initial term will be two million three hundred fifty-six thousand sixteen dollars and thirty-one cents (\$2,356,016.31) for a total annual effective cost of four million one hundred thirty-one hundred thousand seven hundred thirteen dollars and thirty-eight cents (\$4,131,713.38); and

Whereas, UT may terminate the Lease for convenience upon ninety (90) days’ notice; and

Whereas, funding for the Lease payments will be provided by UTK through 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 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 May 19, 2025.

Adopted by the Authority at its meeting on May 19, 2025.

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JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

**Acquisition – Lease (Space)**

**Requested Action:**                   **Approval of a lease with a purchase option**

**Transaction Description:**       Transaction No. 2024-09-001

• **Proposed Lease**

- **Location:** Cherokee Mills Complex  
University of Tennessee-Knoxville (UTK) – 2200 Sutherland Avenue, Knoxville, Knox County, Tennessee
- **Landlord:** TUFF 2200 Sutherland Avenue, LLC, an affiliated entity of The University Financing Foundation, Inc. (TUFF)
- **Term:** 10 years with two (2) ten-year renewal options
- **Area / Costs:** 192,117 Square Feet

First Year Contract Rent:*	\$1,584,965.25	\$ 8.25/sf
Average Annual Contract Rent (Initial Term)*	1,775,697.08	9.24/sf
Estimated Annual Share of Operating Expenses*	2,356,016.31	12.26/sf
Total Annual Effective Cost*	\$4,131,713.38	\$21.51/sf

\*maximum liability

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

**Comment:**                   TUFF 2200 Sutherland Avenue, LLC acquired the Cherokee Mills Complex (CM Complex) on December 12, 2024 from Magnolia Cherokee Mills LP. TUFF will master lease the entire CM Complex to the University, with multiple opportunities for the University to obtain the fee interest in the property, both in the near term, throughout the term once the University is leasing 75% or more of the rentable square footage in the CM Complex, and after the final renewal term.

UT currently leases 53,285 sf of the 192,117 sf in the CM Complex. The University desires to ultimately occupy the entire building for educational, operational, research, and technology uses. The additional space will be added to the leasehold as third-party leases within the complex expire.

Based on a review of the financial aspects, occupancy requirements, and market indicators, this lease is deemed to be in the state's best interest at this time.

UT intends to execute an early purchase by June 2026.

Either party may terminate this agreement with 90 days prior notice.

**Minutes:**                   09/23/2024     Approved a waiver of advertisement

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Seeking approval for UT to enter into a master lease agreement with TUFF 2200 Sutherland Avenue, LLC (TUFF) for the Cherokee Mills Complex (CM Complex). The University currently leases 53,285 sf of the 192,117 sf facility. Including currently vacant space, the initial size of the leased premises is anticipated to be 58,479 sf. TUFF acquired the CM Complex from Magnolia Cherokee Mills LP on December 12, 2024. TUFF desires to master lease the CM Complex entirely to the University, with additional space within the complex to be added to the University's leasehold as it becomes available through third-party lease expiration.

The current UT leases in the complex are primarily used as surge space supporting campus growth and capital project activity. The additional space will be used to house other functions that are expected to be disrupted due to construction on the UTK campus and growing operational needs. The additional space could serve a multitude of needs for long-term administrative space and in the short-term for additional surge space. A portion of the property will also be considered for the operation of a daycare facility by a third-party in collaboration with UT.

### **TERMS**

The master lease would replace the existing leases that are in place with TUFF offering the University lower occupancy costs, for both the currently leased space and the additional spaces, than the rates the University is paying under its existing leases. The University will have an option to acquire the CM Complex in fee simple ownership at the conclusion of the final renewal term or at any time throughout the lease term when the University is leasing 75% or more of the total rentable square footage of the CM Complex. Additionally, an early purchase option will also be available during the first two (2) lease years. If closing on the purchase occurs by June 30, 2026, the purchase price shall be \$23,100,000 plus the amount of all pre-approved and mutually approved capital expenditures up to \$2,000,000. If closing on the purchase occurs within the second lease year, the purchase price shall be \$24,500,000 plus the amount of all pre-approved and mutually approved capital expenditures up to \$2,000,000.

### **FUNDING**

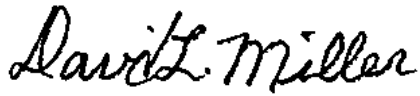
Funding for the lease payments will be funded by UTK through Plant Funds (Non-Auxiliary) (A).

### **REQUEST**

Request for approval of the lease.

## **CERTIFICATION OF FUNDS**

Please be advised that The University of Tennessee Knoxville has adequate resources, Plant Funds (Non-Aux) in hand that are not encumbered, or otherwise obligated, from which to make related payments of **Four million one hundred thirty one thousand seven hundred thirteen dollars and 38/100 (\$4,131,713.38) per year** associated with the real property lease at **2200 Sutherland Avenue, Knoxville, TN.**



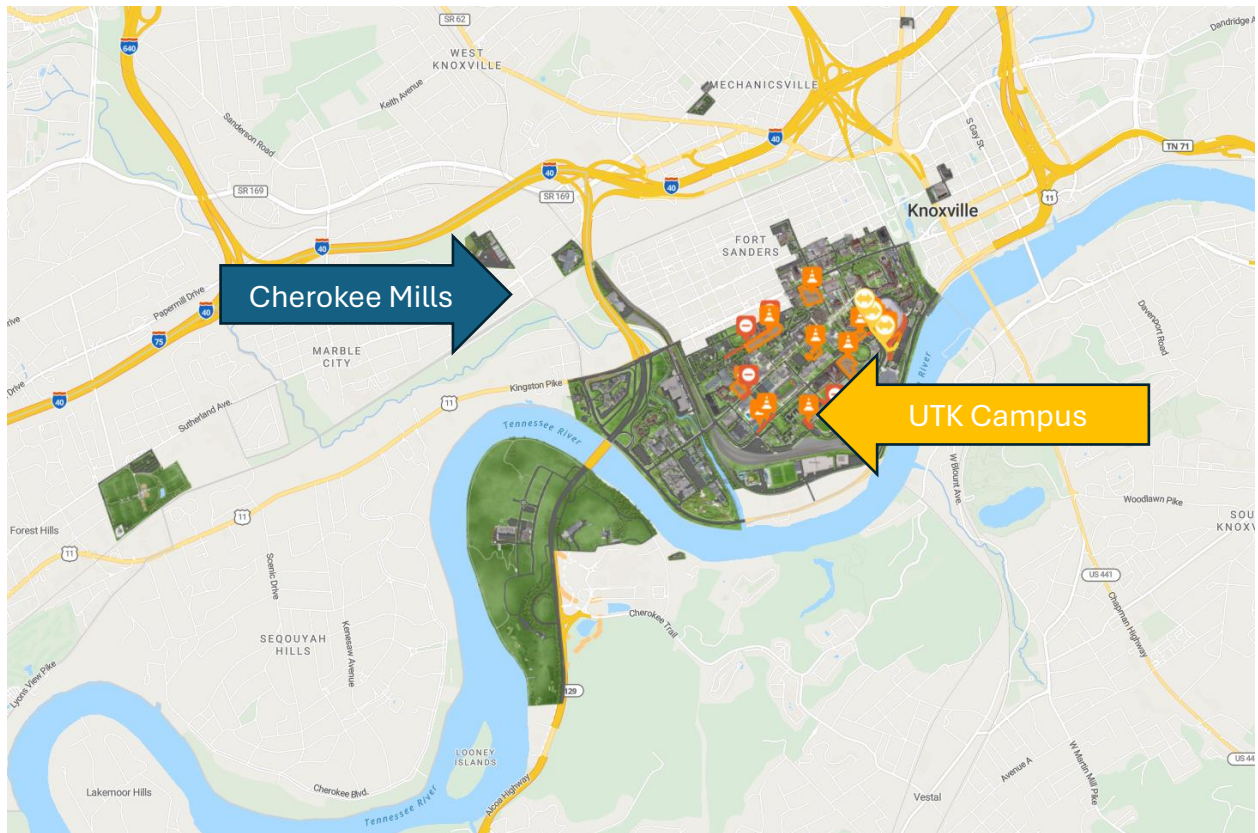
April 2, 2025

Date: \_\_\_\_\_

\_\_\_\_\_  
David L. Miller  
Sr. Vice President and Chief Financial Officer  
The University of Tennessee System







AGENCY:		
ALLOTMENT CODE:	COST CENTER:	

This Instrument Prepared By:

University of Tennessee

UT Tower, 9<sup>th</sup> Floor  
400 W Summit Hill Drive  
Knoxville, TN 37902

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

State is Tenant

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

## LEASE

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

Name and Address of Property:

**Cherokee Mills 2200 Sutherland Avenue  
Knoxville, Tennessee 37919**

2. Tenant: **The University of Tennessee**

Landlord Name and Address:

**TUFF 2200 Sutherland Avenue, LLC  
c/o The University Financing Foundation, Inc.  
75 Fifth Street, Suite 1025  
Atlanta, Georgia 30308**

3. Leased Premises: 58,479 sf of space in the 192,117 sf building (the "Building") as more particularly described on Exhibit B together with all Common Areas, including, without limitation, parking. The Leased Premises may be expanded in accordance with the provisions of Exhibit A, Section 1.C.

4. Land: Approximately 9.4 acres  
Building Rentable Square Feet: **192,117**

*SEE LEGAL DESCRIPTION OF PROPERTY ON EXHIBIT B*

5. Initial Term of Lease: 10 year(s) and 0 month(s)  
Commencement Date of Lease Term  
(and of the obligations hereunder):  
Expiration Date of Lease Term:

**Tenant has two (2) renewal options of 10 years each which may be exercised in accordance with Exhibit A, Section 2.**

6. [INTENTIONALLY OMITTED]

### 7. Rent:

a. Base Rent: \$8.25 per rentable square foot from \_\_\_\_\_ through \_\_\_\_\_, with a fixed annual increase of two and one-half percent (2.5%) payable in equal monthly installments in arrears; as follows:

Base Rent Schedule	Base Rent (\$ / SF / Year)	Option #1 Rent Schedule	Base Rent (\$ / SF / Year)	Option #2 Rent Schedule	Base Rent (\$ / SF / Year)
7/1/25-6/31/26	8.25	7/1/35-6/31/36	10.56	7/1/45-6/31/46	13.51
7/1/26-6/31/27	8.46	7/1/36-6/31/37	10.82	7/1/46-6/31/47	13.85
7/1/27-6/31/28	8.67	7/1/37-6/31/38	11.09	7/1/47-6/31/48	14.20
7/1/28-6/31/29	8.88	7/1/38-6/31/39	11.37	7/1/48-6/31/49	14.55
7/1/29-6/31/30	9.11	7/1/39-6/31/40	11.65	7/1/49-6/31/50	14.92
7/1/30-6/31/31	9.33	7/1/40-6/31/41	11.94	7/1/50-6/31/51	15.29
7/1/31-6/31/32	9.57	7/1/41-6/31/42	12.24	7/1/51-6/31/52	15.67
7/1/32-6/31/33	9.81	7/1/42-6/31/43	12.55	7/1/52-6/31/53	16.06
7/1/33-6/31/34	10.05	7/1/43-6/31/44	12.86	7/1/53-6/31/54	16.47
7/1/34-6/31/35	10.30	7/1/44-6/31/45	13.18	7/1/54-6/31/55	16.88

b. Additional Rent: As defined in Section 5 of Exhibit A

### 8. Utilities & Services:

- ☒ All utilities and janitorial services are included in the Monthly Additional Rent 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: \$0.00 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 and Property Description;

☒ Other -- Exhibit C -- Expansion Space Commencement Date Agreement; ☒ Other -- Exhibit D -- Build Out Terms, Exhibit E - Roof Condition Assessment; Exhibit G -- Sample Calculation of Purchase Price and Exhibit H -- Approved Capital Expenditures

**LANDLORD: TUFF 2200 Sutherland Avenue, LLC,**  
a Georgia limited liability company

By: The University Financing Foundation, Inc.,  
Its: Manager

By: \_\_\_\_\_  
Name: Kevin T. Byrne  
Title: CEO

Date: \_\_\_\_\_

**TENANT: University of Tennessee**

By: \_\_\_\_\_  
Austin Oakes, Associate Vice President – Department 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 Kevin T. Byrne, CEO of The University Financing Foundation, Inc., the Manager of TUFF 2200 Sutherland Avenue LLC, a Georgia limited liability company, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be CEO of The University Financing Foundation, Inc., the Manager of TUFF 2200 Sutherland Avenue LLC, a Georgia limited liability company, the within named Landlord, and that he, executed the foregoing instrument for the purposes therein contained by signing the name of the entity by himself as such CEO of the Manager of TUFF 2200 Sutherland Avenue LLC, a Georgia limited liability company.

Witness my hand and seal, at office in \_\_\_\_\_, Tennessee, this the \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
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 \_\_\_\_\_, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be \_\_\_\_\_ 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 \_\_\_\_\_ for the University of Tennessee.

Witness my hand and seal, at office in Knoxville, Tennessee, this the \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[ seal ]

**WHEREAS**, Landlord has purchased that certain real property and the improvements located thereon located at 2200 Sutherland Avenue, Knoxville, Knox County, Tennessee 37919 on approximately 9.40 acres (the "Land") (the Building and Land are collectively referred to herein as, the "Property");

**WHEREAS**, Landlord desires to Lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord on the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, 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.

A. Initial Leased Premises: Tenant's existing leases for portions of the Property are set forth in Table 1 of Exhibit B attached hereto (collectively, the "Existing Tenant Leases"). As of the Commencement Date, the Existing Tenant Leases, comprising 58,479 square feet of the Building, shall be automatically terminated and such space shall thereafter be leased to Tenant under this Lease. Accordingly, as of the Commencement Date, the suites listed on Exhibit B, Table 1 shall be leased to Tenant and shall comprise the Leased Premises.

B. Existing Third-Party Leases: In connection with its acquisition of the Property, Landlord assumed the leases of the Property set forth in Table 2 of Exhibit B attached hereto (collectively, the "Existing Third-Party Leases"). The parties acknowledge and agree that Tenant shall have no responsibility for any portion of the Property leased under the Existing Third-Party Leases or used by such tenants.

C. Expansion Space. Upon the termination of each Existing Third-Party Lease, Landlord is obligated to lease to Tenant, and Tenant is obligated to lease from Landlord, the space that is the subject of the terminated Existing Third-Party Lease, with Tenant ultimately leasing all of the Property upon the termination of all Third-Party Leases. The space that becomes available upon the termination of each Existing Third-Party Lease shall be referenced herein as the "Expansion Space." The Tenant's lease of the Expansion Space shall be subject to all terms and conditions, including rental rates, of this Lease.

Not less than thirty (30) days prior to the "Lease Expiration Date" set forth in Exhibit B, Table 2 (or as revised if the applicable third-party tenant exercises a renewal option), Landlord shall send Tenant a notice confirming that the named tenant will vacate the space leased pursuant to the Existing Third-Party Lease on a specified date and providing the anticipated date that such suite will be added to the Leased Premises. Thereafter, Landlord and Tenant shall (i) inspect the suite vacated under the Existing Third-Party Lease to confirm that it has been fully vacated by its tenant and left in broom clean condition with all personal property removed therefrom, and (ii) execute an Expansion Space Commencement Date Agreement in the form attached hereto as Exhibit C. As of the date set forth in the fully executed Expansion Space Commencement Date Agreement, the Leased Premises shall be automatically revised to include such suite and the square footage of the Leased Premises shall automatically be increased by the amount set forth therein. Additionally, Tenant's Proportionate Share (as hereinafter defined) shall be automatically increased to reflect the increased square footage of the Leased Premises, all as set forth in the Expansion Space Commencement Date Agreement.

D. Potential Day Care Tenant: Notwithstanding anything to the contrary in the Lease, the parties contemplate that a portion of the Property will be used for the operation of a daycare by a third-party in collaboration with the Tenant through a public-private partnership or a similar legal form. The Tenant shall have the discretion to determine whether the portion of the Property needed for the daycare should be directly leased by the third-party from Landlord or whether such space should be leased by Tenant under this Master Lease and then subleased to the third-party. In either event, the parties shall cooperate in good faith to facilitate the Tenant's preferred structure for the third-party lease and, in no event, shall Landlord have discretion over the Tenant's selection of the third-party day care operator.

The Base Rent and all other provisions have been negotiated and agreed to based on the expectation that the entire Property will eventually be leased to Tenant under this Lease. Except as expressly provided in this Lease, all provisions of this Lease apply equally and uniformly to the Leased Premises as one unit. An event of default with respect to any part of the Leased Premises is an event of default as to all of the Leased Premises. The Parties intend that the provisions of this Lease shall at all times be construed, interpreted and applied so as to carry out their mutual objective to create an indivisible lease of the Leased Premises and, in particular but without limitation, that, for purposes of any assumption, rejection or assignment of this Lease under 11 U.S.C. Section 365, this is one indivisible and non-severable lease and executory contract dealing with one legal and economic unit and that this Lease must be assumed, rejected or assigned as a whole with respect to all (and only as to all) of the Leased Premises.

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. Tenant acknowledges that it is presently occupying a portion of the Property under the Existing Tenant Leases and, in deciding to enter into this Lease, has not relied on any representations or warranties, express or implied, of any kind from Landlord. Tenant accepts the Leased Premises on an "**AS IS**" basis. Tenant may use the Leased Premises for general office purposes, storage, a daycare operation and for any other purpose consistent with Tenant's mission as a public university (the "Permitted Use").

2. TERM. The "Term" of this Lease is the Initial Term of ten (10) years plus any exercised Renewal Term (if any). Tenant shall have the option to renew the Term for two (2) periods of ten (10) years each (each a "Renewal Term") by providing written notice of its election to exercise the option to the Landlord no later than three (3) months prior to the termination of the then-existing Term. Each exercised Renewal Term shall be subject to the terms of this Lease at the rates identified on the first page of this Lease. A "Lease Year" is the twelve (12) month period commencing on the Commencement Date and each anniversary thereof during the Term.

3. RENT. During the Term, the Base Rent shall be as set forth in Section 7 of the first page of this Lease and the Additional Rent shall be calculated as set forth in Section 5 of this Exhibit A. The Base Rent and Additional Rent shall hereinafter be referred to collectively as "Rent." In the event the Landlord qualifies for tax-exempt refinancing during the Term of this Lease, or otherwise qualifies for financing that reduces the interest rate on Landlord's financing for the Property by 100 basis points or more, Landlord shall use commercially reasonable best efforts to refinance the indebtedness secured by the Property. If the Landlord refinances the indebtedness secured by the Property at any time during the Term and such refinancing results in debt service savings, Landlord shall reduce the Rent due hereunder from Tenant in accordance with the debt service savings. Any such reduction in the Rent shall be documented in an amendment to the Lease. Upon the closing of permanent refinancing of the indebtedness secured by the Property, Landlord shall certify its existing interest rate on the financing related to the Property to Tenant in writing. Thereafter, Landlord shall certify to Tenant in writing at least every three (3) years (or more frequently if requested by Tenant), that Landlord has assessed the market for refinancing opportunities and advising Tenant as to whether it will be refinancing its loan related to the Premises and if not, the lowest rate that Landlord was offered. Any Rent reduction resulting from a refinancing of the indebtedness secured by the Property shall take into account all closing costs related to such refinancing and all prepayment fees/penalties related to early termination of existing financing and all other usual and customary costs associated with a refinancing. Rent shall be paid in equal monthly installments 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. Rent shall be prorated for any partial calendar month during the Term. All Base Rent payments shall be absolutely net to Landlord, free of any and all Taxes, insurance premiums, brokerage fees and Operating Expenses (as hereinafter defined).

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

(a). 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).

(b). 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.

4. LANDLORD'S OBLIGATIONS.

A. Utilities:

Landlord shall 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. 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, Landlord shall make commercially reasonable efforts to maintain the temperature of the telecom closet on the Leased Premises at all times between 64 and 75 degrees with a relative humidity range of 30-55%. Landlord shall not be liable for damage to any telecom equipment or any damages due to downtime of such equipment caused by or in any way contributed to by circumstances other than gross negligence of Landlord. All utilities furnished to the Leased Premises shall be included in Operating Expenses and paid by Tenant in accordance with Section 5 of this Lease. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent herein reserved be abated by reason of the failure to furnish or delay in furnishing any such utilities except to the extent resulting from the gross negligence or misconduct of Landlord. Landlord shall be responsible for providing, at Tenant's expense, all security services for the Premises.

B. Maintenance

Landlord shall keep the Property 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, including any landscaped areas, parking areas and driveways, including, but not 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 Building; (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 replacement of electrical light bulbs, fluorescent tubes, ballasts and starters. Landlord shall also 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 limited to, situations involving HVAC, electrical, plumbing, roof leaks, utility disruptions, ingress and egress, and environmental issues. Tenant shall promptly notify Landlord of any repairs to be made to the Premises. Tenant shall maintain, inspect, repair and replace any personal property, equipment and fixtures installed by Tenant on the Leased Premises (the "Tenant Maintenance"),.

C. Insurance

Landlord shall maintain fire and extended coverage insurance on the 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 Premises 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. Upon request, 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 Premises, 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 provide janitorial services to the Leased Premises five days per week, Monday through Friday, after-hours: Carpet vacuuming and tile mopping, furniture, desktops, countertops & table dusting, trash removal & wastebasket emptying, restroom surface cleaning and restocking of paper products. Only trash inside wastebaskets will be emptied. Boxes must be broken down and inside a trashcan or wastebasket and marked "TRASH" and placed beside the trash receptacle if it will not fit.

F. Pest Control

Landlord shall, at Landlord's expense, provide pest control services at such frequencies as Landlord determines to be commercially reasonable for an office building in the general vicinity of the Building. All interior pest control services shall be performed after normal business hours.

5. **TENANT'S OBLIGATIONS.** In addition to the Base Rent to be paid, Tenant agrees to pay Landlord as "Additional Rent" its Proportionate Share of Operating Expenses (as hereinafter described). Said Additional Rent shall be paid monthly in arrears at the same time as the payment of Base Rent in equal installments of 1/12 the total amount.

- A. The estimated cost of Operating Expenses for the initial year of the Term is \$9.75 per square foot of the Leased Premises based upon a 2025 budget.
- B. The term "Operating Expenses" as used above means all actual costs and expenses paid or incurred by Landlord or on its behalf of any kind and nature whatsoever in connection with the ownership, leasing, management, maintenance, operation and repair of the Property, including, without limitation, the costs of maintaining and repairing parking lots and easements, property management fees, janitorial services, landscaping costs, salaries, fringe benefits and related costs for building staff, heating and air conditioning costs, common area utility costs such as electricity, sewer and water charges to the extent such charges are not separately metered to Tenant, the costs of repairs, maintenance and decorating common areas (but not leased or leasable space), which Landlord shall pay or become obligated to pay in respect of a calendar year (regardless of when such Operating Expenses were incurred), all Taxes, all insurance premiums with respect to the Property, the cost of a preventative maintenance contract for the roof of the Building, and, subject to the last sentence of this Section 5.B, capital repairs or improvements, including security and energy management equipment, which are intended to reduce operating expenses; provided that, such costs shall only be included in Operating Expenses to the extent of the reasonably anticipated cost savings resulting therefrom, promote safety, maintain the first-class nature of the Building, or are required to comply with laws, ordinances, orders, rules or regulations first enacted after the Effective Date (the "Permitted Capital Improvements"); provided, however, that each Permitted Capital Improvement shall be amortized, together with reasonable financing charges, whether or not actually incurred.

Notwithstanding the foregoing or anything herein to the contrary, Operating Expenses shall exclude the following: (1) depreciation and amortization of the Building; (2) the cost of the design, construction, renovation, redecorating or other preparation of tenant improvements for Tenant or other tenants of the Building (including, without limitation, design fees for space planning and third party fees and charges, permit, license and inspection fees) and allowances therefor; (3) real estate brokerage and leasing commissions and fees; (4) advertising and promotional expenses incurred for marketing space in the Building or related to the Premises; (5) expenditures that would be required to be treated as capital improvements and replacements under generally accepted accounting principles ("GAAP") except to the extent of the applicable amortized portion of Permitted Capital Improvements; (6) wages, salaries, reimbursable expenses, benefits and other compensation of executives of Landlord or Landlord's property manager not directly engaged in performing contracted services for the Premises; (7) management fees in excess of four percent (4%) of Base Rent; (8) legal, accounting or other professional fees incurred in connection with negotiating, preparing or enforcing leases or lease terms, amendments of leases, proceedings against any tenant (including Tenant) relating to the collection of rent or other sums due to Landlord from such tenant or any other disputes with any tenant (including Tenant); (9) legal costs incurred in connection with the development, construction, alteration or improvement of the Building, the parking facilities, or any part of the Premises, or legal, auditing, accounting or other professional fees not allocated to the operation or management of the Premises; (10) repairs or improvements paid for from the proceeds of insurance (or which would have been paid from the proceeds of insurance required to be carried by Landlord under this Lease if Landlord has failed to carry such insurance), or paid for directly by Tenant, any other tenant(s) of the Building or any third party; (11) costs of repairs or replacements incurred by reason of eminent domain; (12) repairs or improvements made for the benefit solely of tenants of the Building other than Tenant; (13) the cost of any utilities for which Landlord is entitled to be reimbursed by tenants of the Building, other than the cost of utilities provided to the common areas; (14) any expense for which Landlord is entitled to be reimbursed by any tenant (including Tenant) as an

additional charge in excess of Base Rent; (15) overhead and profit paid to affiliates of Landlord for services on or to the Building or the Premises or for supplies or other materials, to the extent that the costs of the services, supplies, or materials exceed the prevailing market rate costs of the services, supplies, or materials were they not provided by an affiliate of Landlord; (16) Landlord's income taxes and franchise, capital gains or estate taxes or any other taxes imposed upon the income of Landlord; (17) costs with respect to the creation of a mortgage or a superior lease or in connection with a sale of the Building including, without limitation, survey, legal fees and disbursements, transfer taxes or stamps and appraisals, engineering and inspection reports associated with the contemplated sale; (18) any costs and compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord; (19) costs incurred with respect to any specialty use or service in the Building which is operated by Landlord and is not available for use by Tenant or its employees; (20) payment of damages, attorneys' fees and any other amounts to any person seeking recovery for negligence or other torts; (21) the cost of repairs, additions, improvements or replacements made to rectify, remedy or correct any structural or other defect in the original design, construction materials, installations or workmanship of the Building; (22) damages and repairs necessitated by the negligence or willful misconduct of Landlord or Landlord's employees, contractors or agents; (23) costs incurred due to violations by Landlord, or by any tenant (including Tenant) in the Building, of the terms and conditions of any lease, and penalties or interest for late payment of any obligation of Landlord (unless such penalties or interest result from Tenant's late payment of Rent); (24) Landlord's general corporate overhead, including without limitation, the cost of Landlord's general corporate accounting and the cost of preparation of Landlord's income tax or information returns, except to the extent included in Landlord's management fees subject to item (7) above; (25) any tenant improvement allowance given to any tenant (including Tenant) whether given by contribution or credit against rent or otherwise unless given at Tenant's request; (26) the costs incurred in performing work or furnishing services for any tenant (including Tenant) in the Building, to the extent that such work or service is in excess of any work or service Landlord is obligated to furnish to such tenant at Landlord's expense; (27) any rental concessions to, or lease buy-outs of, Tenant or any other tenant in the Building; (28) intentionally deleted; (29) the costs, expenses and fees of any asset manager or investment advisor representing Landlord or any partner or any other constituent member of Landlord; (30) costs arising from Landlord's charitable or political contributions and real estate association dues and licensing fees; (31) amounts payable by Landlord by way of indemnity or for damages or which constitute a fine, interest, or penalty, including interest or penalties for any late payments of operating costs; (32) any improvement installed or work performed or any other cost or expense incurred by Landlord to comply with the requirements for the obtaining or renewal of a certificate of occupancy for the Building or any space therein; (33) the cost of overtime or other expense to Landlord in curing defaults; (34) reserves; (35) any depreciation allowance or expenses; (36) operating expenses or specific costs which are the individual responsibility of Tenant or of other tenants, and (37), during the first five (5) years of the Initial Term, any expenses associated with the repair or replacement of the roof of the Building. Landlord and Tenant agree that the roof repairs as outlined in Exhibit E attached hereto will be performed during the first five (5) years of the Initial Term. After the end of the fifth year of the Initial Term and continuing through the end of the Term, expenses associated with the repair or replacement of the roof of the Building shall be included as Operating Expenses, provided that prior to making any such repairs or replacing the roof, Landlord shall discuss with Tenant the scope of the work to be completed. Landlord may, in a reasonable manner, allocate insurance premiums for so called "blanket" insurance policies which insure other properties as well as the Building and said allocated amount shall be deemed to be Operating Expenses. Notwithstanding anything to the contrary herein, for purposes of calculating the Operating Expenses for any given calendar year during the Term, Controllable Costs (as defined below) shall not increase by more than five percent (5%) per annum on a compounding and cumulative basis. For purposes of this Lease, "Controllable Costs" shall be deemed to include all Operating Expenses except for utility costs and expenses, Taxes, insurance costs and expenses, and snow removal. Notwithstanding any provision hereof, during the Early Purchase Option Period, and at any time after Tenant occupies seventy-five percent (75%) or more of the total rentable square footage of the Building (including any square footage occupied by a third-party for Tenant's benefit, e.g. a daycare operation), provided that Tenant is not in default, all capital expenditures by the Landlord shall require the written mutual consent of Landlord and the University of Tennessee Knoxville Senior Vice Chancellor of Finance & Administration on behalf of the Tenant. Notwithstanding the preceding sentence, the capital expenditures set forth on Exhibit H are approved by Landlord and Tenant.

C. "Taxes" shall include all general and special real estate taxes assessed against the Premises, 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 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 Premises or the right to receive rent therefrom.

- D. Real estate taxes shall be included in the computation of Operating Expenses on a monthly basis.
- E. All refunds, repayments and recoveries of amounts theretofore included in Operating Expenses shall be included in the computation as a credit during the month received by Landlord. All other Operating Expenses shall be included in the computation in the month when incurred.
- F. Tenant's Additional Rent shall be the proportion of any Operating Expenses that the area of the Leased Premises bears to the total rentable area of the entire Building (referenced herein as "Proportionate Share.") Building rentable square footage shall be computed according to the recommended standard method of floor measurement for office buildings issued by the "Building Owners and Managers Association International".
- G. Landlord shall estimate for each calendar year, or any portion of a calendar year at the beginning and end of this Lease, the Operating Expenses and Tenant's estimated Additional Rent for the forthcoming year and provide such estimate to Tenant within ninety (90) days after January 1st. Tenant's payments of Additional Rent shall be at the same rate as the previous year until such time as the new estimate is provided to Tenant. Tenant shall pay, with each monthly installment of Base Rent, one-twelfth (1/12th) of Tenant's estimated Additional Rent. The amount of any such Additional Rent shall be prorated on a daily basis for any partial month during which this Lease begins and ends.
- H. Within one hundred twenty (120) days after the expiration of each calendar year, Landlord shall forward to Tenant a statement of actual Operating Expenses for the prior calendar year. Should Tenant's actual payment of Additional Rent differ from Tenant's Proportionate Share of the amount of total Operating Expenses, then, within thirty (30) days after the date of Landlord's statement, either Landlord shall refund to Tenant any amount paid in excess of the amount due or Tenant shall remit to Landlord any amount by which its payment of Additional Rent was deficient.
- I. 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 the Operating Expenses as herein provided.
- J. 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 Premises or the rent therefrom as above provided.
- K. In no event during any Lease Year shall (i) Tenant ever be obligated to pay more than its Proportionate Share of Operating Expenses, or (ii) Landlord collect more than the actual amount of Operating Expenses.

6. IMPROVEMENTS. Tenant shall have the right during the existence of the Lease to, in its discretion, make renovations and alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises in accordance with Exhibit D. 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. Tenant shall keep the Premises free from liens for any work performed, material furnished or obligations incurred by Tenant. Should any liens or claims be filed against the Premises by reason of Tenant's acts or omissions, Tenant shall cause same to be discharged by bond or otherwise within ten (10) days after filing. If Tenant fails to cause any such lien or claim to be discharged within the required time, Landlord may cause same to be discharged and may make any agreement that Landlord, in its sole judgment, considers necessary, desirable, or proper to do so. All amounts paid by Landlord shall be payable by Tenant to Landlord upon demand.

7. **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 9** hereof. Notwithstanding the foregoing, all terms and conditions of the Lease are made subject to the continued appropriations by the appropriate Legislative Body.

8. **ENVIRONMENTAL PROVISIONS.**

(i) Except in the course of normal operations of the Permitted Use and in compliance with all applicable laws, Tenant covenants and agrees that, it shall not cause or permit any Hazardous Substances, as herein defined, to be generated, used, treated, stored, released or disposed of in, on at, or under the Premises without Landlord's prior written consent. For the purposes of this **Section 8**, "Hazardous Substances" shall mean and refer to (a) all those substances, elements, materials, compounds, or wastes defined or classified as hazardous or restricted under (i) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended from time to time, the regulations promulgated thereunder and analogous state statutes and regulations, (ii) the Resource Conservation and Recovery Act of 1976, as amended from time to time, the regulations promulgated thereunder and analogous state statutes and regulations, (iii) the Toxic Substances Control Act, as amended from time to time, the regulations promulgated thereunder and analogous state statutes and regulations; and (b) petroleum products, including, without limitation, waste oils; and (c) "asbestos", as defined in 29 C.F.R. Sec. 1910.1001 *et seq.* (or analogous regulations promulgated under the occupational Safety and Health Act of 1970, as amended from time to time, and the regulations promulgated thereunder); and (d) "PCBs", as defined in 40 C.F.R. Sec. 761 *et seq.*, and "TCDD", as defined in 40 C.F.R. Sec. 775 *et seq.* (or in either case analogous regulations promulgated under the Toxic Substances Control Act, as amended from time to time); and (e) any other substance, element, material, or compound defined or restricted as a hazardous, toxic, radioactive, or dangerous substance, material, or waste by the Environmental Protection Agency or by any other ordinance, statute, law, code, or regulation of any federal, state, or local governmental entity or any agency, department or other subdivision thereof, whether now or later enacted, issued, or promulgated.

(ii) Landlord represents that to Landlord's actual knowledge, 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.

9. **DEFAULT.** Tenant shall be in default of the terms of the Lease if Tenant shall fail to make a payment of any Rent, and such 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 then current 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 4 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 4 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.

10. **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 one hundred percent (100%) of the Rent at the then-current rate for Rent as set forth in this 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.

11. **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 this 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.

12. **DAMAGE OR DESTRUCTION.** If the Leased Premises or Building are damaged by fire or other casualty, Tenant shall immediately notify Landlord. The damage shall be repaired by and at the expense of Landlord (excluding any personal property which is owned by Tenant); provided that, insurance proceeds payable on account of such damage or destruction are made available to Landlord and such repairs can, in Landlord's opinion, be made within one hundred eighty (180) days after the occurrence of such damage. Landlord shall notify Tenant within sixty (60) days of the event of casualty of its determination. Until such repairs are completed, the Base Rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of Base Rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within such 180-day period 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 Base 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. Tenant shall, at its sole cost and expense, repair, restore, rebuild, reconstruct, and replace, as required, any and all improvements installed in the Leased Premises by Tenant and all trade fixtures, personal property, inventory,

signs and other contents in the Leased Premises, and all other repairs not specifically required of Landlord hereunder, in a manner and to at least the condition existing prior to the damage. If the damage or destruction is due to the act, neglect, fault, or omission of Tenant, there shall be no Base Rent abatement.

13. NOTICES. All notices and other communications hereunder shall be effective if and only if in writing and either (1) delivered personally, (2) sent by FedEx or similar courier for next business day delivery, charges prepaid, (3) mailed by registered or certified mail (return receipt requested), postage prepaid, or (4) in the case of an addressee whose email address is supplied, transmitted by email which the sender's equipment indicates has been sent (provided that, in the case of a transmission by email (an "electronic transmission"), either (A) a copy of the electronic transmission is also delivered, sent or mailed, as applicable, as described in clause (1), clause (2) or clause (3), within one (1) calendar day of the electronic transmission or (B) receipt of such electronic transmission is acknowledged by the addressee, with no follow-up being required if such acknowledgment of receipt is itself transmitted by email), in any case to the addressee at the address that shall most recently have been designated, by effective notice hereunder from the addressee to the sender, as the addressee's desired address for notices hereunder (or, prior to any such notice, at the address for the addressee set forth below):

If to Tenant:

University of Tennessee  
Real Estate Management  
312 Rosa L. Parks Avenue, 22<sup>nd</sup> Floor  
Knoxville, Tennessee 37243  
Attn: \_\_\_\_\_  
E-mail: \_\_\_\_\_

If to Landlord:

TUFF 2200 SUTHERLAND AVENUE, LLC  
c/o The University Financing Foundation, Inc.  
75 Fifth Street, Suite 1025  
Atlanta, Georgia 30308  
Attention: President  
E-mail: [tuff@tuff.org](mailto:tuff@tuff.org)

14. 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.

15. 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.

16. 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.

17. COMPLIANCE WITH LAWS. Landlord represents and warrants to Tenant that as of the date of execution of this Lease, to Landlord's actual knowledge, 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.

18. **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.

19. **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.

20. **RENTABLE SQUARE FOOTAGE.** The rentable square feet of the Leased Premises set forth in the Lease is accurate to the best of Landlord's knowledge.

21. **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, including for the purpose of serving alcohol at events duly approved by Tenant's authorized officials. 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 without Tenant's prior written consent. 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. The parties acknowledge that the daycare operation may require closure of a portion of the Common Areas and agree to work together to effectuate such a change in the Common Areas. Notwithstanding the preceding sentence, any closure or other changes to the Common Areas shall be subject to the reasonable approval of Landlord.

22. **PARKING.** Subject to the rights of tenants of the Building under Existing Third Party Leases as set forth on Exhibit F, Landlord shall designate \_\_\_\_\_ (\_\_\_\_) specific parking spaces for the exclusive use of Tenant's employees and guests and Tenant shall be entitled to use the other parking spaces of the Common Area in common with other tenants of the Building at a rate not less to the proportionate share the Leased Premises bear to the total rentable square footage of the Building. Any other exclusive parking spaces assigned to Tenant shall be documented in the related Expansion Space Commencement Date Agreement. Such exclusive parking spaces shall be subject to the policies, rules, regulations, and enforcement of the University of Tennessee Parking & Transportation Office (the "Parking Regulations"). Subject to the Parking Regulations and subject to the rights of tenants of the Building under Existing Third-Party Leases, Landlord and Tenant shall consider converting part of the parking spaces to a playground in support of the daycare described in Section 1.D. above.

23. **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. Landlord 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.

24. **NON-BOYCOTT OF ISRAEL.** Pursuant to Tenn. Code Ann. § 12-4-119, Landlord certifies that it is not currently engaged in, and will not for the duration of the agreement, engage in a boycott of Israel, as defined by Tenn. Code Ann. § 12-4-119(a)(1).

25. **COMMENCEMENT OF TERM.** The Term of the Lease shall commence as set forth in Exhibit C of the Lease.

26. **BUYOUT OPTION.** In the event the Tenant exercises both Renewal Terms as described in Section 3, the Tenant shall have the option to acquire the Property in fee simple (including the Building and the Land) from the Landlord for the purchase price of \$1.00 at the conclusion of the final Renewal Term. Tenant shall provide Landlord with written notice of its intent to exercise such option within thirty (30) days of the termination of the final Renewal Term, in which case Tenant and Landlord shall cooperate in good faith to take all actions and execute all documents necessary to consummate the purchase and sale from Landlord to Tenant. In addition to the foregoing option, at any time after (i) Tenant occupies seventy-five percent (75%) or more of the total rentable square footage of the Building (including any square footage occupied by a third party for Tenant's benefit, e.g. a daycare operation), provided that

Tenant is not in default, Tenant shall have the option to acquire the Property in fee simple from the Landlord for the purchase price equal to the sum of the following: (i) the remaining Base Rent due under this Lease for the total rentable square footage of the Building through the end of both Renewal Terms (30 years from the Commencement Date) discounted by the rate for financing in place at the time the buyout option is exercised which is initially five point seven five percent (5.75%) (for the purposes of calculating the Base Rent due in the event of a buyout under this Section 26, the 2.5% fixed annual increase in Base Rent shall only apply to the portion of Base Rent related to debt service and no annual increase percentage shall be applied to any portion of Base Rent related to Landlord fees, overhead, or other costs unrelated to debt service); plus (ii) all Termination Costs related to indebtedness secured by the Property; (iii) plus any unamortized capital costs up to a maximum of \$500,000.00. For the purposes of this Section 26, "Termination Costs" shall include termination fees due from the Landlord in connection with the early termination of indebtedness secured by the Property; however, "Termination Costs" shall not include the principal balance or interest associated with indebtedness secured by the Property. Tenant shall provide Landlord with at least ninety (90) days' prior written notice of its intent to exercise such option, in which case Tenant and Landlord shall cooperate in good faith to take all actions and execute all documents necessary to consummate the purchase and sale from Landlord to Tenant. A sample calculation of the purchase price for a buyout under this Section 26 in years 1-30 of the Term of this Agreement is attached as Exhibit G. Exhibit G is provided to demonstrate the methodology for calculating the purchase price under this Section 26.

27. **EARLY PURCHASE OPTION.** During the first two (2) Lease Years ("Early Purchase Option Period"), Tenant shall have the option to acquire the Property in fee simple from the Landlord for the purchase price equal to:

- A. If closing on the purchase occurs within the first Lease Year, the purchase price shall be equal to the sum of (i) Twenty-Three Million One Hundred Thousand Dollars (\$23,100,000.00) plus (ii) the amount of all mutually approved capital expenditures (including the expenditures identified in Exhibit H), up to Two Million Dollars (\$2,000,000.00), incurred by the Landlord from the Commencement Date through the closing of the purchase and sale;
- B. If closing on the purchase occurs within the second Lease Year, the purchase price shall be equal to the sum of (i) Twenty-Four Million Five Hundred Thousand Dollars (\$24,500,000.00) plus (ii) the amount of all mutually approved capital expenditures (including the expenditures identified in Exhibit H), up to Two Million Dollars (\$2,000,000.00), incurred by the Landlord from the Commencement Date through the closing of the purchase and sale.

Tenant shall provide Landlord with at least ninety (90) days' prior written notice of its intent to exercise such option, in which case Tenant and Landlord shall cooperate in good faith to take all actions and execute all documents necessary to consummate the purchase and sale from Landlord to Tenant.

28. **CONFLICTS OF INTEREST.** The Landlord warrants that no part of the total payment from the Tenant under the Lease 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, or employee of the Landlord in connection with any work contemplated or performed relative to the Lease. The Landlord acknowledges, understands, and agrees that the Lease shall be null and void if the Landlord is, or within the past six months has been, an employee of the State of Tennessee or if the Landlord is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee. The Landlord acknowledges, understands, and agrees that it and its performance under the Lease are subject to State Building Commission Policy and Procedure Item 12, and that Tenant has read and understands all of the provisions and requirements of same.

29. **FINANCIAL INTEREST NOTICE.** The 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 and provided by the Landlord to the Tenant in the event of a transfer of any such interest.

30. **REPRESENTATIONS AND WARRANTIES.** Each party represents and warrants to the other that: (a) this Lease and all other documents executed or to be executed by it in connection herewith have been duly authorized and shall be binding upon it; (b) it is duly organized, validly existing and in good standing under the laws of the state of its formation and is duly authorized and qualified to perform this Lease; and (c) neither this Lease nor any other document executed or to be executed in connection herewith violates the terms of any other agreement of such party.

31. **RIGHTS OF ENTRY.** Landlord shall have the right, but not the obligation, and upon reasonable notice (which shall be no less than one (1) business day), except in the event of an emergency when no such notice shall be required, to enter the Leased Premises at reasonable hours to exhibit same to prospective purchasers, lenders or within the final six (6) months of the Term, prospective tenants, to inspect the Leased Premises to see that Tenant is complying with all Tenant obligations hereunder; provided that, Landlord shall use reasonable efforts to not disrupt, interrupt or interfere

with Tenant's business. Such entry shall be in the presence of a representative of Tenant (provided that if Landlord provides the proper advance notice but Tenant does not have available a representative at the time of Landlord's entry, Landlord may proceed with such entry).

32. **SUBLETTING AND ASSIGNMENT.** Except as related to any daycare operation, Tenant shall not, directly or indirectly, sell, assign, hypothecate, or otherwise transfer this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant without Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed provided that such assignee's or sublessee's intended use is consistent with the current use of the Leased Premises, the operation of a daycare, or other uses incidental to the operation of a public university. Consent to any assignment or sublease shall not be deemed a waiver of the right of Landlord to approve any further assignment or subletting. Notwithstanding any assignment or subletting, Tenant shall remain liable for the full and complete performance of its obligations under this Lease.

33. **CONDEMNATION.**

(a) In the event of a taking of all or a portion of the Property (so that the untaken portion is unsuitable for the continued feasible and economic operation of the Leased Premises by Tenant for substantially the same purposes as immediately prior to such taking), this Lease shall automatically terminate and all Rent and other sums payable by Tenant hereunder shall be apportioned and paid through and including the date of such taking.

(b) In the event of a taking of a portion of the Property (so that the untaken portion is suitable for the continued feasible and economic operation of the Leased Premises by Tenant for substantially the same purposes as immediately prior to such taking), this Lease and all of the duties and obligations of Tenant hereunder shall remain unmodified and in full force and effect; provided, however, that the Rent payable after the taking shall be reduced to an amount which bears the same ratio to the Rent payable immediately prior to the taking as the rental value of the Leased Premises after taking bears to the rental value of the Leased Premises immediately prior to the taking.

(c) Landlord shall be entitled to all awards, damages, compensation, or proceeds payable by reason of any taking, and Tenant shall not be entitled to any portion thereof, and shall have no claim for, and hereby transfers, assigns, conveys, and sets over unto Landlord all of its right, title, and interest, if any, in or to any award, damages, compensation, or proceeds payable by reason of any taking; and, without limiting the generality of the foregoing, Tenant shall have no claim against Landlord or the condemning authority, or otherwise, for any award, damages, compensation, or proceeds for (i) the value of any unexpired term of this Lease, or (ii) the value of any fixtures or improvements installed by Tenant in the Leased Premises. Nothing herein shall be construed, however, to preclude Tenant from prosecuting any claim directly against the condemning authority for loss of business, moving expenses, damage to, and cost of removal of, trade fixtures, furniture, and other personal property belonging to Tenant; provided, however, that Tenant shall make no claim which shall diminish or adversely affect any award claimed or received by Landlord.

34. **[INTENTIONALLY OMITTED].**

35. **TRANSFER BY LANDLORD; RIGHT OF FIRST REFUSAL.**

(a) **Transfer by Landlord.** In the event of any Transfer (as herein defined) by Landlord of its interest in and to the Property, all obligations under this Lease of the Transferor (as herein defined) shall, to the extent assumed by the Transferee (as herein defined), cease and terminate and, to the extent assumed by the Transferee, Tenant shall thereafter look only and solely to the Transferee for performance of all of Landlord's duties and obligations under this Lease. The term "Transfer," as used herein, shall mean any sale, conveyance, transfer, assignment or other disposition; "Transferor," as used herein shall mean the party carrying out the Transfer; and "Transferee," as used herein, shall mean the person or entity to whom or which the Property was Transferred.

(b) **Right of First Refusal.** From and after the Commencement Date and continuing until there are less than two (2) Lease Years remaining in the Term, as the same may be extended (the "ROFR Period"), if Landlord shall receive a bona fide written letter of intent or contract from a third party to purchase the Property, which it desires to accept (an "Offer"), then Landlord shall promptly notify Tenant of such Offer, which notice shall include a true, correct and complete copy of the Offer, including, without limitation, the purchase price to be paid and the manner of payment for the purchase of the Property. Tenant shall have the right, to be exercised in writing within thirty (30) days after receipt of the notice of the Offer, to elect to purchase the Property upon the same terms and conditions contained in the Offer, in which event Tenant and Landlord shall thereafter promptly enter into a purchase and sale agreement for the Property in accordance with the terms of the Offer, subject to review and approval by all necessary governing bodies and authorities. If Tenant does not elect in writing to purchase the Property pursuant to the Offer (whether by

written notice or the failure to respond to Landlord's notice of such Offer within the 30-day time period set forth above), Landlord may consummate the transaction contemplated in the Offer substantially in accordance with the material terms of the Offer (subject to closing extensions). However, if such transaction is not consummated substantially in accordance with the material terms of the Offer (subject to closing extensions), the foregoing provisions of this subsection shall be re-imposed through the end of the ROFR Period.

36. **ESTOPPEL CERTIFICATE.** At any time and from time to time, Tenant, on or before the date specified in a request therefor made by Landlord, which date shall not be earlier than ten (10) business days from the making of such request, shall execute, acknowledge, and deliver to Landlord a certificate (an "Estoppel Certificate") evidencing whether or not (a) this Lease is in full force and effect; (b) this Lease has been amended in any way; (c) there are any existing defaults on the part of Landlord hereunder, to the knowledge of Tenant, and specifying the nature of such defaults, if any; (d) the date to which Rent and other amounts due hereunder, if any, have been paid; and (e) such other matters requested by Landlord. Each certificate delivered pursuant to this Section 34 may be relied on by any prospective purchaser of the Premises or transferee of Landlord's interest hereunder or by any holder or prospective holder of any mortgage instrument or deed to secure debt now or hereafter encumbering the Premises. Landlord agrees to provide an Estoppel Certificate providing the same general information as described above for the Estoppel Certificate from Tenant, to Tenant upon written request by Tenant, but not more frequently than annually or upon any assignment of Tenant's entire interest under this Lease. If Landlord requests that Tenant execute an Estoppel Certificate with respect to the Lease, Landlord's request shall be accompanied by payment of an administrative fee of \$500.00, and Landlord further shall reimburse Tenant for Tenant's reasonable attorneys' fees of outside counsel actually incurred in connection with processing such request, provided that such reimbursement shall not exceed \$2,500.00.

37. Should any liens or claims be filed against the Property by reason of Tenant's acts or omissions, Tenant shall cause same to be discharged by bond or otherwise within ten (10) days after filing. If Tenant fails to cause any such lien or claim to be discharged within the required time, Landlord may cause same to be discharged and may make any agreement that Landlord, in its sole judgment, considers necessary, desirable, or proper to do so. All amounts paid by Landlord shall be payable by Tenant to Landlord upon demand.

38. **LANDLORD REPRESENTATIONS AND WARRANTIES.** Landlord represents, warrants and covenants to Tenant that: (i) Landlord shall manage and operate the Property in the customary course of business, exercising the practices of a commercially prudent property owner, (ii) Landlord shall not enter into any modification of an Existing Third-Party Lease unless such modification would serve to reduce the term of such lease, without the prior written approval of Tenant, which approval may be granted or withheld by Tenant in its sole and absolute discretion; (iii), prior to the Commencement Date, and unless otherwise disclosed in writing to Tenant, Landlord has not entered into any modification of any Existing Third-Party Lease which extends the term of any such Existing Third-Party Lease or otherwise grants the third-party tenant an option to extend the lease term or expand the lease square footage; (iv) Landlord shall comply in all material respects with the terms of all Existing Third-Party Leases and require material compliance by all tenants under such leases; (v) Landlord shall not consent to the extension of the term of any Existing Third-Party Lease if Landlord has the right to refuse to extend the term of such lease, without the prior written approval of Tenant, which approval may be granted or withheld by Tenant in its sole and absolute discretion; provided, however, Tenant shall be deemed to have approved such extension if (x) Landlord provides Tenant with written notice at least twenty (20) days prior Landlord's deadline for responding under the applicable Existing Third-Party Lease and (y) Tenant fails to respond during such twenty (20) day period; and (vi) to Landlord's actual knowledge and unless otherwise disclosed to Tenant in copies of the Existing Third-Party Leases provided to Tenant, none of the Existing Third-Party Leases (A) provide the tenants thereof with the right to expand the premises leased to such tenants, (B) contain a right of first refusal, right of first offer, or purchase option, (C) permit the tenant thereof to block, condition or delay changes the Common Areas, or (D) contain terms that would negatively affect Landlord's ability to comply with the terms of this Lease.

**EXHIBIT B**  
**LEASED PREMISES**

**EXHIBIT B, TABLE 1 - EXISTING TENANT LEASES AS OF COMMENCEMENT DATE**

<u>LANDLORD</u>	<u>TENANT</u>	<u>DATE OF LEASE</u>	<u>SQUARE FOOTAGE</u>
1. Magnolia Cherokee Mills, LP	University of Tennessee	February 27, 2024 As Amended on 8/28/24	13,296
2. Magnolia Cherokee Mills, LP	University of Tennessee	Undated	2,240
3. Magnolia Cherokee Mills, LP	University of Tennessee	Undated	36,618
4. Magnolia Cherokee Mills, LP	University of Tennessee	Undated	1,131
5. Vacant Space			5,194
<b>Total</b>			<b>58,479</b>

**Exhibit B, Table 2: Third-Party Leases**

<u>Current Third Party Tenant</u>	<u>Suite #</u>	<u>Square Footage</u>	<u>Lease Expiration Date</u>	<u>Anticipated UT Commencement Date</u>	<u>Unexercised Renewal Options</u>
US Health Advisors	1	3,985	3/31/2027	4/1/2027	None
TOPS Software of Florida, LLC	101	3,454	10/31/2027	11/1/2027	One 5-year Option
Cherokee Health Systems	103	10,128	12/31/2027	1/1/2028	None
Our Daily Bread	107	4,227	12/31/2029	1/1/2030	None
Covenant Health / Knoxville Infections Disease	110	4,851	6/30/2025	7/1/2025	None
Brewer Ingram Fuller Architects	111	3,884	8/31/2026	9/1/2026	None
Principle Specialty Pharmacy (Cont. RX)	112	5,735	8/31/2026	9/1/2026	None
Link Logistics Group, LLC	113	2,815	5/31/2025	6/1/2025	None
Focus Healthcare of TN, LLC	115	4,677	2/28/2026	3/1/2026	None
EDW & JR	118	619	3/31/2025	4/1/2025	None
Faculty Internal Medicine, PLLC	121	5,656	4/30/2027	5/1/2027	None
RE Garrison Trucking	121AB	2,922	7/31/2025	8/1/2025	Two 2-Year Options
Golden Roast	125	1,528	12/31/2027	1/1/2028	None
Fairhaven Counseling & Consulting	125A	716	7/31/2026	8/1/2026	None
First Hand Health	129	3,125	6/30/2027	7/1/2027	One 3-Year Option
Ebenzer Counseling Services, Inc	131	3,472	2/28/2026	3/1/2026	None
Landmark Construction TN, LLC	1A	3,053	7/31/2025	8/1/2025	None
Kokomo	201	880	11/30/2025	12/1/2025	None
PYA, P.C.	220	44,873	12/31/2025	1/1/2026	None
TN Sports Medicine Group	226	15,911	1/31/2027	2/1/2027	None
Association of University Radiologists	104	1,836	2/28/2028	2/29/2028	None
East Tennessee Children's Hospital	4	4,086	7/31/2025	8/1/2025	None
East Tennessee Psychological Testing	114	1,205	7/31/2027	8/1/2027	None
<b>Total: Non-UT SF</b>		<b>133,638</b>			
<b>Total: UT SF</b>		<b>53,285</b>			
<b>Total: Vacant SF</b>		<b>5,194</b>			
<b>Total Building SF</b>		<b>192,117</b>			

## EXHIBIT B – PAGE 2 OF 2

### LEGAL DESCRIPTION

SITUATED within the 24th City Ward, City of Knoxville, Knox County, Tennessee and being all of the Final Plat of W and F Land Company, as recorded in Cabinet J Slide 282B in the Register's Office, Knox County, Tennessee and being more particularly bounded and described as follows:

BEGINNING at a magnail on the south right of way line of Shawmut Avenue and marking a common corner of property now or formerly belonging to Charles D. Hamilton (Book 1956 Page 257), said point being South 24 Degrees 37 Minutes 28 Seconds East, a distance of 176.87 feet from City Control Monument 0223 (N:596,819.622 E:2,573,755.633); thence with the south right of way line of Shawmut Avenue the following two (2) calls: 1) North 56 Degrees 04 Minutes 14 Seconds East, a distance of 407.80 feet to a punch hole in gutter; 2) North 55 Degrees 44 Minutes 38 Seconds East, a distance of 29.98 feet to a magnail at the intersection of the south right of way line of Shawmut Avenue and the east right of way line of Portland Street; thence leaving the south right of way line of Shawmut Avenue and with the east right of way line of Portland Street the following two (2) calls: 1) North 33 Degrees 57 Minutes 33 Seconds West, a distance of 29.88 feet to a 1/2" iron rod; 2) North 33 Degrees 45 Minutes 25 Seconds West, a distance of 115.36 feet to an iron rod (BHN 820) at a right of way flare; thence leaving the east right of way line Portland Street and along the right of way flare, North 11 Degrees 00 Minutes 46 Seconds East, a distance of 14.18 feet to an iron rod (BHN 820) on the south right of way of Sutherland Avenue; thence leaving the right of way flare and with the south right of way line of Sutherland Ave, North 56 Degrees 09 Minutes 06 Seconds East, a distance of 673.89 feet to an iron rod (BHN 820) on the west right of way line of N. Concord Street; thence leaving the south right of way line of Sutherland Avenue and with the west right of way line of N. Concord Street the following three (3) calls: 1) along a curve to the right having a radius of 63.54 feet, a chord bearing of South 79 Degrees 06 Minutes 54 Seconds East, and a chord distance of 89.44 feet to an iron rod (BHN 820); 2) South 34 Degrees 13 Minutes 27 Seconds East, a distance of 92.70 feet to an iron rod (BHN&P); 3) South 34 Degrees 24 Minutes 34 Seconds East, a distance of 237.75 feet to a 5/8" iron rod (MBI) on the north right of way line of Norfolk Southern Railroad; thence leaving the west right of way line of N. Concord Street and with the north right of way line of Norfolk Southern Railroad the following four (4) calls: 1) South 56 Degrees 12 Minutes 38 Seconds West, a distance of 429.66 feet to a magnail; 2) South 33 Degrees 43 Minutes 22 Seconds East, a distance of 13.50 feet to a magnail; 3) South 56 Degrees 13 Minutes 38 Seconds West, a distance of 768.99 feet to a 5/8" iron rod (MBI) corner to property now or formerly belonging to Cherokee Mills General Partnership (Inst #200903270061356); thence with Cherokee Mills North 33 degrees 46 Minutes 36 Seconds West, a distance of 240.50 feet to 5/8" iron rod (MBI) corner to Charles D. Hamilton; thence with the line of Hamilton the following two (2) calls: 1) North 51 Degrees 45 Minutes 14 Seconds East, a distance of 10.79 feet to a 2" pipe; 2) North 38 Degrees 31 Minutes 43 Seconds West, a distance of 8.04 feet to the POINT OF BEGINNING and containing 9.40 acres.

Together with appurtenant easements as set forth in Declaration of Joint Access, Parking Covenants, Conditions, Restrictions and Easements of record in Instrument No. 20190927-0022034, Register's Office for Knox County, Tennessee.

Being the same property conveyed to Magnolia Cherokee Mills, L.P., a Tennessee limited partnership, by Special Warranty Deed from Cherokee Mills General Partnership, a Tennessee general partnership, of record in Instrument No. 20190927-0022035, Register's Office for Knox County, Tennessee, dated September 16, 2019 and recorded on September 27, 2019.

**EXHIBIT C**

**EXPANSION SPACE COMMENCEMENT DATE AGREEMENT**

RE: Lease dated as of \_\_\_\_\_, by and between TUFF 2200 Sutherland Avenue, LLC, 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. As of \_\_\_\_\_ (the "Expansion Space Commencement Date"), the tenant under the Existing Third-Party Lease for suite \_\_\_\_\_ has vacated the premises. Accordingly, as of the Expansion Space Commencement Date, the square footage of the Leased Premises is \_\_\_\_\_ and Tenant's Proportionate Share is \_\_\_\_%.
2. Terms denoted herein by initial capitalization shall have the meanings ascribed thereto in the Lease.

LANDLORD

TUFF 2200 SUTHERLAND AVENUE, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

TENANT:

THE UNIVERSITY OF TENNESSEE

By: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT D**

### **BUILD OUT TERMS**

1. Tenant, at Tenant's sole cost and expense, may, in its discretion, make alterations, improvements, renovations, attach fixtures and erect additions to, structures or signs in or upon the Leased Premises, utilizing Tenant's selected architects, engineers, designers, and contractors ("Tenant Improvements").
2. No later than sixty (60) days before the commencement of the construction of any Tenant Improvements, Tenant shall provide Landlord with 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 review
3. Tenant Improvements shall be performed (i) by Tenant's contractor or another contractor approved by Tenant, (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.
4. Notwithstanding any provision hereof, all structural improvements to the Leased Premises shall be subject to Landlord's prior review and approval.

**EXHIBIT E**  
**ROOF CONDITION ASSESSMENT**

SEE ATTACHED

COLLABORATIVE REAL ESTATE IS PROVIDING THE ATTACHED ROOF CONDITION ASSESSMENT AS AN OPINION ONLY AND SHALL NOT ACCEPT ANY LIABILITY OR PROVIDE ANY WARRANTY AS TO THE SUITABILITY OF REPAIRS.

## EXHIBIT E

### ROOF CONDITION ASSESSMENT



#### **Memo Re: Cherokee Mills Roof Assessment**

To: Mr. Vic Clements, Mr. David Anderson (via electronic mail)  
The University Financing Foundation, Inc.

From: Chris Russell

Date: 10/29/2024

Gentlemen,

I am attaching a summary of the roof analysis that will be included in Collaborative's forthcoming Property Condition Assessment (PCA) for Cherokee Mills. We are working to finalize the full PCA and should have to TUFF within a couple of weeks.

Based on information provided by our roofing consultant (Rackley), Collaborative recommends an investment of \$620,761 that should provide a minimum of 10 years' worth of remaining useful life if properly maintained. We are also evaluating the skylights, which appear to be a regular source of water intrusion.

Approx. 80% of the roof area utilizes a metal roof system whose component panels have a 50-year life expectancy and are estimated to be around 25 years old. A number of maintenance requirements to seal around fasteners and edges appears to have been deferred, but once performed the material itself will offer many further years of service.

In addition to the metal roof system, there are approximately 16 smaller flat roof sections of various ages and compositions. Three distinct areas should be fully replaced at this time. At least two others appear to have been recently replaced by prior ownership and are thought to be in good condition. The remaining sections have repair needs but each should have 8-10 years of life remaining with proper maintenance.

Alternatively, Rackley estimates the cost of a full replacement at \$3,300,000. While we do not recommend that approach at this time due to the remaining life of the system, we would advise that significant capital spend on the non-metal sections is likely toward year 10 and that the metal roof system replacement would likely occur around year 20, and that TUFF and UT will want to consider the best timing of the investment over the long-term financing plan.

Please contact me with any questions.

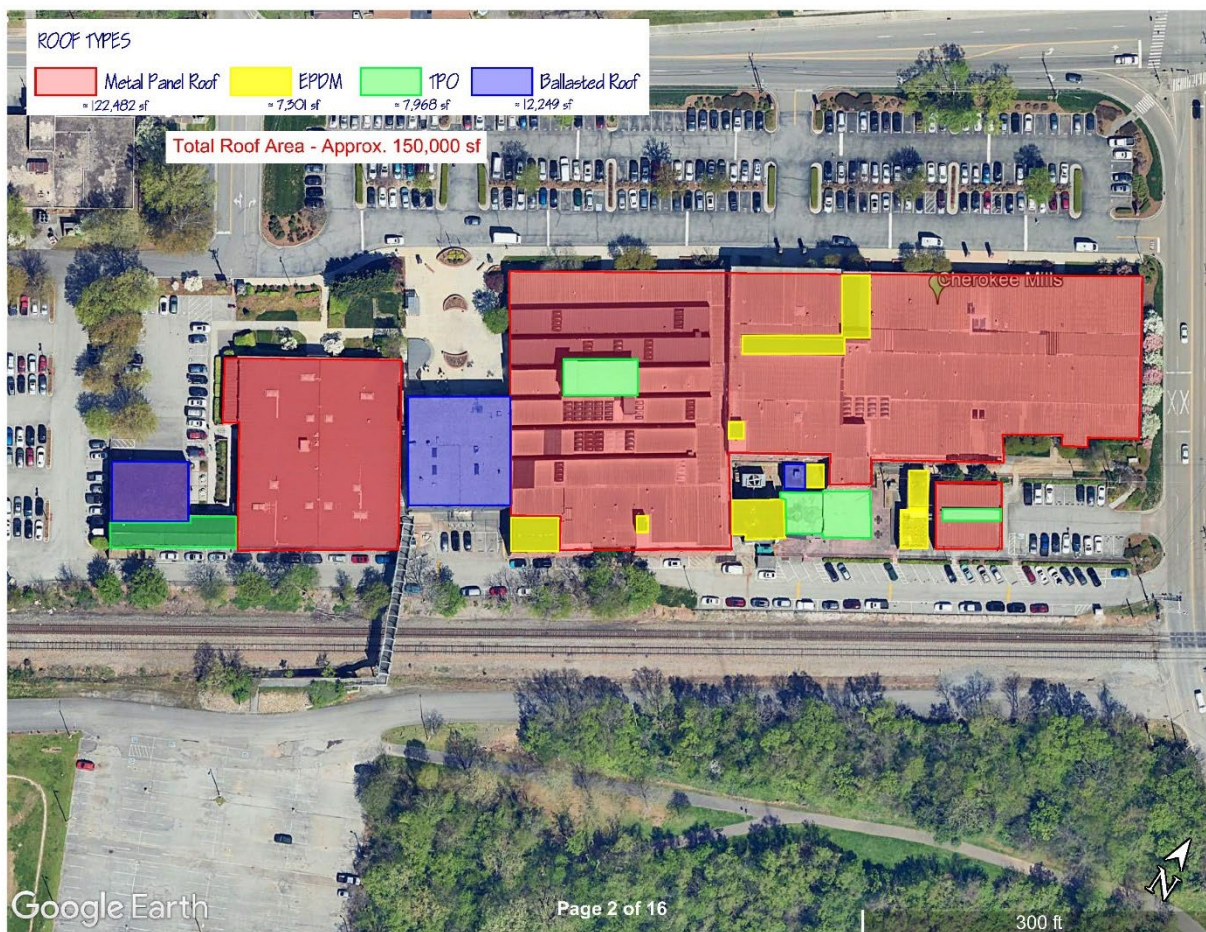
CollabRE.co 75 5th St NW, Suite 855 | Atlanta, GA 30308 (404) 214-6900

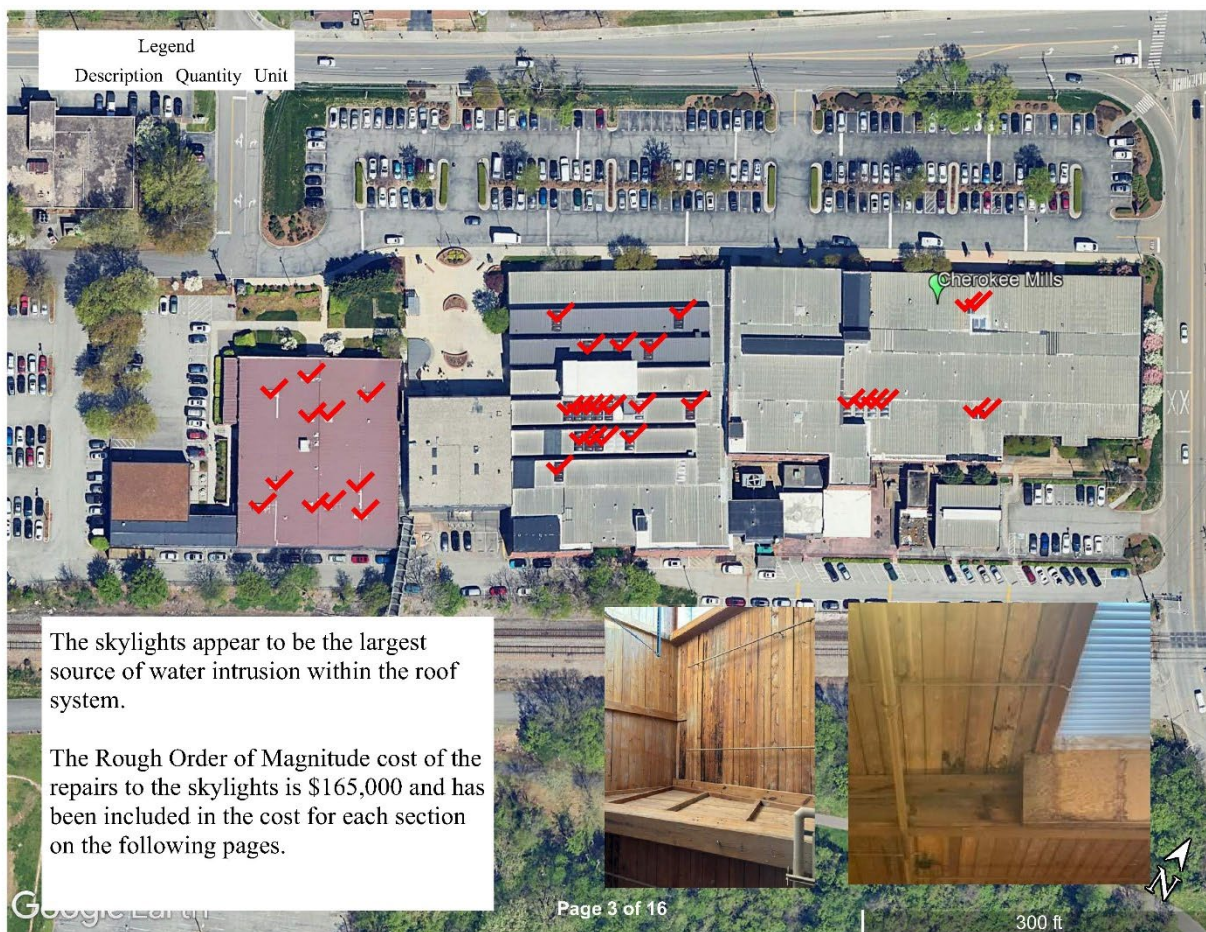


# **Cherokee Mills Roof Condition Assessment**

## **Executive Summary**

The estimated cost to replace the existing roof system, in kind, is \$3,300,000. We are not recommending this option because it is our opinion that useful life remains in the existing roof, with some proper care and maintenance. Upon further study, we recommend the scope summarized in the following pages. These recommendation are based on the report prepared by Rackley Roofing from the findings from their survey performed of September 18th and 19th, 2024.









The three sections shown on this page, identifies the roofs requiring a full tear off and replacement at this time.

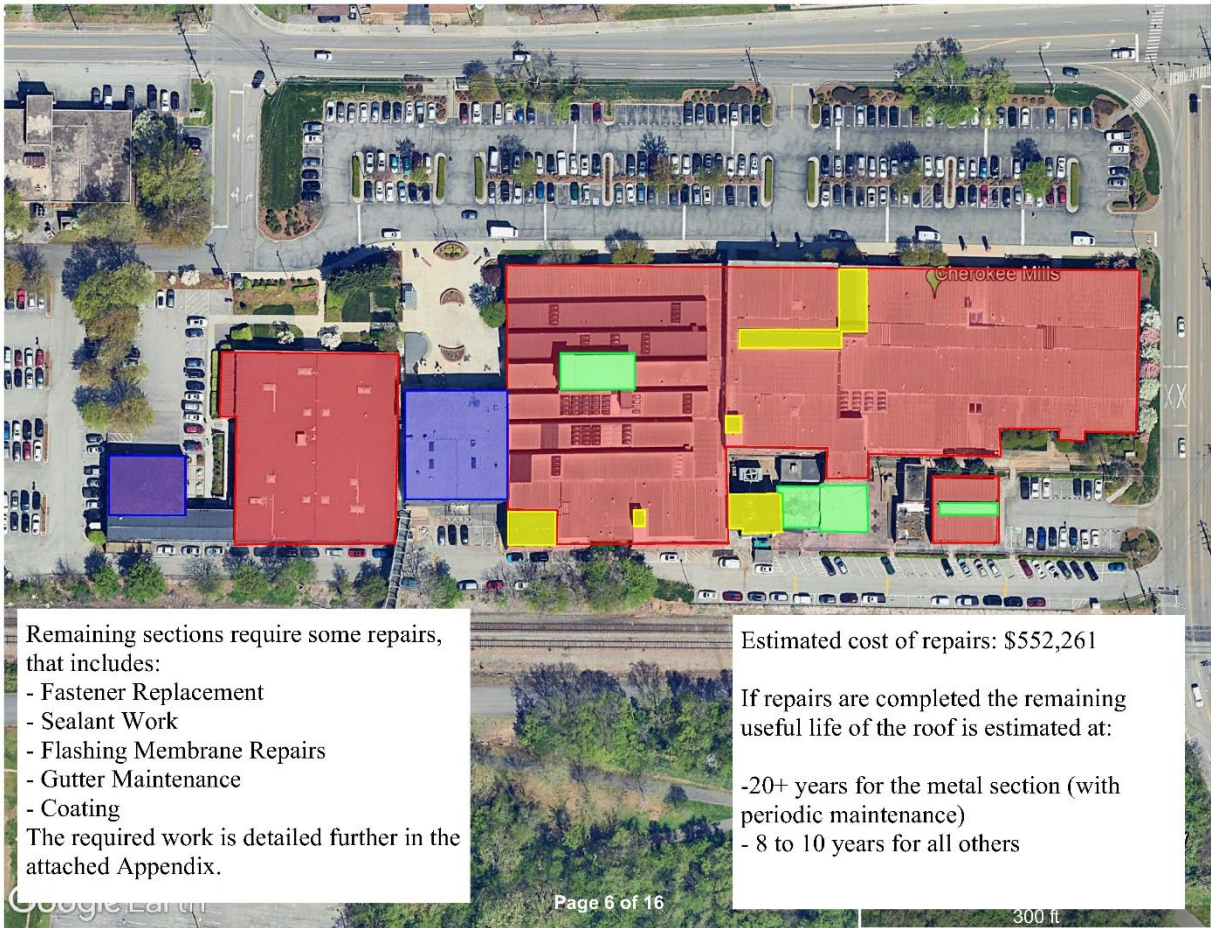
Total Roof Area - 1,010 sf

Estimated Cost - \$68,500

Google Earth

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300 ft



Remaining sections require some repairs, that includes:

- Fastener Replacement
- Sealant Work
- Flashing Membrane Repairs
- Gutter Maintenance
- Coating

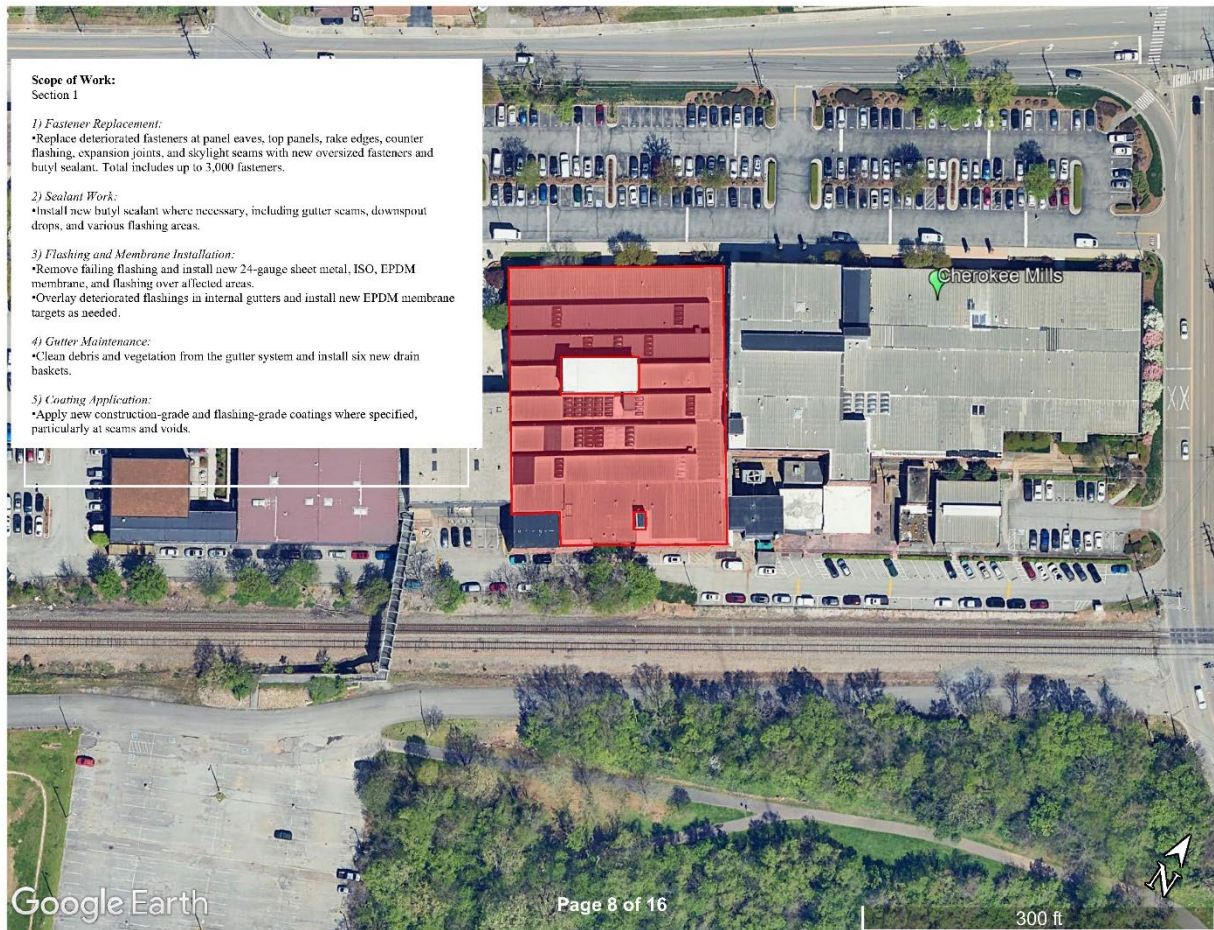
The required work is detailed further in the attached Appendix.

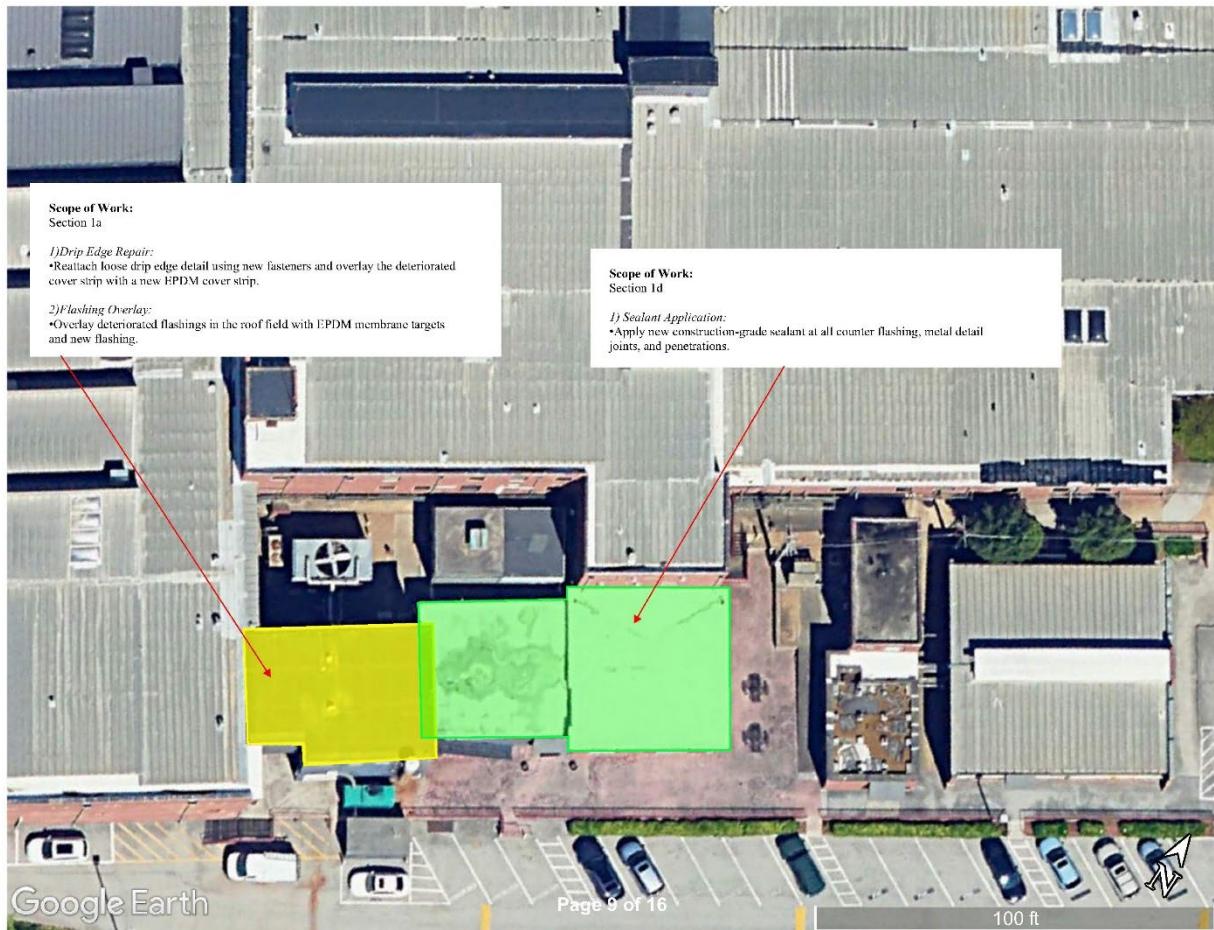
Estimated cost of repairs: \$552,261

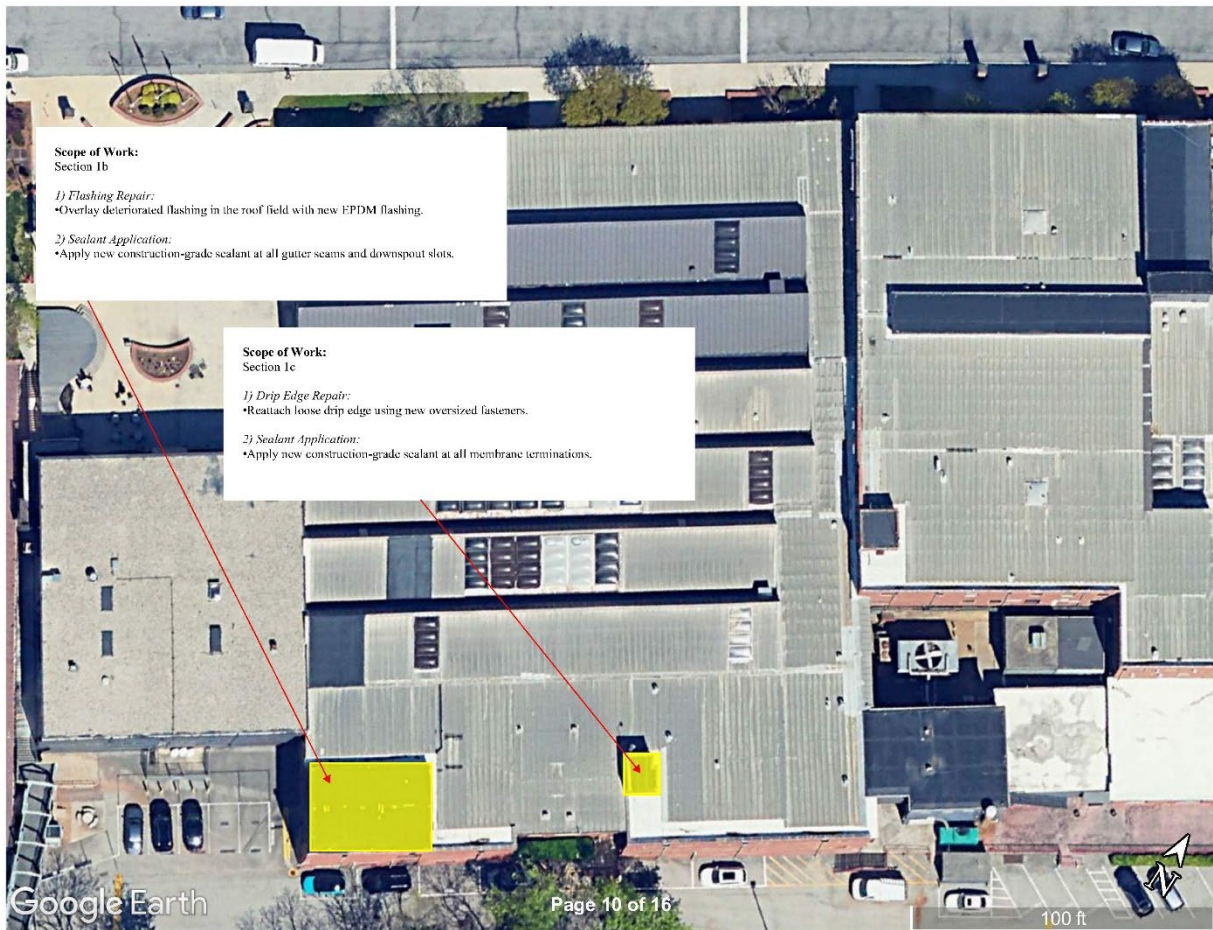
If repairs are completed the remaining useful life of the roof is estimated at:

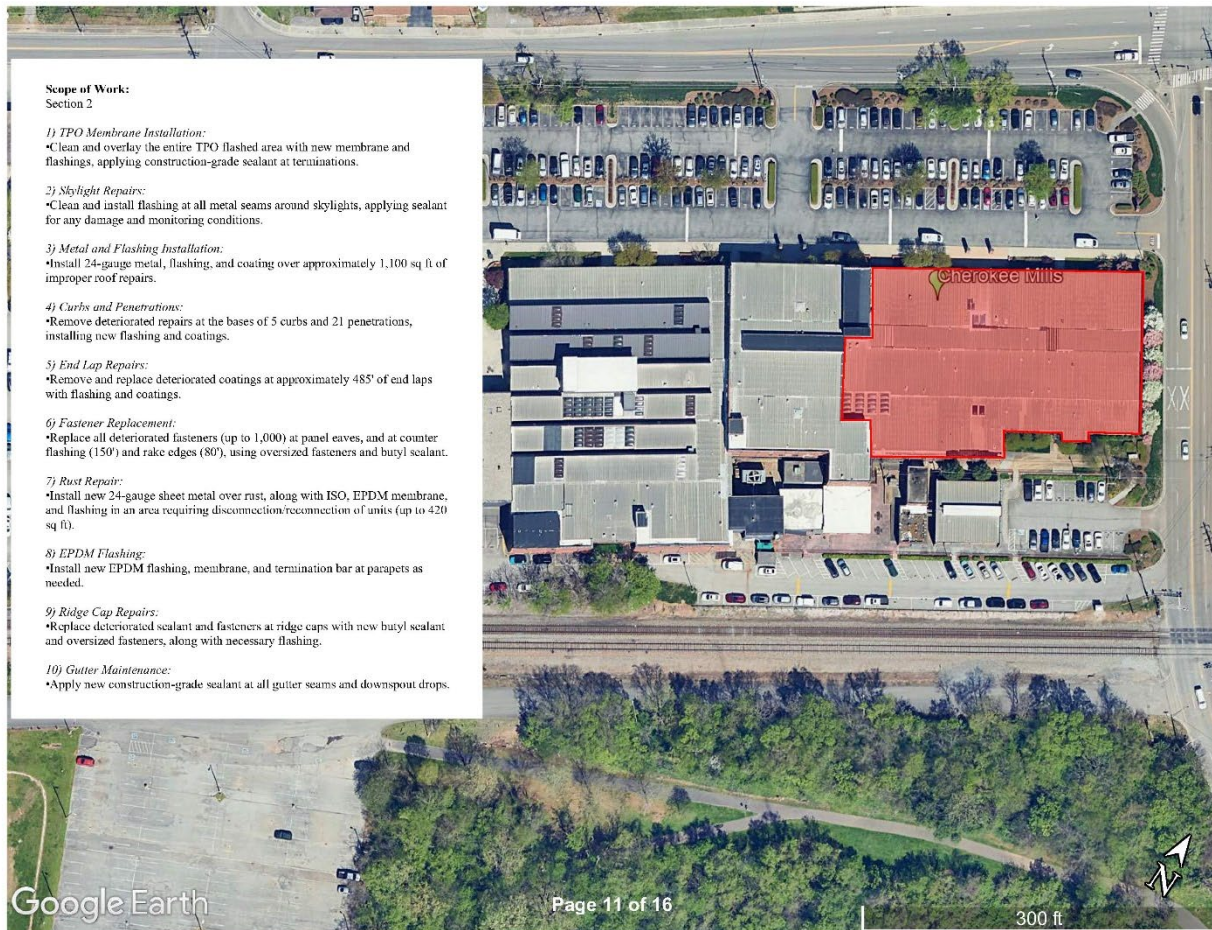
- 20+ years for the metal section (with periodic maintenance)
- 8 to 10 years for all others

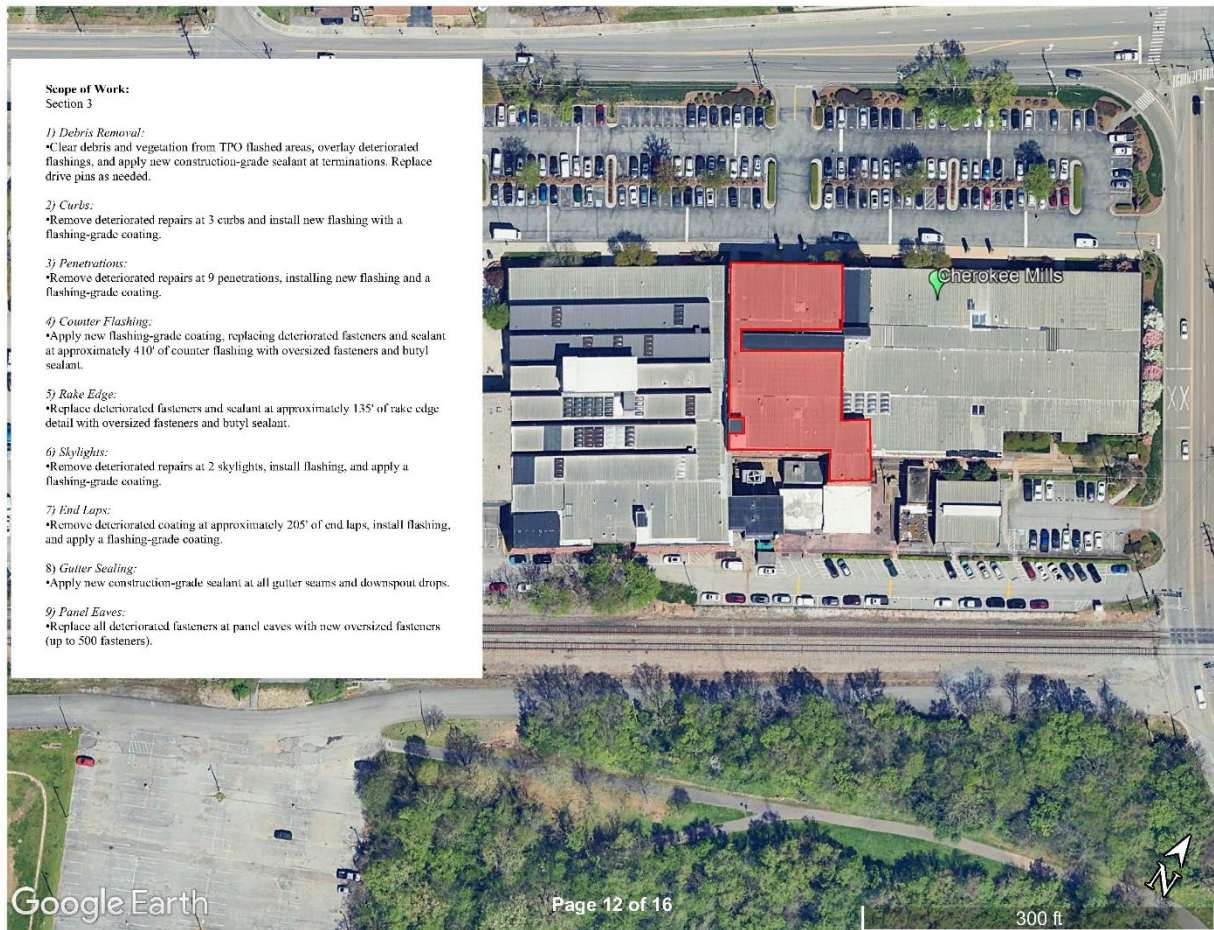
## Appendix

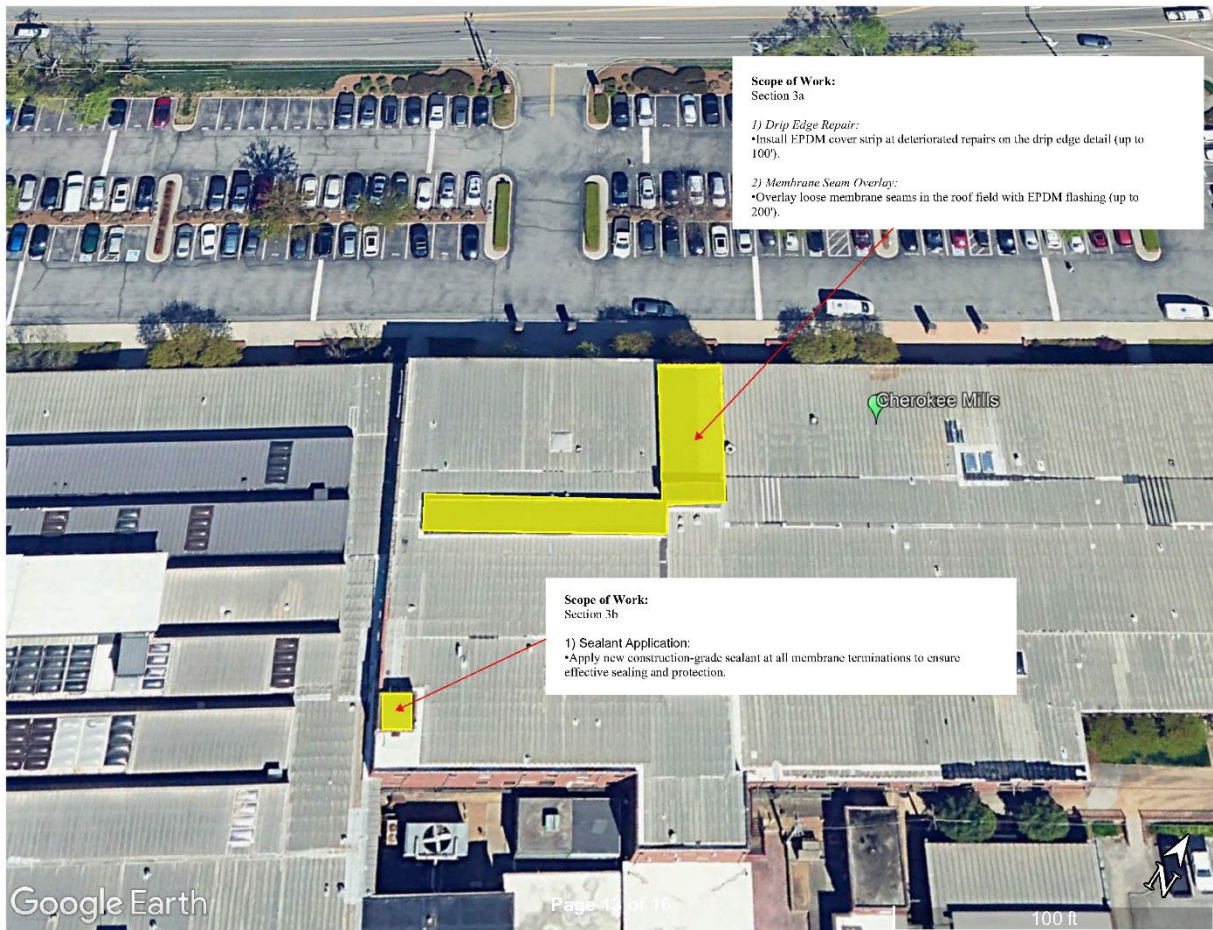


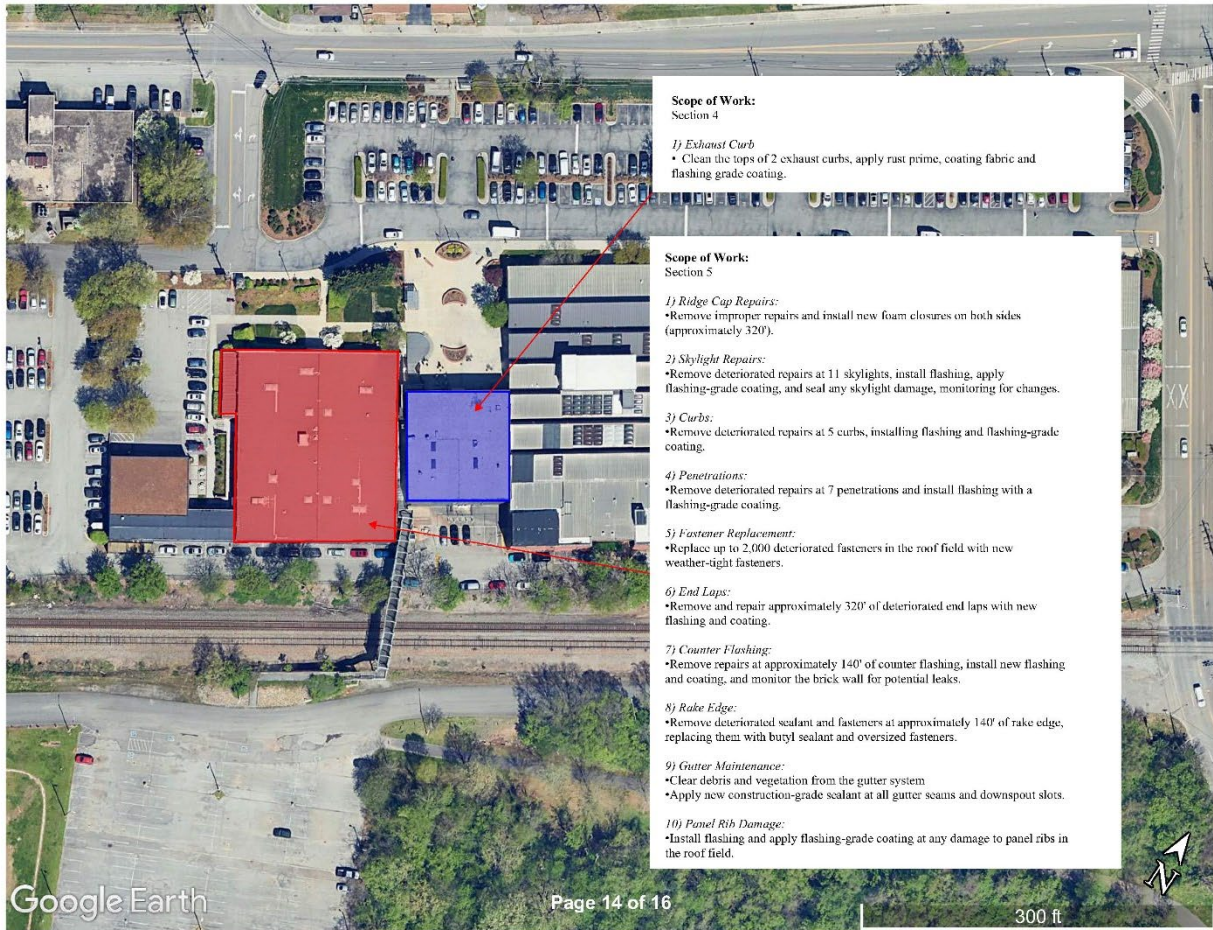












**Scope of Work:**  
Section 4

**1) Exhaust Curb**

- Clean the tops of 2 exhaust curbs, apply rust prime, coating fabric and flashing grade coating.

**Scope of Work:**  
Section 5

**1) Ridge Cap Repairs:**

- Remove improper repairs and install new foam closures on both sides (approximately 320').

**2) Skylight Repairs:**

- Remove deteriorated repairs at 11 skylights, install flashing, apply flashing-grade coating, and seal any skylight damage, monitoring for changes.

**3) Curbs:**

- Remove deteriorated repairs at 5 curbs, installing flashing and flashing-grade coating.

**4) Penetrations:**

- Remove deteriorated repairs at 7 penetrations and install flashing with a flashing-grade coating.

**5) Fastener Replacement:**

- Replace up to 2,000 deteriorated fasteners in the roof field with new weather-tight fasteners.

**6) End Laps:**

- Remove and repair approximately 320' of deteriorated end laps with new flashing and coating.

**7) Counter Flashing:**

- Remove repairs at approximately 140' of counter flashing, install new flashing and coating, and monitor the brick wall for potential leaks.

**8) Rake Edge:**

- Remove deteriorated sealant and fasteners at approximately 140' of rake edge, replacing them with butyl sealant and oversized fasteners.

**9) Gutter Maintenance:**

- Clear debris and vegetation from the gutter system
- Apply new construction-grade sealant at all gutter seams and downspout slots.

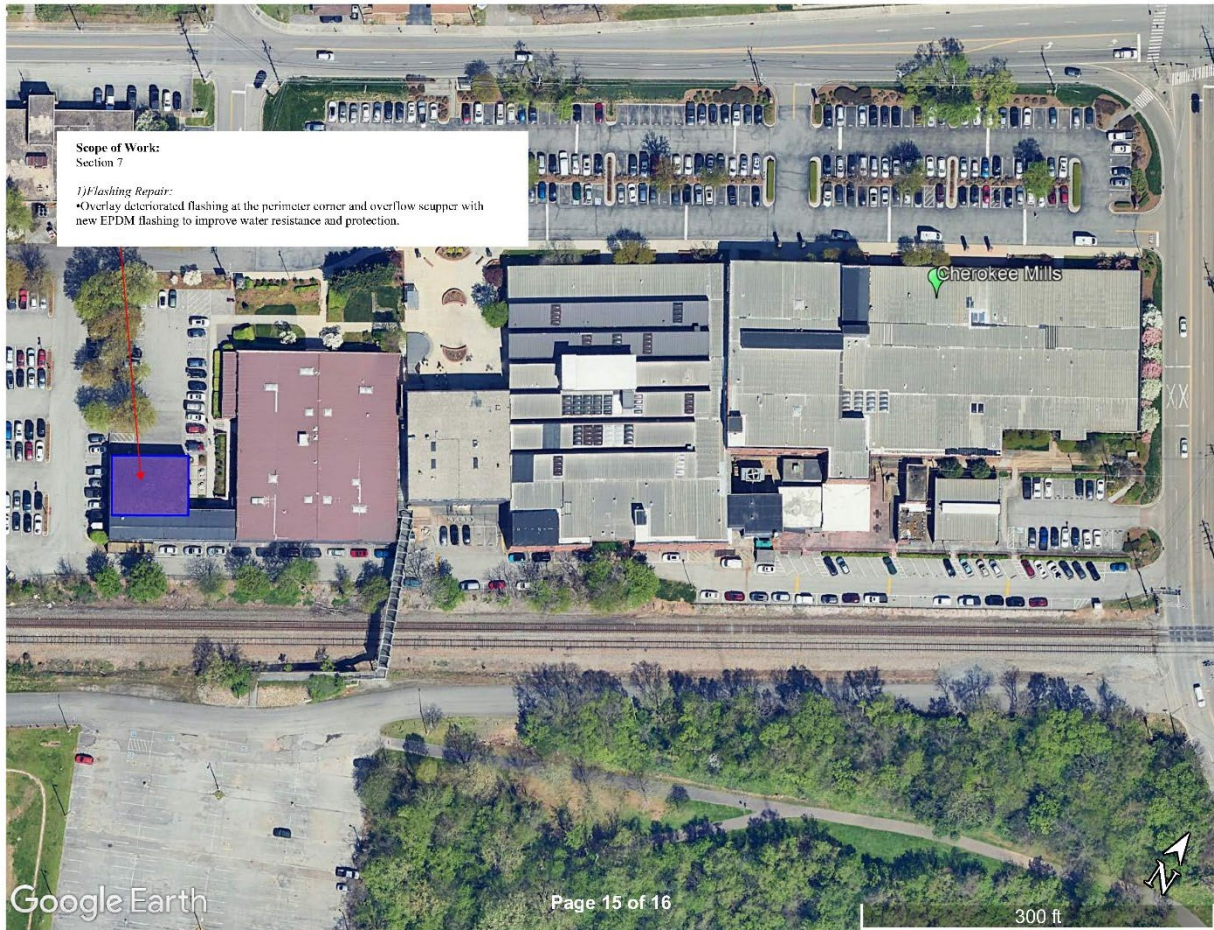
**10) Panel Rib Damage:**

- Install flashing and apply flashing-grade coating at any damage to panel ribs in the roof field.

Google Earth

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300 ft



**Scope of Work:**  
Section 7

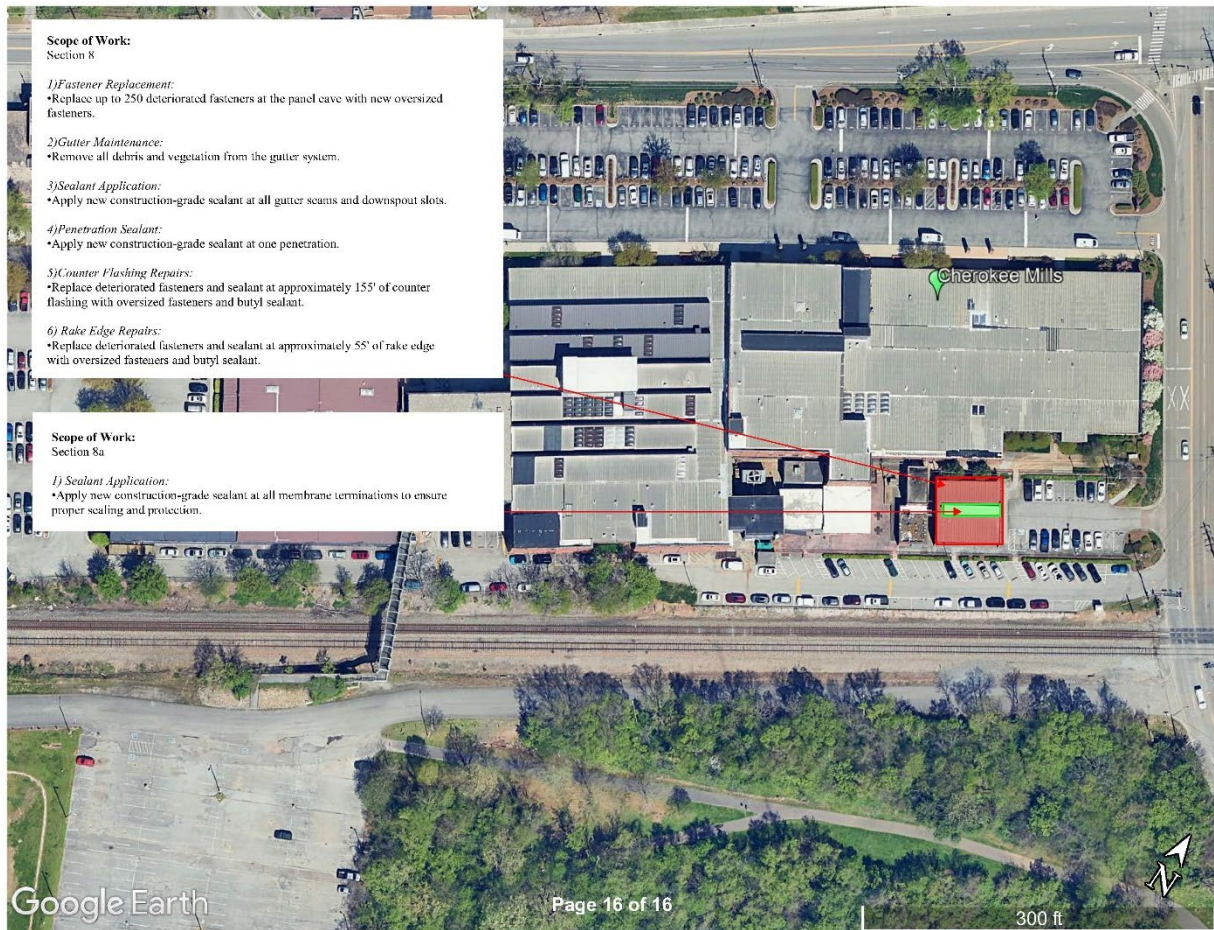
**1) Flashing Repair:**

- Overlay deteriorated flashing at the perimeter corner and overflow scupper with new EPDM flashing to improve water resistance and protection.

Google Earth

Page 15 of 16

300 ft



# **EXHIBIT F** **PARKING SPACES**

Tenant	Reserved Parking Spaces	Ratio	Notes
1. Association of University Radiologists	6		Article 7. TT shall use fair and equit portion of avail spaces around bldg; LL shall make available 6 Reserved parking spaces in front lot facing Sutherland Ave; TTs ee's to park in West lot at west end of bldg
2. Brewer Ingram Fuller Architects	7		Article 7. TT shall use fair and equit portion of avail spaces around bldg; LL shall make available 7 Reserved parking spaces 5 in lot directly south of their premises and 2 on lower lot adjacent to Concord Street
3. Cherokee Health Systems		4.5/100 RSF	Article 14. Non-reserved spaces for up to 4.5 vehicles per 1000 rsf; no "billboard" vehicles; noncompliant vehicles booted at \$50
4. Covenant Health Properties			Article 7. Park in West lot at west end of Bldg
5. East Tennessee Children's Hospital			Article 7. TT's ee's shall park in West lot at west end of Bldg
6. Ebenzer Counseling Services, Inc.	7		Article 8. Surrounding Bldg with 7 designated spaces
7. EDW & JR			Article 2(b). TT use surface pkg lot
8. Faculty Internal Medicine, PLLC	12		Article 8. LL provide 6 designated spaces in Sutherland lot and 6 designated spaces on west lot of Cherokee Mills
9. Fairhaven Counseling & Consulting	2		Article 7. LL provide 2 designated spaces close to office space
10. First Hand Health			Article 2(b). Non-exclusive, unreserved
11. Focus Healthcare of TN, LLC	4		Article 7. Article 5. of 3rd Amd, 4 reserved spaces in front of Bldg efftv 3.1.20; TT's can park in West lot at west end of Bldg
12. Golden Roast			Article 2(c). Tenant may use parking spaces in the surface parking lot...on a non-exclusive, unreserved basis.
13. Kokomo			Article 2(c). Park in lot west of Bldg
14. Landmark Construction TN, LLC			Article 2(b). Surface parking
15. Link Logistics Group, LLC			Article 2(c). Surface parking
16. Principle Specialty Pharmacy (Cont. RX)			Article 8. fair and equitable portion
17. PYA, P.C.			Article 8.; 4th Amd Sec. 1(b), Prop Mgr has use of golf cart 4 hrs/day
18. R.E. Garrison Trucking	2	4.5/100 RSF	Article 12. Two reserved spaces; non-reserved for up to 4.5/1000 rsf
19. Our Daily Bread			Article 2(c). Surface parking
20. TN Sports Medicine Group	12		Article 7. Twelve (12) reserved spaces
21. TOPS Software of Florida, LLC			Article 2(c). Surfacing parking
22. US Health Advisors	2		Article 7. Two (2) reserved spaces on Concord Street entrance
23. UT - 106			
24. UT - Center Of Excellence			
25. UT - Suite 108			
26. UT (Suite 123+)			
27. East Tennessee Psychological Testing			Article 2(c). Surface pkgng adjacent to Bldg
Total Reserved Spaces	54	12%	
Total Unreserved Spaces	407	88%	
<b>Total Parking Spaces</b>	<b>461</b>	<b>100%</b>	

## EXHIBIT G

### SAMPLE CALCULATION OF PURCHASE PRICE

The University Financing Foundation, Inc.

Cherokee Mills Buyout Formula

Purchase Price Calculation:

BR for the remaing lease term (assuming all renewals are exercised and increased at a rate equal to ratio of DS to BR (initially 80%) of the stated annual increase in the lease), discounted to a net present value using the IR, plus early termination fees, if any, of the then existing debt.

Portion of  
Annual Increase

BR- Base Rents	100%	
AE- Annual Escalations	2.5%	
DS- Debt Service	80%	2.00%
OC- Other Annual Costs	20%	0.50%
IR- Interest Rate	Whatever rate is applicable at time of purchase based upon then existing debt (initial assumption 5.75%)	

Example of a purchase at end of year 19, beginning of year 20

	BR	DS	OC	For Calculation		Gross	NPV
	Base Rents	Debt Service	Other Cost	DS Portion	OC Portion	Amount	
Year 20	1,000	800	200	800	200	1,000	946
Year 21	1,025	820	205	820	200	1,020	912
Year 22	1,051	841	210	841	200	1,041	880
Year 23	1,077	862	215	862	200	1,062	849
Year 24	1,104	883	221	883	200	1,083	819
Year 25	1,131	905	226	905	200	1,105	790
Year 26	1,160	928	232	928	200	1,128	763
Year 27	1,189	951	238	951	200	1,151	736
Year 28	1,218	975	244	975	200	1,175	710
Year 29	1,249	999	250	999	200	1,199	686
Year 30	1,280	1,024	256	1,024	200	1,224	662
Total	12,483	9,987	2,497	9,987	2,200	12,187	8,751

NPV at 5.75% 8,751

**EXHIBIT H**  
**APPROVED CAPITAL EXPENDITURES**



TABLE 1 - IMMEDIATE DEFERRED MAINTENANCE COSTS		Cost Estimate
<b>Roof</b>		
Roof repairs to existing roof	\$	552,261
Roof replacements	\$	68,500
<b>Electrical Distribution</b>		
Replace (2) outdated 100A electrical panels	\$	20,000
NFPA-70E labels	\$	15,000
<b>HVAC</b>		
Cooling tower fill/repairs	\$	55,000
Mechanical compressor seal replacement	\$	15,000
Insulation repairs	\$	15,000
Heat exchanger coolant change	\$	1,500
<b>Exterior</b>		
Selective Brick Repairs & Tuckpointing	\$	75,000
Landscaping cleanup and replanting	\$	20,000
Plaza pavement crack repairs	\$	12,000
<b>Interiors</b>		
Basement floor repairs	\$	40,000
<b>GRAND TOTAL</b>		<b>\$ 889,261</b>

TABLE 2 - LONG TERM COST OPINION	2026	2027	2028	2029	2030
<b>Exterior Façade</b>					
Paint metal panel siding		\$ 39,338			
<b>Vertical Transportation</b>					
Elevator Modernization			\$ 413,103		
<b>GRAND TOTAL</b>	<b>\$ -50</b>	<b>\$ 39,338</b>	<b>\$ 413,103</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Cost opinions include a 3% annual cost escalation

**Tennessee State School Bond Authority**  
**Results of Bond Sale**

**\$164,290,000 2025 SERIES A BONDS**  
**\$53,645,000 2025 SERIES B BONDS (Federally Taxable)**  
**For Bonds Sold on April 14, 2025, and Closed on May 6, 2025**

	<b>2025 Series A Tax-Exempt <u>New Money</u></b>	<b>2025 Series B Taxable <u>New Money</u></b>	<b>Total 2025 Series A &amp; B <u>New Money</u></b>
<b>Bond Proceeds:</b>			
Par Amount:			
New Money	\$ 164,290,000.00	\$ 53,645,000.00	\$ 217,935,000.00
Bond Premium	<u>10,337,517.90</u>	<u>-</u>	<u>10,337,517.90</u>
Total Proceeds	<u>\$ 174,627,517.90</u>	<u>\$ 53,645,000.00</u>	<u>\$ 228,272,517.90</u>
<b>Statistics:</b>			
Final Maturity	November 1, 2055	November 1, 2045	
Range of Yields	3.230% - 4.730%	4.270% - 5.830%	
True Interest Cost	4.377%	5.559%	