



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**TENNESSEE STATE SCHOOL BOND AUTHORITY
MARCH 6, 2020
AGENDA**

1. Call meeting to order
2. Approval of minutes from the TSSBA meetings December 13, 2019.
3. Approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Memphis
4. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
December 13, 2019

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Friday, December 13, 2019, at 10:15 a.m. in the Tennessee State Capitol, Ground Floor, Executive Conference Room, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller of the Treasury, was present and presided over the meeting.

The following members were also present:

The Honorable David Lillard, State Treasurer
The Honorable Tre Hargett, Secretary of State
Angela Scott, proxy for Commissioner Stuart McWhorter, Department of Finance and Administration
Mark Paganelli, proxy for Randy Boyd, Interim President, University of Tennessee

The following member participated telephonically as authorized by Tennessee Code Annotated Section 8-44-108 and included in the meeting notice:

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

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order, and asked Ms. Sandra Thompson, TSSBA Assistant Secretary and the Director of the Office of State and Local Finance (OSLF) to perform a roll-call:

Mr. Paganelli—Present
Mr. Lillard—Present
Mr. Gibbs—Present
Mr. Wilson—Present
Mr. Hargett—Present
Ms. Scott—Present

Mr., Wilson stated that the first item on the agenda was the minutes of the meetings held on October 30, 2019, and November 26, 2019. Mr. Wilson stated that he had read the minutes, and everything appeared to be in order. Mr. Wilson asked if there were any comments or corrections to the minutes. Hearing none, Mr. Wilson moved approval of the minutes. Mr. Hargett seconded the motion, and Ms. Thompson called the roll:

Mr. Paganelli—Aye
Mr. Lillard—Aye
Mr. Gibbs—Aye
Mr. Wilson—Aye
Mr. Hargett—Aye
Ms. Scott—Aye

The motion was unanimously approved.

Mr. Wilson then stated that the next item on the agenda was consideration of a project from the University of Tennessee. Mr. Wilson recognized Ms. Michelle Crowder, Interim Executive Director of Capital Projects, to present the project for consideration:

- The University of Tennessee at Knoxville – Arena Renovations and System Improvements (A92); Increase in cost of \$5,260,000 (\$6,260,000 increase in TSSBA Funding and a decrease of \$1,000,000 of Gifts) for total funding by the Authority of \$12,700,000 all of which will be financed from TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate

Mr. Wilson asked Ms. Thompson if staff had reviewed the request. Ms. Thompson replied that the OSLF had reviewed the application, and that the revenues from the project appeared to be sufficient to cover the debt service. Mr. Lillard made a motion to approve the project. Mr. Wilson seconded the motion, and Ms. Thompson called the roll:

Mr. Paganelli—Aye
Mr. Lillard—Aye
Mr. Gibbs—Aye
Mr. Wilson—Aye
Mr. Hargett—Aye
Ms. Scott—Aye

The motion was unanimously approved.

Mr. Wilson asked if there was any more business to come before the board. Hearing none, Mr. Wilson made a motion to adjourn the meeting. Mr. Hargett seconded the motion, and Ms. Thompson called the roll:

Mr. Paganelli—Aye
Mr. Lillard—Aye
Mr. Gibbs—Aye
Mr. Wilson—Aye
Mr. Hargett—Aye
Ms. Scott—Aye

The motion was unanimously approved.

The meeting was adjourned.

Approved on this _____ day of _____, 2019.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

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

Recitals

Whereas the University of Memphis (the “University”) desires to enter into two interrelated transactions more particularly described in Exhibits 1 and 2 attached hereto (collectively, the “Stella Transaction”); and

Whereas as a part of the Stella Transaction, four properties valued at Three Million, Six Hundred Ninety-Three Thousand Dollars and No Cents (\$3,693,00.00) (the “Properties”) will be transferred to the University; and

Whereas concurrently with the transfer of the Properties, the University will enter into a long-term ground lease (the “Lease”) with the transferor of the Properties (the “Transferor”), the Lease being for a different parcel of Property already owned by the University (a copy of the Lease is attached hereto as Exhibit 3); and

Whereas the transfer of the Properties will constitute a portion of the pre-paid rent (the “Rent”) for the Lease; and

Whereas the Lease provides, inter alia, that in the event of a default by the Transferor the University may terminate the Lease only after the University pays to the Transferor the amortized value of the Rent (the “Amortized Rent”); and

Whereas Tennessee Code Annotated Section 49-3-1205(11) provides that the Tennessee State School Bond Authority (the “Authority”) has the power to approve or disapprove actions with respect to the borrowing of money for any purpose whether by the issuance of bonds notes or any other method taken by an institution under the jurisdiction of the Tennessee Board of Regents (“TBR”), which the University is, pursuant to Tennessee Code Annotated Section 49-8-203(a)(1)(c), for purposes of enforcing the provisions of the Second Program Financing Agreement by and between TBR and the Authority; and

Whereas it is the view of the Authority that the liability of the University created in the Lease for the potential re-payment of the Amortized Rent constitutes the borrowing by the University of money by another method; and

Whereas Chapter 591, Tennessee Public Acts of 2007 (the “2007 Act”), authorized the State to issue Seven Million Dollars (\$7,000,000.00) of general obligation bonds and bond anticipation notes of the State for purposes including acquisition of certain properties (including the Properties) on behalf of the University for its expansion; and

Whereas of the original Seven Million Dollar (\$7,000,000.00) amount authorized by the 2007 Act, there is still approximately Two Million, Nine Hundred Thousand Dollars (\$2,900,000.00) authorized but unissued (the “Remaining Amount”); and

Whereas the University has stated that it is willing to pledge as security to the Authority the Remaining Amount as assurance that the University will have sufficient funds available for re-payment of the Amortized Rent, if and when that ever becomes necessary; and

Whereas the Authority is prepared to approve the University's entrance into the Lease on the condition that the University pledges to the Authority that the University will use no part of the Remaining Amount for any purpose other than its pledge as stated herein unless and until the value of the Amortized Rent becomes less than the Remaining Amount, in which case the University may use any amount of the Remaining Amount that is over and above the value of the Amortized Rent for any other authorized purpose.

BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval to the University of Memphis to enter into the Lease on the condition that the University pledges to the Authority that the University will use no part of the Remaining Amount for any purpose other than its pledge as stated herein unless and until the value of the Amortized Rent becomes less than the Remaining Amount, in which case the University may use any amount of the Remaining Amount that is over and above the value of the Amortized Rent for any other authorized purpose

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of March __, 2020.

Adopted by the Authority at its meeting on March __, 2020.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

EXECUTIVE SUMMARY
STELLA ACQUISITION

Memphis Tiger House, LLC will transfer to the State of Tennessee properties located at 3562 Mynders Avenue, Memphis, Tennessee (Memphis Student Housing), 3555 Midland Avenue, Memphis, Tennessee (W. H. Jr. and Barbara Caldwell), 3561 Midland Avenue, Memphis, Tennessee (Darren and Kathleen Kersting), and 3571 Midland, Memphis, Tennessee (Memphis Student Housing). Memphis Tiger House, LLC will acquire properties from Memphis Student Housing, W. H. Jr. and Barbara Caldwell, and Darren and Kathleen Kersting which consist of approximately 2.038 acres. These four properties are being transferred in exchange for rights to lease state property (16 parcels) for housing development on Deloach Street and Central Avenue. Memphis Tiger House, LLC will construct student housing complex consisting of one (1) to five (5) bedroom units and containing approximately five hundred sixteen (516) beds. The development includes 261 parking spaces on site.

The University values and supports the establishment of new privately developed, owned and operated housing near the University campus; however, to address traffic congestion concerns and other matters, it wishes to utilize the Memphis Tiger House, LLC properties for other purposes. Specifically, the University has plans for a research park and the entire area west of campus has a demonstrated need for structured parking for now and in the future. The property is well suited to a combined mixed-use parking garage with the first floor providing needed research space.

The proposed transaction is comprised of two (2) interrelated transactions that shall occur simultaneously. These transactions are:

1. Concurrent with Memphis Tiger House LLC's acquisition of the above described property, Memphis Tiger House LLC and the University shall execute a Land Transfer Agreement, by which Memphis Tiger House LLC shall sign over the property to the University. The property is valued at \$ 3,693,000 and the value will represent a portion of the pre-paid rent for the transaction in item 2 below.
2. Concurrent with the execution of the Land Transfer Agreement, Memphis Tiger House LLC and the University shall execute a 49 years 11 months Long-Term Ground Lease of University property for the design, construction, financing, operating and maintenance of a housing complex consisting of one (1) to five (5) bedroom apartment units and containing approximately five hundred sixteen (516) beds, onsite parking, security fencing and other amenities. The housing complex asset will revert to the state at the end of the lease term.

EXECUTIVE SUMMARY

STELLA DISPOSAL (Ground Lease)

The University of Memphis is the owner of certain real property located in the City of Memphis, County of Shelby known as the University of Memphis campus. The University has approximately 5.62 acres located at 301 Deloach Street, 295 Deloach Street, 287 Deloach Street, 281 Deloach Street, 275 Deloach Street, 267 Deloach Street, 261 Deloach Street, 253 Deloach Street, 247 Deloach Street, 241 Deloach Street, 235 Deloach Street, 227 Deloach Street, 219 Deloach Street, 211 Deloach Street, 205 Deloach Street and 3664 Central Avenue. The University of Memphis desires to dispose of said properties to Memphis Tiger House, LLC for a term of 49 years and 11 months.

Memphis Tiger House, LLC desires to lease 16 state owned properties to construct and operate 516 apartment style beds for University housing. The University values and supports the establishment of new privately developed, owned and operated housing near the University campus. The campus currently has 2569 total student housing beds with only 473 in the apartment style favored by upper classmen, graduate and doctoral students. Enrollment in these groups is increasing, especially with the University expanding its research and academic portfolio in its strategic plan to become a R1 Research Institution. Additionally, existing stock is old, needs renovation, and some of the older stock needs to be taken off line for renovation into more marketable housing or repurposed for academic or research space. The campus has land which it has acquired to meet expansion of housing along Deloach Street to meet current and projected demand and this area is proximate to parking and the main academic core of the campus.

The projected occupancy of the Housing Facility shall consist of University students, faculty and staff and shall be operated in compliance with all applicable laws and regulations.

The proposed transaction is comprised of two (2) interrelated transactions that shall occur simultaneously at the project closing date of March 1, 2020. These transactions are:

1. Concurrent with Memphis Tiger House, LLC's acquisition of the subject property, the parties shall execute a Land Transfer Agreement, by which Memphis Tiger House, LLC shall sign over the subject Property to the University (2.038 acres on Midland and Mynders in four parcels).
2. Concurrent with the execution of the Land Transfer Agreement, Memphis Tiger House, LLC and the University shall execute a 49 year and 11 months Long-Term Ground Lease of the University Deloach Property for the design, building, financing, operating and maintenance of a housing complex consisting of one (1) to five (5) bedroom units and containing approximately five hundred sixteen (516) beds, onsite parking, security fencing and other amenities.

Other significant provisions in the Ground Lease are as follows:

- Tenant will construct Development to include 148 units with 516 beds of housing, exercise facility, study and lounge area, pool, BBQ area, beach, volleyball court, dog park, bicycle storage area, a coffee shop/café (2600 square feet), a maintenance storage room, and 261 parking spaces.
- Tenant will have right of first refusal for any bona fide offer for purchasing the property in the ground lease should the university desire to sell during the term of the lease.
- At the end of the lease term, the improvements and tenant personal property (equipment and furnishings) fully revert to the university.
- University will approve plans and specifications for the improvements. Tenant will demolish existing houses on property and provide a 100% performance and labor and material payment bond for all improvements to be constructed.
- In the event of default, the University may terminate the lease with a payment for the amortized value of the pre-paid rent.
- Tenant must obtain consent by University if aesthetic, functional or structural changes are made or for any item over \$100,000.
- Provide housing available for students, faculty and staff with fair market value rent for the area.
- Term is 49 years and 11 months after commencement date. Commencement date is 37 months after effective date.
- Tenant is responsible for demolition, construction, alterations, improvements and repairs, and any single item over \$100,000 or more must be approved by state.
- Tenant must fully investigate and perform all due diligence for site.
- Tenant is responsible for good repair and condition in manner comparable to other first-class apartment projects in vicinity of campus and is responsible for all renewal and replacement.
- Tenant will comply with capital replacement schedule imposed by mortgagee.
- Any assignment of lease requires compliance with lease conditions and consent of state.
- Preliminary site plans, unit floor plans, development description and standard UM housing specifications are included and must have landlord approval to change.
- Construction must begin within 18 months of the effective date (closing) or landlord can terminate lease and pay a prepaid rent refund amortized amount.
- Construction must be complete within 36 months of effective date (closing).
- Tenant will give priority to University students, faculty, and staff on waiting list for rooms and will make a good faith effort to place students in units with other students.
- Tenant shall maintain 10 million general liability insurance with UM and State additionally insured, along with builders' risk during construction or alterations.

Prepared By:

LEASE AGREEMENT

This Lease Agreement (the “Lease”), is made and entered into as of this ___ day of _____, 20___ (the “Effective Date”), by and between the **State of Tennessee on behalf of the University of Memphis** (“Landlord”), and **Memphis Tiger House, LLC**, a Tennessee limited liability company (“Tenant”).

WITNESSETH:

WHEREAS, Landlord owns certain parcels of land and current improvements in 16 parcels located in Memphis, Shelby County, TN more particularly described on Exhibit A attached hereto and incorporated herein by reference (collectively, the “Leased Premises”);

WHEREAS, Landlord through the University of Memphis (the “University”) operates a public institution of higher education in the vicinity of the Leased Premises;

WHEREAS, Tenant has contractual rights to purchase four (4) parcels of real property (collectively, the “Tenant Property”) comprising approximately two (2) acres of land located between Midland Avenue and Mynders Avenue along Brister Street, approximately 0.1 miles from the University’s campus, more particularly described in Exhibit B on which it had intended to build a high-rise housing facility;

WHEREAS, the University values the establishment of new privately developed, owned and operated housing facilities in the vicinity of University’s campus to support its continuing growth and development program. These facilities are a key part of the University experience. University’s campus currently has 2,569 total student housing beds with only 473 in the apartment style favored by upper classmen, graduate and doctoral students. Enrollment in these groups is increasing, especially with University expanding its research and academic portfolio as part of its strategic plan to become a tier R1 research institution. Additionally, existing stock is old, needs renovation, and some of the older stock needs to be taken off line for renovation into more marketable housing or repurposed for academic or research space;

WHEREAS, to address traffic congestion concerns and other matters, Landlord desires to see the Tenant Property utilized for purposes other than a high-rise housing facility;

WHEREAS, Landlord acquired the Leased Premises to meet current and projected housing demand in a location proximate to parking and the main academic core of the campus;

WHEREAS, Tenant desires to lease the Leased Premises for the design, construction, operation, and management of residential multi-family housing units, supporting retail and commercial uses, as well as reasonable and appropriate amenities for first-class apartment living projects in the area, including without limitation, at Tenant’s option, an exercise facility, study and lounge areas, pool and barbeque areas, beach volleyball court, dog park, bicycle storage area(s) and other amenities, and associated parking (the “Development”), as more particularly depicted on the Site Plan attached hereto as Exhibit C and incorporated herein by reference (the “Site Plan”),

all upon the terms and conditions set forth herein. Construction of the Development as contemplated in this Lease is in accordance with the 2015 University of Memphis Master Plan; and

WHEREAS, concurrently with the execution of, and as a condition precedent to each Party's obligations hereunder, Landlord, as transferee, and Tenant, as transferor, have entered that certain Land Transfer Agreement, dated as of even date herewith (the "Land Transfer Agreement"), pursuant to which Tenant has agreed to convey the Tenant Property to Landlord.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, Landlord and Tenant agree as follows:

1. **LEASED PREMISES:** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Leased Premises. Tenant may, at its expense, obtain an updated ALTA survey of the Leased Premises. In such event, the legal description of the Leased Premises in such survey shall be used as the description of the Leased Premises for all purposes under this Lease, and the parties shall execute an amendment of this Lease confirming such survey legal description at the request of Tenant; provided that such survey legal description must be acceptable to Landlord, such acceptance not to be unreasonably withheld, conditioned or delayed.

In terms of the rental rates and rate increases, the number of buildings to be constructed and the number of units/beds, Landlord's approval of this Lease is based on the premise of providing housing that will be available for Landlord's students, faculty and staff, subject to the terms and conditions of this Lease. As a result, rental rates will be based on fair market value rent for this area.

2. **RENT:**

- a. **Prepaid Rent.** "Prepaid Rent" means the sum of:
 - (i) Three Million Six Hundred Ninety-Three Thousand Dollars (\$3,693,000.00), which is equal to Tenant's acquisition cost for the Tenant Property, plus
 - (ii) The cost of demolition of the improvements on the Leased Premises (the "Leased Premises Demolition"), not to exceed Two Hundred Thousand and 00/100 Dollars (\$200,000.00) (the "Leased Premises Demolition Cost Cap").

The Prepaid Rent identified in the foregoing subsection (i) shall be deemed paid in full upon the conveyance of the Tenant Property to Landlord. The Prepaid Rent identified in the foregoing subsections (ii) shall be deemed paid in full upon payment to the applicable contractors for the Leased Premises Demolition.

- b. If Tenant fails to pay any rent within ten (10) business days after the date when due, the same shall bear interest from the date due until paid at the lesser of eighteen

percent (18%) per annum or the maximum rate permitted under Applicable Laws (defined below), whichever is lower.

- c. Tenant's obligation to pay rent or other remuneration is an independent covenant, and, except as otherwise provided in the Lease, Landlord's failure to perform any of its obligations or responsibilities under this Lease shall not result in an abatement of rent, entitle Tenant to withhold rent or otherwise affect Tenant's liability for the payment of rent. Except as otherwise provided in this Lease, all rent shall be paid by Tenant to Landlord without deduction, demand, notice or offset. Except as otherwise expressly provided herein, Tenant shall not be entitled to any abatement or reduction of the rent. Tenant shall deliver all rent to Landlord at the address specified in Section 7 or such other place as Landlord may designate to Tenant by written notice.
- d. It is the intention of the parties that this Lease be a fully net lease except as otherwise expressly set forth herein. Accordingly, except as otherwise expressly provided herein, Tenant shall pay, when due, all costs, expenses and other liabilities related to the Leased Premises and the Development or the ownership, operation, use, improvement, maintenance, repair or replacement thereof, that are allocable to periods within the Term. In the event Landlord inadvertently pays any cost or expense that the Tenant is obligated to pay under the terms of this Lease, Tenant shall reimburse Landlord for such expense or cost within fifteen (15) days after its receipt of a written demand from Landlord accompanied by reasonable supporting documentation of such cost or expense.
- e. Tenant expressly agrees that nothing contained in this Lease shall require Landlord to furnish to Tenant or any other occupant of the Leased Premises any water, sewer, gas, heat, electricity, light, power, or any other utilities, labor, materials, or services of any kind whatsoever.

3. **TERM:**

- a. The term of this Lease shall commence on the Commencement Date (defined below) and shall continue for forty-nine (49) years eleven (11) months (the "Term"; the last day of the Term being referred to herein as the "Expiration Date"), subject to terms set forth below and unless terminated earlier in accordance with the provisions of this Lease. "Commencement Date" shall mean the date that is the first day of the thirty-seventh (37th) full month following the Effective Date, or thirty (30) days after the Development (including all of its phases) is Substantially Complete (defined below), whichever is sooner. A schedule of Tenant's currently anticipated construction timeline, including single- and two-phase construction scenarios, is attached to the Lease as Exhibit C-1 (the "Anticipated Construction Schedule"). It is understood and agreed that the Anticipated Construction Schedule is for informational purposes only and, subject to the requirements of Section 14(c)(5), may be revised by Tenant as Tenant deems appropriate.

4. AS-IS CONDITION; REPRESENTATIONS AND WARRANTIES OF LANDLORD:

- a. Subject to any representations, warranties and covenants of Landlord set forth in this Lease, Tenant accepts the Leased Premises in its current condition and is solely responsible for any and all demolition, construction, alterations, improvements, and repairs to meet all applicable federal, state, and local codes and regulations.
- b. Subject to any representations, warranties and covenants of Landlord set forth in this Lease, by executing this Lease, Tenant acknowledges that (i) it has had full opportunity to inspect the Leased Premises and make an evaluation of the Leased Premises for any and all purposes and (ii) it has accepted the Leased Premises in its current, “as is” condition. Failure or omission of Tenant to acquaint itself of the existing conditions of the Leases Premises shall in no way relieve Tenant of any obligation with respect to this Lease.
- c. Tenant acknowledges and agrees that, except as may otherwise be expressly set forth in this Lease, (i) Landlord has not made, is not making and specifically disclaims any representation, warranty, guarantee or assurance to Tenant regarding the Leased Premises, express or implied, including, but not limited to, any representation, warranty, guaranty or assurance regarding physical condition, value, suitability, compliance with all applicable governmental constitutions, statutes, laws, orders, ordinances, codes, rulings, regulations and decrees, now in force or hereafter enacted (collectively, “Applicable Laws”), zoning, environmental matters or Hazardous Substances; (ii) the Leased Premises are being leased to Tenant “AS IS - WHERE IS” and with all faults; and (iii) Tenant is responsible for all costs associated with placing the Leased Premises and the Development in a condition fit for its intended purpose, including, without limitation, the cost of all repairs, replacements, alterations, additions and improvements required to cause the Leased Premises and Development to comply with Applicable Laws.
- d. Landlord represents to Tenant that (i) Landlord’s interest in the Leased Premises is, as of the Effective Date, exempt from ad valorem property taxes; (ii) Landlord is qualified to transact business in Tennessee, and has all requisite power and authority to carry on its business as now conducted and to execute, deliver and perform this Lease; (iii) the execution, delivery and performance by Landlord of this Lease is within its power, has been authorized by all necessary action and does not contravene any provision of its governing documents or legislative authority, as in effect on the date hereof; (iv) this Lease has been duly executed by an authorized person of Landlord; (v) this Lease is the valid and binding obligation of Landlord, enforceable against Landlord and the University in accordance with its terms; (vi) to Landlord’s knowledge, the execution, delivery and performance of this Lease by Landlord do not conflict with or result in a breach of the provisions of, or constitute a default under, any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar agreement, any lease or other material agreement or contract by which Landlord, its activities or property is bound or any law or order, rule or regulation of the court or governmental authority having jurisdiction over Landlord, its activities or its property; (vii) no order,

permission, consent, approval, license, authorization, registration or filing by or with any governmental authority having jurisdiction over Landlord, its activities or property is required for the execution, delivery or performance by Landlord of this Lease; (viii) unless otherwise required by Tennessee law, State Building Commission (“SBC”) policy or regulations, any approval, consent or permission required to be provided by Landlord or University under this Lease shall be conclusively deemed to have been granted if provided by any of the following representatives of Landlord (and Landlord may change the following by at least ten (10) days’ prior written notice to Tenant): President or Chief Financial Officer of the University; (ix) Landlord owns fee simple title to the Leased Premises and all improvements presently thereon free and clear of encumbrances except those of which Tenant has been provided a copy and approved in writing prior to the Effective Date (the “permitted encumbrances”). During the Term, Landlord shall not cause or allow any liens, encumbrances or restrictions against the Leased Premises, or modification of any existing liens, encumbrances or restrictions without Tenant’s prior written consent, not to be unreasonably withheld.

5. TENANT OBLIGATIONS:

- a. Repair and Maintenance. Throughout the Term, except as may otherwise be expressly set forth in this Lease, Tenant, at its sole cost and expense, shall keep and maintain all of the Leased Premises and Development in good repair and condition in a manner comparable to other first class apartment projects in the vicinity of the University’s campus and shall make all repairs, replacements and renewals, foreseen or unforeseen, ordinary or extraordinary, necessary to put or maintain the Leased Premises and Development in such state of repair and condition, subject to ordinary wear and tear. Tenant acknowledges Landlord’s concern that, because the Development is located in the vicinity of the University’s campus, it must be operated, repaired, maintained and managed in a first class condition and in a manner comparable to other first class apartment projects in the vicinity of the University’s campus. Tenant further acknowledges that Landlord, in agreeing to the terms of this Lease Agreement, is relying on the expertise, experience and reputation of Tenant, and its constituent partners, officers, and directors, to cause the Development to be operated, maintained and managed in said first class condition; provided that nothing herein shall be construed to create any personal liability of any such partner, officer or director. Landlord shall not be required to maintain, repair or rebuild all or any part of the Leased Premises and Development or Tenant parking pursuant to this Lease. Except as may be otherwise provided in this Lease, Tenant waives the right to (i) require Landlord to maintain, repair or rebuild all or any part of the Leased Premises and Development pursuant to this Lease, or (ii) make repairs at the expense of Landlord pursuant to this Lease by reason of any Applicable Laws, contract, easement, covenant, condition, or restriction at any time in effect. In addition, Tenant shall keep the Leased Premises and Development in a safe and sanitary condition as required by all Applicable Laws. At least annually upon request by Landlord, a senior member of the facilities management personnel of both parties will meet to discuss plans for the long-term

maintenance of the Development and consider the suggestions of the other party with respect to the ongoing maintenance of the Development.

- b. Tenant agrees to comply with any capital replacement or capital expense reserve requirements imposed by any Mortgagee, defined below. During any period when Tenant is not subject to any such Mortgagee capital replacement or expense reserve requirements, Tenant shall establish and maintain a capital replacement reserve equal to the greater of (i) the amount required under its most recent first priority Mortgage (defined below), or (ii) \$250.00 per year for each bed in the Development. Tenant may use the reserve for the purpose of paying any capital purchase, repair or replacement expense in connection with the Development. Upon request from Landlord, Tenant shall provide reasonable supporting documentation of its compliance with this Section 5.b. Tenant shall maintain the reserve fund, as contemplated in this Section, for the Term of the Lease.
- c. Compliance with Laws. Tenant shall comply, and cause the Leased Premises and Development to comply, with all Applicable Laws, and Tenant shall not use the Leased Premises and Development, or permit anything to be done on or about the Leased Premises and Development, that will in any way conflict with or violate the same. During the Term, Tenant shall comply with and cause the Leased Premises and Development to be in compliance with (i) all Applicable Laws applicable to the Leased Premises and Development or the uses conducted on the Leased Premises and Development, (ii) the provisions of any insurance policies required to be maintained by Tenant with respect to the Leased Premises and Development, and (iii) the terms of any easements, covenants, conditions and restrictions affecting the Leased Premises which are permitted encumbrances or are created after the date of this Lease with Tenant's written approval. If any additions, alterations, changes, repairs or other work of any nature, structural or otherwise, shall be required or ordered or become necessary at any time during the Term because of any of these requirements, the entire expense of the same, irrespective of when the same shall be incurred or become due, shall be the sole liability of Tenant.

In case Tenant, after notice in writing from Landlord requiring Tenant to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply therewith within a reasonable time, or in the event of an emergency constituting a hazard to the health or safety of the Leased Premises and Development, Landlord may perform such reasonable maintenance or make such reasonable repairs at its own cost and, in addition to any other remedy Landlord may have, Tenant shall reimburse Landlord for the cost of the same.

- d. "Approvals" as used in this Section and this Lease means all governmental permits and approvals necessary or appropriate for the construction and operation of the Development and the related site improvements, including, but not limited to, (i) all approvals required under land use laws and ordinances, (ii) all required platting, subdivision and zoning approvals (including without limitation granting of commercially reasonable easements required as a condition to approval thereof or as otherwise appropriate to the Development), (iii) all required building permits and

approvals, and (iv) tap permits or connections for water and sanitary sewer services to the Leased Premises and Development. Landlord agrees, upon Tenant's request, and at no out of pocket cost to Landlord, to cooperate and assist Tenant in Tenant's efforts to secure any necessary Approvals and to join in applications for zoning matters, building permits, certificates of occupancy, easements and all other applications for licenses, permits and approvals for which the signature of Landlord or the owner is required by applicable law.

- e. Tenant is responsible for providing all legally required parking to support the construction, operation and use of the Development.
- f. The existing buildings within the Leased Premises shall be demolished by Tenant at the sole cost and expense of Tenant.
- g. Tenant shall comply with the provisions set forth in Schedule 5(f), with respect its residential leasing activities at the Development.

6. TERMINATION:

- a. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Leased Premises and Development to Landlord in good order and repair, ordinary wear and tear excepted. If Tenant is not then in default under any of the covenants and conditions hereof, Tenant may remove its personal property and equipment ("Tenant's Personal Property"), other than permanent fixtures, from the Leased Premises prior to the date of any termination or expiration of this Lease; provided that Tenant covenants that, as of the time of surrender, Tenant's Personal Property remaining at the Leased Premises shall be reasonably adequate to continued operation of the Leased Premises as then contemplated. All Tenant's Personal Property not removed from the Leased Premises shall belong to Landlord without the payment of any consideration.
- b. On the Expiration Date or earlier termination of this Lease, any renovations, alterations, improvements, repairs and new structures constructed shall be surrendered to and become Landlord's property, owned by Landlord in fee simple, free and clear of all claims by Tenant or any third person, and all liens, security interests and encumbrances, in each case of any person claiming by, through or under Tenant, other than the permitted encumbrances and any other encumbrances or liens created in accordance with this Lease or otherwise expressly agreed to by Landlord in writing. Upon Landlord's request, subject to the foregoing, Tenant agrees to execute, acknowledge and deliver to Landlord a proper instrument in writing, releasing and quitclaiming to Landlord all right, title and interest of Tenant in and to the Leased Premises and Development and all other improvements thereon upon expiration or earlier termination of this Lease. In the event that there are any assignable warranties remaining on portions of the Development on the Expiration Date or the earlier termination of this Lease, Tenant shall use good faith efforts to cause such warranties to be promptly assigned to Landlord at no cost to Landlord.

7. **NOTICES:** All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage pre-paid, and addressed as follows:

To Tenant:

Memphis Tiger House, LLC
c/o Stella Management Group, Inc.
848 Brickell Key Drive
Suite 4505
Miami, FL 33131
Attn: Adrian Stella
E-mail: astella@stellagroup.com

With a copy to:

Buchalter
16435 N. Scottsdale Rd.
Suite 440
Scottsdale, Arizona 85254
Attn: Josiah R. Reid, Esq.
D: (480) 383-1812
M: (619) 302-0072
E-mail: jreid@buchalter.com

To Landlord and the University:

The State of Tennessee
c/o Tennessee State Real Estate
Asset Management (STREAM)
312 Rosa L. Parks Ave., 24th Floor
Nashville, TN 37243

With a copy to:

University of Memphis
367 Administration Building
Memphis, TN 38152
Attn: Chief Financial Officer
E-mail: kurapati@memphis.edu

Either party may change its notice address from time to time by written notice to the other party in accordance with this provision.

8. **ASSIGNMENT/SUBLETTING:**

- a. Except as provided in this Section and/or in accordance with Section 22 below, neither Tenant nor any court or officer thereof nor any receiver or trustee in bankruptcy shall assign, sublease, license, sell, transfer or in any way mortgage, pledge or hypothecate (collectively "Assign") all or any of (i) its interest in this Lease or (ii) its interest in and to the Leased Premises and Development or any part thereof (an "Assignment"), without Landlord's prior written consent and approval of the process by which the interest is assigned in accordance with this Section. The direct or indirect total or partial transfer of ownership interests in Tenant shall not be considered an Assignment under this Section 8. Landlord shall not unreasonably withhold, condition or delay its consent to an Assignment by Tenant, provided that Tenant shall cause Landlord to be provided with information regarding any proposed assignee (or assignee's sponsor(s) if assignee is a single purpose entity), including financial statements, credit-worthiness, intended use and other reasonable and relevant information reasonably requested by Landlord. Notwithstanding anything herein to the contrary, Landlord shall not withhold its consent to any requested Assignment to an assignee who either (x) is qualified as an organized exclusively for educational purposes under Section 501(c)(3) of the Internal Revenue Code, or (y)(A) has a net worth equal to or exceeding the

Required Net Worth, defined below, to be determined as of the date and time immediately following the proposed Assignment, and (B) has, or whose sponsor(s) or principal(s) have, or who will retain a manager that has, at least five (5) years of experience managing or operating generally comparable multi-family or student housing apartment projects. In determining the proposed assignee's years of experience, the experience of assignee's principals and manager(s) at companies other than assignee will also be taken into account. For purposes hereof, the "Required Net Worth" shall mean owner's equity, determined in accordance with GAAP or tax accounting principles, equal to the sum of (x) Ten Million Dollars (\$10,000,000.00) plus (y) the CPI Adjustment, defined below, from the Effective Date until the applicable date of determination of Required Net Worth. For purposes hereof, the "CPI Adjustment" shall mean the product of \$10,000,000.00 multiplied by the percentage increase in the Consumer Price Index, defined below (as tested on the Effective Date and on the applicable date of determination of Required Net Worth). For example, if the Consumer Price Index increases by 5% from the Effective Date until the applicable date of determination of Required Net Worth, then the Required Net Worth would equal \$10,000,000.00 plus \$500,000.00, or a total of \$10,500,000.00. Upon request by either party from time to time, the parties shall confirm in writing the then applicable Required Net Worth, determined as set forth above.

As used herein, the "Consumer Price Index" will mean the Local Metropolitan Area Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor for Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average, All Items (1982-84=100), not seasonally adjusted. In the event the Consumer Price Index is converted to a different standard reference base or otherwise revised, the determination of Required Net Worth will be made with the use of such conversion factor, formula or table for converting the Consumer Price Index as may be published by the Bureau of Labor Statistics, or if the Bureau should fail to publish same, then with the use of such conversion factor, formula or table for converting the Consumer Price Index as may be published by Prentice Hall, Inc., Commerce Clearinghouse or any other nationally recognized publisher of similar statistical information. If the Consumer Price Index ceases to be published and there is no successor thereto, such other comparable index as Landlord and Tenant may agree upon will be substituted for the Consumer Price Index.

- b. If Landlord consents to an Assignment (or if this Lease is assigned without Landlord's consent), the terms and conditions of this Lease will in no way be waived or modified by Tenant, including, without limitation, the use which Tenant or its assignee may make of the Leased Premises as set forth in Section 10 below. Further, any assignee shall expressly assume (and shall be deemed to have assumed) all of the Tenant's obligations under the Lease first arising from and after the date of such assignment. Landlord's consent to an Assignment will not be deemed to consent to any further Assignment by either Tenant or an assignee.

- c. Notwithstanding the foregoing, or any other term or condition of this Lease, the Assignment requirements of this Section 8.a. shall not apply to, and Landlord's consent shall not be required, for an Assignment (each a "Permitted Assignment") to any of the following (each a "Permitted Assignee"):
- (i) An Affiliate (defined below) of Tenant;
 - (ii) Any entity taking an assignment of the Lease by virtue of a merger, consolidation or other reorganization of Tenant and/or its Affiliates;
 - (iii) A Mortgagee pursuant to a Mortgage, a collateral assignment of the Lease, and/or other similar instruments, as provided in Section 22;
 - (iv) Any assignee from a Mortgagee pursuant to foreclosure, assignment in lieu of foreclosure or other similar means associated with a Mortgage;
 - (v) Any subtenant of one or more restaurants, coffee shops, cafes or similar shops offering food and refreshing and occupying a total area within the Development not exceeding two thousand six hundred (2,600) rentable square feet (collectively the "Food Service Space"); or
 - (vi) Any residential tenant under a residential lease (each a "Residential Tenant" and collectively the "Residential Tenants") for a unit or bed therein within the Development.

Notwithstanding the foregoing, Tenant will not assign to a Permitted Assignee with whom Landlord is prohibited by Tennessee statutory law (including without limitation the Iran Divestment Act) from entering a landlord-tenant relationship. Tenant shall provide Landlord written notice of any Permitted Assignment under the foregoing subsections (i) – (iii) and (v) within a reasonable time prior to the Permitted Assignment. Within a reasonable time following written request, Tenant shall provide Landlord a current rent roll of Residential Tenants. "Affiliate" shall mean an entity that owns or controls, is owned or controlled by, or is under common ownership or control with the applicable party.

- d. Right of First Refusal.
- (i) Notwithstanding any provision herein to the contrary, if Landlord shall receive from any person or entity (a "Bona Fide Offeror") a bona fide offer to purchase the land constituting the Leased Premises at any time and from time to time after the Effective Date prior to the expiration of the Term (a "Bona Fide Offer"), and Landlord desires to accept the Bona Fide Offer, Landlord shall provide Tenant Notice, and a copy, of the Bona Fide Offer. Whether Landlord is permitted to accept the Bona Fide Offer shall be subject to any required State of Tennessee governmental agency approvals. If Landlord is permitted to accept a Bona Fide Offer, then the provisions of this Section shall apply and Tenant shall be afforded priority over the Bona Fide Offeror, subject to the terms and conditions of this Section.

- (ii) Tenant may, at Tenant's option (the "ROFR") and within thirty (30) days after receipt of Landlord's Notice of the Bona Fide Offer and receipt of a copy thereof and, if applicable, any relevant loan assumption documentation (the "ROFR Exercise Deadline"), offer by written Notice delivered to Landlord (the "ROFR Exercise Notice") to purchase the Leased Premises at the price (the "ROFR Price") and upon the terms and conditions as are contained in the Bona Fide Offer, in which event, Landlord shall sell the Leased Premises to Tenant upon said terms and conditions and said price (the "ROFR Sale").
- (iii) If Tenant timely delivers a ROFR Exercise Notice, then, within one hundred twenty (120) business days thereafter, the parties shall enter a mutually agreeable purchase and sale agreement (the "ROFR Purchase Agreement") memorializing the transaction, which shall include a contingency for Tenant's review of the condition of title to the Leased Premises. The form of the ROFR Purchase Agreement shall be subject to final approval by the SBC.
- (iv) Closing costs shall be allocated as set forth in the Bona Fide Offer, and to the extent the Bona Fide Offer does not allocate closing costs, they shall be allocated as follows: the cost of the base premium and endorsements to any owner's policy of title insurance and the premium for any loan policy of title insurance shall be paid by Tenant; other costs shall be allocated in accordance with customary practice for similar commercial transactions with state institutions of higher education.
- (v) The closing on the ROFR Sale (the "ROFR Closing") shall occur within one hundred twenty (120) days following SBC approval. At the ROFR Closing, Tenant shall pay the ROFR Price (subject to adjustments and prorations in the ROFR Purchase Agreement, and as set forth in subsection (vi) below), and Landlord shall convey to Tenant the Leased Premises and Landlord's reversionary interest in the improvements of the Development by quitclaim deed.
- (vi) Notwithstanding the foregoing, if any broker's fees or commission would have been payable by Landlord if the Leased Premises were sold pursuant to a Bona Fide Offer (but not otherwise), the ROFR Price shall be reduced by an amount equal to such broker's fees or commissions. Landlord shall provide Tenant evidence of the amount of broker's fees or commissions payable in connection with any such Bona Fide Offer. The ROFR Price shall not be reduced under this subsection if no broker's fees or commission would have been payable by Landlord under the Bona Fide Offer.
- (vii) If Tenant does not timely deliver a ROFR Exercise Notice, then Landlord may, within one hundred twenty (120) days thereafter (the "Bona Fide Sale Period"), sell the Leased Premises to the Bona Fide Offeror on terms no more favorable to the Bona Fide Offeror than those set forth in the Bona

Fide Offer. If Landlord does not sell the Leased Premises within the Bona Fide Sale Period, Landlord shall again comply with the requirements of this Section.

- (viii) Landlord covenants that it shall accept no such Bona Fide Offer or convey the Leased Premises until it has complied with the terms of this Section. Any conveyance of the Leased Premises made in the absence of full satisfaction of this Section shall, at Tenant's option, be void. Tenant may petition a court of competent jurisdiction to enforce this Section by injunction, specific performance or other equitable relief. Tenant's election not to exercise the ROFR regarding one Bona Fide Offer shall not prejudice Tenant's rights hereunder as to any further Bona Fide Offer. The terms and conditions contained in this Section shall be memorialized in the Lease Memorandum (defined below) and shall be binding upon the heirs, successors and assigns of Landlord.
- (ix) The ROFR shall not apply to transfers by Landlord to other Tennessee State governmental entities or any non-profit entities created and operated for the benefit of University, provided that such entities shall be bound by the provisions of this ROFR as successor-in-interest to the original Landlord hereunder.

9. **INSPECTION:** Landlord reserves the right to enter the Leased Premises and Development, at reasonable times, in order to perform its obligations under this Lease or to inspect the Leased Premises and Development.

10. **PERMITTED USE:**

- a. The Leased Premises shall be continuously used by Tenant throughout the Term only for the Development (the "Permitted Use") along with other such retail or commercial uses (including without limitation for the Food Service Space, coffee shops or fast food or casual dining restaurants) as may be related or incidental thereto which shall not exceed five percent (5%) of total square footage constructed, excluding garages. It is understood and agreed that Tenant's primary purpose in constructing the Development is to house University students, faculty and staff, provided that nothing in this Lease shall be construed to require Tenant to lease Units or beds only to such persons. At any time that there is a waiting list for beds in the Project, Tenant will exercise good faith efforts to prioritize University students, faculty and staff on the waiting list over other waiting list applicants willing to lease beds on terms that are no more favorable to Tenant, as determined in Tenant's discretion. Tenant will exercise good faith efforts to place University students in beds located in Units occupied by other University students.

Tenant shall not have the right to use the Leased Premises for any other purpose unless it obtains Landlord's prior written consent, which consent will not be unreasonably withheld. Tenant shall not use or permit the Leased Premises and Development to be used in a manner that: (i) unreasonably disturbs any other person

or entity; (ii) is illegal or immoral; (iii) damages the reputation of Landlord; (iv) constitutes a nuisance (public or private); or (v) violates or increases the cost of any insurance policy covering the Leased Premises. Without limiting the foregoing, (x) the Prohibited Uses, defined below, are prohibited at the Development unless consented to in writing by Landlord in its sole and absolute discretion, and (y) the Consent Uses, defined below, are allowed at the Development only with Landlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

- b. For purposes hereof, the Prohibited Uses shall mean and include the following:
- (i) Any so-called "adult" or "XXX" business including, without limitation, any store featuring or specializing in pornography, sexual books or sexual literature, sex toys, or sexual paraphernalia, excluding sales of mass market magazines, books and other products commonly sold in general interest book stores, grocery stores, convenience stores and drug stores, and which are included in other permitted retail sales.
 - (ii) Any so-called "head shop" or similar business including without limitation any store featuring or specializing in recreational or illegal drugs, books or literature oriented towards illegal drugs or the use of such drugs, paraphernalia or clothing associated with recreational or illegal drugs, excluding sales of mass market magazines, books and other products commonly sold in general interest book stores, grocery stores, convenience stores and drug stores, and which are included in other permitted retail sales.
 - (iii) Any business or use oriented toward, specializing in, promoting or selling (1) firearms or other weapons (excluding pocket knives or other common household knives or self-defense products such as pepper spray or similar items), or (2) any military cause or militia or paramilitary or similar organization or activity; provided, that this shall not prohibit (x) leasing to any branch of the United States military or armed forces or to any other federal, state or local governmental office or agency.
 - (iv) Any bar, nightclub, liquor store, or other business selling exclusively or primarily packaged (or by-the-drink) liquor, wine or beer for on-site consumption or take-out; provided that this shall exclude restaurants or other businesses with liquor, wine or beer sales that are incidental to their sales of food or other permitted retail sales.
 - (v) Any business selling exclusively or primarily cigar or cigarette or other tobacco products or so-called "vaping" products.
 - (vi) Any business that operates primarily as a fire or bankruptcy sale or auction house operation; provided that this shall exclude a bona fide going out of business or bankruptcy sale by an otherwise permitted retail sales business.

- (vii) Any pet store or any store that involves in a material way the presence on the premises of any animals, insects or fish (the presence of seeing eye dogs for visually impaired employees, licensees, customers or patients shall not be deemed to violate this restriction); provided that this excludes pet supply stores.
 - (viii) Any sexually oriented massage parlor or “strip” club, excluding however the following: (i) first class and reputable massage establishments such as “Massage Envy”; and (ii) massage operations that are incidental to “day spa”, hair salon or similar businesses.
 - (ix) Any business or use which (a) creates strong, unusual or offensive odors, fumes, dust or vapors, (b) is a public or private nuisance, (c) emits noise or sounds which are objectionable due to intermittence, beat, frequency, shrillness or loudness (other than from medical equipment), (d) creates unusual fire, explosive or other hazards, or (e) has flashing lights or signs, strobe lights, search lights or loudspeakers.
 - (xiv) An off-track betting parlor.
 - (xv) Any “second hand” store or resale or used good shop.
- c. For purposes hereof, the “Consent Uses” shall mean and include the following:
- (i) Convenience stores (excluding grocery stores and drug stores).
 - (ii) Tanning salons, excluding however tanning salon operations that are incidental to “day spa”, hair salon or similar businesses.
 - (iii) Any business that operates exclusively or primarily as a bowling alley, billiard parlor, pool hall, amusement gallery, video game arcade, so-called “virtual reality” game or game room; provided that shall exclude any such activities that are incidental to any otherwise permitted retail sales or service business.
- b. Parking at the Development shall be limited to residents, guests, customers, contractors, invitees and employees of the Development, and licensees, vendors and others providing services to the Development. In no event shall Tenant offer parking at the Development in a manner that competes with the parking options offered by Landlord to students, faculty and visitors of the University; provided that Tenant’s merely making parking available to such persons shall not violate this sentence.
- c. In no event shall the Leased Premises be used for any purpose which would violate any of the provisions of any permitted encumbrances, any legal requirements or any covenants or restrictions applicable to the Leased Premises. Tenant agrees that with respect to the permitted encumbrances and any such covenants or restrictions existing as of the date of this Lease relating to the Leased Premises, Tenant shall

observe, perform and comply with and carry out the provisions thereof required therein to be observed and performed by Landlord.

- d. Tenant shall not permit any unlawful occupation, business or trade to be conducted on the Leased Premises or any use to be made thereof contrary to applicable legal requirements. Tenant shall not use, occupy or permit any of the Leased Premises and Development to be used or occupied, nor do or permit anything to be done in or on any of the Leased Premises and Development, in a manner which would (i) make void or voidable any insurance which Tenant is required hereunder to maintain in force with respect to any of the Leased Premises and Development, (ii) affect the ability of Tenant to obtain any insurance which Tenant is required to furnish hereunder, or (iii) cause any injury or damage to any of the Development.

11. TAXES AND ASSESSMENTS:

a. Rent. The parties acknowledge and agree that (i) Landlord will benefit from the operation of the Leased Premises by Tenant as a private party in the manner, and subject to the terms and conditions, set forth in this Lease; and (ii) this Lease and the rights and interests granted herein and the obligations undertaken hereby have been negotiated in good faith and at arms-length by the parties. If any Taxes are assessed against Tenant, Tenant may do all things reasonably necessary or appropriate to contest and appeal such Taxes. “Taxes” as used in this Lease means any ad valorem real property taxes or personal property taxes payable to the City of Memphis or Shelby County, Tennessee, assessed against all or any portion of any interest in the Leased Premises after the Effective Date of this Lease.

b. Payment of Taxes. Subject to the right to contest and appeal Taxes as set forth above, and pending the outcome of any such contest or appeal, Tenant shall pay (or cause subtenants to pay) prior to delinquency any and all Taxes assessed against the Leased Premises or any portion thereof or any interest therein, including, without limitation Tenant’s leasehold estate under this Lease, any subtenant’s leasehold estate under a sublease, and any improvements constructed on the Leased Premises by Tenant or any subtenant.

c. T.C.A. § 67-5-203. In the event that any time during the term of this lease Landlord is considered to be a political subdivision of the State of Tennessee within the meaning of T.C.A. § 67-5-203(d), then after the thirtieth (30th) year of the term of this Lease, Tenant shall pay all Taxes, if any, assessed by Shelby County, Tennessee against the Leased Premises for the remaining Term of this Lease as if the Leased Premises were not owned by any political subdivision of the State. Nothing in this Lease shall be construed as an acknowledgement or agreement that Landlord is a political subdivision of the State of Tennessee.

12. INDEMNITY/INSURANCE:

- a. Tenant shall indemnify and hold Landlord and the University harmless from any and all claims, costs, damages and judgments of whatsoever nature (including but

not limited to costs and expenses reasonably incurred by Landlord and the University in the defense of any action if Tenant fails to defend such action in accordance herewith), to the extent caused by any intentional or negligent act or omission or negligence of Tenant, its agents, contractors, employees, servants, invitees, or licensees on the Leased Premises and Development pursuant to this Lease, shall assume all responsibility and liability with respect to the foregoing in relation to Landlord, and shall discharge any judgment that may be rendered therein.

- b. Throughout the Term, Tenant shall maintain, at its sole cost and expense, general (and/or umbrella) liability insurance for personal injury, death and property damage with primary limits of no less than ten million dollars (\$10,000,000.00) per occurrence and in the aggregate. Landlord and the University shall be named as additional insured under the liability insurance policy. Tenant's insurance shall provide primary coverage. In no event shall the amount of Tenant's insurance coverage limit the liability of the Tenant under this Lease.
- c. Tenant, at its sole expense, shall keep the Development insured against loss by fire and all of the risk and perils usually covered by an "all risk" endorsement to a policy of fire insurance upon property comparable to the Development, including vandalism and malicious mischief endorsements, in an amount equal to at least one hundred percent (100%) of the replacement cost of the Development. Tenant shall furnish to Landlord evidence of coverage and any renewals or replacements of this insurance. Landlord and the University shall be named an additional insured under this policy to the extent of their interest in the Development. Notwithstanding anything to the contrary set forth herein, Tenant shall not be required to obtain and maintain the insurance described in this section until immediately prior to the termination of the builder's risk insurance on the Development described below.
- d. Until completion of construction of the Development, and during any period in which material reconstruction, alteration or other material construction activity is occurring on the Leased Premises, Tenant, at its sole expense, shall maintain builder's risk insurance in an amount not less than the full insurable value of that part of the Development that is under construction, and materials supplied in connection with the Development. Upon request, Tenant shall furnish to Landlord evidence of coverage and any renewals or replacements of this insurance. Landlord and the University shall be named an additional insured under this policy to the extent of their interest in the Development.
- e. Upon the issuance of a certificate of occupancy for the Development, Tenant, at its sole expense, shall maintain business interruption insurance insuring against loss of income derived from Tenant's operations on the Leased Premises due to the risks covered by the property insurance required above, in an amount not less than Tenant's net operating income from the Leased Premises (gross rental income, less operating expenses) for a twelve (12) month period.

- f. The insurance policy(s) that Tenant is required to obtain under this Lease (collectively, the “Required Policies” and each individually a “Required Policy”) (i) shall be issued by licensed and reputable insurance companies reasonably acceptable to Landlord and rated A-VIII or better by A.M. Best, and (ii) shall contain a waiver of subrogation, and (iii) shall provide that they cannot be cancelled or terminated unless Landlord has been given thirty (30) days’ prior written notice. Landlord shall have the right to require, from time to time, upon at least 60 days’ prior written notice, that Tenant increase the amount of its insurance coverage and/or obtain additional insurance coverage so long as Landlord is acting in a commercially reasonable manner based on insurance coverages maintained by owners of comparable properties in Shelby County, Tennessee. If Tenant fails to maintain any of the insurance required under this Lease, then, in addition to its other rights and remedies, Landlord may (but shall not be obligated to) purchase such insurance, on behalf of Tenant, in which event Tenant shall reimburse Landlord for the cost of such insurance, upon demand. On the Commencement Date and at least annually thereafter, Tenant shall provide Landlord with certificates evidencing that the insurance Tenant is required to maintain hereunder is in full force and effect. Tenant shall furnish Landlord with the original (or a certified copy) of each policy of insurance required hereunder and evidence of the payment of all premiums for the same annually. Failure to maintain the Required Policies that continues beyond applicable notice and cure periods will be deemed a material default of this Lease.
- g. Each insurance policy required by the insurance provisions of this Lease shall provide the required coverage and shall not be suspended, voided, or canceled except after thirty (30) days’ prior written notice has been given to the University, except when cancellation for non-payment of premium; then ten (10) days’ prior notice may be given. Such notice shall be is sent directly to:

University of Memphis
 367 Administration Building
 Memphis, TN 38152
 Attn: Chief Financial Officer
 E-mail: kurapati@memphis.edu

If any insurance company refuses to provide the required notice, it shall not be an Event of Default hereunder provided that Tenant or its insurance broker shall notify the University of any cancellation, suspension, or non-renewal of any insurance within seven (7) days after receipt of insurers’ notification to that effect. In no event shall Tenant allow any Required Policy for the Leased Premises and Development, as provided for herein, to lapse, causing the Leased Premises and Development to be uninsured. Subject to the terms and conditions of this Lease, uninsured costs to restore any damage, casualty and/or loss incurred during a period an applicable Required Policy has lapsed shall be borne by Tenant at its sole expense.

- h. The insurance coverage of the policies required in this Section 12 shall be the primary insurance with respect to Landlord and the University. Any insurance or

self-insurance maintained by Landlord shall be excess and not contributory to the insurance required in this Section 12.

13. CASUALTY; CONDEMNATION:

- a. **Damage or Destruction.** If during the Term, the Leased Premises or Development are so damaged by fire, tornado, or other catastrophe or casualty as to render the same unusable for the Permitted Use, subject to the terms of Section 22, and if Tenant elects not to repair or restore the same in accordance with the provisions of this Lease (which shall be in Tenant's sole discretion), this Lease shall terminate. If this Lease is not terminated as set forth in the preceding sentence, then Tenant shall promptly commence repairs and restoration of the Leased Premises and Development to put the Leased Premises and Development in a usable condition or do any work (e.g. demolition) necessary to remove all debris and the remaining portion of the Development and to place the Leased Premises in safe and proper condition in accordance with the terms of this Lease. If Tenant elects to repair and restore the Leased Premises and Development, Tenant shall, at its own cost and expense, promptly and diligently repair, restore and replace the Development substantially in compliance with the original Plans (as hereinafter defined) therefor or in compliance with such modified plans as shall be approved in writing by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. Tenant shall commence such work of repair, restoration or replacement to the Development within one hundred twenty (120) days after the damage or loss occurs and shall substantially complete such work no later than five hundred forty (540) days after commencement, subject to delays attributable to force majeure and other causes beyond Tenant's reasonable control. If Tenant elects to restore the Development, completion of the repairs, alterations, restorations, additions and replacements to the Development shall result in Development comparable (or better) in value, aesthetic impact, quality, and function to the Development prior to the fire or other casualty, except as expressly provided to the contrary in this Lease.
- b. **Landlord's Right to Terminate.** If Tenant does not begin to repair, restore or replace the Development or begin any work (e.g. demolition) necessary to remove all debris and the remaining portion of the Development and to place the Leased Premises in safe and proper condition in accordance with the terms of this Lease within one hundred twenty (120) days after the occurrence of any casualty, subject to the terms of Section 22, Landlord shall have the right to terminate this Lease upon thirty (30) days written notice to Tenant; provided, however, that Landlord's notice shall be without effect if, during such thirty (30) days, Tenant commences (and thereafter diligently pursues) the repair, restoration or replacement of, or work to remove debris from, the Development.
- c. **Obligations if Lease is Terminated.** If this Lease is terminated pursuant to either Sections 13.a. or b., then Tenant must clear all debris and demolish and remove all unrepaired damaged improvements from the Leased Premises, and otherwise place the Leased Premises in a safe and lawful condition, within one hundred twenty (120) days after the Lease termination.

- d. Casualty Proceeds. If Tenant elects to restore the Development, it shall be entitled to all insurance proceeds associated with the casualty. If the Lease is terminated by either Party in accordance with this Section 13, then insurance proceeds resulting from the casualty shall be allocated as follows:
- (i) first, to pay any administrative or other costs incurred by Tenant in collection of the insurance proceeds;
 - (ii) second, to pay the amount of any financing Tenant incurred to construct or refinance debt used to construct the Development or which is secured by a Mortgage; and
 - (iii) the balance of the proceeds, if any, shall be paid pro rata to Landlord and Tenant with Tenant receiving a percentage equal to the number of months remaining in the Term at the time of the casualty divided by five hundred ninety-nine (599) (representing the total number of months in the Term), and the remainder shall be paid to Landlord;
- provided that at all times Tenant shall be entitled to receive the proceeds of any business interruption insurance.
- e. Total Condemnation. If, at any time during the Term of this Lease, the whole or substantially all of the Leased Premises, or a lesser material portion during the last five (5) years of the Term, shall be permanently taken in condemnation proceedings, or by any right of eminent domain, including purchase under the threat thereof, or temporarily taken for a period exceeding twelve (12) months, this Lease shall terminate and expire on the date of such taking and the rent and other charges payable hereunder shall be apportioned and paid to the date of such taking. For purposes of this Section, "substantially all of the Leased Premises" shall be deemed to have been taken only if the untaken portion cannot be practically and economically used or converted by Tenant for the purposes permitted by this Lease. In the event of any such taking and the termination of this Lease:
- (i) Landlord shall be entitled to receive that portion of the award which has been paid on account of the taking of the land of the Leased Premises (the "Land"), less the Prepaid Rent Refund (defined below); and
 - (ii) Tenant shall be entitled to receive that portion of the award equal to the sum of:
 - (A) that portion of the award which has been paid on account of the taking of the improvements on the Land; plus
 - (B) an amount (the "Prepaid Rent Refund") equal to the product of (A) the Prepaid Rent multiplied by (B) a percentage equal to the ratio of (1) the number of days remaining in the Term to (2) 18,220, which constitutes the total number of days in the Term.

An example of the amount of the Prepaid Rent Refund at various times during the Term is attached as Exhibit D to this Lease; provided that it is understood and agreed that Exhibit D is included as an example and shall not determine the actual amount of the Prepaid Rent Refund, which shall be based on the actual amount of the Prepaid Rent, determined pursuant to this Section.

In no event shall Landlord be required under this Section 13(e) to pay to Tenant funds in excess of the condemnation award.

- f. **Partial Condemnation.** In the event of any permanent taking not covered by Section 13(e), the Term of this Lease shall not be reduced or affected in any way, except that this Lease shall terminate as to the portion so taken, and:
- (i) Tenant shall be entitled to so much of the award as may be necessary for the repair or restoration of the Development, to the extent required in Subsection (iii) of this Section.
 - (ii) The remainder of the award shall be allocated between Landlord and Tenant in the same manner as provided above in the immediately preceding Section 13(e) in proportion to the value of the land and improvements so taken, provided that the amount that would have been the Prepaid Rent Refund shall be reduced by multiplying it by a percentage equal to the ratio of (i) the value of the Land and improvements taken, to (ii) the value of the entirety of the Land and improvements immediately prior to the taking.
 - (iii) Tenant shall proceed, with reasonable diligence, to repair, alter, and restore the Development to substantially their condition prior to such partial taking to the extent that the same may be feasible and to the extent that there are funds available from the award for such purpose, subject to such changes or alterations as Tenant may elect to make; and all such work shall be subject to and done in accordance with the requirements for alterations as provided herein.
- g. **Definition of “Award”.** As used in this Section, the “award” shall be defined as the aggregate of all the awards in one or more proceedings made to both parties for any purpose as a result of the condemnation of all or part of the Leased Premises and shall include (without limitation) awards for actual taking, inverse condemnation, demolition, removal or restoration, consequential damage to the remainder of the Leased Premises, diminution in value of the leasehold estate and loss of rent.

14. **PLANS AND IMPROVEMENT:**

- a. **Site Plan Approvals.** Tenant represents and warrants to Landlord that Tenant has used and will use diligent efforts to obtain approval of a Site Plan, the preliminary form of which is attached hereto as Exhibit C by the University, the City of Memphis (the “City”) and any other required local regulatory body. For purposes of this Lease, approval by the University shall mean written approval by the Chief

Financial Officer of the University. It is understood and agreed that the Site Plan attached hereto as Exhibit C is a preliminary Site Plan and may be modified before submittal for approval, provided that modifications to the Site Plan shall be subject to the University's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed. Also attached as part of Exhibit C is a preliminary description of the Development and preliminary unit floor plans. The same shall be subject to revision in Tenant's discretion subject to the requirements of this Lease, including without limitation review of Plans as set forth in this Section 14. It is understood and agreed that, without Landlord's prior written consent, which shall not be unreasonably withheld, the buildings of the Development shall not exceed four (4) stories in height.

- b. Plans and Specifications. Tenant, at its sole cost and expense, shall cause the preparation of plans and specifications described below covering each building trade concerned in the demolition of the existing structure and construction of the Development (collectively, the "Plans") by Progress Design Studio ("Tenant's Architect"), and, if the Plans have not been approved by Landlord prior to the execution of this Lease, shall submit the same to the University for the University's approval no later than two hundred ten (210) days after the Effective Date, such approval not to be unreasonably withheld, conditioned or delayed. The Plans shall be full and complete in all material respects to the extent reasonably necessary for the demolition/construction and determination of the specific scope of the Development and shall be stamped by Tenant's Architect. Without limiting the generality of the foregoing, the Plans shall identify the basic materials for the exterior of the Development and shall include preliminary grading and drainage plans, utilities, sewer and utility services connections and locations, locations of ingress and egress to and from public thoroughfares or dedicated rights of way, curbs, gutters, parkways, street lighting, design and location for all outdoor signs, storage areas, landscaping, and parking areas, all sufficient to enable potential contractors and subcontractors to make reasonably accurate bids and estimates and to enable Landlord and Tenant to make an informed judgment about the design and quality of construction of the Development. The Plans shall be accompanied by supporting information which shall contain information and materials reasonably sufficient to allow Landlord to validate that Tenant has sufficient financing to construct the Development in accordance with the Plans, taking into account the completion guaranty required by Section 21 below. After Tenant submits the Plans to the University, the University will have thirty (30) days to approve or disapprove the Plans, and in the event the University does not approve the Plans, the University will advise Tenant in writing and in reasonable detail of the University's objections to the Plans. Failure by the University to approve or disapprove the Plans within such thirty (30) day period will constitute an approval by the University. In the event the University disapproves the Plans, Tenant will use diligent efforts to incorporate the University's reasonable objections and comments into the Plans within a reasonable period after Tenant's receipt of such objections and comments (except to the extent such objections and comments do not comport with Applicable Laws, good engineering practices or would in Tenant's reasonable judgment not be economically feasible), and in no event longer than fifteen (15) days after receipt

of such objections and comments, and resubmit the same to the University, who will then have fifteen (15) days to approve or disapprove the revised Plans (noting any objections in writing and in reasonable detail), such approval not to be unreasonably withheld, conditioned or delayed. In the event the University does not approve the revised Plans, the procedures set forth herein will be followed until such time as the University has approved the revised Plans. Notwithstanding the foregoing, if, after good faith efforts, the Parties cannot resolve such objections and comments to the Plans within two hundred forty (240) days after the Effective Date, then Tenant may terminate this Lease upon written notice to Landlord delivered at any time thereafter before mutually agreeable Plans have been approved by the University, whereupon the parties shall be discharged from further obligations hereunder except those that expressly or by their terms survive termination of this Lease, provided that Landlord shall within thirty (30) days following Tenant's notice of termination pay to Tenant an amount equal to the Prepaid Rent (which obligation shall survive the termination of this Lease). The Plans will be approved by the University and Tenant by affixing thereon the signature of an authorized officer of each of such respective parties and after approval shall be incorporated by reference herein as Exhibit E. In the event Tenant desires to modify or change the Plans in any material respect after the same have been approved in the manner provided above, Tenant shall submit such material modifications or changes to the University for review and consideration and the procedures governing approval of the Plans will apply to any such modifications or changes. "Material" as used in the previous sentence shall mean changes which would fall below the minimum requirements set forth in Exhibit F. Any approval by the University or Tenant of the Plans will not in any way be construed or deemed to constitute a representation or warranty of the University or Tenant as to the adequacy or sufficiency of the Plans or the improvements to which they relate, for any reason, purpose or condition, but such approval will merely be the consent of the University and Tenant as may be required hereunder.

c. Construction of Improvements.

1. Tenant covenants and agrees, at its sole cost and expense, to construct with all due diligence the Development in a good and workmanlike manner and substantially in accordance with the Plans and using a quality of construction not less than the minimum requirements of the University of Memphis Apartment Style Housing Standards dated November 5, 2019, a copy of which is attached hereto and incorporated herein as Exhibit F. The Development shall be constructed by Montgomery Martin (the "General Contractor"), or such other general contractor licensed in the State of Tennessee as Tenant may select, pursuant to a written agreement executed before commencement of construction. In addition to the other insurance requirements set forth in this Lease, from the commencement of construction until completion of the Development, Tenant shall maintain or cause its contractors to maintain, commercially reasonable general liability insurance insuring Landlord, University and Tenant as additional insureds.

2. Prior to commencing construction of the Development, subject to the assignment of such contracts to a Mortgagee (as hereinafter defined), and subject to Section 22, Tenant shall cause the Architect and the General Contractor to agree in writing, in form and substance reasonably satisfactory to Landlord, that in the event of any uncured default by Tenant under this Lease or the loan documents securing such construction (and provided that Landlord agrees to pay all sums thereunder when and as due to Architect and General Contractor), if Landlord duly terminates the Lease, Landlord may elect to succeed to Tenant's rights under any and all agreements with the Architect and the General Contractor at no additional charge, including, but not limited to, Tenant's rights to any and all plans, drawings, specification sheets, models, computer programs or other physical or electronic data or representations pertaining to the Development, so as to enable Landlord, if it so elects, but only if it so elects, to complete the construction of the Development pursuant to such agreements.
3. In the event Tenant fails to commence construction of the Development within **eighteen (18) months** of the Effective Date, then Landlord may, by written notice to Tenant, at Landlord's option, subject to the terms of Section 22, terminate this Lease, provided that upon such a termination Landlord shall pay to Tenant an amount (the "Prepaid Rent Refund") equal to the Prepaid Rent. For purposes of this Lease only, construction of the Development shall be deemed commenced when physical demolition of the existing buildings begins. The date on which construction is to be commenced shall be extended on a day-for-day basis by any delay due to unforeseeable causes beyond Tenant's control and without Tenant's fault or negligence, including, but not limited to, acts of God, fires, floods, strikes, war, terrorist activity, changes in the Plans after initial approval ordered by Landlord or any governmental authority, unreasonable delays caused by Landlord or any governmental authority, and abnormal weather conditions not reasonably anticipatable, but excluding delays directly caused by the acts or omissions of Tenant's contractors, subcontractors, material or equipment suppliers, architects or engineers, or the failure or inability of Tenant to provide sufficient capital or borrow sufficient loan proceeds to fund costs of construction.
4. Tenant covenants and warrants to Landlord that (i) the Development will be constructed substantially in accordance with the Plans, with such material changes as shall be approved by the University, which approval shall not be unreasonably withheld, conditioned or delayed, (ii) all materials and equipment furnished will be new, unless otherwise specified, (iii) the Development will be of good quality, free from material faults and defects at completion, and (iv) the Development will be in full compliance with all Applicable Laws. Without limiting the generality of the foregoing, if, within 12 months after the date of completion of the Development, any of the Development or any part or element thereof is found to be defective or not

in accordance with the Plans in any material respect, Tenant shall correct (or cause to be corrected) the same promptly after receipt of written notice from Landlord to do so.

5. Tenant covenants and agrees to Substantially Complete the Development within thirty thirty-six (36) months after the Effective Date (the “Required Completion Date”). The Development shall be considered “Substantially Complete” when the improvements are completed substantially in accordance with the Plans, subject to reasonable punchlist items, as evidenced by the delivery of an AIA Form G-704 Certificate of Substantial Completion executed by Tenant’s Architect, the General Contractor and Tenant, and a certificate of occupancy (or its local equivalent) for the Development by the appropriate governmental authority has been issued and a copy thereof has been delivered to Landlord, together with an as built survey of the Development. The Required Completion Date of the Development shall be extended on a day-for-day basis by any delay due to unforeseeable causes beyond Tenant’s control and without Tenant’s fault or negligence, including, but not limited to, acts of God, fires, floods, strikes, war, terrorist activity, changes in the Plans after approval ordered by Landlord or any governmental authority, unreasonable delays caused by Landlord or any governmental authority, and abnormal weather conditions not reasonably anticipatable, but excluding delays directly caused by the acts or omissions of Tenant’s contractors, subcontractors, material or equipment suppliers, architects or engineers, or the failure or inability of Tenant to provide sufficient capital or borrow sufficient loan proceeds to fund costs of construction.

Notwithstanding any other term or condition of this Lease, it is understood and agreed that the construction of the Development may be performed in phases, as described in the Anticipated Construction Schedule attached as Exhibit C-1. Provided that the Development is Substantially Complete by the Required Completion Date, it shall not be deemed a violation of the covenants set forth in this Section or any other term or condition of the Lease for Tenant to delay or cease construction on all or a portion of the Development if Tenant deems the same appropriate to the phases of construction of the Improvements.

- d. Tenant shall require any contractor or subcontractor engaged for demolition or the construction of additions, improvements, or new structures on the Leased Premises to comply with commercially reasonable bonding and insurance requirements and name Landlord and the University as additional insureds.
- e. Subject to Section 22, Tenant will not permit to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Leased Premises, any part thereof or upon Tenant’s leasehold interest, which arises out of the use or occupancy of the Leased Premises by Tenant or by reason of any labor or materials furnished or claimed to have been furnished to Tenant or by

reason of any construction, addition, alteration or repair of any part of the Leased Premises by Tenant. If any such lien is filed against the Leased Premises, Tenant shall, within thirty (30) days after notice of the filing thereof, cause such lien to be released or discharged with respect to the Leased Premises by payment or bonding. Nothing contained in this Lease shall be construed as constituting the consent or request of Landlord, expressed or implied, to or for the performance by any contractor, laborer, materialman, or vendor of any labor or services or for the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Leased Premises, or any part thereof. Notice is hereby given that Landlord will not be liable for any labor, services or materials furnished or to be furnished to Tenant, or to anyone holding the Leased Premises or any part thereof through or under Tenant, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of Landlord in and to the Leased Premises. After prior written notice to Landlord, Tenant shall not be required to discharge or remove any lien referred to in this Section so long as Tenant shall contest, in good faith and at its expense, the existence, the amount or the validity thereof or the amount of the damages caused thereby by appropriate proceedings which shall operate during the pendency thereof to prevent (i) the collection of, or other realization upon, the lien so contested, (ii) the sale, forfeiture or loss of any of the Leased Premises, (iii) any interference with the use or occupancy of any of the Leased Premises, and (iv) any interference with the payment of any sum due under the Lease. In no event shall Tenant pursue any contest with respect to any lien that exposes Landlord to any material risk of defeasance of its interest in all or any part of the Leased Premises. Tenant agrees that each such contest shall be promptly and diligently prosecuted to a final conclusion, except that Tenant shall have the right to attempt to settle or compromise such contest through negotiations. Tenant shall indemnify and hold Landlord harmless against any and all losses, judgments, decrees and costs (including all attorneys' fees and expenses) in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts levied, assessed, charged or imposed or determined to be payable therein or in connection therewith, together with all penalties, fines, interest, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof.

- f. The parties acknowledge Tenant shall hold fee simple title during the Term to all improvements Tenant constructs on the Leased Premises, provided that, subject to Section 22, title to the improvements shall, upon the expiration or termination of this Lease, vest in Landlord.

15. **ALTERATIONS:** At any time during the Term, Tenant, at its sole expense, may make exterior and structural alterations and additions to any portion of the Development, provided that (i) with respect to exterior and structural alterations and additions, Tenant shall first obtain Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, and (ii) the additions and alterations shall be constructed expeditiously with good materials in a good and workmanlike manner and in accordance

with all Applicable Laws. Notwithstanding the foregoing, the prior written consent of Landlord shall not be required for routine repairs, replacements or alterations costing less than One Hundred Thousand Dollars (\$100,000.00) (as to any single alteration), and Tenant shall obtain Landlord's prior written consent for each repair after more than three (3) of such routine repairs, replacements or alterations in a twelve month period, such written consent not to be unreasonably withheld, conditioned or delayed. Tenant acknowledges that Landlord has an interest in assuring that the Development is architecturally and aesthetically harmonious with the University campus. Accordingly, in exercising its reasonable right of approval or disapproval with respect to any proposed exterior alterations or additions, Landlord shall be entitled to take into account aesthetic factors, including, but not necessarily limited to, the design, quality, materials, color, height, grade, finished elevation and appearance of the proposed alterations or additions. All alterations and additions made to the Development in accordance with this Section shall become part of the Development and shall remain the property of Tenant during the Term. Notwithstanding anything to the contrary contained herein, except as otherwise set forth herein, Tenant shall not make any alterations to the Development that may in any material respect weaken or impair the structural strength of the Development or lessen the fair market value of all or any portion of the Development.

16. DEFAULT & REMEDIES:

- a. Events of Default. The following shall each be deemed to be a default by Tenant under this Lease (an "Event of Default"):
1. Tenant's failure to pay any rent or other remuneration when due, unless such failure is cured by Tenant within thirty (30) days after it receives written notice from Landlord; or
 2. Tenant failure to comply with any of the terms of this Lease related to assignment or subletting; or
 3. Tenant's failure to comply with any of the other terms of this Lease, unless such failure is cured within sixty (60) days after Tenant receives written notice from Landlord. Notwithstanding the foregoing, if such failure cannot reasonably be cured within sixty (60) days, no Event of Default shall be deemed to have occurred so long as the defaulting party commences to cure such failure within sixty (60) days after receiving written notice from the non-defaulting party and completes such cure within a reasonable time thereafter, not to exceed one hundred twenty (120) days; or
 4. (i) the bankruptcy or insolvency of Tenant, (ii) the filing by or against Tenant of a petition seeking to have such party declared bankrupt or insolvent or seeking to reorganize Tenant, unless the petition is dismissed with sixty (60) days after its filing, (iii) the appointment of a receiver or trustee for all or a substantial portion Tenant's assets, or (iv) the assignment of all or substantially all of Tenant's assets for the benefit of its creditors;

5. Tenant's failure to maintain any Required Policy in accordance with Section 12 herein, if such failure continues for ten (10) business days after written notice from Landlord to Tenant notifying Tenant of such failure; or
 6. The abandonment by Tenant of the Leased Premises or Development.
- b. Remedies for an uncured Event of Default. Upon the occurrence of an uncured Event of Default or Chronic Default (defined below), as applicable, by Tenant, Landlord may exercise the following remedies, subject to the terms and conditions set forth herein:
1. Terminate this Lease only upon the occurrence of a Chronic Default (defined below) and only if Landlord fulfills the following conditions precedent:
 - (A) Landlord provides all required notice and cure periods provided in this Lease to each Mortgagee and otherwise complies with Section 22 of the Lease (which obligations shall apply with respect to all Events of Default); and
 - (B) Landlord pays to Tenant the Prepaid Rent Refund on or before the effective date of termination.

Any purported Landlord termination shall be ineffective until such time as Landlord fulfills each of the conditions precedent in accordance with this Lease's terms. "Chronic Default" means that Tenant has committed three (3) or more separate uncured material Events of Default within any consecutive six (6) month period. Any default that has been cured within any applicable notice and cure period provided in this Lease shall NOT count towards a determination of whether a Chronic Default has occurred.

2. Enter upon the Leased Premises and Development and do whatever Tenant is obligated to do under the terms of this Lease, without being liable for prosecution or any claim for damages, and Tenant agrees to reimburse Landlord for all costs and expenses that Landlord incurs in connection therewith.

Except as otherwise provided in this Lease (including this Section 16), the foregoing remedies are cumulative and non-exclusive and the exercise by Landlord of any of its remedies under this Lease shall not prevent the subsequent exercise by Landlord of any other remedies provided herein or by Applicable Laws. All remedies provided for in this Lease may, at the election of Landlord, be exercised alternatively, successively or in any other manner. No custom or practice between the parties in connection with the terms of this Lease shall be construed to waive or lessen Landlord's right to insist upon strict performance of the terms hereof. No act by Landlord with respect to the Leased Premises shall be deemed to terminate this Lease, including, but not limited to, the acceptance of keys or the institution of

dispossessory proceedings; it being understood that this Lease may only be terminated by express written notice from Landlord to Tenant.

- c. Tenant's Remedies. If Landlord fails to perform any of its obligations under this Lease, then Tenant shall have all rights and remedies available under this Lease or applicable law for such failure, all of which remedies shall be reserved, cumulative and non-exclusive.

17. **MISCELLANEOUS:**

- a. Whenever the context may require, any pronoun used in this Lease shall include the masculine, feminine and neuter forms. All references to articles, sections and paragraphs shall be deemed references to the articles, sections and paragraphs of this Lease, unless the context shall indicate otherwise. The terms "hereof", "hereunder" and similar expressions refer to this Lease as a whole and not to any particular article, section or paragraph contained herein. The titles of the articles, sections and paragraphs of this Lease are for convenience only and shall not affect the meaning of any provision hereof. Landlord and Tenant have agreed to the particular language of this Lease, and any question regarding the meaning of this Lease shall not be resolved by any rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS LEASE, TIME SHALL BE CONSIDERED OF THE ESSENCE.
- b. No Subordination of Fee. This Lease is an unsubordinated lease. Nothing contained in this Lease shall be or ever will be construed as a subordination of Landlord's fee interest in the Leased Premises or its reversionary interest in the Development to any Mortgage. Subject to Section 22, upon the expiration or termination of this Lease, any Mortgage of Tenant's interest in the Leased Premises shall be null and void.
- c. Unless Landlord expressly agrees otherwise, in writing, if Tenant remains in possession of the Leased Premises and Development after the expiration or earlier termination of this Lease, then Tenant shall be deemed a tenant at sufferance on all of the terms of this Lease, except the rent shall equal 110% of the fair rental value of the Leased Premises and Development, as determined by an MAI certified appraiser selected by Landlord and paid for by Tenant at its sole cost and expense. The foregoing sentence shall in no event be construed to permit Tenant to remain in possession of the Leased Premises and Development after the expiration or termination of this Lease. Tenant shall be liable to Landlord for all losses, costs, damages and expenses (including, without limitation, consequential damages, reasonable attorneys' fees, court costs and litigation expenses) that Landlord suffers or incurs because of any holding over by Tenant, and Tenant shall indemnify, defend and hold harmless Landlord from and against all claims, lawsuits, liabilities, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees, court costs and litigation expenses) arising from delays by Landlord in delivering possession of the Leased Premises and Development to any person or entity that are caused by Tenant's failure to comply with the terms of this Lease,

including, but not limited to, Tenant's failure to timely surrender possession of the Leased Premises and Development to Landlord.

- d. Subject to Landlord's rights and remedies under this Lease, Tenant shall peaceably and quietly hold and enjoy the Leased Premises without hindrance or interruption by Landlord or anyone claiming by, through or under Landlord so long as Tenant complies with the terms hereof.
- e. No waiver by Landlord or Tenant of any provision of or default under this Lease shall be deemed to have been made, unless the same is in writing and signed by the party charged with making the waiver, and no waiver of any provision of or default under this Lease shall be deemed a waiver of any other provision or default. Landlord's or Tenant's consent to or approval of any act shall not be deemed to waive the requirement to obtain Landlord's or Tenant's consent to or approval of any subsequent act.
- f. This Lease shall be binding on Landlord, Tenant and their respective successors and assigns; provided the foregoing shall not be construed to permit any assignment of this Lease by Tenant except as set forth in Section 8 and as provided in Section 22. If any provision of this Lease is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Lease will not be affected, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision will be added as a part of this Lease that is as similar to the illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. This Lease constitutes the entire agreement between the parties with respect to the Leased Premises, and all prior negotiations and understandings shall be deemed incorporated herein. This Lease may only be amended or modified by a written instrument signed by both Landlord and Tenant and approved by appropriate State officials, as required. All of Tenant's indemnification obligations and, to the extent not fully performed, all other obligations of Tenant under this Lease, shall survive the expiration or termination hereof. Any material ancillary agreements between Landlord and Tenant regarding the Development or services shall be subject to the same Landlord approval process as this Lease.
- g. The parties shall execute and record a memorandum of this Lease in the form attached hereto as Exhibit G. Alternatively, if required by Tenant's title insurance company, this Lease shall be recorded in the Register's Office of Shelby County, Tennessee.
- h. Notwithstanding anything in this Lease or any other document, instrument or agreement to the contrary, no member, shareholder, partner (general or limited), manager, director, officer, official, employee, agent or representative of either party shall be personally liable to the other party or any successor in interest for any obligation incurred under the terms of this Lease.

18. **HAZARDOUS SUBSTANCES:**

- a. “Hazardous Substances” means all hazardous or toxic substances, materials, wastes, pollutants and contaminants that are listed, defined or regulated under Applicable Laws pertaining to health, safety or the environment, including, but not limited to, (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq., (B) the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. § 5101 et seq., (C) the Resource, Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901 et seq., (D) the Clean Water Act, as amended, 33 U.S.C. § 1251 et seq., (E) the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq., (F) the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., (G) any so-called “superfund” or “superlien” law, and (H) the laws of the State of Tennessee. Without limiting the generality of the foregoing, Hazardous Substances shall specifically include medical waste, polychlorinated biphenyl (commonly known as PCBs), asbestos (friable and non-friable), radon, urea formaldehyde, gasoline, diesel fuel, oil and other petroleum products or derivatives.
- b. Except for Hazardous Substances and other toxic materials brought, kept or used in the Leased Premises by Tenant in commercial quantities similar to those quantities usually kept on similar premises by others in the same business or profession, and which are used and kept in strict compliance with all Applicable Laws, no Hazardous Substances or other toxic materials shall be used, stored, generated, handled, manufactured or released by Tenant or any of Tenant’s employees, agents, contractors, representative, subtenants or invitees on or about the Leased Premises. Tenant shall indemnify, defend and hold harmless Landlord from and against any and all damages, penalties, expenses, claims, losses and liabilities arising as a result of any violation of this section. The foregoing indemnity shall include, without limitation, an obligation on Tenant’s part to reimburse Landlord for any and all costs, expenses and reasonable attorneys’ fees incurred by Landlord as a result of Tenant’s violation of this section. Notwithstanding anything in this Lease to the contrary, Tenant shall have no liability for (and Landlord, at its sole expense, agrees to remediate in accordance with all applicable laws, rules and regulations) any Hazardous Substances brought, kept or used at the Leased Premises either (x) prior to the Effective Date or (y) otherwise by Landlord or the University, or any claim, liability, damages or expense (including without limitation reasonable attorneys’ fees) arising therefrom or attributable thereto; provided, that this shall not apply to any asbestos located in buildings that are demolished by Tenant in connection with the Development, and asbestos removed from such buildings shall be Tenant’s responsibility.

19. **RIGHTS OF LANDLORD:** Landlord may not sell, lease, transfer, mortgage or encumber its fee interest in the Leased Premises without Tenant’s prior written consent. If the proposed transferee of Landlord’s fee interest is a tax-exempt (i.e., exempt from ad valorem real property taxes) municipality or instrumentality of the State of Tennessee, and the transfer will not impact the tax-exempt status of Tenant (if any), Tenant will not unreasonably withhold, condition or delay its consent to the transfer. If the proposed

transferee of Landlord's fee interest is a tax-exempt (i.e., exempt from ad valorem real property taxes) nonprofit entity, and the transfer will not impact the tax-exempt status of Tenant (if any), Tenant will not unreasonably withhold, condition or delay its consent to the transfer. For purposes of clarity, Tenant may not unreasonably withhold its consent to any proposed transfer if Landlord's fee interest in the Leased Premises will continue to be, in Tenant's reasonable judgment, fully exempt from all ad valorem real property taxes following such transfer and the transfer will not impact the tax-exempt status of Tenant (if any). For any other proposed transferee of Landlord's fee interest, Tenant may withhold its consent in its sole and arbitrary discretion. Any such sale, lease or transfer consented to by Tenant shall be made expressly subject to the terms of this Lease. If Landlord conveys any of its fee interest in the Leased Premises to a transferee whose fee interest in the Leased Premises, following such transfer, is not exempt from ad valorem real property taxes, then such transferee shall be obligated to reimburse Tenant (or at Tenant's request pay directly) the amount of all Taxes for any period following such transfer. With Tenant's prior written consent, not to be unreasonably withheld, Landlord may prepare, execute and record a declaration of easements, covenants and restrictions or other instrument, encumbering the Leased Premises (or a portion thereof) and governing the use and Development thereof; provided, however, that any such instrument shall be subject to and consistent with the terms of this Lease.

20. **RECORDS RETENTION:** The books, records and documentation of Tenant, insofar as they relate to income and expenses used in the calculation of the rent due under this Lease shall be maintained in conformity with generally accepted accounting principles consistently applied or tax accounting principles for a period of five (5) full years after the accounting period to which they relate, 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.
21. **COMPLETION GUARANTY:** It is anticipated that one or more of Tenant's owners may be required to provide a completion guaranty to Tenant's construction lender with respect to completion of construction of the Development (the "Completion Guaranty"). If a Completion Guaranty is provided to a construction lender, the guarantor(s) under such Completion Guaranty shall provide Landlord with a substantially comparable completion guaranty directly in favor of Landlord, provided the same is not prohibited under the construction loan documents.
22. **FINANCING:**
- a. Tenant shall have the right during the Term to subject Tenant's leasehold interest in the Leased Premises to one or more mortgages, deeds of trust, assignments of lease, security agreements, or other methods of financing or refinancing (a "Mortgage"). The lender or beneficiary under a Mortgage is referred to herein as a "Mortgagee". It is understood that, as provided in Section 8(c), Tenant shall not grant a Mortgage to a Mortgagee with whom Landlord is prohibited by Tennessee statutory law (including without limitation the Iran Divestment Act) from entering a landlord-tenant relationship, or from whom applicable law prohibits Tenant from borrowing

money. Tenant shall promptly notify Landlord in writing of the name, the name and telephone number of a contact person and the address of any Mortgagee.

- b. Provided Mortgagee and Landlord have entered into the agreement provided in Section 22.h.2 hereof, then if Tenant shall be in default under this Lease, and the applicable grace period for cure by Tenant shall have expired, Landlord shall send a copy of the written notice of the default to Mortgagee at its address as provided in such agreement. Mortgagee shall have thirty (30) days after delivery of the written notice of the default from Landlord within which to cure or remove the default, and if the default cannot with diligence be cured within the thirty (30) day period, then Mortgagee shall have a reasonable time thereafter to effect such cure, provided that Mortgagee has commenced to cure such default within the thirty (30) day period, and is actively, diligently and in good faith proceeding with continuity to cure such default. Notwithstanding any other provision of this Lease, Landlord shall not have any right pursuant to this Lease or otherwise to terminate this Lease due to Tenant's default unless Landlord shall have first given a copy of the written notice of default to Mortgagee and unless Mortgagee shall have failed to cure or remove, or cause to be cured or removed, the default, within the time required by this Section.
- c. Landlord will accept performance by Mortgagee of any covenant, agreement or obligation of Tenant contained in the Lease with the same effect as though performed by Tenant.
- d. In the event of the rejection or disaffirmance of this Lease pursuant to any debtor relief laws, Landlord will enter into a new lease (the "New Lease") of the Leased Premises with any Mortgagee holding a lien that is a first and senior lien upon the leasehold estate of Tenant or, at such Mortgagee's election, any designee or assignee of such Mortgagee. The New Lease shall be identical to this Lease and be effective as of the date of rejection or disaffirmance of this Lease and shall be upon the same terms and provisions contained in this Lease (including the amount of any sums due from Tenant hereunder) and shall have a term equal to the remaining portion of the Term hereof. In order to obtain a New Lease, Mortgagee must make a written request to Landlord for the New Lease within thirty (30) days after Mortgagee is notified of the effective date of rejection or disaffirmance of this Lease, as the case may be, and the written request must be accompanied by a copy of the New Lease, duly executed and acknowledged by Mortgagee or the entity designated by Mortgagee as tenant. In addition, Mortgagee must, within said thirty (30) day period, cure all defaults under this Lease that can be cured by the payment of money or performance of action by Mortgagee and pay to Landlord all sums that would have been due and payable by Tenant under this Lease but for the rejection, disaffirmance or termination. Mortgagee's rights under this Section are in addition to, and not limited by, Mortgagee's right to cure set forth above.
- e. If Landlord has given Mortgagee notice of Tenant's default and Mortgagee desires to cure Tenant's default but is unable to do so while Tenant is in possession of the Leased Premises, or during the period of time that Mortgagee's proceedings are

stayed by reason of Tenant being subject to any debtor relief laws, or if Landlord has elected to terminate this Lease and Mortgagee desires to obtain a New Lease but has not yet acquired Tenant's leasehold interest in this Lease, then Mortgagee shall have the right to postpone the specified date for effecting a cure of this Lease or obtaining a New Lease for a period reasonably sufficient to enable Mortgagee or its designee to acquire Tenant's interest in this Lease by foreclosure of its Mortgage or otherwise, as long as (i) Mortgagee pays Landlord any sums due under this Lease during the postponement, (ii) Mortgagee shall have cured all other defaults not requiring possession to cure, (iii) during the postponement, all other obligations of Tenant under this Lease shall be duly performed, to the extent that Mortgagee can do so, and (iv) Mortgagee is actively, diligently and in good faith and to Landlord's reasonable satisfaction proceeding with continuity to obtain an appropriate release from any applicable court order or restraint and, upon such release, Mortgagee immediately commences and actively, diligently and in good faith proceeds with continuity to complete all steps and proceedings necessary for the consummation of such foreclosure or transfer in lieu of foreclosure. Mortgagee shall exercise the right to extend the cure period or the date for obtaining a New Lease by giving Landlord written notice prior to the last date that Mortgagee would otherwise be entitled to elect a cure or obtain a New Lease and by tendering to Landlord any amounts then in default.

- f. If any Mortgage is of record in the Register's Office of Shelby County, Tennessee, Landlord will not accept a voluntary surrender of this Lease without the prior written consent of such Mortgagee, which consent shall not be unreasonably withheld; provided, however, that if any Mortgagee shall fail or refuse at any time to comply with the applicable provisions of this Section 22, then and thereafter Landlord shall, notwithstanding anything to the contrary contained in this Section 22, have the right to terminate this Lease without regard to the Mortgagee protections contained in this Section 22 but subject to the other terms and provisions of this Lease.
- g. The provisions of this Section 22 are for the benefit of a Mortgagee and may be relied upon and shall be enforceable by a Mortgagee. Neither a Mortgagee nor any other holder or owner of the indebtedness secured by a Mortgage or otherwise shall be liable upon the covenants, agreements or obligations of Tenant contained in this Lease, unless and until (and then only to the extent arising from and after) the date that Mortgagee or that holder or owner acquires the interest of Tenant.
- h. Certain Conditions; Rights of Landlord.
 - 1. Notwithstanding anything contained herein to the contrary, any Mortgage executed by Tenant shall comply with the following requirements:
 - (i) the Mortgage and all rights acquired thereunder shall be subject to each and all of the covenants, conditions, restrictions and provisions set forth in this Lease and any recorded declaration approved by

Tenant, and to all rights of Landlord hereunder and thereunder, except as herein otherwise expressly provided; and

(ii) no Mortgage shall encumber any interest in real property other than Tenant's leasehold interest in the Leased Premises and fee interest in the improvements of the Development, or contain a cross-default provision with loans to a different borrower or cross-collateralization provision with loans secured by real property other than the Leased Premises.

2. In order for any Mortgagee to be entitled to the benefits provided by this Section 22, the Mortgagee must agree in a written agreement with Landlord in recordable form substantially as follows: that the Mortgagee will give Landlord notice of any default by Tenant under such Mortgage, and that Landlord will have the option, but not the obligation, to exercise the following rights within thirty (30) days after receipt of such notice: Landlord may cure said default within such thirty (30) day period if it shall so choose, unless such default is of such a nature that it cannot be completely cured within such thirty (30) day period, in which event Landlord shall have such longer period as shall be reasonably necessary to cure such default if Landlord shall so choose, provided Landlord commences such cure with such thirty (30) day period and thereafter diligently prosecutes such cure to completion.

3. Neither Landlord nor Tenant shall unreasonably withhold its consent to any written agreement with Mortgagee that substantially achieves the objectives set forth in Section h. above. Tenant hereby consents to (i) any cure by Landlord of any default by Tenant under a Mortgage, and (ii) any cure by Mortgagee of any Event of Default by Tenant under the Lease. Tenant shall reimburse Landlord for all payments made and any incidental costs and expenses incurred, together with interest thereon (which payments, costs, expenses and interest shall be considered Additional Rental hereunder), by Landlord in connection with the cure of any such default, including attorneys' fees, immediately upon receipt of Landlord's written demand for reimbursement. No provision of this Lease shall be construed as preventing Landlord, following the acquisition of Landlord of any such Loan, from exercising all rights and remedies available to it on account of a default under the Mortgage.

23. OTHER:

a. Tenant shall not knowingly allow any official of Landlord who is authorized in such capacity and on the behalf of Landlord to negotiate, make, accept, or approve, or take part in negotiating, making, accepting, or approving any engineering, inspection or material supply contract or any subcontract in connection with the with the furnishing of equipment and/or furnishing for the project, to become directly or indirectly economically interested personally in this Lease or any part

thereof. Tenant shall not knowingly allow any officer, employee, architect, attorney, engineer, or inspector of or for Landlord who is authorized in such capacity on behalf of Landlord to exercise any legislative, executive, supervisory, or other similar functions in connection with the fabrication or in any part hereof any contract, subcontract, insurance contract, or any other contract pertaining thereto, to become directly or indirectly economically interested personally in this Lease or in any part hereof. Tenant's knowing violation of this section is grounds for termination of this Lease.

- b. All representations, warranties, and indemnities of Tenant under this Lease shall survive the expiration or sooner termination of this Lease.
- c. Landlord and Tenant represent each to the other that each has obtained all necessary approvals and authorizations from their respective Boards/governing entity for the execution of this Lease; provided further, Landlord shall not be bound by this Lease until all appropriate State officials have approved, as shown by the signatures below.
- d. Approval of Marketing Materials. Landlord shall have the right to approve all signs and materials used by Tenant in the promoting or marketing of space in the Leased Premises which contain a reference to the University, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant and Landlord agree to negotiate and resolve in good faith any disputes relating to all such marketing materials.
- e. Conflicts of Interest. All representatives of Tenant and Landlord shall comply with Landlord policies and State of Tennessee laws applicable to conflicts of interest that have been disclosed in writing to Tenant. Tenant warrants that no part of the Tenant's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Tenant in connection with any work contemplated or performed under this Lease.

Tenant acknowledges, understands, and agrees that this Lease shall be null and void if the Tenant is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Tenant is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- f. Competitive Procurements. Where practical, procurements efforts carried out by the Tenant pursuant to the terms of this Lease, including goods, materials, supplies, equipment, and/or contracted services, shall be made on a competitive basis, including the use of competitive bidding procedures.
- g. Confidentiality. Each party hereby agrees: (a) that it will maintain the confidentiality of any information that is not available to the general public and that is furnished by the other party in connection with the Development or the Leased

Premises (the “Confidential Information”); (b) that it will direct its representatives to maintain the confidentiality of such Confidential Information except as permitted hereby; (c) that it will not disclose, discuss, intimate, reduce to technical drawings or disclose in any form whatsoever to any third party such Confidential Information except as permitted hereby; (d) that it will use such Confidential Information solely for the purpose of evaluating, constructing and operating the Development pursuant to (and otherwise carrying out and enforcing the terms and provisions of) this Lease; and (e) that it will implement reasonable safeguards to protect the confidentiality of the Confidential Information, including without limitation, limiting access to such Confidential Information to those representatives who need to know such Confidential Information for the purpose of evaluating, constructing and/or operating the Development. Notwithstanding the foregoing, nothing herein shall prevent a party from using or disclosing Confidential Information as may be reasonably required to carry out or enforce its obligations under this Lease (including without limitation disclosure to investors, lenders, attorneys, accountants and other professional advisors) or otherwise in connection with any litigation or alternative dispute resolution proceedings between the parties to this Lease, or as otherwise required by applicable law, court order or any rule, regulation or order of any governmental authority or agency having jurisdiction over the parties, this Lease or the Development. Tenant acknowledges that the Tennessee Public Records Act, Tenn. Code Ann. § 10-7-503 *et seq.* applies to Landlord, and Landlord may be required to make disclosures thereunder.

- h. Incorporation of recitals. The recitals in the section beginning with the word “WITNESSETH” in the first pages of this Lease are hereby incorporated into the Lease by this reference.

24. **LOBBYING:** Tenant certifies, to the best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Tenant, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any contract, grant, loan, or cooperative agreement, the Tenant shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

- c. Tenant shall require that the language of this certification be included in all subleases (other than apartment or retail space subleases for actual occupancy entered into in the ordinary course of business) and that all subtenants under such subleases shall certify and disclose accordingly.
- d. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

25. ESTOPPEL CERTIFICATE

At any time and from time to time (not more than once in any six (6) month period except in relation to a sale or financing of the Project) within thirty (30) days following written request of the other party or any Mortgagee and at the reasonable cost and expense to the party requesting the same, Landlord or Tenant, as the case may be, will execute, acknowledge and deliver to the other party a certificate as to the current state of facts under the Lease. Landlord's estoppel certificate shall be in the form attached as Exhibit H or another commercially reasonable form to which Landlord may agree.

(Signatures on following page)

SIGNATURE PAGE
TO
LEASE AGREEMENT

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto as of the date first above written.

LANDLORD:

STATE OF TENNESSEE

By: _____

Name: Christi Branscom

Title: Commissioner, Department of General
Services

Date: _____

UNIVERSITY OF MEMPHIS

By: _____

Name: M. David Rudd

Title: President

Date: _____

Approved:

Name: Bill Lee

Title: Governor

Date: _____

Name: Herbert H. Slatery III

Title: Attorney General

Date: _____

[LANDLORD NOTARY ACKNOWLEDGMENTS ON NEXT PAGE]

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

I HEREBY CERTIFY that on this day before me, the undersigned authority, personally appeared _____, as _____ of the State of Tennessee, on behalf of the university, to me known to be the person described in and who executed the foregoing instrument, and acknowledged before me that he/she executed the same on behalf of said university for the uses and purposes described therein.

WITNESS my hand and official seal in the County and State aforesaid this _____ day of _____, 20____.

NOTARY PUBLIC

My Commission

Expires: _____

[SIGNATURES CONTINUE ON NEXT PAGE]

SIGNATURE PAGE
TO
LEASE AGREEMENT

TENANT:

MEMPHIS TIGER HOUSE, LLC, a Tennessee
limited liability company

By: _____

Name: _____

Title: _____

State of _____)

)

County of _____)

Before me, a notary public, of the state and county aforementioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the _____ of Memphis Tiger House, LLC, the within named bargainor, a Tennessee limited liability company, and that such person, as such _____, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited liability company by such person as _____.

Witness my hand and seal, this ____ day of _____, 20____.

[Seal]

My Commission expires: _____

Notary Public

[END OF SIGNATURES]

Schedule 5(f)
to Lease Agreement

Tenant's Residential Leasing Activities

1. In the event Tenant leases any unit or bed to a tenant (a "Non-University Residential Tenant") who is not a University student, a member of the University's faculty or otherwise employed by the University (any such individual who is a Residential Tenant being referred to as a "University Residential Tenant"), then Tenant shall take reasonable steps to ensure the safety of all University Residential Tenants, including, but not limited to, performing background checks for Non-University Residential Tenants who are not students of other local institutions of higher education. Tenant shall be entitled to rely on an applicant's self-certification as to whether she or he is a University Residential Tenant or a student of another local institution of higher education. Unless prohibited by applicable law, or any privacy policies to which the University or Landlord is subject, Landlord shall make available to Tenant, periodically and upon request, a current list of prospective University Residential Tenants. Unless prohibited by applicable law, the results of any background checks on Non-University Residential Tenants shall be provided to the University, provided that Tenant shall determine in its sole discretion whether, based on a background check (and any other criteria Tenant deems relevant), a Non-University Residential Tenant should be accepted or rejected.

Exhibit A
to Lease Agreement

Description of Leased Premises

BEING A SURVEY OF LOTS 32 THRU 44 AND PART OF LOT 45, FAIRFIELD SUBDIVISION RECORDED IN PLAT BOOK 9 PAGE 6 AT THE SHELBY COUNTY REGISTERS OFFICE AND BEING LOCATED IN MEMPHIS, TENNESSEE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A SET 1/2" IRON PIN AT THE INTERSECTION OF THE SOUTH LINE OF POPLAR AVENUE (45' FROM CENTERLINE) AND THE WEST LINE OF DELOACH STREET (60' WIDE PUBLIC ROW), SAID POINT HAVING TENNESSEE STATE PLANE COORDINATES OF NORTHING 312349.44 AND EASTING 790935.63;

THENCE S1°01'40"W ALONG SAID WEST LINE OF DELOACH STREET A DISTANCE OF 186.18 FEET TO A SET 1/2" IRON PIN AT THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE SOUTHWARDLY ALONG SAID WEST LINE AND ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 770.00 FEET, AN ARC LENGTH OF 167.25 FEET AND A CHORD OF 166.92 FEET (S7°15'00"W) TO A SET 1/2" IRON PIN;

THENCE S13°28'21"W ALONG SAID WEST LINE A DISTANCE OF 816.92 FEET TO A SET 1/2" IRON PIN ON THE NORTH LINE OF CENTRAL AVENUE (80' WIDE PUBLIC ROW);

THENCE N85°41'09"W ALONG SAID NORTH LINE A DISTANCE OF 245.63 FEET TO A SET 1/2" IRON PIN ON THE EAST LINE OF THE BRIAN EASON PROPERTY (INSTRUMENT NUMBER 06170633);

THENCE N4°15'06"E ALONG SAID EAST LINE AND ALONG THE EAST LINE OF THE ANNA PEEPLES PROPERTY (INSTRUMENT NUMBER 16036833) A DISTANCE OF 171.80 FEET TO A SET 1/2" IRON PIN ON THE SOUTH LINE OF SAID PEEPLES PROPERTY;

THENCE S85°12'30"E ALONG SAID SOUTH LINE A DISTANCE OF 84.27 FEET TO A SET 1/2" IRON PIN AT THE SOUTHEAST CORNER;

THENCE N4°00'36"E ALONG THE EAST LINE OF SAID PEEPLES PROPERTY A DISTANCE OF 56.78 FEET TO A SET 1/2" IRON PIN AT THE SOUTHEAST CORNER OF LOT 16, ADDITION TO PATTERSON TERRACE (PLAT BOOK 10 PAGE 19);

THENCE N12°09'57"E ALONG THE EAST LINE OF SAID PATTERSON TERRACE SUBDIVISION (PLAT BOOK 10 PAGE 19) A DISTANCE OF 974.41 FEET TO A SET 1/2" IRON PIN ON THE SOUTH LINE OF POPLAR AVENUE;

THENCE S73°24'49"E ALONG SAID SOUTH LINE A DISTANCE OF 160.30 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.6249 ACRES MORE OR LESS.

BEING THE SAME PROPERTY DESCRIBED IN DEEDS OF RECORD IN THE REGISTERS OFFICE OF SHELBY COUNTY, TENNESSEE UNDER INSTRUMENT NUMBERS EB7410, J43037, EG1290, CY9074, DF3393, FT0625, F58127, K49112, GE2720, F79973, KH4109, GE3656, 14068879, HT6606, BZ8349 AND L91518.

Exhibit B
to Lease Agreement

Description of Tenant Property

Parcel 1:

Lots 51 and 68, D. P. Prescott's Normal School Subdivision, as shown on plat of record in Plat Book 6, Page 124, in the Register's Office of Shelby County, Tennessee, to which plat reference is hereby made for a more particular description of said property.

Shelby County Tax Parcel: 04600500007C
Address: **3571 Midland Avenue, Memphis, TN 38111**

Parcel 2:

Lots 69, D. P. Prescott's Normal School Subdivision, as shown on plat of record in Plat Book 6, Page 124, in the Register's Office of Shelby County, Tennessee, to which plat reference is hereby made for a more particular description of said property.

Shelby County Tax Parcel: 04600500010
Address: **3562 Mynders Avenue, Memphis, TN 38111**

Parcel 3:

East 46 feet of Lot 50 of D. P. Prescott's Normal School Subdivision, as shown on plat of record at Plat Book 6, Page 124, in the Register's Office of Shelby County, Tennessee, being more particularly described as follows:

Beginning at a point in the south line of Midland Avenue 100 feet west of the west line of Brister Street; thence westwardly along the south line of Midland Avenue 46 feet to a point; thence southwardly parallel with the west line of Brister Street 222.17 feet to a point in the north line of Lot 69 of aforesaid subdivision; thence eastwardly along the aforesaid north line 46 feet to a point in the west line of Lot 51 of aforesaid subdivision; thence northwardly along the aforesaid west line 222.17 feet to the point of beginning.

Shelby County Tax Parcel: 04600500006
Address: **3561 Midland Avenue, Memphis, TN 38111**

Parcel 4:

The West 54 feet of Lot 50 of D. P. Prescott's Normal School Subdivision, as shown on plat of record at Plat Book 6, Page 124, in the Register's Office of Shelby County, Tennessee to which plat reference is hereby made for a more particular description of said property.

Shelby County Tax Parcel: 04600500005
Address: **3555 Midland Avenue, Memphis, TN 38111**

Exhibit C
to Lease Agreement

Description: Buildings, Units and Supporting Spaces

The Development will consist of a gated 5.7-acre plot of land that will include five (5) building clusters with six (6) individual buildings of four (4) floors each. For a total of 148 apartment units with 516 bedrooms each with a separate private bathroom and common areas that include kitchen, laundry and a living/dining room area. The Development will have 261 onsite parking stalls for the residents' use. In addition, the Development will house 8,500 square feet of enclosed amenities areas, outdoor garden gathering and pool areas. On the corner of Deloach Street and Central Avenue, the Development will have an open plaza concept with a stand-alone building of 2,600 square feet to be use for commercial area for the use of all the University of Memphis Students.

Units Description	Number of Units	Number of Beds
Total Units	148	516
2 Bedroom/2 Bath Units	26	52
4 Bedroom/4 Bath Units	106	424
5 Bedrooms / 5 Bath Units	8	40
Amenities Type	Description	Areas Sq. Ft
Enclosed Amenities		8,500
	Leasing & Adm. Office	1,250
	Fitness Center & Studio	1,750
	Social Gathering Center	3,000
	Restrooms	500
	Computer Room / Study Center	1,800
	Package Area	200
Outdoor Amenities		
	Pool & BBQ Area with Gazebo	
	Green Garden Courtyard Areas	Three (3) Different Areas
	Open Plaza	
	Beach Volleyball	
	Dog Park	
Maintenance Facilities		
	Maintenance Storage Room	650
Commercial Space		
	Proposed Fast Dining & Coffee Shop	2,600

Exhibit C
to Lease Agreement (continued)

Conceptual Site Plan Layout

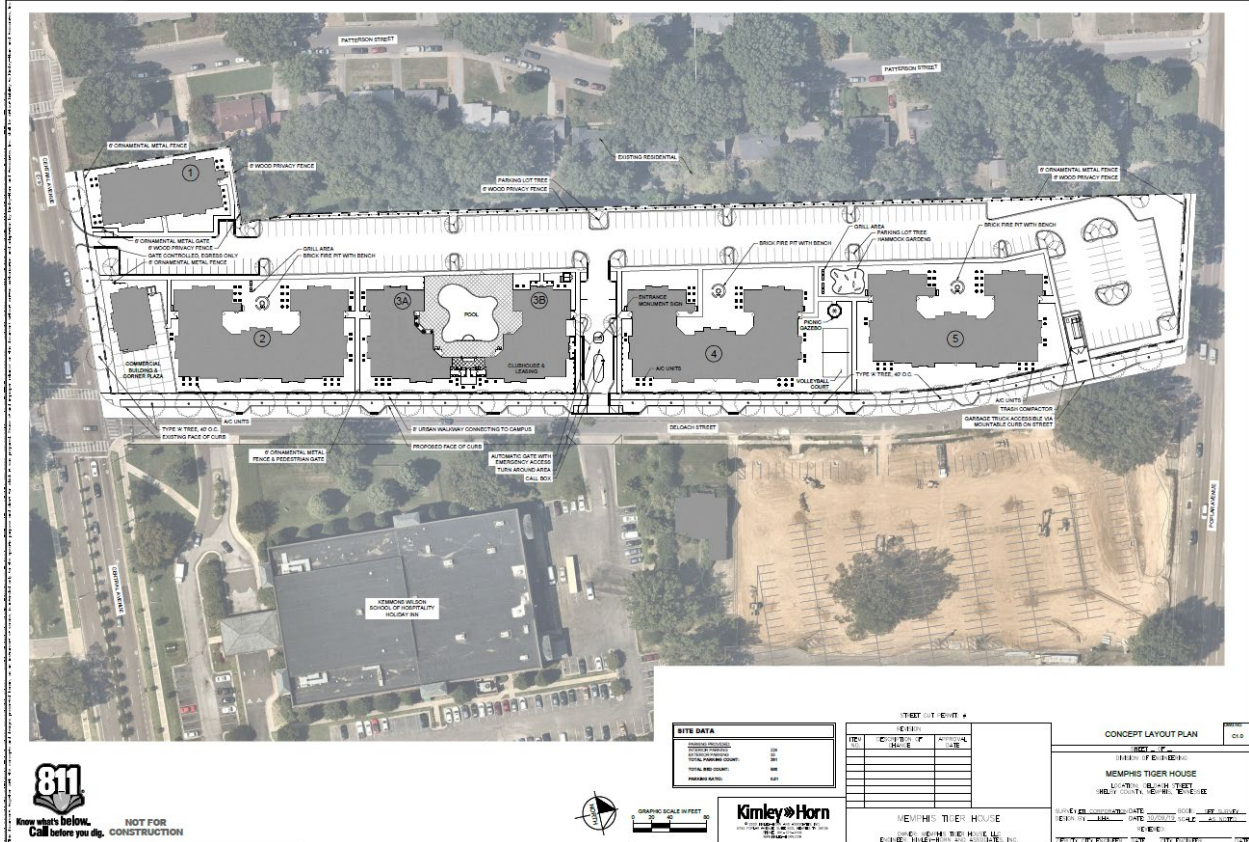






Exhibit C
to Lease Agreement (continued)


Building Elevations

Memphis Tiger House, LLC

Student Housing Community
Memphis, Tennessee



Progress Design Studio

Memphis, TN
Tennessee License # 007123

3427 Darden Road
Memphis, TN 38125
P: 901.352.5851
mshaha@progressdesignstudio.com
www.progressdesignstudio.com

Cover Sheet

Memphis Tiger House
Student Housing Community
Memphis Tiger House, LLC
Memphis, Tennessee

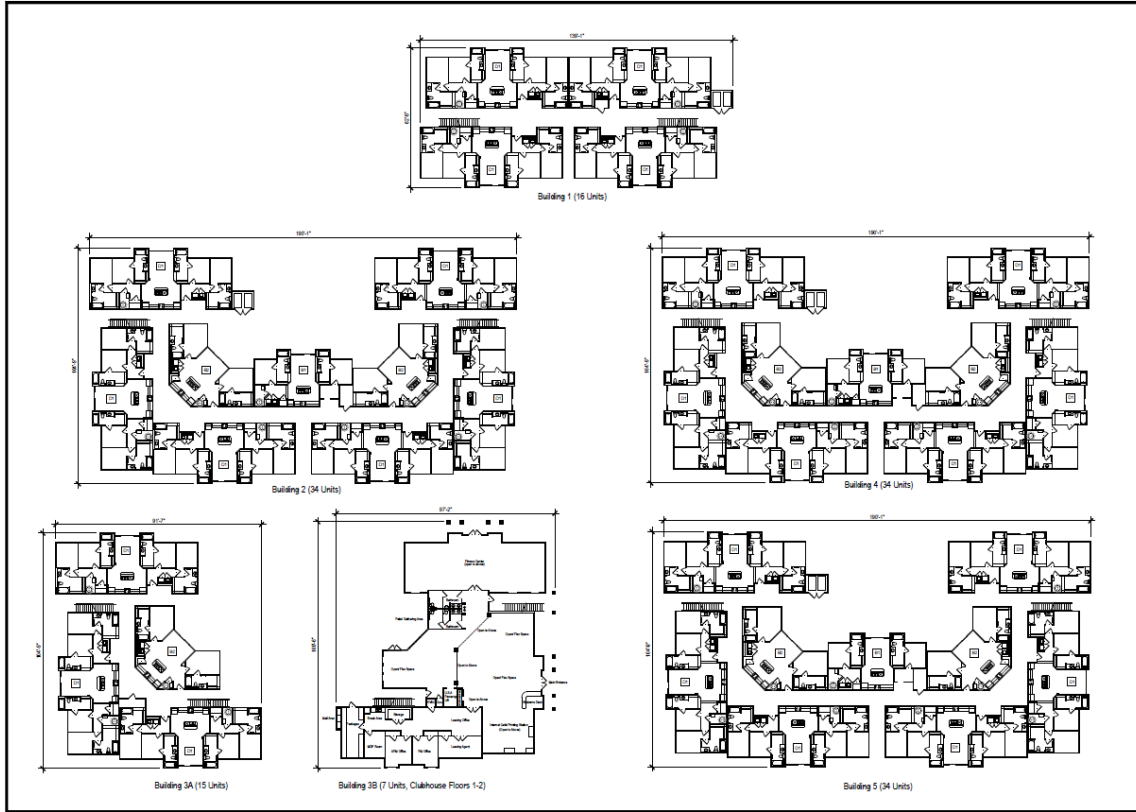
Drawn By	Checked By	Date
		01/02/2020

Project Number
19401

Sheet
A1

Exhibit C
to Lease Agreement (continued)

Basic Unit Building Floor Plans



Progress Design Studio
Michael Rogers, AIA
Tennessee License # 148712

8402 Dierker Road
Memphis, TN 38125
901.948.2887
www.progressdesignstudio.com

Building Footprints

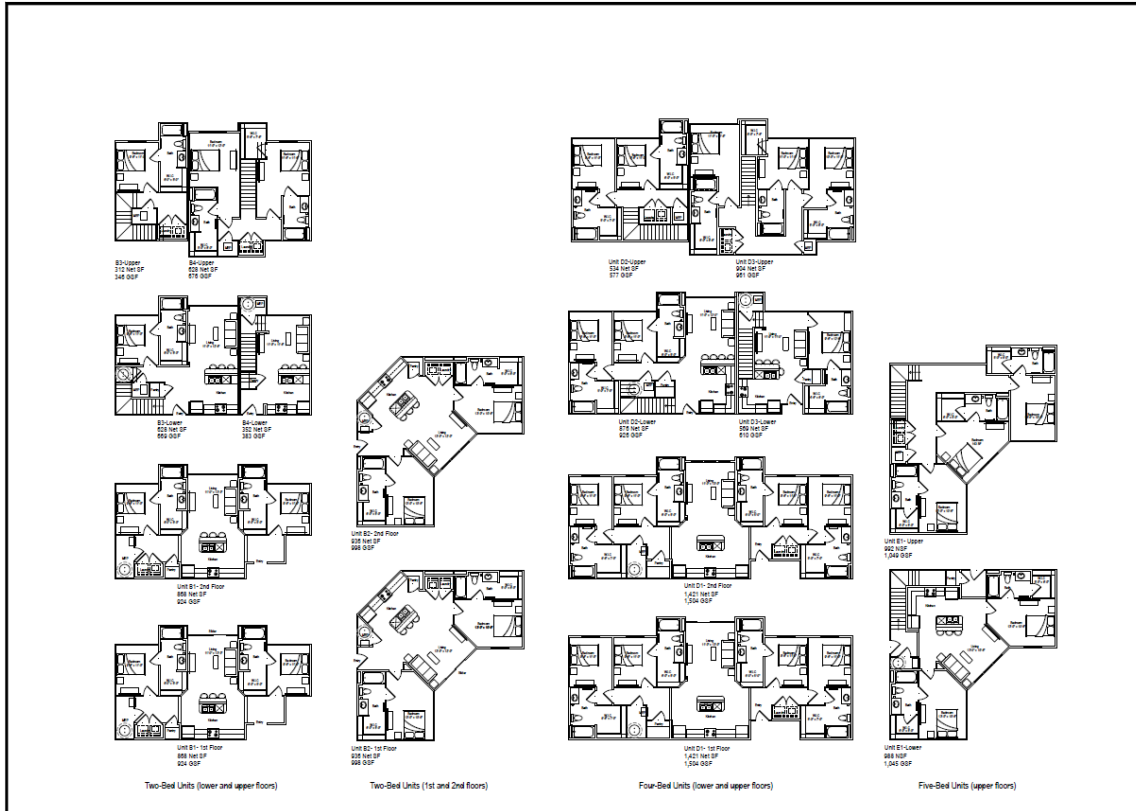
Memphis Tiger House
Student Housing Community
Memphis Tiger House, LLC
Memphis, Tennessee

Project No. _____
Contract No. _____
Sheet No. 01000000
2 of 2 (Main Floor) / 0000

Project No. 19401
Sheet **A2**

Exhibit C
to Lease Agreement (continued)

Basic Unit Floor Plans





Progress Design Studio
Michael Ingram, AIA
Tennessee License # 16212

6402 Chantry Place
Memphis, TN 38122
(901) 262-2687
memphis@progressdesignstudio.com
www.progressdesignstudio.com

Typical Unit Plans

Memphis Tiger House
Student Housing Community
Memphis Tiger House, LLC
Memphis, Tennessee

Sheet No.	19401
Title	A3

Exhibit C-1
Anticipated Construction Schedule

The following is provided for informational purposes only and shall be subject to revision at Tenant's discretion.



CONSTRUCTION SCHEDULE SCENARIOS

SCENARIO I:		
PHASE I - DELIVERY 2021 - BUILDINGS 1 to 3B (72 UNITS & 272 BEDS)		
STATE APPROVAL PERIOD	1 MONTH	FEBRUARY 1, 2020 / FEBRUARY 29, 2020
DESIGN PERIOD	3 MONTH	MARCH 1, 2020 / MAY 31, 2020
CONSTRUCTION & DEMO PERMITS	1 MONTH	JUNE 1, 2020 / JUNE 30, 2020
CLOSING (ALL DOCS)		FIRST WEEK OF JULY 2020
CONSTRUCTION PERIOD	12 MONTH	JULY 6, 2020 / JULY 5, 2021
FF&E PERIOD	1 MONTH	JULY 6, 2021 / AUGUST 5, 2021
PHASE 2 - DELIVERY 2022 - BUILDINGS 4 & 5 (68 UNITS & 244 BEDS)		
CONSTRUCTION PERIOD	7 MONTH	SEPTEMBER 10, 2021 / APRIL 9, 2022
FF&E PERIOD	1 MONTH	APRIL 10, 2022 / MAY 9, 2022

SCENARIO II:		
SINGLE PHASE PROJECT - DELIVERY 2022 - ALL BUILDINGS (140 UNITS & 516 BEDS)		
STATE APPROVAL PERIOD	4 MONTH	MARCH 1, 2020 / JUNE 30, 2020
DESIGN PERIOD	4 MONTH	JULY 1, 2020 / OCTOBER 31, 2020
CONSTRUCTION & DEMO PERMITS	1 MONTH	NOVEMBER 1, 2020 / NOVEMBER 30, 2020
CLOSING (ALL DOCS)		DECEMBER 2020
CONSTRUCTION PERIOD	16 MONTH	JANUARY 1, 2021 / APRIL 30, 2022
FF&E PERIOD	3 MONTH	MAY 1, 2022 / JULY 31, 2022

Phase construction scenario is contingent to financial viability base on Phase 2 construction cost carry

1/29/2020

Exhibit D
to Lease Agreement

Prepaid Rent Refund Example

Lease Termination Year*	Early Termination Prepaid Rent Refund
1	\$ 3,815,010.02
2	\$ 3,737,020.03
3	\$ 3,659,030.05
4	\$ 3,581,040.07
5	\$ 3,503,050.08
6	\$ 3,425,060.10
7	\$ 3,347,070.12
8	\$ 3,269,080.13
9	\$ 3,191,090.15
10	\$ 3,113,100.17
11	\$ 3,035,110.18
12	\$ 2,957,120.20
13	\$ 2,879,130.22
14	\$ 2,801,140.23
15	\$ 2,723,150.25
16	\$ 2,645,160.27
17	\$ 2,567,170.28
18	\$ 2,489,180.30
19	\$ 2,411,190.32
20	\$ 2,333,200.33
21	\$ 2,255,210.35
22	\$ 2,177,220.37
23	\$ 2,099,230.38
24	\$ 2,021,240.40
25	\$ 1,943,250.42
26	\$ 1,865,260.43
27	\$ 1,787,270.45
28	\$ 1,709,280.47
29	\$ 1,631,290.48
30	\$ 1,553,300.50
31	\$ 1,475,310.52
32	\$ 1,397,320.53
33	\$ 1,319,330.55
34	\$ 1,241,340.57
35	\$ 1,163,350.58
36	\$ 1,085,360.60
37	\$ 1,007,370.62
38	\$ 929,380.63
39	\$ 851,390.65
40	\$ 773,400.67
41	\$ 695,410.68
42	\$ 617,420.70
43	\$ 539,430.72
44	\$ 461,440.73
45	\$ 383,450.75
46	\$ 305,460.77
47	\$ 227,470.78
48	\$ 149,480.80
49	\$ 71,490.82
50	\$ -

*(Note: * Lease Year 1 begins on Commencement Date and Amortization Schedule shown assumes Early Termination occurs at the end of Lease Year.)*

The foregoing is an example, based on assumed costs of the Leased Premises Demolition (as defined in the Lease), and on hypothetical terminations occurring at the end of the year indicated (each year constituting the twelve (12) month period following the Effective Date). Notwithstanding this Exhibit D, the Prepaid Rent Refund shall be determined in accordance with the formulas set forth in the Lease.

Exhibit E
to Lease Agreement

Plans and Specifications

[To be attached pursuant to Section 14(b) of Lease Agreement]

Exhibit F
to Lease Agreement

The University of Memphis Apartment Style Housing Standards dated November 5, 2019

Buildings

- Type V Wood Framed Construction
- Exterior access or interior open corridors, 3 or 4 story.
- Sloped roof to be asphalt shingles. Flat areas housing the roof top condensing units to be TPO membrane roof

Unit Mix (Joint development; University will have final approval not to be unreasonably withheld)

- Studios
- 1 BR / 1 BA
- 2 BR/ 2 BA
- 3 BR/ 3 BA
- 4 BR / 4 BA
- 5 BR / 5 BA
- Other as needed

Exterior Cladding

- Brick veneer – Percentage equivalent to the installation area on the First and Second Floors less transparency.
- Fiber Cement Lap Siding Panels Percentage equivalent to the installation area on the Third and Fourth Floors less transparency.
- Transparency – Not less than 10%
- Storefront and Aluminum Entrances at any Retail

Structure Height (Final Design TBD)

- ceiling height of 9'-0" preferred

STC and IIC Rating

- Floor to Floor at Unit – IIC 51 at Luxury Vinyl Plank
- Floor to Floor at Unit – IIC 79 at Carpet + pad
- Demising wall - STC 56

Site Work and Improvements

- Site data, voice and CTV communication conduit and fiber optics by contractor
- Electrical primary power conduit and wire by Power Company. Engineering for location and sizes of transformers by power company
- Secondary conduit and wire included in design and installed by contractor
- Pad mounted transformers by power company
- Conduit and power to automatic gates included in design and provided by contractor
- Primary site electrical to be three phase or single phase.
- Site lighting LED supported by concrete bases. Photometric study to be performed to determine locations. Circuits to be pulled from house services at buildings with lights being controlled by photocell
- Gas service and meters by provider, if applicable.
- Electric Service and Meters by Provider.
- Accommodations for grease trap at Retail for future restaurants if programmed
- Underground irrigation for all landscaping.
- Site grading (cut and fill) based on a balanced site.
- HDPE or A-2000 storm drainage pipe and inlet structures
- Downspouts PVC piped into storm drainage system
- Site gravity sewer to be SDR-26 and to be installed to five feet (5') of the buildings
- Site domestic water to be C900 plastic pipe five feet (5') of the buildings – 4" service laterals to buildings
- Fire main to be C900 plastic pipe
- Concrete curb and gutter at all drives and parking areas
- Sidewalks adjacent to paved areas to have turndown cast with the sidewalks
- ADA ramps as required
- Asphalt paving, heavy and light duty pavement structures, surface, binder and soil cement treated base
- 10" thick concrete reinforced dumpster pad with masonry enclosure, steel double gates and steel bollards for compactor
- Landscape and irrigation system
- Entry monument double faced lighted sign
- Ornamental site fencing

Amenities

- Pool

- Benches and trash receptacles
- Bike racks

Concrete and Foundations

- Shallow foundations, grade beams, tie beams, continuous footings and spread footings
- 4" under slab sand capillary barrier
- Stego Wrap 10-mil under slab vapor barrier
- 4" Concrete slab on grade
- Aggregate rammed pier foundations as required and determined by soil borings and reporting if needed.

Gypsum – Based Underlayment

- 3/4" gypcrete 3000 to 3800 PSI
- Acousti-mat 1 underlayment at non-carpet areas
- Lightweight concrete, minimum thickness 2" fiber-reinforced at exterior balconies and landings applied over 60 mil elastomeric membrane and three (3") T-Bar. All seams of waterproofing to have liquid membrane.

Masonry

- CMU walls at elevator and stair shafts if required by code.
- Brick material color and style TBD
- 40 mil through-wall flashing, mortar net, corrugated ties and weep holes

Structural and Misc. Steel

- Steel pan, concrete filled with supplemental steel support as required
- Steel concrete filled pipe bollards at trash enclosures
- Brick support primed and painted steel lintels
- Trash enclosure gates

Framing

- Type V wood framed construction
- Bearing walls are planned to be corridor walls and exterior walls, if required.
- Unit common 60lb live load, meet code.

- Balconies 100lb live load, meet code.
- 2x6 exterior wood stud walls if required to meet energy code R-19.
- 2x4 SYP or DFL interior wood stud walls
- 2x6 interior wet wall – stud walls
- Load bearing walls to be #2 visually graded SYP or DFL
- Non-bearing studs to be stud grade SPF or similar
- Bottom plate stock to be borate treated pine, stud or common grade
- All other plates to be #3 or common grade pine
- Headers to be #2 SYP
- Unit demising walls to be two separate 2x4 walls with a 1" air space between walls (G.A. File No. WP 3370) wall assembly, STC Rating 56
- Unit exterior walls to be one hour rated per UL U-356. Window and other penetrations are not rated or protected
- 18" open web floor trusses at 24" on center UL Design No. L546
- 15" open web floor trusses at 24" on center at balconies sloped 1/8" per ft.
- Floor / ceiling assemblies to be UL-521, 1-hour rated
- 23/32" APA Rated subfloor sheathing, glued and nailed with ring shank nails
- Wood gable roof truss system at 24" on center pitched with 12" minimum overhang
- Roof / ceiling assembly to be one (1) layer of 5/8" C-core board on resilient channel, 1 hour rated UL Design No. P-522
- Attic draft-stop walls are to comply with the 2-unit or 3,000 square foot maximum per code. Access doors through draft stop walls will be flush Masonite with spring loaded hinges
- Exterior wall sheathing to be 7/16" OSB with spray applied vapor barrier.
- Roof deck sheathing to be 15/32" OSB
- Framing hardware for seismic and hold-downs to be Simpson anchors, straps and hold-down attachments
- Exterior cement fiber board siding shall be fiber cement Lap Siding cladding system. Rain screen if required by warranty.
- Exterior soffits to be perforated and solid, 12" wide fiber cement
- Exterior trim to be fiber cement 5/4" nominal at all locations with the exception of 4/4" nominal at fascia and freeze trim

Finish Carpentry

- Trim profiles to be 2-1/2" colonial door casing, 3-1/2" colonial base, 5.25" bullnose windowsill and 2" window apron

Architectural Millwork

- Kitchen and vanities to receive knobs. Kitchens to have 30" uppers and standard base details.
- Kitchen countertops to be granite 3cm with 2cm 4" backsplash.
- Vanity countertops to be granite 2cm with 2cm 4" backsplash

Insulation and Moisture Protection

- Building Wrap to be equal to Tyvek Commercial Wrap or zip system.
- Self-adhering flashing at windows equal or similar to WR Grace's Vycor at all windows. 6" flashing at the jambs and head with 9" flex flashing running across the sill and being turned up the jambs and turned down the exterior wall surface
- 20 mil self-adhering flexible flashing at exterior and interior corners
- At exterior door units, metal or composite pan flashing to be installed under all unit entry or patio doors
- Exterior walls to have metal termite shield flashing at bottom plate at ground floor locations.
- The sill plate at these locations to be installed with seal sealer beneath the plate for air infiltration
- Attic insulation to be blown R-38 or per energy code.
- Exterior 2x6 stud walls to be R-19 fiberglass batt insulation or per energy code.
- Interior unit separation / demising walls to be R-11 fiberglass batt insulation in both walls
- Sound insulation at bathroom walls to be R-13 fiberglass batt insulation
- Sound insulation at corridors to be R-13 fiberglass batt insulation
- Insulation at mid-floors to be R-11 fiberglass bat insulation
- Masonry control joints to be caulked with an appropriate neoprene backer rod and single component urethane equal or similar to Sonneborne NP-1
- Fire caulking will be completed by the trade responsible for making the penetration and will be done using a UL approved caulk suitable for the application.
- Acoustical sealant at bottom and top of gyp board at ceiling and floor intersection
- Asphalt roofing shingles will be 30-year architectural style shingles in standard colors installed over synthetic 15# underlayment.
- Roof will have:
 - Snow & Ice shield at valleys
 - Metal drip edge at eaves and rakes

- Step or continuous wall flashings at roof / wall intersections
- Roof attic space will be vented using passive exhaust vents equal or similar to Lomanco 770's in standard colors
- TPO 90 mil nominal membrane roofing – fully adhered at flat roofs with roof top mounted condenser units.
- Gutters and downspouts to be 6" w 3x4 downspouts piped into underground piping

Doors and Windows

- Residential entry doors 1 ¾" thick insulated metal doors equal or similar to Masonite 3'-0"x7'-0"x 1-3/4 with 2-panel smooth design from Masonite. Doors are pre-hung on wood jambs with self-closing spring-loaded hinges and 20-minute UL rating, weather stripping and ADA sills on ground level. Doors are double bored for lever passage set and electronic entry lockset and bored for peep viewer.
- Interior doors shall be equal or similar to Masonite molded series, 6'-8" pre-hung hollow core, hardboard, raised grain surface, and raised two panel pre-hung units sized per the drawings. Bedroom doors to be doubled bored for passage lever set and deadbolt
- Doors at HVAC closets will be standard pre-hung units. The transfer grill will be located through the wall of the AC closet. In units where the HVAC has a pair of doors on the closet, both doors are louvers.
- Entry doors hardware to be electronic lock
- Operable patio door units with one operable door and one fixed sidelight
- Passage lever hardware with keyed deadbolt at Bedrooms
- Privacy lever lockset at baths
- Passage lever hardware and keyed deadbolt at HVAC closets
- Generic spring style base board door stops and hinge mounted stops as required
- 5/8" 180-degree door viewers with second viewer for ADA units
- Building egress doors at public areas shall be hollow metal doors and frames with code required hardware. Hardware shall consist of commercial grade push / pull sets or panic hardware with closures where applicable.
- Windows shall be single hung, vinyl w/ clear insulated glass, Low E SC, Argon 5/8" Clear glass, U-value of 0.65 and SHGC of .35, nailable integral "j" channel flange

Finishes

- Drywall will be 5/8" type X drywall at interior walls
- Light Textured Finish

- Cement fiber board will be used behind the tubs.
- 5/8" C-core board and resilient channels at 12" o.c. at ceilings UL Design No. L546
- Windows to receive drywall jamb and heads return.
- Luxury Vinyl Tile installed through-out unit living rooms, kitchens and laundry. Epoxy adhesive is to be used at laundry utility room.
- Luxury Vinyl Tile or Carpet installed through-out unit bedrooms.
- Luxury Vinyl Tile with Epoxy Adhesive
- Interior paint to be equal or similar to Sherwin Williams SW700 one color throughout.
- Interior walls to receive two coats - primer and egg shell or satin paint finish. Kitchen, baths, laundry and all interior doors to receive one coat primer and one coat semi -gloss enamel
- Exterior siding and trim to receive two coats of exterior latex over factory primer
- Exterior metal entry doors, stairs and railings to receive one finish coat of gloss industrial enamel paint.

Specialties

- Mirrors to be 3/16" plate, installed with mastic
- One 2A:10BC fire extinguisher installed in each unit
- 10# fire extinguisher in surface mounted cabinet with glass door to be installed in corridors are public areas positioned such that there is not more than 75' of travel distance per code requirement
- One-unit sign at each entry door and one building identification sign at each building
- Ventilated shelving to be prefab, vinyl coated wire units as follows: Each bedroom closet shall have one 12" wide shelf with rod on one side and two 12" wide shelves and rod on other wall;
- Linen closets shall have five shelves; Laundry closet shall have single shelf over washer / dryer where stacked units are not used
- Bathroom accessories shall be equal or similar to Taymor or Pamex 01-201S tissue holder, 01-A202-24,
- 24" towel bar and o1-PR9500/001-9655, 5' curved Shower Rod w/ adjustable flange
- Mailbox units one per unit
- Interior unit signage – design TBD
- Exterior building signage - design TBD

Furnishings

- Window blinds to be 2" Faux wood equal or similar to Alwa or Bali

Appliances

- Appliance package to be equal or similar to Whirlpool or GE, 'faux' stainless. Energy star rated.
- Standard Appliances:
 - Range - free standing 30" electric with smooth glass top and standard clean oven
 - Dishwasher - 3-cycle with tall tub design, energy star qualified with soil sensing technology
 - Disposal - 1/3 HP continuous feed
 - Refrigerator – One 22 cubic foot or more side by side with water and ice dispenser
 - Microwave hood with recirculating hood over range
- Washer and dryers – full size side by side
- Ice maker water lines to be braided

Mechanical

1. NFPA 13R sprinkler system shall be CPVC sprinkler system as described:

- a. Fire system will use white semi-recessed with trim
- b. Caged sprinkler on all balconies
- c. Piping will be in Blaze CPVC per code
- d. Fire pump if required

2. Plumbing system is standard fixtures and as follows:

- a. All fixtures to be low flow.
- b. Water cut-off valve under kitchen sink
- c. Water shut-off valves to be separate piece from supply line (no one-piece solution)
- d. Water lines CPVC non-insulated and/or PEX system
- e. Sanitary and vent piping above and below slab to be PVC, non-insulated
- f. Proflo equal or similar faucets for lavatories, tubs, and kitchens
- g. Tub equal or similar to Sterling 60"x 30" wide tub with 1 pc acrylic wall surround
- h. kitchen stainless sink
- i. White china lavatory bowl
- j. Non-freeze exterior hose bib
- k. Floor Drain in all bathrooms above the first floor for overflow.

3. HVAC equipment is as follows:

- a. Equal or similar to Goodman, Trane or Carrier 14 SEER heat pump split systems
- b. Condenser units to be mounted on roof or screened on site.

- c. Digital thermostats
- d. Ductwork to be duct board plenum w/ class one flexible distribution duct to the standard white diffuser grilles
- e. Ceiling Radiation dampers at all supply registers
- f. Ductwork and refrigerant lines to be installed in the truss cavity
- g. Free-air return system using undercut interior doors
- h. Wall mounted 50 CFM exhaust fans ducted to outside with backdraft damper installed
- i. Dryer exhaust ducted to outside with backdraft damper installed
- j. Air handling units to be wall suspended / mounted in the HVAC closet
- k. W/D and refrigerator water supply boxes to be recessed white plastic
- l. Recessed dryer boxes

Electrical

- Electrical wiring shall be NMC Cabling (Romex or similar)
- Minimum wire size to be #12 gauge
- Branch circuits in bedrooms to be 15 amp
- Plastic boxes for switches and outlets with “white” color devices and plastic plates
- Aluminum SER cable panel feeders to be installed overhead to each unit
- Unit secondary shall be aluminum cable sized for load
- PVC conduit to be used as raceways only where required
- Fire alarm to be fire alarm wiring with shielded cabling or plenum rated cabling as required by code
- USB port at nightstand area
- USB port at kitchen island
- Fire alarm system to be designed to meet all federal, state and local codes
 - Consisting of sound annunciator devices, pull stations at corridors, monitoring of tamper and flow switches, strobe lights for handicap units, mini horn device in living room and each bedroom. Each building to have a FACP with FACP in clubhouse.
- Ceiling fans in Bedrooms
- LED light fixtures

Exhibit G
to Lease Agreement

Memorandum of Lease

PREPARED BY:

Josiah R. Reid, Esq.
Nelson Mullins Riley & Scarborough LLP
150 Fourth Avenue North, Suite 1100
Nashville, Tennessee 37219

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of the ____ day of _____, 20__ (the "Effective Date"), by and between the State of Tennessee on behalf of the University of Memphis, as landlord ("Landlord"), and Memphis Tiger House, LLC, Tennessee limited liability company, as tenant ("Tenant").

WITNESSETH:

Pursuant to that certain Lease Agreement entered into by Landlord and Tenant, dated of even date herewith (the "Lease"), Landlord has leased (and hereby leases) to Tenant certain real property (the "Premises") located in Shelby County, Tennessee and more particularly described on Exhibit A, attached hereto and incorporated herein by this reference.

TO HAVE AND TO HOLD the Leased Premises subject to all the provisions and conditions contained in the Lease.

1. Defined Terms. Any capitalized terms used but not expressly defined in this Memorandum shall have the meaning ascribed to them in the Lease.

2. Landlord's Address. _____.

3. Tenant's Address. c/o Stella Management Group, Inc., 848 Brickell Key Drive, Suite 4505, Miami, FL 33131, Attn: Adrian Stella, E-mail: astella@stellagroup.com.

4. Initial Term of Lease. The term of the Lease commenced on _____ (the "Commencement Date") and expires on _____, unless the Lease is earlier terminated or extended in accordance with express terms thereof.

5. Right of First Refusal. Landlord has granted Tenant a right of first refusal to purchase the Premises, pursuant to the terms and conditions of Section 8(d) of the Lease.

6. Prohibitions on Sale and Assignment. The Lease imposes certain restrictions on the sale, conveyance or assignment of Landlord's interest in the Premises and on Tenant's leasehold estate in the Premises.

7. Lease. The rent payable by Tenant for the Leased Premises and other terms and conditions governing Tenant's use and occupancy of the Leased Premises are set forth in the Lease, all of which are incorporated herein by reference.

8. Conflicts. The purpose of this Memorandum is to give notice of the terms and conditions of the Lease. This Memorandum shall not modify in any manner the terms and conditions of the Lease, and the parties agree that this Memorandum is not intended nor shall it be used to interpret the Lease or determine the intent of the parties under the Lease. In the event of any conflicts or inconsistencies between the terms of the Lease and the terms of this Memorandum, the terms of the Lease shall control.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date first above written.

LANDLORD:

State of Tennessee

By: _____

Name: _____

Title: _____

TENANT:

Memphis Tiger House, LLC, a Tennessee limited liability company

By: _____

Name: _____

Title: _____

TENANT NOTARY

STATE OF _____
COUNTY OF _____

Before me, _____, Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be _____ of Memphis Tiger House, LLC, a Tennessee limited liability company, and that he signed, sealed and delivered that said instrument as his free and voluntary act for the uses and purposes therein set forth.

Witness my hand and seal, in the County and State aforesaid, this the ____ day of _____, 20____.

Notary Public

My Commission Expires: _____

LANDLORD NOTARY

STATE OF TENNESSEE
COUNTY OF DAVIDSON

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 herself to be _____ for the State of Tennessee, the within named Landlord, and that she as such representative, executed the foregoing instrument for the purposes therein contained and signed the name of the State of Tennessee, by herself as _____.

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

Notary Public

My Commission Expires: _____

Exhibit A
to Memorandum of Lease

Description of Premises

BEING A SURVEY OF LOTS 32 THRU 44 AND PART OF LOT 45, FAIRFIELD SUBDIVISION RECORDED IN PLAT BOOK 9 PAGE 6 AT THE SHELBY COUNTY REGISTERS OFFICE AND BEING LOCATED IN MEMPHIS, TENNESSEE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A SET 1/2" IRON PIN AT THE INTERSECTION OF THE SOUTH LINE OF POPLAR AVENUE (45' FROM CENTERLINE) AND THE WEST LINE OF DELOACH STREET (60' WIDE PUBLIC ROW), SAID POINT HAVING TENNESSEE STATE PLANE COORDINATES OF NORTHING 312349.44 AND EASTING 790935.63;

THENCE S1°01'40"W ALONG SAID WEST LINE OF DELOACH STREET A DISTANCE OF 186.18 FEET TO A SET 1/2" IRON PIN AT THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE SOUTHWARDLY ALONG SAID WEST LINE AND ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 770.00 FEET, AN ARC LENGTH OF 167.25 FEET AND A CHORD OF 166.92 FEET (S7°15'00"W) TO A SET 1/2" IRON PIN;

THENCE S13°28'21"W ALONG SAID WEST LINE A DISTANCE OF 816.92 FEET TO A SET 1/2" IRON PIN ON THE NORTH LINE OF CENTRAL AVENUE (80' WIDE PUBLIC ROW);

THENCE N85°41'09"W ALONG SAID NORTH LINE A DISTANCE OF 245.63 FEET TO A SET 1/2" IRON PIN ON THE EAST LINE OF THE BRIAN EASON PROPERTY (INSTRUMENT NUMBER 06170633);

THENCE N4°15'06"E ALONG SAID EAST LINE AND ALONG THE EAST LINE OF THE ANNA PEEPLES PROPERTY (INSTRUMENT NUMBER 16036833) A DISTANCE OF 171.80 FEET TO A SET 1/2" IRON PIN ON THE SOUTH LINE OF SAID PEEPLES PROPERTY;

THENCE S85°12'30"E ALONG SAID SOUTH LINE A DISTANCE OF 84.27 FEET TO A SET 1/2" IRON PIN AT THE SOUTHEAST CORNER;

THENCE N4°00'36"E ALONG THE EAST LINE OF SAID PEEPLES PROPERTY A DISTANCE OF 56.78 FEET TO A SET 1/2" IRON PIN AT THE SOUTHEAST CORNER OF LOT 16, ADDITION TO PATTERSON TERRACE (PLAT BOOK 10 PAGE 19);

THENCE N12°09'57"E ALONG THE EAST LINE OF SAID PATTERSON TERRACE SUBDIVISION (PLAT BOOK 10 PAGE 19) A DISTANCE OF 974.41 FEET TO A SET 1/2" IRON PIN ON THE SOUTH LINE OF POPLAR AVENUE;

THENCE S73°24'49"E ALONG SAID SOUTH LINE A DISTANCE OF 160.30 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.6249 ACRES MORE OR LESS.

BEING THE SAME PROPERTY DESCRIBED IN DEEDS OF RECORD IN THE REGISTERS OFFICE OF SHELBY COUNTY, TENNESSEE UNDER INSTRUMENT NUMBERS EB7410, J43037, EG1290, CY9074, DF3393, FT0625, F58127, K49112, GE2720, F79973, KH4109, GE3656, 14068879, HT6606, BZ8349 AND L91518.

Exhibit H
to Lease Agreement
Form of Estoppel Certificate

[SEE FOLLOWING PAGES]

GROUND LESSOR ESTOPPEL CERTIFICATE

_____, 20__

THE STATE OF TENNESSEE (the “**Ground Lessor**”), hereby makes this Ground Lessor Estoppel Certificate (the “**Estoppel Certificate**”) for the benefit of _____ (the “**Recipient**”).

Recitals:

A. Ground Lessor is a party to the Lease Agreement, dated as of _____, 20____ (the “**Ground Lease**”), by and between Ground Lessor, as landlord, and _____, a _____ (the “**Ground Lessee**”), as tenant, pertaining to a certain property located in Memphis, Shelby County, Tennessee, as more particularly described in **Exhibit A** hereto and incorporated herein by this reference (the “**Property**”). A true and complete copy of the Ground Lease (including all amendments and modifications thereto and assignments thereof) is attached in **Exhibit B** hereto. The Ground Lease is evidenced by the Memorandum of Lease, dated as of _____, 20__, by and between Ground Lessor and Ground Lessee, and recorded in Book _____, Page _____ in the Office of the Register of Deeds for Shelby County, Tennessee (the “**Register’s Office**”).

B. Ground Lessor has been requested to provide this Estoppel Certificate in association with [describe transaction involving Recipient] (the “**Transaction**”).

C. The execution and delivery of this Estoppel Certificate is a condition precedent to Recipient’s obligations in association with the Transaction.

Estoppel:

Ground Lessor hereby certifies to Recipient as follows:

1. The copy of the Ground Lease set forth in **Exhibit B** hereto is true and complete and includes all amendments, modifications and supplements thereto and assignments thereof.

2. Ground Lessor is the record and beneficial owner of the Property. Ground Lessor has not subordinated its interest in the Ground Lease to any mortgage, lien or other encumbrance on its fee simple interest in the Property. Ground Lessor has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Ground Lease or the Property.

3. Under the terms of the Ground Lease, Ground Lessee is the fee owner of the improvements constituting the Development during the term of the Ground Lease.

4. Except as for the Ground Lease, there are no other agreements concerning the leasing or use of the Property, whether oral or written, between Ground Lessee and Ground Lessor.

5. The term of the Ground Lease commenced on _____, 20__, and is currently scheduled to expire _____, 20__. All conditions to the effectiveness of the Ground Lease, including, without limitation, all obligations of Ground Lessee to construct and

equip the Improvements upon the Property in accordance with plans and specifications approved by Ground Lessor, have been satisfied. The Ground Lease is in full force and effect.

6. The Ground Lease lists all rent, additional rent and other payments due from (or prepaid by) Ground Lessee under the Ground Lease. There are no other rents or charges imposed against Ground Lessee by Ground Lessor under the Ground Lease except as described in the Ground Lease. No rent or charge (including taxes, maintenance, operating expenses or otherwise) that has been billed to Ground Lessee by Ground Lessor pursuant to the Ground Lease is overdue and all rents have been paid in full through the end of the Term. There are no provisions for, and Ground Lessor has no rights with respect to, increasing the rent due under the Ground Lease, except as expressly set forth in the Ground Lease.

7. To the best of Ground Lessor's knowledge, no tenant of the Development is providing any services or conducting any operations that are not permitted by the terms of the Ground Lease or that have not otherwise been approved by Ground Lessor.

8. Ground Lessor has not delivered or received any notices of default under the Ground Lease. To the best of Ground Lessor's knowledge, there is no default by Ground Lessee or Ground Lessor under the Ground Lease, nor has any event or omission occurred which, with the giving of notice or the lapse of time, or both, would constitute a default under the Ground Lease.

9. Ground Lessor has no existing defenses or offsets, claims or counterclaims against Ground Lessee under the Ground Lease.

10. No person or entity (except Ground Lessee under the terms and conditions of the Lease) has any option to purchase all or any part of Ground Lessor's interest in and to the Property.

11. There have been no Transfers in violation of Section 8 of the Ground Lease.

12. Ground Lessor has not received written notice of any pending eminent domain proceedings or other governmental actions or any judicial actions of any kind against Ground Lessor's interest in the Property.

13. Ground Lessor has not received written notice that it is in violation of any governmental law or regulation applicable to its interest in the Property and, to Ground Lessor's knowledge, there are no grounds for any claim of any such violation.

14. Ground Lessor and the person or persons executing this Estoppel Certificate on behalf of Ground Lessor have the power and authority to do so. This Estoppel Certificate shall be binding upon Ground Lessor and its successors and assigns and shall inure to the benefit of Recipient and its successors and assigns.

15. Ground Lessor acknowledges that Recipient and its successors and assigns will rely on this Estoppel Certificate in consummating the Transactions.

THE STATE OF TENNESSEE

By: _____
Name: _____
Title: _____

Exhibit A
to Ground Lessor Estoppel Certificate

Legal Description of Property

BEING A SURVEY OF LOTS 32 THRU 44 AND PART OF LOT 45, FAIRFIELD SUBDIVISION RECORDED IN PLAT BOOK 9 PAGE 6 AT THE SHELBY COUNTY REGISTERS OFFICE AND BEING LOCATED IN MEMPHIS, TENNESSEE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A SET 1/2" IRON PIN AT THE INTERSECTION OF THE SOUTH LINE OF POPLAR AVENUE (45' FROM CENTERLINE) AND THE WEST LINE OF DELOACH STREET (60' WIDE PUBLIC ROW), SAID POINT HAVING TENNESSEE STATE PLANE COORDINATES OF NORTHING 312349.44 AND EASTING 790935.63;

THENCE S1°01'40"W ALONG SAID WEST LINE OF DELOACH STREET A DISTANCE OF 186.18 FEET TO A SET 1/2" IRON PIN AT THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE SOUTHWARDLY ALONG SAID WEST LINE AND ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 770.00 FEET, AN ARC LENGTH OF 167.25 FEET AND A CHORD OF 166.92 FEET (S7°15'00"W) TO A SET 1/2" IRON PIN;

THENCE S13°28'21"W ALONG SAID WEST LINE A DISTANCE OF 816.92 FEET TO A SET 1/2" IRON PIN ON THE NORTH LINE OF CENTRAL AVENUE (80' WIDE PUBLIC ROW);

THENCE N85°41'09"W ALONG SAID NORTH LINE A DISTANCE OF 245.63 FEET TO A SET 1/2" IRON PIN ON THE EAST LINE OF THE BRIAN EASON PROPERTY (INSTRUMENT NUMBER 06170633);

THENCE N4°15'06"E ALONG SAID EAST LINE AND ALONG THE EAST LINE OF THE ANNA PEEPLES PROPERTY (INSTRUMENT NUMBER 16036833) A DISTANCE OF 171.80 FEET TO A SET 1/2" IRON PIN ON THE SOUTH LINE OF SAID PEEPLES PROPERTY;

THENCE S85°12'30"E ALONG SAID SOUTH LINE A DISTANCE OF 84.27 FEET TO A SET 1/2" IRON PIN AT THE SOUTHEAST CORNER;

THENCE N4°00'36"E ALONG THE EAST LINE OF SAID PEEPLES PROPERTY A DISTANCE OF 56.78 FEET TO A SET 1/2" IRON PIN AT THE SOUTHEAST CORNER OF LOT 16, ADDITION TO PATTERSON TERRACE (PLAT BOOK 10 PAGE 19);

THENCE N12°09'57"E ALONG THE EAST LINE OF SAID PATTERSON TERRACE SUBDIVISION (PLAT BOOK 10 PAGE 19) A DISTANCE OF 974.41 FEET TO A SET 1/2" IRON PIN ON THE SOUTH LINE OF POPLAR AVENUE;

THENCE S73°24'49"E ALONG SAID SOUTH LINE A DISTANCE OF 160.30 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.6249 ACRES MORE OR LESS.

BEING THE SAME PROPERTY DESCRIBED IN DEEDS OF RECORD IN THE REGISTERS OFFICE OF SHELBY COUNTY, TENNESSEE UNDER INSTRUMENT NUMBERS EB7410, J43037, EG1290, CY9074, DF3393, FT0625, F58127, K49112, GE2720, F79973, KH4109, GE3656, 14068879, HT6606, BZ8349 AND L91518.

Exhibit B
to Ground Lessor Estoppel Certificate
Ground Lease