



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**October 19, 2020
AGENDA**

1. Call meeting to order
2. Approval of the Minutes from the TSSBA meetings of August 28, 2020, and September 10, 2020
3. Approval of Projects for:
The Board of Regents
 - Middle Tennessee State University- School of Concrete and Construction Management; Cost: \$40,100,000 of which \$2,000,000 will be funded by TSSBA; Term of Financing: 5 years as short-term financing at an assumed tax-exempt rate
4. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Memphis
5. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee Health Science Center
6. Presentation and Discussion of the following:
 - Request for Information (RFI) for TSSBA short-term facility.
7. Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY
August 28, 2020

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Friday, August 28, 2020, at 1:30 p.m. via Webex Events with certain members being physically present in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Justin Wilson, Comptroller of the Treasury, was present and presided over the meeting.

The following members were physically present:

The Honorable David Lillard, State Treasurer
Commissioner Butch Eley, Department of Finance and Administration
Dick Tracy, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following members participated electronically via Webex Events:

The Honorable Tre Hargett, Secretary of State
Mr. Mark Paganelli, proxy for Mr. Randy Boyd, President, University of Tennessee

The following members were absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and stated that the first item on the agenda was the approval of the minutes of the meeting held on July 20, 2020. Mr. Wilson stated that he had read the minutes, and everything appeared to be in order. Mr. Wilson asked if there were any comments, questions, or discussion on the minutes. Hearing none, Mr. Wilson moved approval of the minutes, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Tracy – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Paganelli – Aye
Mr. Wilson – Aye

The motion was approved unanimously.

Mr. Wilson then stated that the next item on the agenda was consideration of a project by the University of Tennessee. Mr. Wilson recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee (“UT”), to present the project.

Mr. Oakes stated that the request from the University of Tennessee Health Science Center was for approval of an acquisition with waiver of advertisement and appraisals of property located at 45 South Dudley Street in Memphis, Tennessee. Mr. Oakes stated that this request was for the acquisition of the Memphis Bioworks Vivarium, land, and truck court. Mr. Oakes explained that the Vivarium was designed for orthopedic medical device and therapeutic pharmaceuticals research studies. Mr. Oakes stated the facility supports good lab practices, compliant studies, and will accommodate multiple occupants in simultaneous studies. Mr. Oakes explained that UT is currently leasing the facility, and if approved by the TSSBA the request would be brought before the State Building Commission’s Executive Subcommittee for additional review and approval.

- University of Tennessee Health Science Center – Memphis Bioworks Acquisition (A97); Cost: \$16,000,000 of which \$14,450,000 will be financed from TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate.

Mr. Lillard asked if the waiver in this request related only to the TSSBA bond funding requested. Mr. Wilson confirmed that this request only related to the TSSBA funding. Mr. Wilson asked how the current facility rents compared to the expected debt service. Mr. Oakes stated that the rent had been discounted in the past year to approximately \$300,000 per year, but prior to that the rent had been approximately \$1,000,000 per year. Mr. Oakes stated that UT anticipated the future debt service to be close the prior \$1,000,000 rent payments. Mr. Wilson asked if there were any other questions related to this request. Hearing none, Mr. Wilson moved approval of the project, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Tracy – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Paganelli – Aye
Mr. Wilson – Aye

The motion was approved unanimously.

Mr. Wilson then recognized Mr. Oakes to present the next two requests on the agenda. Mr. Oakes stated that the next two requests were both related to COVID student housing needs at the University of Tennessee at Knoxville. Mr. Oakes stated that the members on the Executive Subcommittee had heard both of these request items on the previous Monday. Mr. Oakes explained that UT had previously brought an apartment complex lease forward in July seeking up to 300 beds. Mr. Oakes explained that UT had modified this request to 200 beds to better align with available stock in the market but was only able to secure 90 beds when the leases were signed. As a result, UT was appearing before the board to secure additional housing in the hotel marketplace. Mr. Oakes stated that both of the hotels being discussed today had already entered into short-term agreements with UT through September 20th, for a total amount of less than \$150,000. Mr. Oakes explained that both hotels would be used to house non-positive test, non-symptomatic students. Mr. Oakes stated that these two requests would bring UT to 311 isolation spaces with 39 on-campus and 272 off-campus.

Mr. Wilson asked if there were any questions related to these requests. Hearing none, Mr. Lillard moved approval of items 4 and 5 on the agenda. Mr. Wilson seconded the motion and Ms. Thompson called the roll.

Mr. Tracy – Aye
Mr. Lillard – Aye
Mr. Eley – Aye
Mr. Hargett – Aye
Mr. Paganelli – Aye
Mr. Wilson – Aye

The motion was approved unanimously.

Mr. Wilson asked if there were any other matters to come before the Authority. Hearing none, Mr. Wilson made a motion to adjourn.

The meeting was adjourned.

Approved on this _____ day of _____, 2020.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

TENNESSEE STATE SCHOOL BOND AUTHORITY
September 10, 2020

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Thursday, September 10, 2020, at 11:19 a.m. via Webex Events with certain members attending electronically via Webex Events from their respective offices, First Floor, State Capitol, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Justin Wilson, Comptroller of the Treasury, was present and presided over the meeting.

The following members participated electronically via Webex Events:

The Honorable Tre Hargett, Secretary of State
The Honorable David Lillard, State Treasurer
Butch Eley, Commissioner, Department of Finance and Administration
Randy Boyd, President, University of Tennessee
Danny Gibbs, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following members were absent:

The Honorable Bill Lee, Governor

Mr. Wilson called the meeting to order and asked Ms. Sandi Thompson, Director of the Division of State Government Finance (SGF) and Assistant Secretary of the TSSBA, to verify that she had distributed to the members copies of the documents to be discussed at the meeting in substantially the same form as to be considered. Ms. Thompson confirmed that her office had distributed the documents to the members. Mr. Wilson then asked for Ms. Thompson to call the roll and for members to identify themselves and announce if any persons were present with them. Ms. Thompson called the roll:

Mr. Lillard – Present
Mr. Hargett – Present
Mr. Eley – Present
Mr. Boyd – Present
Mr. Gibbs – Present
Mr. Wilson – Present

Recognizing a quorum present, Mr. Wilson called the meeting to order and stated that Governor Lee, a member of the Authority, had previously declared a state of emergency to facilitate Tennessee’s response to the coronavirus disease. He stated that Governor Lee’s Executive Order No. 16, as amended by Executive Order No. 34, and further amended by Executive Order 60, allowed governing bodies to meet electronically regarding essential business in light of COVID-19, so long as they provided electronic access to the public and met certain safeguards established in that Order to ensure the openness and transparency of the proceedings. Mr. Wilson stated that the Notice for this meeting indicated the meeting would be conducted through Webex Events and provided information for the public to participate electronically. Mr. Wilson stated that the Authority needed a motion pursuant to the provisions of Executive Order 16, as amended by Executive Order No. 34, and further amended by Executive Order 60, that meeting electronically without a physical location was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak, that the matters listed on the agenda of the meeting related to the essential business of the Authority, and that the necessary safeguards had been taken. Hearing no discussion, Mr. Wilson made such a motion, Mr. Hargett seconded the motion, and Ms. Thompson called the roll:

Mr. Lillard – Aye
Mr. Hargett – Aye
Mr. Eley – Aye
Mr. Boyd – Aye
Mr. Gibbs – Aye
Mr. Wilson – Aye

The motion was approved unanimously.

Mr. Wilson stated that the first item on the agenda was consideration of a resolution to approve the borrowing of money by another method by the University of Tennessee at Knoxville. Mr. Wilson recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee, who presented the request. Mr. Oakes stated that the University was seeking approval to enter into leases for the time period between September and December of 2020 to provide additional housing to University students due to COVID-19 isolation needs. Mr. Oakes stated that any leases entered into by the University would first be approved by the Attorney General's offices. Mr. Oakes explained that the leases entered into would not exceed the amount of plant funds available at the University. Mr. Oakes stated that the University would submit a monthly report of housing leases entered into each month from September 2020 through January 2021.

Mr. Wilson explained that this request was being presented to the Authority because leases are considered to be debt and could have an impact on the credit of the Authority's outstanding debt. Mr. Wilson explained that these leases would be paid from available plant funds and would not affect the University's debt service. Mr. Wilson stated that the resolution would be effective September 10th, 2020. Mr. Wilson asked if there were any comments or questions on the request. Hearing no discussion, Mr. Wilson made a motion to approve the request, Mr. Hargett seconded the motion, and Ms. Thompson called the roll:

Mr. Lillard – Aye
Mr. Hargett – Aye
Mr. Eley – Aye
Mr. Boyd – Aye
Mr. Gibbs – Aye
Mr. Wilson – Aye

The motion was approved unanimously.

Mr. Wilson asked if there were any other matters to come before the Authority. Hearing none, Mr. Wilson made a motion to adjourn, and Mr. Lillard seconded the motion.

The meeting was adjourned.

Approved on this ____ day of _____, 2020.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

Tennessee State School Bond Authority Feasibility Study

MTSU School of Concrete and Construction Management - 456

Individual Project Summary

Revenue Source:	Gift Funds	\$	450,000.00
	Total Revenue Source:	\$	450,000.00
Assumptions:	TSSBA Funding Requested	\$	2,000,000.00
	Interest Rate		2.50%
	Status		Taxable
	Term of Financing		5

Feasibility Test	
	Annual Short-Term Pmt
Pledged Revenue	\$450,000
New Max Annual DS	\$430,494
Feasible	Yes

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

August 11, 2020

Ms. Sandi Thompson, Director
Comptroller of the Treasury, Division of Finance
Cordell Hull Building, 425 Fifth Avenue North
Nashville, TN 37243-3400

RE:
Middle Tennessee State University (MTSU)
School of Concrete and Construction Management
SBC Project No. 366/009-07-2019

Ms. Thompson:

MTSU is requesting \$2,000,000 bond financing for 5 years for the School of Concrete and Construction Management. The total estimated project cost is \$40,100,000. MTSU plans to add the remainder of the institutional match funding, including the \$2,000,000 TSSBA short term financing, at the October 2020 SBC meeting.

The project scope includes construction of a facility for the School of Concrete and Construction Management, including the relocation of current functions and demolition of Abernathy and Ezell buildings, an addition to the Satellite Chiller Plant, and all related work. The annual bond financing will be repaid with gifts. The project application and pro forma are attached.

Your review and consideration of this request will be appreciated. Please let us know if you have questions or need additional information.

Sincerely,



Bill Waits, Architect
Assistant VP, Campus Planning
Middle Tennessee State University
P.O. Box 44, Murfreesboro, TN 37132
615.494.8867

Enclosures
c: Patti Miller, Chief of Facilities Planning, THEC

Tennessee State School Bond Authority Project Application

DEPARTMENT: Tennessee Board of Regents

INSTITUTION/LOCATION: Middle Tennessee State University / Murfreesboro, Rutherford County

PROJECT : School of Concrete and Construction Management

SBC PROJECT #: 366/009-07-2019

PROJECT BUDGET:

Funding Sources:	Original	Revised	Total
TSSBA (Gifts)	\$ 0.00	\$ 2,000,000.00	\$ 2,000,000.00
GOBonds-CapImp	\$ 0.00	\$34,085,000.00	\$34,085,000.00
Plant Funds + Gifts	\$ 2,470,000.00	\$ 1,545,000.00	\$ 4,015,000.00
Total	\$ 2,470,000.00	\$37,630,000.00	\$40,100,000.00

PROJECT REVENUES: (Describe sources and projected levels)

Gift Funding: \$450,000 annual

PROJECT LIFE:

Anticipated Useful Life of Project: One hundred (100) years

Desired Term for Financing (if less than useful life): Five (5) years

ESTIMATED ANNUAL FINANCING CHARGE: \$424,317.00

PROJECT APPROVAL DATES:

BOARD (MTSU): 05/30/2018

THEC: 11/07/2018

SBC: 07/11/2019

Disclosed in the Governor's Budget: X Yes No If yes, what year? FY19/20
 Disclosed as TSSBA Funding: X FY19/20
 Match Project X

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

Construction of a 54,000 square foot facility for the School of Concrete and Construction Management.

Project scope includes relocation of current functions and demolition of Abernathy and Ezell dormitory buildings, along with an addition to the Satelite Chiller Plant, and all related work. The building project

Includes an estimated \$2,970,000 of movable equipment comprised of office and classroom furniture and classroom and lab equipment.

REAL ESTATE:

Owner of real property State of Tennessee – Middle Tennessee State University

 To be acquired To be leased or other arrangement

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

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

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

2. Project completion estimated to be: October 2022

3. Project Owner: Middle Tennessee State University

4. Project Operator (see also item 8 below): Middle Tennessee State University

5. Intended Use of the Project: Project is to be utilized by the MTSU School of Concrete and Construction Management for educational use.

6. Intended Users of the Project (excluding use by the general public): MTSU faculty, staff, and students

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 54,585 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage 100 square feet

Operator Gilly Vending

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? No

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

Square Footage Not Applicable

Type Not Applicable

Operator Not Applicable

C. Laundry Services:

Square Footage Not Applicable

Operator Not Applicable

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? Not Applicable

D. Cafeteria or other food services areas:

Square Footage Not Applicable

Operator Not Applicable

E. Provision of health care services:

Square Footage Not Applicable

Operator Not Applicable

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

Square Footage Not Applicable

Recipient Not Applicable

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

Square Footage Not Applicable

Occupant Not Applicable

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

Square Footage Not Applicable

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

Not applicable

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

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

\$5,015,000 total in gifts, \$3,015,000 of the gift funding is included as a project funding source.

11. Additional information not explained above, _____

Completed this 20th day of August, 2020.



Dr. Sidney McPhee
President



Bill Waits, Assistant Vice President
Campus Planning



Alan Thomas, Vice President for
Business & Finance

To be filled out by the Authority

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

MIDDLE TENNESSEE STATE UNIVERSITY

Middle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

Requested Action: Approval of revision in funding and to utilize a previously selected consultant

Project Title: School of Concrete and Construction Management

Project Description: Construction of a facility for the School of Concrete and Construction Management. Project includes relocation of current functions and demolition of Abernathy and Ezell buildings, along with an addition to the satellite chiller plant, and all related work.

SBC Number: 366/009-07-2019

Total Project Budget: \$40,100,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$ 1,670,000.00	\$ 1,345,000.00	\$ 3,015,000.00	Gifts	(O)
	\$ 800,000.00	\$ 200,000.00	\$ 1,000,000.00	Plant Funds (Non-Aux)	(A)
	\$ 0.00	\$34,085,000.00	\$34,085,000.00	2020 GOBonds-CapImp	(A)
	\$ 0.00	\$ 2,000,000.00	\$ 2,000,000.00	TSSBA (Gifts)	(O)
Original Funding:	\$ 2,470,000.00				
Change in Funding:		\$37,630,000.00			
Revised Funding:			\$40,100,000.00		

Comment: This action will add the remainder of the institutional match funding, including gift funding, plant funding, and TSSBA short-term bonds needed to release GO bond funding and proceed with construction.

This action also includes a request to utilize Smith Seckman Reid, Inc. for the commissioning agent on the project. Smith Seckman Reid, Inc. is a selected commissioning agent procured through the Tennessee Board of Regents "Commissioning Services" project (SBC#166/000-03-2015). Smith Seckman Reid has previous work experience on the MTSU campus through TBR projects and is knowledgeable of current MTSU HVAC design standards.

Previous Actions:	07/11/2019	SBC	Approved project and to select a designer, and utilizing CM/GC for a portion of the work
	07/22/2019	ESC	Approved designer selections (The Orcutt Winslow Limited Liability Limited Partnership and Bullock Smith & Partners Inc)
	05/14/2020	SBC	Approval awarding a contract to the best evaluated proposer for a CM/GC (Hoar Construction)
	08/13/2020	SBC	Approved the EDP as presented by Orcutt Winslow Limited Liability Partnership

Project Request

SBC1

1 Institution: Middle Tennessee State University
Project Title: School of Concrete and Construction Management
City/County: Murfreesboro, Rutherford

Created

SBC No: 366/009-07-2019

3			
		<u>New</u>	<u>Renovation</u>
<input checked="" type="checkbox"/>	Capital Outlay		
<input type="checkbox"/>	Capital Maintenance	Gross Sq. Ft. 54,000	5,500
<input type="checkbox"/>	DBB	Net Sq. Ft. 28,224	-
<input checked="" type="checkbox"/>	Designer Required	Cost/Sq. Ft. \$402.00	\$276.00

4 Project Description

Construction of a facility for the School of Concrete and Construction Management. Project includes relocation of current functions and demolition of Abernathy and Ezell buildings, along with an addition to the Satellite Chiller Plant, and all related work.

5	Total Project	Allocation	
	\$ 32,870,000.00	\$ 32,870,000.00	CONSTRUCTION COST
	\$ 32,870,000.00	\$ 32,870,000.00	TARGET
	\$ 1,410,000.00	\$ 1,410,000.00	CONTINGENCY
	\$ 34,280,000.00	\$ 34,280,000.00	MACC
	\$ 2,136,400.75	\$ 2,136,400.75	DESIGNER FEE
	\$ 2,970,000.00	\$ 2,970,000.00	MOVEABLE EQUIPMENT
	\$ 60,000.00	\$ 60,000.00	PRECONSTRUCTION
	\$ 300,000.00	\$ 300,000.00	COMMISSIONING
	\$ 353,599.25	\$ 353,599.25	ADMINISTRATION AND MISC
	\$ 40,100,000.00	\$ 40,100,000.00	TOTAL

6 Funding:	\$ 34,085,000.00	STATE Funds
	\$ -	FEDERAL Funds
	\$ 6,015,000.00	Plant Funds, Gifts, TSSBA Bonds
	\$ 40,100,000.00	

7 Sources of Available Funding:			
	\$ 34,085,000.00	GOBonds-CapImp	2020 (A)
	\$ 2,000,000.00	TSSBA (Gifts)	(O)
	\$ 1,000,000.00	Plant Funds (Non-Aux)	(A)
	\$ 3,015,000.00	Gift	(O)
	\$ 40,100,000.00		

8 SBC Action:	Date:	Type:	Notes:
1	07/11/2019	SBC	Approved project and to select a designer, and utilizing CM/GC for a portion of the work
2	07/22/2019	ESC	Approved Designer Selections
3	05/14/2020	SBC	Approval to award a contract to the best evaluated proposer for a Construction Manager/General Contractor
4	08/13/2020	SBC	Approved the EDP as presented by Orcutt Winslow Limited Liability Partnership

9 Designer: The Orcutt Winslow Limited Liability Partnership and Bullock Smith & Partners Inc.

Project Request

SBC1

1 Institution: Middle Tennessee State University
Project Title: School of Concrete and Construction Management
City/County: Murfreesboro, Rutherford

Approved Current

SBC No: 366/009-07-2019

3			New		Renovation	
	<input checked="" type="checkbox"/>	Capital Outlay				
	<input type="checkbox"/>	Capital Maintenance	Gross Sq. Ft.	54,000		5,500
	<input type="checkbox"/>	DBB	Net Sq. Ft.	28,224		-
	<input checked="" type="checkbox"/>	Designer Required	Cost/Sq. Ft.	\$402.00		\$276.00

4 Project Description

Construction of a facility for the School of Concrete and Construction Management. Project includes relocation of current functions and demolition of Abernathy and Ezell buildings, along with an addition to the Satellite Chiller Plant, and all related work.

5	Total Project	Allocation	
	\$ 32,870,000.00	\$ -	CONSTRUCTION COST
	<u>\$ 32,870,000.00</u>	<u>\$ -</u>	TARGET
	\$ 1,410,000.00	\$ -	CONTINGENCY
	\$ 34,280,000.00	\$ -	MACC
	\$ 2,136,400.75	\$ 2,136,400.75	DESIGNER FEE
	\$ 2,970,000.00	\$ -	MOVEABLE EQUIPMENT
	\$ 60,000.00	\$ 60,000.00	PRECONSTRUCTION
	\$ 300,000.00	\$ -	COMMISSIONING
	\$ 353,599.25	\$ 273,599.25	ADMINISTRATION AND MISC
	\$ 40,100,000.00	\$ 2,470,000.00	TOTAL

6 Funding:

\$ 2,470,000.00	Plant Funds + Gifts
<u>\$ 2,470,000.00</u>	

7 Sources of Available Funding:

\$ 800,000.00	Plant Funds (Non-Aux)	(A)
\$ 1,670,000.00	Gift	(O)
<u>\$ 2,470,000.00</u>		

8 SBC Action:	Date:	Type:	Notes:
1	07/11/2019	SBC	Approved project and to select a designer, and utilizing CM/GC for a portion of the work
2	07/22/2019	ESC	Approved Designer Selections
3	05/14/2020	SBC	Approval to award a contract to the best evaluated proposer for a Construction Manager/General Contractor
4	08/13/2020	SBC	Approved the EDP as presented by Orcutt Winslow Limited Liability Partnership

9 Designer: The Orcutt Winslow Limited Liability Partnership and Bullock Smith & Partners Inc.

Office of Business & Finance
Department of Facilities Development
1 Bridgestone Park, Third Floor
Nashville, TN 37214
615-366-4493 OFFICE 615-365-1512 FAX

tbr.edu

October 16, 2020

Sandra W. Thompson, CCTS
Director
Comptroller of the Treasury
Division of State Government Finance
425 Fifth Avenue North | Nashville, TN 37243

RE:
Middle Tennessee State University
School of Concrete and Construction Management
SBC Project No. 366/009-07-2019

Dear Ms. Thompson:

This letter acknowledges that the Tennessee Board of Regents ("TBR") does not object to Middle Tennessee State University ("MTSU") borrowing from the Tennessee State School Bond Authority ("TSSBA"), in the amount of \$2,000,000 for 5 years, towards the funding of the School of Concrete and Construction Management (the "Project"). It is understood and agreed that TBR has no duty or obligation to administer the Project or any involvement with the Project in any way and that the sole purpose is to acknowledge MTSU's request to secure funding from TSSBA, and that under the Second Program Financing Agreement, as amended, by and between TBR and TSSBA, the amount being borrowed by MTSU and the repayment of principal and interest must flow through TBR. Subsequently, TBR has no responsibility for the expenditures of the funds by MTSU or the source of repayment.

Sincerely,



Dick J. Tracy
Executive Director

cc. Danny Gibbs TBR

Executive Summary
UofM Auxiliary Services Foundation Loan to support UofM Athletics
October 2020

Overview:

The University of Memphis, as is the case across the nation with institutions of higher education, has seen significant negative financial impacts on its units which rely on fees and other self-generated revenues to support operations. Examples of these units include Auxiliary Enterprises such as the Holiday Inn, Housing and Residence Life, Dining Services, etc. UofM Athletics, while not an Auxiliary Enterprise, is also heavily reliant on self-generated revenues to include funds from sale of tickets to athletic events, media rights revenues, conference distributions, and donor support. With the onset of COVID-19 in spring semester 2019, revenues from many of these sources declined significantly. While the Athletics program was able to close our fiscal year 2020 on a balanced budget with increased support from the University, FY2021 is proving to be extremely challenging with all the said revenue categories seeing deep drops as compared to prior years.

UofM Athletics, working with University leadership, including the Office of the CFO, has taken concrete steps to reduce costs, wherever practical, to reflect this decline in revenue. Details on the actions taken both on the expense side and revenue side are detailed in Attachment B. In spite of these decisive actions, the program is expected to end the year with a deficit projected at slightly above \$10M. With most sports continuing programming with limited fan attendance, costs that remain are primarily to support a minimal staff and key expenditures required to support our student athletes, with the largest line item being Scholarships (see attached financial projections – Attachment A).

The University and the Athletics program is confident that this is a short-term issue (one-year) and fully expects to bounce back quickly next fiscal year. (Note: Ticket sales for next season are already strong as many of our season ticket holders have purchased their tickets but given current circumstances, we have credited those tickets to next season and as such cannot recognize the revenue until FY2022).

Request:

The University of Memphis Auxiliary Services Foundation (the ASF) is a separate Nonprofit Corporation established under the Tennessee Nonprofit Corporation Act, T.C.A. – 48-51-101, et seq within the meaning of Section 501 (c)(3) of Internal Revenue Code of 1986, as amended. The sole purpose of the ASF is to engage in activities which support the University of Memphis. For financial statement purposes, the ASF is considered a discretely presented component unit of the University of Memphis and presented as such.

A specific purpose of the foundation as enumerated in its bylaws is:

“Section 2. Purpose and Limitations. (c) To pursue alternative financing and funding to support institutional operating needs and capital investment and projects of the Foundation or the University;”

By virtue to the fact that the ASF is a component unit of the University of Memphis, its bylaws require that any borrowing of funding shall be subject to review and approval by the Tennessee State School Bond Authority (TSSBA) as articulated under:

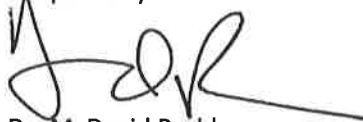
“Section 2. Purpose and Limitations. (w) To enter into any contract or agreement necessary or incidental to accomplish the purposes set forth hereinabove (to the extent such a contract or agreement includes the borrowing of money for any purpose any by any method, such borrowing must first be approved by the Tennessee State School Bond Authority), to pay all costs and expenses associated therewith, and to do and perform all acts necessary to accomplish the purposes of the Foundation or otherwise permitted by law; notwithstanding any other provision in the Charter, the Foundation shall not engage in any activity not permitted to be carried on by an organization exempt from federal income tax under Section 501 (c)(3) of the Code;”

The Auxiliary Foundation Board of Directors has considered the current circumstances of the University of Memphis Athletics Program and also the impact of COVID-19 on the University of Memphis resulting in its ability to increase support for the Athletics program also being severely limited. The ASF Board of Directors unanimously voted to enter into a borrowing of funds from local commercial banks and donate such funds, as may be needed to support the University of Memphis Athletics program. The total amount of such borrowing shall not exceed Twelve Million Dollars (\$12,000,000). The term of the loan shall not exceed Seven (7) years with the amount being repaid in quarterly principal and interest payments beginning September 1, 2021 at the prevailing market interest rate for similar borrowings. A copy of the general terms of such a borrowing from First Bank is provided as Attachment B for reference.

The source of repayment of the borrowing shall be unrestricted donor contributions in support of the University of Memphis Athletics Program which are deposited to the Tiger Scholarship Fund held on account and for the sole benefit of the University of Memphis athletics program at the University of Memphis Foundation. Funds equal to the annual principal and interest payments for this borrowing shall be transferred into an account at the University of Memphis Auxiliary Services Foundation designated for such purposes with the first such payment being made on or before June 30, 2021.

The University of Memphis President, M. David Rudd, the EVP of Business and Finance & CFO, Raaj Kurapati and the members of the University of Memphis Auxiliary Services Foundation hereby request the favorable consideration and approval of this borrowing and donation of the proceeds of such borrowing to the University of Memphis Athletics Program.

Respectfully submitted:



Dr. M. David Rudd
President
University of Memphis

Mr. Thomas Kadien
President
UofM Auxiliary Services Foundation



Raaj Kurapati
EVP & CFO
University Memphis

From: [Thomas Kadien](#)
To: [Melissa Norris \(mlnrris1\)](#); [Ladonnal Curry \(lcurry\)](#)
Cc: [Raaj Kurapati \(kurapati\)](#)
Subject: ASF Board Approval for Athletics Loan
Date: Monday, October 12, 2020 2:46:25 PM

Hello,

University of Memphis Auxiliary Services Foundation has considered and unanimously approved this Loan / Report. While I am not in a position where I can place my physical signature on the Executive Summary document, please accept this email as confirmation of my support.

Thomas G. Kadien
President
University of Memphis Auxiliary Services Foundation

Sent from my iPad

ATTACHMENT A

The impact of COVID-19 on the UofM Athletics Program was immediate and significant with almost all sources of revenues seeing a steep drop off. Initial projections put the FY21 overall net deficit between \$16-18 million. The Athletics department, working with University Leadership, took immediate action to adjust operations to reflect the circumstances. Below is a summary of actions taken both on the revenue and expenditure fronts. These actions inform the proforma financial statements presented herewith.

Revenues:

- Major Gifts Campaign:
 - For years starting in 2020-21, Athletics will set out to raise funds as part of a philanthropic gifts campaign. Conservative estimates are \$1M annually, but there is potential for greater amounts.
- NCAA/Conference Revenues:
 - NCAA: NCAA Revenues should continue to steadily increase over the next several years. Their primary revenue source is the annual Men's Basketball Tournament.
 - Conference Revenues: These revenues were scheduled to increase due to a new media rights agreement with ESPN that takes effect this year. The initial increase is approximately \$3.5M and will continue to increase over the term of the deal. These revenues could further increase depending on the conference members success in the College Football Playoff.
- Multi-Media Rights:
 - Our contract spells out annual guaranteed revenue amounts. This agreement is set to expire in 2021-22, at which time an open bidding process will likely result in increased guarantee/revenue thresholds.
- Other Revenues:
 - Projected to stay flat. This includes bowl revenues in historical numbers but was not included in future projections as the revenues are offset by expenses. Actual net income/expense depends on the actual bowl game attended.
- University Support:
 - Projected to stay flat at \$9M beginning in 2020-21. The increase in 19-20 was to assist with the unforeseen financial impacts of COVID-19.

Expenses:

- Payroll:
 - 20-21: Significant measures were taken to reduce costs in this area including a reduction in force and mandatory furloughs/pay cuts. This resulted in approximately \$2M in savings.
- Travel:
 - 20-21: Travel costs will be significantly reduced due to shorted or cancelled seasons and extended recruiting restrictions. Internally, measures were taken to minimize expenses while considering safety and competitive impacts.
- Operations:
 - 20-21: Operating costs were reduced by roughly 15% after thorough review of expenditure needs for each unit.
- Scholarship:

- 20-21: Due to NCAA rulings regarding extending eligibility due to COVID-19 impacts on competitive seasons, financial aid costs will likely rise due to having larger rosters on some teams.

Summary:

While the impacts of COVID-19 on Athletic finances have been significant, they are now within measure and expected to be a temporary. The Memphis Tigers program is primed to rebound from this situation due to the success of our athletic programs, primarily Football and Men's Basketball, and enhanced fundraising efforts. New guaranteed revenues from the American Conference and future revenue opportunities including multi-media rights show potential to exceed these future projections. Department operations will continue to be scrutinized to ensure sound fiscal management within funding levels.

RESOLUTION

This is a resolution of the Board of Directors of the AUXILIARY SERVICES FOUNDATION as evidenced by the signatures below.

WHEREAS, as a direct result of the COVID-19 pandemic, the UNIVERSITY OF MEMPHIS ATHLETIC PROGRAM projects a shortfall for fiscal year 2021 slightly in excess of Ten Million (\$10,000,000) Dollars; and

WHEREAS, the UNIVERSITY OF MEMPHIS FOUNDATION and the AUXILIARY SERVICES FOUNDATION are both charitable foundations established for the purpose of providing financial assistance to the UNIVERSITY OF MEMPHIS; and

WHEREAS, the UNIVERSITY OF MEMPHIS FOUNDATION and the AUXILIARY SERVICES FOUNDATION have reached an Agreement to Transfer Funds (attached as Exhibit A) ("Agreement") which will result in the AUXILIARY SERVICES FOUNDATION procuring a loan from one or more financial institutions in an amount not to exceed Twelve Million (\$12,000,000) Dollars, plus any applicable interest, for the purpose of assisting the UNIVERSITY OF MEMPHIS, specifically the Athletic Program, in dealing with its financial shortfall for fiscal year 2021; and

WHEREAS, an Agreement has been prepared by counsel for both foundations calling for the UNIVERSITY OF MEMPHIS FOUNDATION, which holds the Tiger Scholarship Fund, to transfer funds to the AUXILIARY SERVICES FOUNDATION as needed in order to fund the repayment of the loan obligations as they come due; and

WHEREAS, said Agreement has been presented to the Board of Directors and/or Executive Board of both said foundations and has been approved by same. The approval of the Agreement by the UNIVERSITY OF MEMPHIS FOUNDATION was obtained on the ___14___ day of October, 2020. The approval of the Agreement by the AUXILIARY SERVICES FOUNDATION was obtained on the ___9___ day of October, 2020; and

WHEREAS, the President of the AUXILIARY SERVICES FOUNDATION is hereby authorized and directed to execute said Agreement.

WHEREAS, the President of the AUXILIARY SERVICES FOUNDATION is hereby authorized and directed to execute and enter into any ancillary documents associated with the Agreement in order to effectuate the resolutions set forth herein, on advice of counsel.

[Signature Page to Follow]

WITNESS our hands the 15 day of October, 2020.

AUXILIARY SERVICES FOUNDATION
Board of Directors

DocuSigned by:
By: Thomas G. Kadien
Thomas G. Kadien

Title: Board President

AGREEMENT TO TRANSFER FUNDS

THIS AGREEMENT TO TRANSFER FUNDS is made and entered into on the date set forth below, by and between the UNIVERSITY OF MEMPHIS FOUNDATION, a nonprofit corporation established under the Tennessee Non-Profit Corporation Act (hereinafter referred to as "UMF"), and the AUXILIARY SERVICES FOUNDATION, a nonprofit corporation established under the Tennessee Non-Profit Corporation Act (hereinafter referred to as "ASF").

WHEREAS, both the UMF and the ASF are nonprofit charitable organizations which operate under the provisions of Internal Revenue Code § 501(c)(3). Both exist for the principal purpose of supporting the University of Memphis; and

WHEREAS, the University of Memphis, specifically the Athletic Program, has experienced a significant negative financial impact as a result of COVID-19; and

WHEREAS, the ASF Board of Directors unanimously voted to provide assistance to the University of Memphis Athletic Program by borrowing funds from local commercial banks (the "Loan(s)") and utilizing the Loan(s) to support the University of Memphis Athletic Program; and

WHEREAS, the source of repayment of the Loan(s) will be unrestricted donor contributions in support of the University of Memphis Athletics Program which are deposited into the Tiger Scholarship Fund held for the benefit of the University of Memphis Athletics Program by the UMF; and

WHEREAS, the ASF Board of Directors has asked the UMF Board of Directors to assist it in obtaining the Loan(s) and has requested that the UMF enter into this Agreement for the benefit of the University of Memphis Athletic Program, which will result in the transfer of funds from UMF to ASF from funds held from the Tiger Scholarship Fund as needed to meet the financial obligations of ASF in repaying the Loan(s); and

WHEREAS, the UMF and the ASF enter into this Agreement in order to facilitate the ability of ASF in obtaining the Loan(s) and to provide a source and resource to allow ASF to repay the Loan(s).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties, intending to be legally bound, agree as follows:

1. ASF will take such actions as its board of directors shall determine in order to borrow funds from local commercial banks in a principal amount not to exceed Twelve Million (\$12,000,000) Dollars. The term of the Loan(s) shall not exceed seven (7) years

with the Loan(s) being repaid in periodic payments of principal and interest beginning September 2021 at interest rates as shall be negotiated by representatives of the ASF consistent with prevailing market rates for similar borrowings.

2. Upon receipt of the Loan(s) by ASF, funds from the Loan(s) shall be transferred from time to time to or for the benefit of the University of Memphis Athletic Department to provide assistance to cover revenue shortfalls, all as determined by the ASF board and the University of Memphis Athletic Department.

3. The UMF agrees to timely transfer, from time to time, funds held by the UMF in the Tiger Scholarship Fund to ASF in order to allow ASF to meet the obligations of the ASF to repay the Loan(s) it obtains upon the terms and conditions of the loan agreements entered into with the commercial banks.

4. The parties state that they have been advised by the University of Memphis that the Athletic Department has a plan to raise funds as a part of a philanthropic gift campaign designed to produce at least One Million (\$1,000,000) Dollars annually which will be added to the Tiger Scholarship Fund, in addition to sums that are held in the fund and contributed to the Tiger Scholarship Fund each and every year in order to provide funds needed to fund the transfer of the assets from UMF to ASF. The parties recognize that there is no guarantee of the amount that will be raised through the new philanthropic endeavors. The parties also acknowledge and agree that regardless of the success of this philanthropic gift campaign, UMF must meet its obligations in Section 3 to transfer the necessary funds to ASF to repay the Loan(s).

5. This Agreement may be assigned by ASF to the commercial banks as collateral for the Loan(s) set forth in Section 1 of this Agreement.

6. This Agreement is made and entered into in the State of Tennessee and shall be governed under the laws of the State of Tennessee.

7. Any amendment or modification to this Agreement shall only be accomplished through a written document executed by representatives of UMF and ASF and duly approved by the Board of Directors for ASF and the Executive Board for UMF.

Signature Page Following

WITNESS our hands this 15 day of October, 2020.

UNIVERSITY OF MEMPHIS FOUNDATION

By: Harry Smith
Harry Smith

Title: President

AUXILIARY SERVICES FOUNDATION

DocuSigned by:
By: Thomas G Kadien
544ACC41EF7743D
Thomas G. Kadien

Title: President

RESOLUTION

This is a resolution of the Executive Board of the UNIVERSITY OF MEMPHIS FOUNDATION as evidenced by the signatures below.

WHEREAS, as a direct result of the COVID-19 pandemic, the UNIVERSITY OF MEMPHIS ATHLETIC PROGRAM projects a shortfall for fiscal year 2021 slightly in excess of Ten Million (\$10,000,000) Dollars; and

WHEREAS, the UNIVERSITY OF MEMPHIS FOUNDATION and the AUXILIARY SERVICES FOUNDATION are both charitable foundations established for the purpose of providing financial assistance to the UNIVERSITY OF MEMPHIS; and

WHEREAS, the UNIVERSITY OF MEMPHIS FOUNDATION and the AUXILIARY SERVICES FOUNDATION have reached an Agreement to Transfer Funds (attached as Exhibit A) ("Agreement") which will result in the AUXILIARY SERVICES FOUNDATION procuring a loan from one or more financial institutions in an amount not to exceed Twelve Million (\$12,000,000) Dollars, plus any applicable interest, for the purpose of assisting the UNIVERSITY OF MEMPHIS, specifically the Athletic Program, in dealing with its financial shortfall for fiscal year 2021; and

WHEREAS, an Agreement has been prepared by counsel for both foundations calling for the UNIVERSITY OF MEMPHIS FOUNDATION, which holds the Tiger Scholarship Fund, to transfer funds to the AUXILIARY SERVICES FOUNDATION as needed in order to fund the repayment of the loan obligations as they come due; and

WHEREAS, said Agreement has been presented to the Board of Directors and/or Executive Board of both said foundations and has been approved by same. The approval of the Agreement by the UNIVERSITY OF MEMPHIS FOUNDATION was obtained on the __12__ day of October, 2020. The approval of the Agreement by the AUXILIARY SERVICES FOUNDATION was obtained on the __12__ day of October, 2020; and

WHEREAS, the President of the UNIVERSITY OF MEMPHIS FOUNDATION is hereby authorized and directed to execute said Agreement.

WHEREAS, the President of the UNIVERSITY OF MEMPHIS FOUNDATION is hereby authorized and directed to execute and enter into any ancillary documents associated with the Agreement in order to effectuate the resolutions set forth herein, on advice of counsel.

[Signature Page to Follow]

WITNESS our hands the 14 day of October, 2020.

UNIVERSITY OF MEMPHIS FOUNDATION
Executive Board

By: Harry Smith
Harry Smith

Title: President

AGREEMENT TO TRANSFER FUNDS

THIS AGREEMENT TO TRANSFER FUNDS is made and entered into on the date set forth below, by and between the UNIVERSITY OF MEMPHIS FOUNDATION, a nonprofit corporation established under the Tennessee Non-Profit Corporation Act (hereinafter referred to as "UMF"), and the AUXILIARY SERVICES FOUNDATION, a nonprofit corporation established under the Tennessee Non-Profit Corporation Act (hereinafter referred to as "ASF").

WHEREAS, both the UMF and the ASF are nonprofit charitable organizations which operate under the provisions of Internal Revenue Code § 501(c)(3). Both exist for the principal purpose of supporting the University of Memphis; and

WHEREAS, the University of Memphis, specifically the Athletic Program, has experienced a significant negative financial impact as a result of COVID-19; and

WHEREAS, the ASF Board of Directors unanimously voted to provide assistance to the University of Memphis Athletic Program by borrowing funds from local commercial banks (the "Loan(s)") and utilizing the Loan(s) to support the University of Memphis Athletic Program; and

WHEREAS, the source of repayment of the Loan(s) will be unrestricted donor contributions in support of the University of Memphis Athletics Program which are deposited into the Tiger Scholarship Fund held for the benefit of the University of Memphis Athletics Program by the UMF; and

WHEREAS, the ASF Board of Directors has asked the UMF Board of Directors to assist it in obtaining the Loan(s) and has requested that the UMF enter into this Agreement for the benefit of the University of Memphis Athletic Program, which will result in the transfer of funds from UMF to ASF from funds held from the Tiger Scholarship Fund as needed to meet the financial obligations of ASF in repaying the Loan(s); and

WHEREAS, the UMF and the ASF enter into this Agreement in order to facilitate the ability of ASF in obtaining the Loan(s) and to provide a source and resource to allow ASF to repay the Loan(s).

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties, intending to be legally bound, agree as follows:

1. ASF will take such actions as its board of directors shall determine in order to borrow funds from local commercial banks in a principal amount not to exceed Twelve Million (\$12,000,000) Dollars. The term of the Loan(s) shall not exceed seven (7) years

with the Loan(s) being repaid in periodic payments of principal and interest beginning September 2021 at interest rates as shall be negotiated by representatives of the ASF consistent with prevailing market rates for similar borrowings.

2. Upon receipt of the Loan(s) by ASF, funds from the Loan(s) shall be transferred from time to time to or for the benefit of the University of Memphis Athletic Department to provide assistance to cover revenue shortfalls, all as determined by the ASF board and the University of Memphis Athletic Department.

3. The UMF agrees to timely transfer, from time to time, funds held by the UMF in the Tiger Scholarship Fund to ASF in order to allow ASF to meet the obligations of the ASF to repay the Loan(s) it obtains upon the terms and conditions of the loan agreements entered into with the commercial banks.

4. The parties state that they have been advised by the University of Memphis that the Athletic Department has a plan to raise funds as a part of a philanthropic gift campaign designed to produce at least One Million (\$1,000,000) Dollars annually which will be added to the Tiger Scholarship Fund, in addition to sums that are held in the fund and contributed to the Tiger Scholarship Fund each and every year in order to provide funds needed to fund the transfer of the assets from UMF to ASF. The parties recognize that there is no guarantee of the amount that will be raised through the new philanthropic endeavors. The parties also acknowledge and agree that regardless of the success of this philanthropic gift campaign, UMF must meet its obligations in Section 3 to transfer the necessary funds to ASF to repay the Loan(s).

5. This Agreement may be assigned by ASF to the commercial banks as collateral for the Loan(s) set forth in Section 1 of this Agreement.

6. This Agreement is made and entered into in the State of Tennessee and shall be governed under the laws of the State of Tennessee.

7. Any amendment or modification to this Agreement shall only be accomplished through a written document executed by representatives of UMF and ASF and duly approved by the Board of Directors for ASF and the Executive Board for UMF.

Signature Page Following

WITNESS our hands this 15 day of October, 2020.

UNIVERSITY OF MEMPHIS FOUNDATION

By: Harry Smith
Harry Smith

Title: President

AUXILIARY SERVICES FOUNDATION

DocuSigned by:
By: Thomas G Kadien
544ACC41EF7743D
Thomas G. Kadien

Title: President



TERM SHEET
For Discussion Purposes Only

This information represents summary indicative terms and conditions for credit facilities to University of Memphis Auxiliary Services Foundation. These terms are for discussion purposes between the parties, are based upon our review of information furnished to date, are subject to further due diligence, and do not represent a final commitment to lend by FirstBank (Lender). This information is confidential and may not be released without the prior consent of FirstBank.

Date:	October 14, 2020
Borrower:	University of Memphis Auxiliary Services Foundation
Line Amount:	\$7,000,000 Revolving Line of Credit
Purpose:	Support University of Memphis Athletics
Collateral:	The Line will be unsecured
Maturity:	The Line may be drawn upon until June 30, 2021, at which time the line will convert to an up to 7-year amortizing loan.
Repayment:	Interest due monthly until June 30, 2021, followed by quarterly payments of principal and interest.
Interest Rate:	LIBOR + 1.95% Floating Fixed Rate option at conversion based on the 6- or 7-year Treasury rate + 2.15%.
Fees & Expenses:	All fees and expenses to be paid by Borrower, including but not limited to all legal fees.
Other Conditions:	Closing of the subject loan will be subject to all documentation acceptable to bank, including but not limited to: <ul style="list-style-type: none">- Annual audited financial statements prepared by an independent CPA firm.- No adverse change in the financial condition of the Borrower.

This Summary of Terms and Conditions is intended as an outline only, is non-binding and is not intended to completely define all terms and conditions that would be contained in definitive legal documentation.

- The subject loan is to be evidenced and secured by Bank's standard Promissory Note, Loan Agreement and such other documentation as may be required by Bank, all of which will be prepared by counsel selected by Bank.

This term sheet is for your confidential use only and is sent to you on the condition that neither the existence of this term sheet nor its contents will be disclosed publicly or privately to any person or entity, except to those of the Borrower's officers, employees, agents, counsel or accountants directly involved with this proposed financing and then only on the basis that it not be further disclosed.

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

Recitals

Whereas in June 2015, the University of Tennessee (“UT”) on behalf of its Health Science Center (“UTHSC”) received approval from the State Building Commission Executive Subcommittee (“ESC”) to issue an RFP for the lease of ten (10) two-bedroom apartments in Chattanooga, TN for use by medical students doing clinical rotations with UTHSC’s College of Medicine–Chattanooga; and

Whereas the RFP was advertised and modified in the summer of 2015 and no bids were received after modification; and

Whereas UT then entered into direct negotiations with Hayden Place, LLC and the State Building Commission approved a five (5) year lease for ten (10) apartment units with one (1) five (5) year option to extend; and

Whereas in June 2016, the ESC approved a lease amendment (together with the original lease, the “Lease”) for up to eight (8) additional units. Six (6) units were leased for use by visiting medical and by dental students doing clinical rotations after the College of Dentistry opened a clinic in Chattanooga. Dental students spend two to four weeks of their 3rd and 4th year training at these sites to further education and become familiar with other areas of the State and the dental needs of the populations there.; and

Whereas the terms of the Lease and proposed amended lease (the “Amended Lease”) are: the Lease includes sixteen (16) two (2) bedroom two (2) bath apartments and expires October 31, 2020. UT proposes for the Amended Lease to be extended for an additional five (5) years through October 31, 2025. The Lease rate is \$1,350 per month per unit or \$259,200 per year. The Amended Lease rate will be \$1,440 per month per unit or \$276,480 per year. The Amended Lease rate includes upgraded internet service via fiber from the Electric Power Board. Consistent with the Lease, the Amended Lease rate includes electricity, water, sewer, trash pick-up, pest control, cable, and internet service with no increase during the amended five-year term; and

Whereas the payments for the Amended Lease will be funded by UT-K through plant funds (non-aux).

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 Tennessee to enter into the Amended Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of September 19, 2020.

Adopted by the Authority at its meeting on September 19, 2020.

JUSTIN P. WILSON, SECRETARY
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

Acquisition - Lease Amendment

Requested Action: Approval of a lease amendment with waiver of advertisement

Transaction Description: Transaction No. 8500049223

• **Proposed Amendment**

- **Term:** November 1, 2015 – October 31, 2025
- **Area / Costs:** Sixteen (16) two (2) Bedroom Units

	<u>\$/unit</u>	<u>Estimated Total Cost</u>
Cost per bed (incl utilities)	\$1,440/mo	\$276,480/yr

• **Current Lease**

- **Location:** University of Tennessee – Chattanooga
Hamilton County – 298 Acorn Oaks Circle, Chattanooga, TN 37405
- **Landlord:** Hayden Place Properties, I, LLC
- **Term:** November 1, 2015 – October 31, 2020
- **Area / Costs:** Sixteen (16) two (2) Bedroom Units

	<u>\$/unit</u>	<u>Estimated Total Cost</u>
Cost per bed (incl utilities)	\$1,350/mo	\$259,200/yr

• **Source of Funding:**

Plant Funds (Aux-Housing)(A)

• **FRF Rate:**

\$18.00/sf (for reference only)

Comment:

The apartments are used by medical and dental students on clinical rotations with the UTHSC Colleges of Medicine and Dentistry. The amendment is contemplated in the current agreement and the new lease rate, which will not increase over the five-year term, is a modest increase over the current rate which was also held steady for five years. The proposed rate includes upgraded internet via fiber from the Electric Power Board.

The University will has the right to terminate this lease without notice due to lack of funding by the appropriate Legislative Body for obligations required of the State under this lease and for convenience with ninety (90) days-notice.

Since an RFP was issued prior to leasing these apartments, waiver of advertisement is requested. The proposed rental rate is competitive and the location has worked well for UTHSC students.

Previous Action:

06/22/2015 Approved issuing a Request for Proposal for leasing apartments.
10/22/2015 Approved a lease.
06/20/2016 Approved a lease amendment with waiver of advertisement.

SSC Report:

09/14/2020] [Action taken at Staff Sub meeting]

EXECUTIVE SUMMARY

BACKGROUND:

In June 2015, the University of Tennessee on behalf of its Health Science Center (UTHSC) received approval from the State Building Commission Executive Subcommittee (ESC) to issue an RFP for the lease of ten (10) two-bedroom apartments in Chattanooga, TN for use by medical students doing clinical rotations with UTHSC's College of Medicine–Chattanooga.

The RFP was advertised on June 28 and July 5 and no acceptable bids were received. The RFP was modified to eliminate the requirement of being fully furnished and re-advertised on August 30 and September 6. No bids were received. The University then entered into direct negotiations with Hayden Place, LLC and the SBC approved a five (5) year lease for ten (10) apartment units with one (1) five (5) year option to extend.

In June 2016, the ESC approved a lease amendment for up to eight (8) additional units. Six (6) units were leased for use by visiting medical and by dental students doing clinical rotations after the College of Dentistry opened a clinic in Chattanooga. Dental students spend two to four weeks of their 3rd and 4th year training at these sites to further education and become familiar with other areas of the State and the dental needs of the populations there.

TERMS:

The current lease includes sixteen (16) two (2) bedroom two (2) bath apartments and expires October 31, 2020. The University proposes to amend the lease for an additional five (5) years through October 31, 2025.

The current lease rate is \$1,350 per month per unit or \$259,200 per year. The new lease rate is \$1,440 per month per unit or \$276,480 per year. The new rate includes upgraded internet service via fiber from the Electric Power Board.

Consistent with the current agreement, the rate includes electricity, water, sewer, trash pick-up, pest control, cable, and internet service with no increase during the amended five-year term.

Since an RFP was issued prior to leasing these apartments, waiver of advertisement is requested. The proposed rental rate is competitive and the location has worked well for UTHSC students.

The University has the right to terminate this lease without notice due to lack of funding by the appropriate Legislative Body for obligations required of the State under this lease and for convenience with ninety (90) days-notice.

FUNDING:

The source of funding will be Plant Funds (Non-Aux)(A).

REQUEST:

Request for APPROVAL of the following LEASE AMENDMENT for the rental of real property and WAIVER OF ADVERTISEMENT as required by TCA 12-2-115.

CERTIFICATION OF FUNDS

Please be advised that The University of Tennessee Health Science Center has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the real property lease with **Hayden Place Properties, LLC** in the amount of **Two hundred seventy six thousand four hundred eighty and 00/100 (\$276,480.00) per year.**



David L. Miller
Senior Vice President & Chief Financial Officer

Date: 8/31/2020

Part I

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

REQUESTING AGENCY: <u>UNIVERSITY OF TENNESSEE</u> Allotment Code: <u>332.10</u> Agency Cost Center: _____ Address (including County, City & Zip Code): <u>5723 Middlebrook Pike Suite 207</u> <u>Knox County, Knoxville, TN 37996-0045</u> Agency Contact (Name & Phone No.): <u>865-974-2441</u> <u>Tony Hopson</u> <u>ahopson4@tennessee.edu</u>	SUBJECT LOCATION Complete only if different from information shown at left. ADDRESS (INCLUDING COUNTY, CITY & ZIP CODE): <u>Hayden Place Apartments, LLC</u> <u>298 Acorn Circle, Chattanooga TN</u> ON-SITE CONTACT (NAME & PHONE NO.): <u>Tony Hopson 865-974-2441</u>
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* Reason for REQUEST * Check item(s) that best describe current situation and need	* ACTION REQUESTED * Check item(s) that will best meet need
* Must attach either letter of justification/explanation or Office Space Needs Worksheet to address both the reason and the action requested *	
Current Space: <input type="checkbox"/> State Owned <input checked="" type="checkbox"/> Leased <input type="checkbox"/> Other Reflects Space: <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input checked="" type="checkbox"/> No Change <input checked="" type="checkbox"/> Lease Expiration <input type="checkbox"/> New Unit Activated <input type="checkbox"/> Staff Reorganization: <input type="checkbox"/> Reconfigure Existing Staff Only (OR) <input type="checkbox"/> Staff Increase <input type="checkbox"/> Decrease From: _____ To: _____ <input type="checkbox"/> File / Storage / Equipment Space Need <input type="checkbox"/> Unresolved Tenant-Landlord Issue <input type="checkbox"/> Other Reason:	<input type="checkbox"/> Terminate Existing Lease <input checked="" type="checkbox"/> Amend (OR) <input type="checkbox"/> Hold-Over Existing Lease <input type="checkbox"/> Initiate Action for New Lease <input type="checkbox"/> Unique and Special Requirement (TCA 12-2-114) <input type="checkbox"/> Desire Space Assignment in State Owned Building <input type="checkbox"/> Make Alteration to Current Space for Accommodating Need <input type="checkbox"/> Contact Landlord and/or DGS on Behalf of Tenant <input type="checkbox"/> Other Action: (Cost estimate, planning consultation, etc.)

Current DataCurrent SF = NA Current Lease Number: NA FRF Cost Center: NA Current Lease Expiration Date: NA**TYPE OF SPACE NEEDED (Check all that apply)**
 Office Land Airport Facilities
 Warehouse House (Living Quarters) Educational Facilities Other: Apartments
NEW LOCATION CONSIDERATIONSLocation (County/City) and Boundaries if Required*: See Executive Summary

* Must attach justification letter for special boundaries *

Cost Estm: NA SF x NA (FRF Rate) = NA // _____ SF x _____ (A-87 Rate)= _____Lease Term: 5 Years Commencing November 1 2020 ; Ending October 31 2025 Cancellation upon **Lack of funding** (OR) No Cancellation Convenience with fee **Parking Included** (OR) Parking spaces desired to accommodate staff (approximate _____) clients (approx. no.: _____)
no.:Other Considerations: See Executive Summary**ATTACHMENTS (Check all that apply)**
 Office Space Needs Worksheet* Lead Sheet Photo Other: Executive Summary
 Justification / Explanation Letter* Other: Map Other: Lease Amendment
REQUESTING AGENCY AUTHORIZATION

Austin Oakes Executive Director, Capital Projects 08/31/2020
Signature Title Date
4469AA6749F4400...

Fiscal Office Review Funding Source: Plant Funds (Non-Aux)(A) Planned Budget Item Unplanned Budget Item

August 31, 2020

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

From: Tony Hopson, Director Real Property and Space Administration

JUSTIFICATION FOR UNIQUE SPACE – UT Health Science Center (UTHSC) – Lease of Apartment Units in Hamilton County, TN

In June 2015, the State Building Commission approved issuing a Request for Proposals (RFP) to lease ten (10) two (2) bedroom, two (2) bath apartment units in Chattanooga, TN for use by medical students doing clinical rotations with UTHSC's College of Medicine–Chattanooga. After issuing an RFP on two different occasions and receiving no acceptable bids, the University entered into direct negotiations with Hayden Place, LLC. The SBC subsequently approved the lease of ten (10) units from Hayden Place, LLC for five (5) years with an option to extend for five (5) years.

In July 2016, the University amended the lease agreement for an additional six (6) units for use by additional visiting medical students and by dental students doing clinical rotations after the College of Dentistry opened a clinic in Chattanooga. The current lease expires October 31, 2020 and the University proposes to extend for an additional five years as contemplated in the lease.

The current lease rate is \$1,350.00 per month per unit or \$259,200.00 per year. The new lease rate is \$1,440.00 per month per unit or \$276,480.00 per year. The new rate includes upgraded internet service via fiber from the Electric Power Board. As with the current agreement, the rate includes electricity, water, sewer, trash pick-up, pest control, cable, and internet service with no increase during the amended five-year term.

The location and set-up of these apartments has worked well for the medical/dentistry students as well as the University staff coordinating the stays. The apartment complex has agreed to bundle all costs associated with leasing the units. In addition, the pricing is competitive with only a modest increase over the prior five-year period and a flat rate over the five-year extension period.

Approved:



David L. Miller

Senior Vice President and Chief Financial Officer

AMENDMENT TO RESIDENTIAL LEASE AGREEMENT

This Amendment to Residential Lease Agreement made this 6th day of July, 2016 by and between **HAYDEN PLACE PROPERTIES, I, LLC**, referred to as "LESSOR" and **the UNIVERSITY OF TENNESSEE** hereinafter referred to as "LESSEE";

WITNESSETH:

WHEREAS, the LESSEE and LESSOR have entered into that certain Lease dated **October 7, 2015**,

SAID LEASE IS HEREBY MODIFIED, EFFECTIVE AUGUST 1, 2016 AS FOLLOWS:

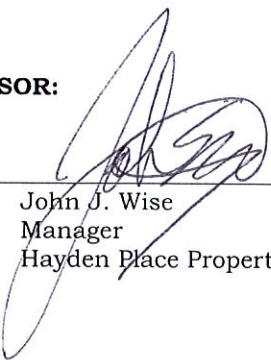
1. PREMISES: In addition to the ten (10) apartment homes leased in the base lease agreement, the LESSOR hereby rents to LESSEE and LESSEE hereby takes as LESSEE under LESSOR, six (6) additional apartment homes, apartment units # see Exhibit A being a part of the Hayden Place Apartments, an apartment complex located at 298 Acorn Oaks Circle in the City of Chattanooga, County of Hamilton, State of Tennessee.
2. TERM: The term of the additional six (6) units will begin on the 1st day of August, 2016 and end on the 31st day of October, 2020 with an option to extend for an additional five (5) years with renegotiation.
3. RENT: LESSEE agrees to pay an aggregate total rent of \$97,200.00 per year for the six (6) additional units for the term hereof, in equal monthly installments of \$8,100.00.

Said Residential Lease Agreement, as modified herein, is hereby ratified and confirmed and shall remain in full force and effect throughout the term of said Residential Lease Agreement or any extension period.

The provisions of this Amendment to Residential Lease Agreement shall be binding and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.


LESSOR:

BY:


John J. Wise
Manager
Hayden Place Properties, I, LLC.

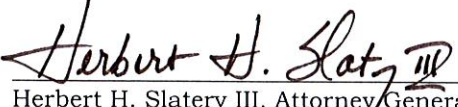
LESSEE:

BY:


Robbi Stivers
Executive Director
University of Tennessee

STATE OF TENNESSEE

APPROVED AS TO FORM AND LEGALITY


Herbert H. Slatery III, Attorney General and Reporter

STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me, the undersigned Notary Public for the state and county mentioned above, personally appeared John Wise, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged that he/she is the OWNER/PRES of Hayden Place Properties, I, LLC, and that he/she as such OWNER/PRES, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of Hayden Place Properties, I, LLC by himself/herself as OWNER/PRES.

Witness my hand and seal, at office in, this day of 11th July, 2016.



B D Pettross
Notary Public.

My Commission Expires:
April 18, 2020

STATE OF TENNESSEE
COUNTY OF KNOX

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

Witness my hand and seal at office, this 20th day of July, 2016

Anthony Hopson
Notary Public.

My Commission Expires:



My Commission Expires July 6, 2019

Exhibit A

Hayden Place Apartment Unit #'s –

- 1) 181 Acorn Oaks Circle #227
- 2) 237 Acorn Oaks Circle #219
- 3) 271 Acorn Oaks Circle #203
- 4) 271 Acorn Oaks Circle #231
- 5) 1132 Frosty Pine Trail #210
- 6) 1132 Frosty Pine Trail #222

UNIVERSITY OF TENNESSEEAcquisition - Lease Amendment

Requested Action:	Approval of a lease amendment with waiver of advertisement														
Transaction Description:	Transaction number to be assigned by University														
<ul style="list-style-type: none"> ● Proposed Amendment <ul style="list-style-type: none"> ○ Area / Costs: 	Ten (10) units currently leased – lease of up to eight (8) additional two-bedroom apartment units based on demand and availability <table border="0"> <tr> <td>Average Annual Contract Rent</td> <td>\$1,350/unit per mo</td> <td>\$291,600/yr max.</td> </tr> <tr> <td>Total Annual Effective Cost</td> <td>\$1,350/unit per mo</td> <td>\$291,600/year</td> </tr> </table>			Average Annual Contract Rent	\$1,350/unit per mo	\$291,600/yr max.	Total Annual Effective Cost	\$1,350/unit per mo	\$291,600/year						
Average Annual Contract Rent	\$1,350/unit per mo	\$291,600/yr max.													
Total Annual Effective Cost	\$1,350/unit per mo	\$291,600/year													
<ul style="list-style-type: none"> ● Current Lease <ul style="list-style-type: none"> ○ Location: ○ Landlord: ○ Term: ○ Area / Costs: 	UT Health Science Center - Hayden Place Apartments Hamilton County - 298 Acorn Oaks Circle, Chattanooga, TN 37405 Hayden Place Properties I, Inc. October 23, 2015 – October 22, 2020 with one option to extend for five years Ten (10) two-bedroom apartment units <table border="0"> <tr> <td>Average Annual Contract Rent</td> <td>\$1,350/unit per mo</td> <td>\$162,000/year</td> </tr> <tr> <td>Estimated Annual Utility Cost</td> <td>Included</td> <td>\$1.75/sf (incl)</td> </tr> <tr> <td>Estimated Annual Janitorial Cost</td> <td>Included</td> <td>\$1.10/sf (incl)</td> </tr> <tr> <td>Total Annual Effective Cost</td> <td>\$1,350/unit per mo</td> <td>\$162,000/year</td> </tr> </table>			Average Annual Contract Rent	\$1,350/unit per mo	\$162,000/year	Estimated Annual Utility Cost	Included	\$1.75/sf (incl)	Estimated Annual Janitorial Cost	Included	\$1.10/sf (incl)	Total Annual Effective Cost	\$1,350/unit per mo	\$162,000/year
Average Annual Contract Rent	\$1,350/unit per mo	\$162,000/year													
Estimated Annual Utility Cost	Included	\$1.75/sf (incl)													
Estimated Annual Janitorial Cost	Included	\$1.10/sf (incl)													
Total Annual Effective Cost	\$1,350/unit per mo	\$162,000/year													
<ul style="list-style-type: none"> ● Source of Funding: ● Procurement Method: ● FRF Rate: 	Plant (Non-Auxiliary)(A) Negotiated (after advertising RFP on June 28/July 5 and August 30/September 6) \$18.00/sf (for reference only)														
Comment:	The University proposes to amend the lease agreement for eight (8) additional apartment units for use by visiting medical and dental students doing clinical rotations in Chattanooga. After advertising an RFP twice in 2015 with no acceptable bids, the ESC approved a lease agreement with a vendor that met the requirements of the RFP. At the time of the original RFP and lease agreement, ten (10) apartments were deemed sufficient. Waiver of advertisement is requested since this is only an addition of units with no amendment to the term or rental rate.														
Previous Action:	06/22/2015	Approved issuing a Request for Proposal for leasing apartments													
	10/22/2015	Approved lease													
Minutes:	06/20/2016	Approved a lease amendment with waiver of advertisement.													

UNIVERSITY OF TENNESSEE**Acquisition – Lease****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 8500049223• **Proposed Lease**

- **Location:** UT Health Science Center
Hayden Place Apartments - 298 Acom Oaks Circle, Chattanooga, TN 37405
- **Landlord:** Hayden Place Properties I, Inc.
- **Term:** October 23, 2015 – October 22, 2020 with one option to extend for five years
- **Area / Costs:** Ten (10) two-bedroom apartment units

Average Annual Contract Rent	\$1,350/unit per mo	\$162,000/year
Estimated Annual Utility Cost	Included	1.85/sf (incl)
Estimated Annual Janitorial Cost	Included	1.10/sf (incl)
Total Annual Effective Cost	\$1,350/unit per mo	\$162,000/year

- **Source of Funding:** Plant (Non-Auxiliary)(A)
- **Procurement Method:** Negotiated (after advertising RFP on June 28/July 5 and August 30/September 6)
- **FRF Rate:** \$18.00/sf (for reference only)

Comment: The University of Tennessee on behalf of its Health Science Center (UTHSC) proposes to lease ten (10) two-bedroom apartments in Chattanooga, TN for use by visiting medical students doing clinical rotations with UT's College of Medicine – Chattanooga. In June 2015, the ESC approved issuing a RFP for lease of the apartments. The RFP has been advertised twice and no acceptable bids were received. The University has since identified apartment units that meet the criteria of the RFP and requests approval to enter into a lease agreement.

Previous Action: 06/22/2015 Approved issuing a Request for Proposal for leasing apartments.

Minutes: 10/22/2015 Approved a lease.

RESIDENTIAL LEASE AGREEMENT

This LEASE made this 07th day of October, 2015 by and between Hayden Place Properties, I, LLC, owner of the hereinafter described PREMISES, said owner being hereinafter referred to as LESSOR, and the University of Tennessee, an instrumentality of the State of Tennessee, hereinafter referred to as LESSEE.

1. **PREMISES:** LESSOR hereby leases and rents to LESSEE, and LESSEE hereby takes as LESSEE under LESSOR, ten (10) apartment homes, apartment unit #'s See Exhibit A being a part of the **HAYDEN PLACE APARTMENTS**, an apartment complex located at 298 Acorn Oaks Circle in the City of Chattanooga, County of Hamilton, State of Tennessee, to be used by LESSEE as a lawful private dwelling.

2. **TERM:** This LEASE is to be for a term of 5 years beginning the day 1st of November, 2015, to the 31st day of October, 2020, inclusive, with option to extend for an additional five years with renegotiation.

3. **AUTOMATIC RENEWAL:** In the event of holding over by Tenant after the expiration or termination of the Lease, Tenant shall pay rent at the then-current rate for rent, on a monthly basis and the Term of this Lease shall be automatically extended for successive periods of one (1) year each; provided that during any automatically extended period following the expiration of the Term of this Lease, Landlord and Tenant shall have the right to terminate this Lease by delivering written notice to the other at least ninety (90) days prior to the desired expiration date.

4. **RENT:** LESSEE agrees to pay an aggregate total rent of \$162,000.00 per year for the term hereof of five years, in equal monthly installments of \$13,500.00 to the LESSOR with option to extend for an additional five years with renegotiation of market rent. Rental rate includes a washer and dryer, and all utilities including basic cable and internet service. LESSEE agrees to pay pro-rated amount for the first month only in the amount of \$ N/A to be due on the day of N/A, 2015.

Rent may be payable to:
Hayden Place Properties, I, LLC.
PO Box 4261
Chattanooga, TN 37405

5. **NOTICE OF TERMINATION OF TENANCY FOR NON-PAYMENT OF RENT IS HEREBY SPECIFICALLY WAIVED.** Failure to pay rent by the

 (Initial)

5th day of each month may result in the immediate issuance of an unlawful detainer warrant for the eviction of the LESSEE.

6. **LATE PENALTY:** LESSEE agrees to pay a late penalty of ten percent (10%) of the total monthly rental which will be added if the rent is not received on or before the 5th day of each month. Returned checks will require the LESSEE to pay \$ 50.00 in addition to the amount of the check and all future payments may be required to be made in cash, or certified funds thereafter. Acceptance of late payment does not waive any rights of the LESSOR and habitual late payments may be grounds for termination of this LEASE.

7. **SECURITY DEPOSIT:** LESSOR hereby agrees to waive security deposit for LESSEE. LESSEE will be responsible for any damages above normal wear and tear upon vacating the PREMISES up to a maximum of five thousand dollars (\$5,000.00) per unit.

8. **USE OF PREMISES:** LESSEE shall maintain the leased PREMISES in such condition and repair as accepted at the commencement of this LEASE and shall, on its termination, surrender the PREMISES in the same condition and repair, ordinary wear and tear or unavoidable casualty, excepted. LESSEE shall not make any alterations, additions or improvements to the PREMISES without the written consent of the LESSOR. These PREMISES shall be used for residential purposes only. LESSEE shall not permit any objectionable noise



or odors to escape from the unit or to permit or create a nuisance or to disturb any other resident in the building or in any way injure the reputation of the LESSOR or the building itself. LESSEE shall not permit any LESSEE any sub-letting of the PREMISES without the written consent of the LESSOR. LESSEE shall comply with all governmental health and police requirements and regulations respecting said PREMISES.

9. LESSEE DAMAGES: LESSEE acknowledges the receipt, in good condition, and agrees to keep the PREMISES in good condition, including general cleanliness and repair. Upon vacating the PREMISES, the LESSEE agrees to pay for any damages to the PREMISES over and above normal wear and tear. LESSEE agrees to pay LESSOR the actual costs up to a maximum of five thousand dollars (\$5,000.00) cumulative per unit incurred in making all repairs, including LESSOR'S actual time invested, for all cleaning and repairs over and above tasks spent to put the PREMISES into rentable condition.

10. CASUALTY: LESSEE agrees that if any improvements or property owned by it and located in, on or about the PREMISES shall be damaged or destroyed by any peril, including, but not limited to, fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow, or leaks from any part of the PREMISES or from the pipes, appliances, or plumbing works or from the roof, street, or subsurface or from any other place or by dampness, LESSOR shall not have any liability to LESSEE, nor to any insurer of LESSEE, for or in respect of such damage or destruction. LESSOR shall not be liable for damages to persons or PREMISES injured while within the PREMISES unless the damages arise from LESSOR'S negligence. LESSOR does not provide fire and casualty insurance for the LESSEE'S personal PREMISES. In the event of a fire or other casualty, the LESSEE should notify the LESSOR within fourteen (14) days of his intention to terminate the LEASE in writing.

11. SAFETY AND SECURITY: LESSEE states that he has inspected the PREMISES and has determined to his satisfaction that the smoke detector, door locks and latches, window locks and latches, and any other security devices within the unit are adequate and in proper working order. LESSEE acknowledges that the LESSOR is under no duty to inspect, test or repair any security device unless and until the LESSOR has received written notice from the LESSEE to do so. LESSOR assumes no responsibility for the security of the dwelling place or the occupants therein and LESSEE

 (Initial)

further acknowledges and understands that neither the LESSOR nor the owner of the PREMISES nor the agent or their agents guarantee, warrant or secure personal security of the LESSEE.

12. DEFAULT:

(a) **IN THE PAYMENT OF RENT:** In the event the LESSEE fails to pay rent by the 5th of the month, the LESSOR has the right to seek immediate recovery of possession of the PREMISES without additional notice to the LESSEE.

(b) Upon the failure of the LESSEE to comply with any notice sent by the LESSOR regarding compliance with the terms of this LEASE, with the rules and regulations attached to this unit, or other governmental laws or regulations, the LESSEE will be given a specified period of time to vacate the PREMISES or be subject to eviction.

13. RIGHT TO INSPECT DURING THE LEASE TERM: LESSOR or its agents may, at all reasonable times, enter the leased PREMISES to make repairs, examine and inspect them. LESSEE specifically consents to such entrance upon twenty-four (24) hours' notice by the LESSOR posted on the door of the PREMISES.

14. RIGHT TO INSPECT AT TERMINATION: LESSEE retains his right of inspection of the PREMISES at the conclusion of his tenancy and retains his right to receive notice of scheduling a mutual inspection of the subject PREMISES, as provided in T.C.A. §66-28-301(b) (2).

15. REPAIRS: Any request for repairs must be in writing. LESSEE accepts the PREMISES in good condition and agrees to maintain the PREMISES in the same condition throughout its tenancy, excepting normal wear and tear. The costs of any repairs that are necessitated by the negligence or the intentional act of the LESSEE or the guests of the LESSEE may be billed to the LESSEE at the reasonable cost as determined by the LESSOR up to a maximum of five thousand dollars (\$5,000.00) cumulative per unit.

16. UTILITIES: The LESSOR is responsible for paying for all utilities.

17. EARLY TERMINATION OF THE LEASE: If during the term of the LEASE, LESSEE is required to cancel the LEASE for any reason, they shall be



permitted to do so upon giving LESSOR a ninety (90) days written notice, paying the LESSOR all sums due through the end of the notice period (90 days). LESSEE further agrees to leave the PREMISES in as good a condition as he accepted it, excepting normal wear and tear.

18. **PETS:** No pets are allowed without prior written approval of the LESSOR, upon which time, a one-time fee in the amount of \$400 for one pet and \$600 for two pets with a two pet maximum is due to LESSOR. LESSEE will pay an additional \$10 per month in rent for an apartment home with a pet. LESSEE is fully responsible for all damages caused by the pet to the PREMISES and will be required to pay for any such damages and time invested amounting to a sum above and beyond the fee paid.

19. **LOCK AND KEYS:** So as not to restrict LESSOR's ability to provide LESSEE with maintenance and emergency service, LESSEE agrees that no additional locks shall be placed upon any doors of the PREMISES from LESSOR. Upon termination of this LEASE, LESSEE shall return all keys to the LESSOR. A charge of \$100.00 shall be made for lockouts after hours if someone is available to assist you. Otherwise it is up to you to call a locksmith for after-hours lock outs.

LESSOR ADDRESS:
298 Acorn Oaks Circle
Chattanooga, TN 37405

20. **RULES AND REGULATIONS:** All rules and regulations are incorporated herein by reference and made a part hereof.

21. **NOTICES:** Any notices required to be served upon the LESSEE may be served by conventional mail, or delivered to the LESSEE at the address listed below. Any notices to be delivered to the LESSOR or his agent should be sent to the following address:

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

FOR LANDLORD:
HAYDEN PLACE PROPERTIES, I, LLC.
P.O. BOX 4261
CHATTANOOGA, TN 37405

 (Initial)

22. **FAILURE TO VACATE AFTER TERMINATION OF TENANCY BY EITHER PARTY:** Upon receipt of written notice by the LESSEE, or the acceptance of written notice from the LESSEE by the LESSOR of the intent of the LESSEE to vacate the unit, LESSEE agrees to so vacate unless the parties agree in writing to vacate the termination notice. In the event the LESSEE holds over beyond the designated termination date, he agrees to pay two (2) times the normal rent for the subsequent period.

23. **ACKNOWLEDGEMENT:** LESSEE hereby acknowledges that he/she has read this LEASE, the rental application and the rules and regulations. LESSEE understands that the rules and regulations may be amended from time to time and are for the purpose of protecting the PREMISES and providing for the safety and well-being of the occupants and the PREMISES and affirms that the LESSEE will, in all respects, comply with the terms and provisions of this LEASE.

24. The LESSEE may terminate this Lease at any time due to the lack of funding from the appropriate Legislative Body for obligations required of LESSEE under this Lease.



IN WITNESS WHEREOF, the parties have executed this LEASE on the date and day first above written.

The UNIVERSITY OF TENNESSEE, an instrumentality of the State of Tennessee

LESSOR: _____ DATE _____

LESSEE: _____ DATE: 10/27/15

HAYDEN PLACE PROPERTIES, I, LLC

UNIVERSITY OF TENNESSEE

Its: MJR

Its: Executive Director

LESSOR ADDRESS:
298 Acorn Oaks Circle
Chattanooga, TN 37405

LESSEE ADDRESS:
301 Andy Holt Tower
Knoxville, TN 37996

STATE OF TENNESSEE

APPROVED AS TO FORM AND LEGALITY

Herbert H. Slatery III
Herbert H. Slatery III, Attorney General and Reporter

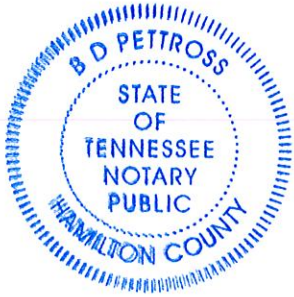
MJR (Initial)



STATE OF TENNESSEE
COUNTY OF HAMILTON

Before me, the undersigned Notary Public for the state and county mentioned above, personally appeared John J. Wise, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged that he/she is the MANAGER of Hayden Place Properties, I, LLC, and that he/she as such MANAGER, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of Hayden Place Properties, I, LLC by himself/herself as MANAGER.

Witness my hand and seal, at office in, this 22 day of October, 2015.



B D Pettross
Notary Public.

My Commission Expires:
MARCH 23, 2016

STATE OF TENNESSEE
COUNTY OF KNOX

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

Witness my hand and seal at office, this 27th day of October, 2015.



Anthony Hopson
Notary Public.

My Commission Expires:
My Commission Expires July 6, 2019

[Signature] (Initial)



Exhibit A

Hayden Place Apartment Unit #'s –

149313

149213

237207

255317

271303

271211

1116314

1132130

1132200

1132230

RESIDENT RULES & REGULATIONS

This addendum is hereby made a part of and incorporated as part of a certain "Residential Lease Agreement" for these policies and regulations are established for the purpose of maintaining a harmonious, safe and peaceful apartment community for the benefit of all Tenants. Please keep these policies and regulations in a readily accessible location for easy reference.

GENERAL:

Visitors & Guests - The Tenants are responsible for the proper conduct of family members, visitors and guests and for ensuring that they understand and observe the policies and regulations of the building. Visitors are to park in spaces indicated for visitors. Violators are subject to booting. Booting fee is \$75.

Noise - To prevent noise complaints, please exercise reasonable consideration for your neighbors.

Peace and Quiet is Important, therefore:

- No Tenant should play, or allow to be played, any television, radio disc player or other electronic equipment at a sound level that may disturb and annoy Tenants of other apartments.
- No Tenant should play, or allow to be played any organ, piano, guitar or other musical instrument at a sound level that may disturb and annoy Tenants of other apartments.
- No Tenant should make or permit any disturbing loud noises to be made at the building or adjacent grounds. Voices or noises should not be of such a volume as to disturb other Tenants.
- No Tenant should have a "Party" where the Tenant and his guests are creating a noise level that may disturb and annoy Tenants of other apartments.
- Please avoid heavy foot walking and running to not disturb the Tenants living below.
- No Tenant should allow children under their care to create consistent noise levels that may disturb or annoy Tenants of other apartments. This includes children playing on the building grounds as well as in the Tenant's apartment.
- Please do not leave your vehicle engine running when not moving your vehicle. Also, please take care when closing car doors, playing car radios loud, starting motorcycles and talking in the parking areas. This is an apartment complex and some Tenants may be sleeping.
- Particular care for all levels of noise and sound must be exercised between the hours of 10:00 P.M. and 9:00 A.M. every day of the week.
- Tenants shall not annoy, harass, endanger or inconvenience any other Tenants in the building.

Building Safety:

- Please report to the Manager any defective or unlit outdoor lights.
- If Tenants need to call for fire, ambulance or police services, please notify (if possible) the Management immediately after this is done.
- Tenants should not store anything in their apartment or storage unit that can create a fire hazard or explosion (gasoline, paint cans etc.).
- Soliciting of any type will not be permitted at the building at anytime, except by individual appointment with a Tenant.
- Bicycles, skateboards or big wheel vehicles should not be ridden on the building grounds, walkways or hallways.
- Tenants shall not climb upon or have others climb upon the roof of the building.

Children - Tenant should **not** allow young children under their care to play unattended on the building premises. This is particularly true around the pool and driveway areas. Breezeways, garages, and storage areas are not play areas and should not be used as such. The Tenants will be financially responsible for any damage done by children under their care, such as, damage to flowers and landscaping, damage to swinging gates, damage from throwing rocks, et cetera.

Moving Furniture - Moving of furniture to and from your apartment or delivery of furniture must be scheduled between 8:00 a.m. and 9:00 p.m. Please inform the Resident Manager of your moving or delivery plans to allow for any accommodations regarding parking, moving around ongoing building repairs, etc. Make sure to arrange with your moving company or vendor to dispose of all crates, barrels, or packing boxes used in moving. The Tenants will not dispose of large furniture or packing materials in the building dumpsters or on the building grounds. If this occurs, the Tenants agree to be responsible for any financial charges incurred for the removal of these items.

Packages and Mail - Management is not responsible for the delivery, damage or loss of messages, packages, mail or other material left at the building.

Alterations - Remember prior written permission of the Management is required for any building additions, alterations, papering, painting, staining and stick-on-type shelf lining. Adhesive picture hangers of any type are prohibited. Picture hangers employing a thin nail are recommended and permitted.

Locks - Lock replacement or installation is to be done by the Management only! The Management must have a key to all the building premises, apartments and storage lockers, for emergency purposes. Installation of knockers or attachments to any door is not allowed.

Maintenance - Written or telephone requests for routine repairs and maintenance should be made during regular office hours **only**. Emergency calls should be reported immediately and will be handled in a timely manner. No charge is made for repairs unless necessitated by negligence or mistreatment by a Tenant.

Repairs - Tenants should report any noticeable repairs, defects or wear and tear damages to plumbing, wiring or workmanship in the apartment to management as quickly as possible. Tenants will be liable for damages caused by small repair problems that due to the gross negligence by the Tenant in notifying Management, develop into excessive damage to the apartment or building and building premises. Under no circumstances or at any time should a Tenant attempt to make repairs to the physical building or apartment. This includes, but is not limited to, electrical and heating repairs, water systems, plaster, appliances or woodwork.

BUILDING APPEARANCE

Building Grounds Litter - The building and the building premises is your home and the home for your neighbor Tenants. Please be considerate and respectful to yourself and your neighbors by **not littering** on the building grounds. This includes beer and soda cans, cigarette butts, gum wrappers, junk mail, papers, etc. Also, encourage your guests, visitors and children to please have the same respect.

Deck, Balcony, and Patio Appearance - Tenants should assist Management in maintaining the good appearance of the building, therefore:

- The installation of aerials or antennas of any kind is not permitted on the building.
- The storage and use of portable grills are prohibited on decks and patios in accordance with fire code.
- Tenants are responsible to keep decks and patios neat. Other Tenants, visitors and guests can see patio and deck areas that are unkempt and this distracts from the overall appearance of the apartments.
- Tenants should not use a drying rack or hang towels, rugs, clothes, et cetera, on decks, railings or patios.
- Large personal items such as house furniture, bicycles, boxes, et cetera should be stored in Tenant's apartment or storage unit or areas specified by Management. Tenants agree to remove such items at Tenant's expense within one week following written request from Management.
- Mops, rugs, brooms, vacuum cleaner bags, etc., must not be dusted or shaken from apartment windows, halls or stairwells or off decks.
- Tenants should not sweep or throw, or permit anyone to sweep or throw from apartments, decks or balconies any dirt, cigarettes, paper or other miscellaneous objects.

Windows - No venetian blinds, awnings, draw shades, aluminum foil, sheets, or air conditioners shall be installed on windows without prior permission of the Management. Colors and styles must not contrast with the current design and color scheme and, to prevent water damage to their own or adjoining apartments, Tenants should close all windows and doors tightly when leaving their apartment, especially during storm periods. Rainwater can easily damage curtains, rugs, floors etc.

Storage - Common areas of the building such as stairs, stairwells, halls, lobbies, etc. are to be used only for the purpose intended. No bicycles, toys, barbecues, boots or other articles belonging to Tenants should be kept in such areas.

DISPOSALS AND GARBAGE

Garbage Area - Help prevent insects and odors by securely wrapping and depositing garbage into the building trash dumpsters and wrap all wet garbage before placing in the dumpsters. Avoid littering in garbage area and put covers back on garbage containers. Do **NOT** put hot coals from barbecues into the dumpsters, a fire may result. Do not leave anything outside the dumpsters.

Toilet - Do not flush sanitary napkins, diapers, or other restrictive materials down the toilet. Stoppages due to the Tenant's neglect could result in the Tenants being financially responsible for plumbing repair bills.

Garbage Disposal Units - Use the garbage disposal for wet garbage only and do **not** overload the unit. Keep the cold water running at all times during the operation of the disposal. Corncobs, large bones, Fibrous foodstuffs (pineapple tops,

artichokes, celery, banana peels, etc.) should not be put into the disposal. These type of items should be wrapped up and put with the dry garbage. Stoppages due to Tenant neglect could result in the Tenants being financially responsible for repair bills.

SWIMMING POOL REGULATIONS

Time - The pool is to be used only between the hours of 10am and 10pm. Management reserves the right to close the pool and pool area at any time.

Use of the Pool-

- The pool and pool area is reserved exclusively for the use of Tenants of the building, or their guests. Tenants are responsible for the conduct of their guests, and any apartment may not invite more than one guest to use the pool area at any one time, unless receiving permission from Management
- Tenants must be present in the pool area when their guests are using the pool.
- All Tenants under age 16 must be accompanied by an adult Tenant (over 21 years of age) when using the pool or the pool area.
- Management reserves the right to deny the use of the pool to anyone at any time.
- The Tenants understand that the use of the pool is not included in the rent paid by the Tenants for the apartment. The use of the pool is strictly an accommodation by Management for the Tenants.
- No pets of any kind are allowed in the pool area.

Pool Hygiene -

- Children in diapers or not toilet trained are not allowed in the pool water. (Health Concerns).
- All persons should take precautions to keep loose hair and bobby pins out of the pool, by using bathing caps and tying back hair.
- Please keep the pool area clean of litter and use the trash cans provided. Also, please keep pool furniture neat and orderly. If you move furniture, please replace it to the original location.
- Pool toys or rafts made of Styrofoam are not permitted. This material tends to break off and clog the filter.
- Pool patrons who are smoking cigarettes are to do so on the pool area tanning shelf only and use the provided ash trays to dispose of cigarette butts.

Lifeguard - There is no lifeguard on duty, therefore:

- Use of the pool is at Tenant's and Tenant's guests own risk and liability.
- Diving is prohibited and at Tenant's and Tenant's guests own risk and liability.
- Also, Management takes no responsibility for any accidents or injuries in the pool area.

Pool Safety -

- An adult (over 21 years of age) may not supervise more than three children at one time in the pool area.
- The lifesaver ring kept in the pool area is for the sole purpose of safety and rescue in an emergency and is not for play.

Pool Conduct -

- No running, jumping, splashing water, screaming or other loud and boisterous behavior which disturbs other persons.
- No loud voices or noises which may disturb other Tenants in the pool area or in their apartments
- No under-aged drinking of alcohol
- Do not let young children disturb or interfere with the activities of adults in the pool or pool area.
- No inner tubes, balls or large play equipment may be used in the pool unless approved by Management
- Unsafe "Horseplay" in or around the pool area will not be allowed.
- If you bring a radio to the pool area, you must use ear phones.
- Anyone swimming in the pool, adult or child, must wear a swimming suit - not shorts, cut-off jeans, thongs, etc.

Personal Belongings -

- Management takes no responsibility for the loss, damage or theft of any personal items or belongings in the pool or pool area.
- Do not hang wet towels or clothing on the fences or balconies.

Food and Beverages -

- No food of any kind is allowed in the immediate pool area. Food will attract insects and rodents.
- No glass or breakable items are allowed in the pool area.
- Drinks should be contained in cans or plastic.


FITNESS CENTER REGULATIONS

When using the fitness center, Resident agrees to the following:

- Residents and guests will adhere to the rules and regulations posted in the Fitness Center and Management policies
- The Fitness Center is not supervised. Resident(s) are solely responsible for their own appropriate use of equipment
- Resident(s) shall carefully inspect each piece of equipment prior to Resident's use and shall refrain from using any equipment that may be functioning improperly or that may be damaged or dangerous
- Resident(s) shall immediately report to Management any equipment that is not functioning properly, is damaged or appears dangerous, as well as any other person's use that appears to be dangerous or in violation of Management Rules and Policies
- Resident(s) shall consult a physician before using any equipment in the Fitness Center and before participating in any aerobics or exercise class, and will refrain from such use or participation unless approved by a physician
- Resident(s) will keep Fitness Center locked at all times during Resident's visit to Fitness Center
- Resident(s) will not admit any person to the Fitness Center who has not registered with the Management Office
- Children under the minimum age (posted at the fitness center) must be accompanied at all times by a parent or legal guardian
- Resident(s) must accompany guests, and no glass, smoking, eating, alcoholic beverages, or pets are permitted in the Fitness Center

BUSINESS CENTER REGULATIONS

Resident(s) agrees to use the business center at Resident(s) sole risk and according to the Community Rules. Owner is not responsible for data, files, programs, or any other information lost or damaged on Business Center computers or in the Business Center for any reason. No software may be loaded on Business Center computers without written approval of Community Management. No inappropriate, offensive, or pornographic images or files (in the sole judgment of the Owner) will be viewed or loaded onto the Business Center computers

LESSEE:  11/18/15
LESSEE: _____

LESSOR: 

Date: 11-18-15

UNIVERSITY OF TENNESSEE

Procurement

Requested Action: Approval to issue a Request For Proposal for leasing apartments

Location: Hamilton County

Comment: The University of Tennessee on behalf of its Health Science Center (UTHSC) proposes to issue an RFP for the lease of 10 two-bedroom apartments in Chattanooga, TN for use by visiting medical students doing clinical rotations with UT's College of Medicine – Chattanooga.

Minutes: 06/22/2015 Approved issuing a Request for Proposal for leasing apartments.



From: PFM Financial Advisors LLC
To: Sandi Thompson, Director of State Government Finance
Tennessee Comptroller of the Treasury
Date: October 9, 2020
Subject: Tennessee State School Bond Authority – Short-Term Financing Update

The Tennessee State School Bond Authority (the “Authority”) currently has a \$300 million Revolving Credit Agreement (“RCA”) with U.S. Bank and Wells Fargo. The Authority’s RCA program provides interim financing for its Higher Educational Projects (“Projects”) such as buildings, structures, improvements and equipment of every kind, nature and description which may be required by or convenient for the purposes of a higher education institution. The RCA with U.S. Bank and Wells Fargo was entered into in March 2014 and later amended and extended with an expiration date of March 18, 2021.

In anticipation of the RCA expiration date and the need to seek an alternative to provide short-term financing, PFM assisted the Authority in issuing a Request for Information (“2019 RFI”) in the summer of 2019. The 2019 RFI was broadly distributed and included goals and considerations, among others:

- Reduce overall carrying costs through commitment or unused fees;
- Ability to increase capacity to maximum of \$400 million;
- Conform and adjust to the phasing out of LIBOR (expected December 2021).

In late summer 2019, 15 different information responses were received from various types of banking institutions. Each banking institution included multiple short-term financing programs and considerations associated with each. It was concluded that the responses were informative and sufficient for the Authority to issue a Request for Proposal (“RFP”) in 2020. However, as you know, in March 2020, the financial markets become volatile in response to the coronavirus pandemic. The financial markets have since stabilized but the landscape for borrowing, short-term and specifically for higher education Projects, has significantly changed including the following:

- March 2020 – public short-term debt (variable) disruption as investors sought immediate liquidity;
- March/April 2020 – substantial use of bank liquidity by the public sector;
- Ongoing – interest rate at historical lows;
- Ongoing – retooling of the higher education business model;
- December 2021 – end of LIBOR index (no delay expected).

Given the changes that have occurred and are on-going, PFM recommends the Authority proceed with a new RFI process, referred to herein as the 2020 RFI. In anticipation of the 2020 RFI process, PFM contacted each of the 15 banking institutions that responded to the 2019 RFI to discuss the current market for short-term financing options and provide an overall



update on the Authority's plans for a 2020 RFI. Each banking institution was helpful and understood the Authority's need to issue the 2020 RFI. We expect continued interest in providing information as part of the 2020 RFI; however, overall market conditions are not as strong as they were in 2019.

The 2020 RFI will include the following goals and considerations, among others:

- Reduce overall carrying costs through commitment or unused fees;
- Capacity of \$300 million;
- Conform and adjust to the phasing out of LIBOR;
- Includes a draw-down feature to adjust to the capital spending of the Program;
- Balance market access risk and overall cost.

The 2020 RFI and subsequent RFP process has an estimated timeline of the follows:

Event	Estimated Timeline
2020 RFI Issuance	Mid-October 2020
2020 RFI Response Review	Early November 2020
RFP Issuance	Week of November 16, 2020
RFP Response Deadline	Week of December 14, 2020
RFP Response Review	December 21-January 11, 2021
RFP Selection	Week of January 11, 2021
Financing Documents Prepared/Reviewed/Finalized	Selection Date through February 2021
Financing Closing	Early March 2021

We look forward to working with the Authority through the 2020 RFI process and subsequent RFP process.

**TENNESSEE STATE SCHOOL BOND AUTHORITY
SHORT-TERM FINANCING
REQUEST FOR INFORMATION (“RFI”)
DATED OCTOBER 9, 2020**

Introduction

The Tennessee State School Bond Authority (the “Authority”) is seeking information for a short-term financing vehicle (the “Financing”) to provide interim funding for its Higher Educational Facilities Program (the “Program”). The current size of the Authority’s short-term financing is \$300 million. The Authority intends to select a Financing option to provide up to \$300 million of future funding.

The purpose of this RFI is to assist the Authority in evaluating its Financing options. The Authority ultimately intends to issue a Request for Proposal (“RFP”) based on the Estimated Timeline included below. RFI financing options could include, but are not limited to: commercial paper, index-based floaters, draw-down loan and a dedicated line of credit.

Hawkins Delafield & Wood LLP will serve as bond counsel to the Authority, while PFM Financial Advisors LLC will serve as the Authority’s financial advisor.

The issuance of this RFI constitutes only an invitation to submit information to the Authority. It is not to be construed as an official request for bids, but as a means by which the Authority can acquire information related to the available options. Any information submitted as provided herein may constitute a proposal to negotiate and is not a bid.

It is understood that any information received and evaluated by the Authority may be used as a basis for direct negotiation of the cost and terms of a contract between the Authority and the firm submitting such a response. The Authority reserves the right to determine, in its sole and absolute discretion, whether any aspect of the response satisfactorily meets its Financing needs and reserves the right to seek clarification from any firm submitting a response, to reject any or all responses with or without cause, and to cancel and/or amend, in part or entirely, this RFI. As shown in the Estimated Timeline, the Authority plans to conduct a RFP process at a later date. The Authority does not commit to award a contract, to pay for any costs incurred in the preparation of a response or to issue a RFP in the future. The Authority is under no obligation to proceed with negotiations with any of the firms that submit a response as part of this RFI or a future RFP process. The Authority may decide to pursue an alternative course of action once responses have been reviewed and it reserves the right to enter into additional negotiations that it deems to be in its best interest.

The Authority reserves the right to add, promote, demote or eliminate firms from this process or future processes (RFI or RFP) for any reason, including, but not limited to, the following:

- Personnel changes
- Mergers or acquisitions of firms
- Sanctions or limitations imposed or investigations or proceedings instituted by the SEC, NASD, etc.
- Actual or apparent conflicts of interest

Goals and Considerations

Listed below are several key goals and considerations the Authority has identified for this RFI:

- Financings that reduce overall carrying costs through commitment or unused fees;
- Financings with capacity of \$300 million;
- Financings that can conform and adjust to the phasing out of LIBOR;
- Financings that consider the use of public or private debt;
- Financings that include a draw-down feature to adjust to the capital spending of the Program;
- Financings that balance market access risk and overall cost;
- Financing can be provided by one or multiple credit providers; however, in the case of multiple providers, the Authority will likely seek one bank or financial institution to serve as the syndicate lead or administrative agent.

The Authority encourages recipients of this RFI to respond as this will help narrow the focus and form of the Request for Proposal.

Current Program Description

The Authority has authorized the issuance and delivery of up to \$300 million in the aggregate principal amount through a Revolving Credit Facility (“RCF”). The Authority’s RCF is issued under and pursuant to the Tennessee State School Bond Authority Act, Sections 49-3-1201 *et seq.*, Tennessee Code Annotated, as amended, and Resolution adopted by the members of the Authority on March 13, 2014. The Authority’s RCF program provides interim financing for revenue generating Higher Educational Projects such as buildings, structures, improvements and equipment of every kind, nature and description which may be required by or convenient for the purposes of a higher education institution.

As of October 8, 2020, the Authority had \$61,367,265 in tax-exempt RCF outstanding and \$23,113,425 in taxable RCF outstanding.

Response Deadline

Please submit your response in an electronic format. Electronic responses to the RFI are to be e-mailed to sandi.thompson@cot.tn.gov and lowel@pfm.com no later than 5:00 p.m., CDT on October 23, 2020. Please limit responses to no more than 10 pages.

Questions

Should additional information be needed to respond to this RFI, such requests should be submitted in writing and received by the Authority’s financial advisor by 5:00 p.m., CDT on October 15, 2019. Any such request must be sent by e-mail directed to:

Ms. Lauren S. Lowe
Managing Director
PFM Financial Advisors LLC
lowel@pfm.com

The Authority will consider all reasonable requests for additional information and will send written responses to all the recipients of this RFI. The Authority will not respond to requests seeking an indication of the Authority’s preferences or intentions, nor will the Authority respond to any requests that seek to have the Authority or its bond counsel verify or opine as to the economic or legal acceptability of any particular proposal. In addition, the Authority reserves the discretion to decline to respond to any request if responding to that request would create an undue burden or expense for the Authority or create an unfair advantage to any applicant.

Subordinate

It is anticipated that the Financing will be secured on a subordinate basis to the outstanding TSSBA Higher Educational Facilities Second Program Bonds.

Estimated Timeline*

The RFI issuance is the first step in the Authority's process to obtain a short-term financing vehicle. Below is an estimated timeline of events for the RFI:

Event	Estimated Timeline
RFI Response Review	October 23-November 3, 2020
RFP Issuance	Week of November 16, 2020
RFP Response Deadline	Week of December 14, 2020
RFP Response Review	December 21-January 11, 2021
RFP Selection	Week of January 11, 2021
Financing Documents Prepared/Reviewed/Finalized	Selection Date through February 2021
Financing Closing	Early March 2021

**Preliminary, Subject to Change.*

Additional Information

The Authority's financial statements are available on the State Comptroller's web site at <https://comptroller.tn.gov/boards/tennessee-state-school-bond-authority/investor-information/tssba-financial-reports.html>.