



JASON E. MUMPOWER  
*Comptroller*

**TENNESSEE STATE SCHOOL BOND AUTHORITY**

**February 23, 2022**

**AGENDA**

1. Call meeting to order
2. Approval of the Minutes from the TSSBA meeting of January 19, 2022
3. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee
4. Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**January 19, 2022**

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Wednesday, January 19, 2022, at 10:17 a.m. in the Executive Conference Room, State Capitol, Nashville, Tennessee. The Honorable David Lillard, State Treasurer, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of State  
Commissioner Butch Eley, Department of Finance and Administration  
Danny Gibbs, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

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

David Miller, proxy for Randy Boyd, President, University of Tennessee

The following members were absent:

The Honorable Bill Lee, Governor  
The Honorable Jason Mumpower, Comptroller of the Treasury

Recognizing a physical quorum, Mr. Lillard 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 October 25, 2021. Mr. Lillard asked if there were any questions or discussion on the minutes. Hearing none, Mr. Hargett moved approval of the minutes, and Mr. Eley seconded the motion. Mr. Lillard asked Ms. Sandi Thompson, Director of the Division of State Government Finance (“SGF”), to call the roll. Ms. Thompson called the roll:

Mr. Gibbs – Aye  
Mr. Eley – Aye  
Mr. Hargett – Aye  
Mr. Lillard – Aye  
Mr. Miller – Aye

The minutes were approved unanimously.

Mr. Lillard stated that the next item on the agenda was the consideration of a Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee (“UT”). Mr. Lillard recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at UT, to present the request. Mr. Oakes stated that UT had one request for the Knoxville campus for approval of a lease agreement with Quarry Trail Property Company LLC in Knoxville. Mr. Oakes explained that the lease would provide up to 100 beds for one year. The contract would additionally include the option to extend the lease term for up to four one-year periods. Mr. Oakes explained that the lease term would be August 15, 2022, to August 14, 2023, and would include no termination for convenience due to the short-term nature of the lease. Mr. Oakes stated that the average rate per bed would be \$800 per month inclusive of utilities, cable, and internet. Mr. Oakes stated that if all 100 beds were leased for the entire term proposed, the estimated annual cost would be \$960,000.

Mr. Lillard asked if there any questions or discussion regarding the request. Hearing none, Mr. Hargett moved approval of the item and Mr. Eley seconded the motion. Ms. Thompson called the roll:

Mr. Gibbs – Aye  
Mr. Eley – Aye  
Mr. Hargett – Aye  
Mr. Lillard – Aye  
Mr. Miller – Aye

The motion was approved unanimously.

Mr. Lillard stated that the next item on the agenda was the consideration of a Resolution to Approve the Borrowing of Money by Another Method by Tennessee State University (“TSU”). Mr. Lillard recognized Mr. Alex Smart, Executive Director of Planning, Design, and Construction at TSU, and Mr. Frank Stevenson, Dean of Students at TSU, to present the request. Mr. Stevenson stated that TSU was requesting approval to enter into a lease for 97 beds for a four-month term for the spring 2022 semester with the Sleep Inn. Mr. Stevenson stated that the property was located at 3200 Dickerson Pike, and that TSU had previously had positive interactions with the facility. Mr. Stevenson explained that the purpose of the lease was to provide for overflow housing for the spring semester, and that the contract had a maximum total cost of \$651,630. Mr. Stevenson stated that TSU would have full use and access of the facility, including the laundry and parking facilities.

Mr. Lillard asked if there any questions or discussion regarding the request. Mr. Hargett inquired about TSU’s previous experience with the Best Western. Mr. Stevenson replied that the experience went very well and that the students enjoyed the overflow housing. Mr. Stevenson explained that having students off campus presents challenges but being self-contained and having control over an entire facility alleviates some of the issues faced by the school. Mr. Hargett asked if TSU was leasing a different property because they did not need as many rooms as they did in the prior semester. Mr. Stevenson replied that was correct and confirmed that TSU did not need the 240 beds available at the Best Western. Mr. Hargett moved approval of the item and Mr. Eley seconded the motion. Ms. Thompson called the roll:

Mr. Gibbs – Aye  
Mr. Eley – Aye  
Mr. Hargett – Aye  
Mr. Lillard – Aye  
Mr. Miller – Aye

The motion was approved unanimously.

Mr. Lillard stated that concluded the agenda for the meeting and the only remaining item was a motion to adjourn. Mr. Hargett made a motion to adjourn, and Mr. Eley seconded the motion. Mr. Lillard stated that without objection the meeting would stand adjourned.

The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

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

**Recitals**

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

Whereas UT-K wishes to enter into two separate leases pursuant to such approval, both leases being with Vol Partners I, LLC, a Delaware limited liability company, the first for space in an apartment complex located at 1319 Knotty Pine Way, Knoxville, TN, commonly known as “The Heights of Knoxville” (“Lease 1”) and the second in an apartment complex located at 301 Lippencott Street, Knoxville, TN, commonly known as “University Park Student Apartments” (“Lease 2” and, collectively with Lease 1, the “Leases”); and

Whereas up to a total of up to 108 beds will be available under the Leases (48 beds for Lease 1 and 60 beds for Lease 2) at an average cost of five hundred and sixty-two dollars (\$562)/bed per month (the “Rate”) with the initial term for the Leases to begin on August 14, 2022 and end on July 28, 2023 and UT-K to have three (3) one (1) year options to extend the leases with a five per cent (5%) rent increase over the Rate; and

Whereas the units to be rented are four-bedroom apartments and the Rate includes cable and internet but does not include the cost of utilities which will be paid by the UT-K separately; and

Whereas due to the short-term of the lease, there is no termination for convenience; and

Whereas funding for payments of the Leases will be made by UT-K through plant funds (Aux-Housing) (A).

**BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:**

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval to UT-K to enter into the Leases.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of February 23, 2022.

Adopted by the Authority at its meeting on February 23, 2022.

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JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

**Acquisition – Lease (Space)**

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 2021-12-010

● **Proposed Lease**

- **Location:** University of Tennessee – Knoxville, Knox County, Tennessee
  - The Heights of Knoxville, 1319 Knotty Pine Way, Knoxville, TN – Vol Partners I, LLC
  - University Park Student Apartments, 301 Lippencott Street, Knoxville, TN – University Park Partners I, LLC
- **Landlord:** See above.
- **Term:** August 14, 2022 – July 28, 2023 with three (3) one (1) renewal options
- **Area / Costs:** Up to 108 beds (27-4BR units)

	\$/bed	Estimated Total Cost
Average cost per bed (excl utilities)	\$562/mo.	Up to \$728,784/year

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

● **Procurement Method:** Negotiated

● **Current Lease**

- **Location:** University of Tennessee – Knoxville, Knox County, Tennessee
  - Aspen Heights, 2223 Cumberland Avenue, Knoxville, TN – Breckenridge Group Knoxville Tennessee, LLC
  - 303 Flats, 303 W Blount Avenue, Knoxville, TN - 303 West, LLC
- **Landlord:** See above
- **Term:** 1 year (August 8, 2021 – August 7, 2022)
- **Area / Costs:** Up to 325 beds

	\$/bed	Estimated Total Cost
Average cost per bed (incl utilities)	\$888/mo.	\$3,463,200.00/year

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

● **Procurement Method:** Negotiated

**Comment:**

Enrollment at UT Knoxville continues to increase, creating the need for additional bed capacity for undergraduate students. Undergraduate applications for Fall 2022 have increased by over 30% from last year and incoming student enrollment could increase by more than 10%. With a requirement for first-time students to live on campus, this will significantly limit on-campus bed availability for continuing students. As a result, additional beds will be needed off-campus for these students.

To lock-in favorable pricing and begin securing blocks of rooms at properties located in close proximity to campus, there is a need to begin executing leases immediately. These complexes were selected because of the proximity to campus, the units have comparable amenities compared to on-campus housing, the units are furnished and the rate is competitive. These complexes also have a high volume of completely vacant units which allows UTK students to be housed together.

The cost of utilities is not included in the rent and will be paid by the University separately. The University has the right to extend the leases for three (3) additional one (1) year periods. If extended, the rent will increase by 5% over the current year rate. Due to the short-term of the lease, there is no termination for convenience.

<b>Previous Action:</b>	12/20/2021	Approval of waiver of advertisement.
	01/24/2022	Approval of a lease.
<b>SSC Report:</b>	02/28/2022	

## **EXECUTIVE SUMMARY**

### **BACKGROUND:**

The University of Tennessee, on behalf of its Knoxville campus (UTK), proposes to enter into master lease agreement(s) for student housing in Knoxville, TN.

Enrollment at UT Knoxville continues to increase more than expected, creating the need for additional bed capacity for undergraduate students. Undergraduate applications for Fall 2022 have increased by over 30% from last year. UT Knoxville enrolled almost 6,000 new first-time students in Fall 2021 and our enrollment management team is projecting that enrollment could increase as high as 6,700 incoming students for Fall 2022.

First-time students are required to live on campus their first year in college to increase student success and retention. However, the increase in first-time student enrollment will significantly limit on-campus bed availability for continuing students. Historically, nearly 2,300 continuing students live on campus. Based on current enrollment projections, less than 1,000 continuing students will be able to live on campus for Fall 2022, representing a 50% decrease in on-campus options for continuing students.

Likely due to the increased demand for units on and around the UTK campus, area apartment complexes began their renewal processes earlier this year with some starting as early as September. To lock-in favorable pricing and begin securing blocks of rooms at properties located in close proximity to campus, there is a need to begin executing leases immediately. As a result, waiver of advertisement was requested and approved by SBC ESC December 20, 2021.

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

Up to a total of 108 beds are available at The Heights of Knoxville (48 beds) and University Park Student Apartments (60 beds). These complexes were selected because of the proximity to campus, the units have comparable or upgraded amenities compared to on-campus housing, the units are fully furnished, and the rate is competitive. These complexes also have a high volume of completely vacant units which allows UTK students to be housed together.

### **TERMS:**

The University proposes to lease up to 108 beds at an average cost of \$562/bed per month. The initial term would begin August 14, 2022 and end July 28, 2023. The University has three (3) one (1) year options to extend the leases with a 5% rent increase over the current year rate. The units are four-bedroom apartments and the rate includes cable and internet. The cost of utilities is not included in the rent and will be paid by the University separately.

Due to the short-term of the lease, there is no termination for convenience.

### **FUNDING:**

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

### **REQUEST:**

Request approval to enter into lease agreements with The Heights of Knoxville and University Park Student Apartments.

## CERTIFICATION OF FUNDS

Please be advised that The University of Tennessee Knoxville has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the real property leases at **The Heights of Knoxville in Knoxville, Tennessee** in the amount of **Three hundred nineteen thousand one hundred four and 00/100 dollars (\$319,104.00) per year.**

DocuSigned by:

*David Miller*

Date: February 8, 2022

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David L. Miller

Senior Vice President & Chief Financial Officer

## CERTIFICATION OF FUNDS

Please be advised that The University of Tennessee Knoxville has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the real property leases at **University Park Student Apartments in Knoxville, Tennessee** in the amount of **Four hundred nine hundred thousand six hundred eighty and 00/100 dollars (\$409,680.00) per year.**

DocuSigned by:

*David Miller*

Date: February 8, 2022

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David L. Miller

Senior Vice President & Chief Financial Officer



**STATE OF TENNESSEE**  
**Department of General Services**  
**State of Tennessee Real Estate Asset Management**

**WRS Tennessee Tower, 24th Floor**  
**312 Rosa L. Parks Ave.,**  
**Nashville, TN 37243**  
**Telephone: (615) 741-2315**

**STREAM USE ONLY**

Date Received:

Received by:

Transaction #

Real Estate Transaction Request Form RPM-1A (2/2018)

**Acquisition**

**Section I - Agency Information**

Agency	University of Tennessee		
Contact	Tony Hopson		
Phone #	865-974-2441		
E-mail Address	ahopson4@tennessee.edu	Requested Closing Date*	asap

\*Not less than 180 days from date of received

**Section II - Property Information**

Current Owner	Various Apartment Complexes	<b>Description of Building(s), if applicable</b>	
Property Address	See Executive Summary	Type of Building(s)	Apartment Complex
City / County	Knoxville, TN	Number of Buildings	
Assessor Map and Parcel	TBD	Description of Bldgs. - Attach list if more than two buildings	<b>Size</b>
Owner's Deed Book & Page	TBD		<b>Year Built</b>
Size of Land (Acres)		Current Use of Property	Apartments

**Section III - Action Requested**

<input checked="" type="checkbox"/> - <b>Acquisition</b>	<input type="checkbox"/> - <b>Special Service</b>
<input type="checkbox"/> Fee Simple <input checked="" type="checkbox"/> Leasehold <input type="checkbox"/> Easement / ROW <input type="checkbox"/> Gift	<input type="checkbox"/> Appraisal <input type="checkbox"/> Survey <input type="checkbox"/> Title Service <input type="checkbox"/> Other - Specify: <input type="checkbox"/> Inter-Agency Agreement <input type="checkbox"/> Transfer of Jurisdiction <input type="checkbox"/> Boundary Lines

**Comment for Lead Sheet - Please explain, in detail, how the acquisition will benefit the State (include specific comment about any buildings on the property that may be demolished or used and the building(s) condition):**

Request for lease of apartment units - see Executive Summary.

**Section IV - Funding**

A	Total Estimated Cost			
B	Source of Funds	<input type="checkbox"/> - Gift	<input type="checkbox"/> - Agency Budget	<input type="checkbox"/> - Federal <input type="checkbox"/> - Other
	Sources	Amount	Fiscal Year	Type of Funds
1	Plant Funds (Auxiliary-Housing)(A)	\$ 728,784.00	2022	TBD
2				
3				
4				
C	If the source of funding is a line item in the budget, please specify the line item.			
D	Who is paying the Real Estate Management ("REM") fee and other costs?	<input type="checkbox"/> - Funding Source	<input type="checkbox"/> - Other	
	If Agency is paying REM fee, please complete the following information:		If other, please specify	
	Allotment Code:	332.10		
	Fund:			
	Cost Center:			

**Section V - Seller Party Information**

Name	Various - see Executive Summary	Phone Number	
Mailing Address		E-Mail Address	
City / State / Zip	Knoxville, TN		

**Section V.a. - Third Party Intermediator**

Name		Phone Number	
Mailing Address		E-Mail Address	
City / State / Zip			

**Section VI - Required Information**

A	Does your agency have a master plan for its department?	<input checked="" type="checkbox"/> - YES	<input type="checkbox"/> - NO
B	If yes, is this property part of this master plan?	<input type="checkbox"/> - YES	<input checked="" type="checkbox"/> - NO
C	What is the last date the master plan was updated? Date:		
D	Are there any other costs (i.e., Immediate repairs) in addition to the acquisition?	<input type="checkbox"/> - YES	<input checked="" type="checkbox"/> - NO
E	Is the purchase contiguous to other State owned property?	<input type="checkbox"/> - YES	<input checked="" type="checkbox"/> - NO
F	Are there any agreements (i.e., Leases) that need to be cancelled?	<input type="checkbox"/> - YES	<input checked="" type="checkbox"/> - NO
G	Are there any required governmental approvals (i.e., SLAF, Wetlands, TVA, etc.,)	<input type="checkbox"/> - YES	<input checked="" type="checkbox"/> - NO
H	Are there any special requirements or issues that need to be addressed with STREAM?	<input type="checkbox"/> - YES	<input checked="" type="checkbox"/> - NO
I	Are there additional Operating Expenses associated with this acquisitions	<input type="checkbox"/> - YES	<input checked="" type="checkbox"/> - NO

**Back-up Documents**

<input type="checkbox"/>	- Photo of Building, if applicable	
<input type="checkbox"/>	- Map showing other State properties in relation to subject	
<input type="checkbox"/>	- Aerial Photo	
<input type="checkbox"/>	- Site Plan, if available	
<input type="checkbox"/>	- Master Plan, if applicable	
<input type="checkbox"/>	- Has a Phase I Environmental Site Assessment been done? Date report prepared:	
<input type="checkbox"/>	- Facility Assessment, if building(s) are to be retained	
<input type="checkbox"/>	- Third Party Cost Worksheet, if applicable	
<input type="checkbox"/>	- Transaction Screen Questionnaire	
<input type="checkbox"/>	- Copies of Governmental approvals, if required	

**GENERAL - Information Agency feels is important to report/communicate**

See Executive Summary.

**Must be signed and dated by the requesting Agency Fiscal Officer**

Signed:	<small>DocuSigned by:</small> <i>David Miller</i>	
Printed:	DAVID MILLER, Senior VP & Chief Financial Officer	Date: February 8, 2024

**Must be signed and dated by the requesting Agency Head**

Signed:	<small>DocuSigned by:</small> <i>Austin Oakes</i>	
Printed:	AUSTIN OAKES, Assistant Vice President	Date: February 8, 2024

## Master Lease Agreement

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This master lease agreement (this “agreement”) is dated \_\_\_\_\_, 2022 and is between Vol Partners I, LLC, a Delaware limited liability company (“Lessor”), and The University of Tennessee, an instrumentality of the state of Tennessee (“University”).

### **Background:**

- The University has a need for apartments for students in Knoxville, Tennessee.
- Lessor has space available in its apartment complex located at 1319 Knotty Pine Way, Knoxville, TN, commonly known as “The Heights of Knoxville” (“complex”) and has agreed to lease bedrooms in the complex (“bedrooms”) to the University subject to the terms and conditions of this agreement. Lessor agrees to lease to the University each bedroom within a single apartment unit (e.g., 4 bedrooms in a 4-bedroom apartment unit).
- The nature of the transaction between the University and Lessor is that the University will be responsible for paying rent to Lessor. University’s students (“students”) will occupy the bedrooms described in Schedule A.
- Lessor will not lease any bedrooms within a single apartment unit to non-students.
- Lessor will require the students to sign agreements (“occupancy agreements”) that bind the Lessor and students with respect to the use and occupancy of the spaces in the complex, including the bedrooms. Under the terms of those occupancy agreements, among other things, Lessor shall have the right to run a credit and/or background check. Those occupancy agreements will also relate to Lessor’s rules and regulations. The University will not be a party to those occupancy agreements.

### **Agreement:** Lessor and University agree as follows:

1. **Term:** The term of this agreement begins at 12:01 AM Eastern Time on August 14, 2022 and ends at 11:59 PM Eastern Time on July 28, 2023. University shall have the right to extend the term of this agreement for three (3) additional one (1) year periods by giving written notice to Lessor on or before December 1 of the then current term. If University elects to extend this agreement, the rental rate shall increase by 5% over the current year’s monthly rental rate.
2. **Termination:**
  - a. **When Allowed:**
    - i. **By Lessor:** Except as permitted under the Uniform Residential Landlord Tenant act, Lessor may only terminate this agreement for any specific bedroom if the student materially violates the terms and conditions of its occupancy agreement and/or Lessor’s rules and regulations and after providing not less than 5 days written notice to the University; provided, however, the University shall be responsible for the payment of rent to

Lessor with respect to such specific bedroom for the remainder of the term of this agreement (i.e., the University shall not be relieved of its payment obligation hereunder).

- ii. **By University:** University may terminate this agreement for any specific bedroom immediately if a student occupying a bedroom dies.
  - b. **Notice Requirement:** In the event either party is permitted to terminate this agreement for any specific bedroom, the terminating party must provide termination notice to the other in accordance with the Notice section of this agreement.
  - c. **Replacement.** Notwithstanding anything herein to the contrary, in the event either party is permitted to terminate this agreement for any specific bedroom, the University will have the right to find a replacement student for such specific bedroom for the remainder of the term of this agreement. University will provide Lessor with at least ten (10) days prior written notice of any such request for a replacement student and Lessor will have the right to approve or disapprove of such replacement student in Lessor's reasonable discretion.
3. **Lease and Deliverables:** Lessor hereby leases to University and University hereby leases from Lessor the bedrooms described in Schedule A, together with rights to utilize all common areas associated with the apartment complex in which the bedrooms are located. Lessor will provide the deliverables stated in Schedule A for as long as a bedroom is subject to this agreement. Lessor shall not charge the students for anything stated in Schedule A.
  4. **Payment:** University shall pay the amounts listed in Schedule A. University shall pay Lessor the first installment within 10 days from the latter of the date of this agreement or occupancy on August 14, 2022, and each monthly installment thereafter by the 1<sup>st</sup> day of each month via ACH transfer. In the event that the University fails to pay any amounts due hereunder by the 6<sup>th</sup> of each month, Lessor may charge a 1.5% late payment fee. Payment in full of the amounts set forth in Schedule A will constitute payment by University for the bedrooms and all services provided by Lessor under this agreement; neither University nor the students will be responsible for any charges for taxes, insurance, maintenance or any other items, except for costs associated with repairs to damages caused by students which will be the obligation of the student(s) causing such damage. In addition, University shall pay Lessor the cost of all utilities used in connection with bedrooms and/or apartment units within 5 days after the University's receipt of utility invoices. In the event that the University fails to pay such amounts due with respect to the utilities, Lessor may charge a 1.5% late payment fee.
  5. **Condition of Premises:** Lessor shall deliver possession of the bedrooms beginning at 10:00 AM Eastern Time on August \_14, 2022. Lessor states that the bedrooms are in good order and repair.

6. **Damages:**
  - a. **Generally:** ***The University is not responsible for the acts or omissions of its students.*** The University's sole obligation under this agreement is to pay the rent amounts listed in Schedule A. Accordingly, Lessor acknowledges that the individual students are responsible for any costs associated with damages. Any liability of the University to Lessor and third parties for any claims, damages, losses, or costs arising out of or related to acts performed by the university under this agreement will be governed by the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301, et. seq.
  - b. **Ordinary Wear and Tear:** Students will not be liable for ordinary wear and tear of the bedrooms.
7. **Rules and Regulations:** The University is not responsible for the students' compliance with Lessor's rules and regulations. Lessor is responsible for ensuring that students are aware of Lessor's rules and regulations.
8. **Maintenance and Repairs:** Lessor shall maintain the bedrooms and the complex in good working order and in the same condition as exists on the date of this agreement. Lessor will ensure that the students are aware of how to request maintenance, including repairs.
9. **Fire and Other Casualties:** In the case of damage by fire or other casualty to the building in which the bedrooms are located, if the damage is so extensive as to render the bedrooms untenable, this agreement will terminate immediately solely for the affected bedrooms, and the rental costs will be apportioned to the time of the fire or casualty.
10. **Records; Audit:**
  - a. **Records:** Lessor will maintain records for all expenses for which Lessor invoices the University under this agreement. Lessor will maintain its records for at least 5 years, and will maintain its records in accordance with generally accepted accounting principles.
  - b. **Audit:** During the term of this agreement and for 5 years after the last payment from the University to Lessor under this agreement, the State of Tennessee Comptroller or the University's internal audit, or both, may audit Lessor's records that relate to this agreement.
11. **Debarment:** Lessor hereby states that the following are true statements:
  - a. Lessor is not currently debarred by the U.S. federal government.
  - b. Lessor is not currently suspended by the U.S. federal government.

- c. Lessor is not currently named as an “excluded” Lessor by the U.S. federal government.

**12. Background Checks:**

- a. General Obligation: Lessor will not knowingly assign any individual to provide services to University if the individual has a history of criminal conduct. For purposes of this agreement, “criminal conduct” means charges filed by any government agency, excluding non-moving violations and speeding violations or any other non-felonious charge.
- b. Tennessee Abuse Registry; Tennessee Sex Offender: Lessor must inform the University’s Office of Procurement Services immediately if Lessor has actual knowledge that any of Lessor’s employees or sub-contractors are listed in:
  - i. The Tennessee Abuse Registry.
  - ii. The Tennessee Sex Offender Registry.
- c. Prompt Background Checks: If the University requests, Lessor must perform a comprehensive criminal background check on any Lessor employee or sub-contractor.

**13. Reporting:** If Lessor has actual knowledge of the items below, Lessor shall notify the University immediately if any of the following items occur in one of the bedrooms or elsewhere on the Lessor’s complex, provided Lessor is permitted to do so by applicable law:

- a. Crimes, including attempted crimes (provided Lessor has no obligation to monitor for same)
- b. Emergencies involving personal injury to a student (provided Lessor has no obligation to monitor for same)
- c. Alcohol consumption by minor students (provided Lessor has no obligation to monitor for same)
- d. Use of illegal drugs by students (provided Lessor has no obligation to monitor for same)

For the avoidance of doubt, Lessor shall have no obligation to take any action to prevent any of the foregoing items nor shall Lessor have any liability for failure to monitor for any of the foregoing items.

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

**15. Illegal Immigrants:** In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Lessor hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the

services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.

16. **Force Majeure:** Other than for University's monetary obligations under this agreement neither party's delay or failure to perform any provision of this agreement, as result of circumstances beyond its control (including, without limitation, war, strikes, floods, governmental restrictions, power, telecommunications or Internet failures, or damage to or destruction of any network facilities) will be deemed a breach of this agreement.
17. **Dispute Resolution:** The parties shall make reasonable efforts to resolve any dispute before filing any formal legal action.
18. **Governing Law:** The internal laws of the State of Tennessee, without giving effect to its principles of conflicts of law, govern this agreement. The University's liability is governed by the Tennessee Claims Commission Act.
19. **Notice:**
  - a. For a notice or other communication under this agreement to be valid, it must be in writing and delivered (1) by hand, (2) by a national transportation company, with all fees prepaid, or (3) by registered or certified mail, return receipt requested and postage prepaid;
  - b. Subject to sub-section (d) below, a valid notice or other communication under this agreement will be effective when received by the party to which it is addressed. It will be deemed to have been received as follows:
    - i. if it is delivered by hand, delivered by a national transportation company, with all fees prepaid, or delivered by registered or certified mail, return receipt requested and postage prepaid, upon receipt as indicated by the date on the signed receipt; and
    - ii. if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address for which no notice was given, then upon that rejection, refusal, or inability to deliver.
  - c. For a notice or other communication to a party under this agreement to be valid, it must be addressed using the information specified below for that party or any other information specified by that party in a notice in accordance with this section.

**Lessor:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**University:**

Legal notices only; do not send invoices to this address:

The University of Tennessee  
5723 Middlebrook Pike  
Knoxville, TN 37921-5946  
ATTN: Real Property & Space Administration

Fax: 865-974-4231

- d. If a notice or other communication addressed to a party is received after 5:00 p.m. on a business day at the location specified in the address for that party, or on a day that is not a business day, then the notice will be deemed received at 9:00 a.m. on the next business day.
20. **Registration with Tennessee Department of Revenue:** The Lessor hereby attests that it is not registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax because the Lessor does not engage in the business of selling, renting, or charging for any rooms, lodgings, or accommodations for a period less than ninety (90) days, and the University acknowledges that, pursuant to Tenn. Code Ann. § 12-3-306, the Lessor is not required to so register in order to enter into this agreement with the University.
21. **Iran Divestment Act:** The Lessor certifies, under penalty of perjury, that to the best of its knowledge and belief the Lessor is not on the list created pursuant to Tenn. Code Ann. § 12-12-106. The Lessor further certifies that it shall not utilize any subcontractor that is on the list created pursuant to Tenn. Code Ann. § 12-12-106.
22. **Use of University Intellectual Property:** Except as allowed in this section, Lessor shall not use the University's name, logo, or any other University-owned intellectual property for any reason, without the written consent of an authorized official of the University. During the term of this agreement, Lessor may list the University's name in Lessor's list of clients.
23. **Third-Party Beneficiaries:** There are no third-party beneficiaries to this agreement. The University is not party to, and is not responsible for, any agreements between the Lessor and students directly.
24. **Severability:** The parties intend as follows:

- a. that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;
- b. that if an unenforceable provision is modified or disregarded in accordance with this section, then the rest of this agreement will remain in effect as written; and
- c. that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

**25. Modification; Waiver:**

- a. Modification:
  - i. No amendment of this agreement will be effective unless: (1) it is in writing; (2) it is signed by authorized officials of both parties; and (3) it specifically references this agreement.
  - ii. Only the University's authorized officials have the authority to bind the University. A list of the University's authorized officials is located here: <http://treasurer.tennessee.edu/contracts/contractsignature.html>. Approval of the State Building Commission and the State Attorney General will also be required for any amendment of this agreement.
- b. Waiver: No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation.

**26. Counterparts:** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.

**27. Compliance with law:** Lessor shall comply with all applicable laws, including the Tennessee Uniform Residential Landlord and Tenant Act and the Americans with Disabilities Act.

**28. Entire agreement:** This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties. In the event Lessor's invoices, order forms, or other Lessor-provided items contain terms other than those set forth in this agreement, Lessor acknowledges that Lessor's terms do not apply to the University. Further, in the event Lessor's website, mobile applications, or other platforms contain click-wrap, browse-wrap, or shrink-wrap terms and conditions, Lessor states that such terms and conditions do not apply to University.

29. **End of Term:** Upon termination or expiration of this agreement, the University will peaceably surrender to the Lessor the bedrooms in as good order and condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the University has no control or for which Lessor is responsible pursuant to this lease, excepted. The University will have no duty to remove any improvements or fixtures placed by it in the bedrooms or to restore any portion of the bedrooms altered by it, save and except in the event the University elects to remove any such improvement or fixture and such removal causes damages or injury to the bedrooms and then only to the extent of any such damages or injury.

The parties are signing this agreement on the date stated in the introductory clause. This agreement is not binding until signed by all parties below.

**The University of Tennessee**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

**Vol Partners I, LLC**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

Approved as to form and legality:

**Tennessee Attorney General**

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

**LESSOR NOTARY**

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Before me, the undersigned notary of the State and County aforesaid, personally appeared \_\_\_\_\_, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, swore to and acknowledged himself/herself to be \_\_\_\_\_ of \_\_\_\_\_, the within-named bargainer, a limited liability company, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company by himself/herself as such officer.

WITNESS my hand and seal at office in \_\_\_\_\_, this \_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_

Notary Public

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

**UNIVERSITY NOTARY**

STATE OF TENNESSEE  
COUNTY OF KNOX

Personally appeared before me, the undersigned Notary Public for Knox County, Austin Oakes, 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 Assistant Vice President of the University of Tennessee and that he/she as officer, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the University of Tennessee by himself as officer.

Witness my hand and seal, at office in, this \_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_

Notary Public.

My Commission Expires:

\_\_\_\_\_

# Master Lease Agreement

## Schedule A

### Deliverables:

1. Electricity, HVAC, Sewer and Water: The rental amounts listed below shall not include the costs of utilities. The cost of utilities will be paid for by the University in addition to the rental amounts listed below. Lessor shall provide utilities in sufficient capacities for use of the bedrooms as residential bedrooms.
2. Wireless Internet: The rental amount shall include cable tv and wireless internet.
3. Furniture: The rental amount includes use of the following furniture items:
  - a. Common area which is the living room and kitchen area: Couch, Club Chair, TV Stand, Coffee Table, Table and Chairs
  - b. Bedroom: Full Size Bed, Desk, Chair, Nightstand and dresser.
4. Parking: Parking is included in the monthly rental payments.

### Residential Apartment Space:

#### Summary:

Total number of apartment units leased: 12 four-bedroom units.

Total, aggregate cost per month: \$26,592.00

Unit # and bedroom (list each unit /bedroom specifically below)

TBD once lease approvals are in place

### Monthly Rental Payments:

Month	Payment	Month	Payment	Month	Payment
August 2022	\$26,592.00	December 2022	\$26,592.00	April 2023	\$26,592.00
September 2022	\$26,592.00	January 2023	\$26,592.00	May 2023	\$26,592.00
October 2022	\$26,592.00	February 2023	\$26,592.00	June 2023	\$26,592.00
November 2022	\$26,592.00	March 2023	\$26,592.00	July 2023	\$26,592.00

# Master Lease Agreement

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## Schedule B

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**Insurance requirements:** Lessor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a “following form” basis. Coverage must be maintained for the full term of the agreement.

**Commercial General Liability – Occurrence Form:** Policy must include bodily injury, property damage, and, and liability assumed under an insured agreement, including defense costs. The policy must be endorsed to include the following additional insured language: “The University of Tennessee, its affiliated organizations, successors, or assignees, its officials, trustees, employees, agents, and volunteers shall be named as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Lessor.”

Minimum Limits:

General Aggregate \$ 2,000,000  
Products/Completed Operations Aggregate \$ 2,000,000  
Each Occurrence Limit \$ 1,000,000  
Personal/Advertising Injury \$ 1,000,000

**Automobile Liability:** Bodily injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this agreement.

Minimum Limits:

Bodily Injury/Property Damage (Each Accident) \$ 1,000,000

**Umbrella/Excess Liability:** designed to provide liability protection above and beyond that provided by standard liability contracts. The Umbrella or Excess Liability policy must be Follow Form.

Minimum Limits:

Each Occurrence Limit	\$ 3,000,000
Aggregate Limit	\$ 3,000,000

### **Workers’ Compensation and Employers’ Liability**

Minimum Limits:

Each Accident \$ 100,000  
Disease, each employee \$ 100,000  
Disease, policy limit \$ 500,000

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

1. On insurance policies where The University of Tennessee is named as an additional insured, The University of Tennessee must be an additional insured to the full limits of liability purchased by the Lessor, even if those limits of liability are in excess of those required by this agreement.
2. The Lessor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

**Notice of Cancellation:** Each insurance policy required by the insurance provisions of this agreement must provide the required coverage and shall not be suspended, voided, or canceled except after 30 days' prior written notice has been given to The University of Tennessee, except when cancellation is for non-payment of premium; then 10 days' prior notice may be given. Lessor must provide notice to:

The University of Tennessee Office of Risk Management  
5723 Middlebrook Pike, Ste. 218  
Knoxville, TN 37996

If any insurance company refuses to provide the required notices, the Lessor or its insurance broker shall notify The University of Tennessee of any cancellation, suspension or non-renewal of any insurance within 7 days of receipt of insurers' notification to that effect.

**Acceptability of Insurers:** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Tennessee and with an "A.M. Best" rating of not less than A- VII.

**Verification of Coverage:** Lessor shall furnish The University of Tennessee with certificates of insurance (ACORD form or equivalent) as required by this agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by The University of Tennessee before work commences. Each insurance policy required by this agreement must be in effect at or prior to commencement of work under this agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this agreement or to provide evidence of renewal is a material breach of agreement.

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

**Subcontractors:** Lessor's certificate(s) must include all subcontractors as additional insureds under its policies, or contractor shall furnish to The University of Tennessee separate certificates and endorsements for each subcontractor. All coverages for subcontractors are subject to the minimum requirements identified above.

**Approval:** Any modification or variation from the insurance requirements in this agreement must be made by the University's risk management department, whose decision will be final. Such action will not require a formal amendment to this agreement.

## Master Lease Agreement

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This master lease agreement (this “agreement”) is dated \_\_\_\_\_, 2022 and is between Vol Partners I, LLC, a Delaware limited liability company (“Lessor”), and The University of Tennessee, an instrumentality of the state of Tennessee (“University”).

### **Background:**

- The University has a need for apartments for students in Knoxville, Tennessee.
- Lessor has space available in its apartment complex located at 301 Lippencott Street, Knoxville, TN, commonly known as “University Park Student Apartments” (“complex”) and has agreed to lease bedrooms in the complex (“bedrooms”) to the University subject to the terms and conditions of this agreement. Lessor agrees to lease to the University each bedroom within a single apartment unit (e.g., 4 bedrooms in a 4-bedroom apartment unit).
- The nature of the transaction between the University and Lessor is that the University will be responsible for paying rent to Lessor. University’s students (“students”) will occupy the bedrooms described in Schedule A.
- Lessor will not lease any bedrooms within a single apartment unit to non-students.
- Lessor will require the students to sign agreements (“occupancy agreements”) that bind the Lessor and students with respect to the use and occupancy of the spaces in the complex, including the bedrooms. Under the terms of those occupancy agreements, among other things, Lessor shall have the right to run a credit and/or background check. Those occupancy agreements will also relate to Lessor’s rules and regulations. The University will not be a party to those occupancy agreements.

### **Agreement:** Lessor and University agree as follows:

1. **Term:** The term of this agreement begins at 12:01 AM Eastern Time on August 14, 2022 and ends at 11:59 PM Eastern Time on July 28, 2023. University shall have the right to extend the term of this agreement for three (3) additional one (1) year periods by giving written notice to Lessor on or before December 1 of the then current term. If University elects to extend this agreement, the rental rate shall increase by 5% over the current year’s monthly rental rate.
2. **Termination:**
  - a. **When Allowed:**
    - i. **By Lessor:** Except as permitted under the Uniform Residential Landlord Tenant act, Lessor may only terminate this agreement for any specific bedroom if the student materially violates the terms and conditions of its occupancy agreement and/or Lessor’s rules and regulations and after providing not less than 5 days written notice to the University; provided, however, the University shall be responsible for the payment of rent to

Lessor with respect to such specific bedroom for the remainder of the term of this agreement (i.e., the University shall not be relieved of its payment obligation hereunder).

- ii. **By University:** University may terminate this agreement for any specific bedroom immediately if a student occupying a bedroom dies.
  - b. **Notice Requirement:** In the event either party is permitted to terminate this agreement for any specific bedroom, the terminating party must provide termination notice to the other in accordance with the Notice section of this agreement.
  - c. **Replacement.** Notwithstanding anything herein to the contrary, in the event either party is permitted to terminate this agreement for any specific bedroom, the University will have the right to find a replacement student for such specific bedroom for the remainder of the term of this agreement. University will provide Lessor with at least ten (10) days prior written notice of any such request for a replacement student and Lessor will have the right to approve or disapprove of such replacement student in Lessor's reasonable discretion.
3. **Lease and Deliverables:** Lessor hereby leases to University and University hereby leases from Lessor the bedrooms described in Schedule A, together with rights to utilize all common areas associated with the apartment complex in which the bedrooms are located. Lessor will provide the deliverables stated in Schedule A for as long as a bedroom is subject to this agreement. Lessor shall not charge the students for anything stated in Schedule A.
  4. **Payment:** University shall pay the amounts listed in Schedule A. University shall pay Lessor the first installment within 10 days from the latter of the date of this agreement or occupancy on August 14, 2022, and each monthly installment thereafter by the 1<sup>st</sup> day of each month via ACH transfer. In the event that the University fails to pay any amounts due hereunder by the 6<sup>th</sup> of each month, Lessor may charge a 1.5% late payment fee. Payment in full of the amounts set forth in Schedule A will constitute payment by University for the bedrooms and all services provided by Lessor under this agreement; neither University nor the students will be responsible for any charges for taxes, insurance, maintenance or any other items, except for costs associated with repairs to damages caused by students which will be the obligation of the student(s) causing such damage. In addition, University shall pay Lessor the cost of all utilities used in connection with bedrooms and/or apartment units within 5 days after the University's receipt of utility invoices. In the event that the University fails to pay such amounts due with respect to the utilities, Lessor may charge a 1.5% late payment fee.
  5. **Condition of Premises:** Lessor shall deliver possession of the bedrooms beginning at 10:00 AM Eastern Time on August \_14, 2022. Lessor states that the bedrooms are in good order and repair.

6. **Damages:**
  - a. **Generally:** ***The University is not responsible for the acts or omissions of its students.*** The University's sole obligation under this agreement is to pay the rent amounts listed in Schedule A. Accordingly, Lessor acknowledges that the individual students are responsible for any costs associated with damages. Any liability of the University to Lessor and third parties for any claims, damages, losses, or costs arising out of or related to acts performed by the university under this agreement will be governed by the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301, et. seq.
  - b. **Ordinary Wear and Tear:** Students will not be liable for ordinary wear and tear of the bedrooms.
7. **Rules and Regulations:** The University is not responsible for the students' compliance with Lessor's rules and regulations. Lessor is responsible for ensuring that students are aware of Lessor's rules and regulations.
8. **Maintenance and Repairs:** Lessor shall maintain the bedrooms and the complex in good working order and in the same condition as exists on the date of this agreement. Lessor will ensure that the students are aware of how to request maintenance, including repairs.
9. **Fire and Other Casualties:** In the case of damage by fire or other casualty to the building in which the bedrooms are located, if the damage is so extensive as to render the bedrooms untenable, this agreement will terminate immediately solely for the affected bedrooms, and the rental costs will be apportioned to the time of the fire or casualty.
10. **Records; Audit:**
  - a. **Records:** Lessor will maintain records for all expenses for which Lessor invoices the University under this agreement. Lessor will maintain its records for at least 5 years, and will maintain its records in accordance with generally accepted accounting principles.
  - b. **Audit:** During the term of this agreement and for 5 years after the last payment from the University to Lessor under this agreement, the State of Tennessee Comptroller or the University's internal audit, or both, may audit Lessor's records that relate to this agreement.
11. **Debarment:** Lessor hereby states that the following are true statements:
  - a. Lessor is not currently debarred by the U.S. federal government.
  - b. Lessor is not currently suspended by the U.S. federal government.

- c. Lessor is not currently named as an “excluded” Lessor by the U.S. federal government.

**12. Background Checks:**

- a. General Obligation: Lessor will not knowingly assign any individual to provide services to University if the individual has a history of criminal conduct. For purposes of this agreement, “criminal conduct” means charges filed by any government agency, excluding non-moving violations and speeding violations or any other non-felonious charge.
- b. Tennessee Abuse Registry; Tennessee Sex Offender: Lessor must inform the University’s Office of Procurement Services immediately if Lessor has actual knowledge that any of Lessor’s employees or sub-contractors are listed in:
  - i. The Tennessee Abuse Registry.
  - ii. The Tennessee Sex Offender Registry.
- c. Prompt Background Checks: If the University requests, Lessor must perform a comprehensive criminal background check on any Lessor employee or sub-contractor.

**13. Reporting:** If Lessor has actual knowledge of the items below, Lessor shall notify the University immediately if any of the following items occur in one of the bedrooms or elsewhere on the Lessor’s complex, provided Lessor is permitted to do so by applicable law:

- a. Crimes, including attempted crimes (provided Lessor has no obligation to monitor for same)
- b. Emergencies involving personal injury to a student (provided Lessor has no obligation to monitor for same)
- c. Alcohol consumption by minor students (provided Lessor has no obligation to monitor for same)
- d. Use of illegal drugs by students (provided Lessor has no obligation to monitor for same)

For the avoidance of doubt, Lessor shall have no obligation to take any action to prevent any of the foregoing items nor shall Lessor have any liability for failure to monitor for any of the foregoing items.

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

**15. Illegal Immigrants:** In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Lessor hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the

services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.

16. **Force Majeure:** Other than for University's monetary obligations under this agreement neither party's delay or failure to perform any provision of this agreement, as result of circumstances beyond its control (including, without limitation, war, strikes, floods, governmental restrictions, power, telecommunications or Internet failures, or damage to or destruction of any network facilities) will be deemed a breach of this agreement.
17. **Dispute Resolution:** The parties shall make reasonable efforts to resolve any dispute before filing any formal legal action.
18. **Governing Law:** The internal laws of the State of Tennessee, without giving effect to its principles of conflicts of law, govern this agreement. The University's liability is governed by the Tennessee Claims Commission Act.
19. **Notice:**
  - a. For a notice or other communication under this agreement to be valid, it must be in writing and delivered (1) by hand, (2) by a national transportation company, with all fees prepaid, or (3) by registered or certified mail, return receipt requested and postage prepaid;
  - b. Subject to sub-section (d) below, a valid notice or other communication under this agreement will be effective when received by the party to which it is addressed. It will be deemed to have been received as follows:
    - i. if it is delivered by hand, delivered by a national transportation company, with all fees prepaid, or delivered by registered or certified mail, return receipt requested and postage prepaid, upon receipt as indicated by the date on the signed receipt; and
    - ii. if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address for which no notice was given, then upon that rejection, refusal, or inability to deliver.
  - c. For a notice or other communication to a party under this agreement to be valid, it must be addressed using the information specified below for that party or any other information specified by that party in a notice in accordance with this section.

**Lessor:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**University:**

Legal notices only; do not send invoices to this address:

The University of Tennessee  
5723 Middlebrook Pike  
Knoxville, TN 37921-5946  
ATTN: Real Property & Space Administration

Fax: 865-974-4231

- d. If a notice or other communication addressed to a party is received after 5:00 p.m. on a business day at the location specified in the address for that party, or on a day that is not a business day, then the notice will be deemed received at 9:00 a.m. on the next business day.
20. **Registration with Tennessee Department of Revenue:** The Lessor hereby attests that it is not registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax because the Lessor does not engage in the business of selling, renting, or charging for any rooms, lodgings, or accommodations for a period less than ninety (90) days, and the University acknowledges that, pursuant to Tenn. Code Ann. § 12-3-306, the Lessor is not required to so register in order to enter into this agreement with the University.
21. **Iran Divestment Act:** The Lessor certifies, under penalty of perjury, that to the best of its knowledge and belief the Lessor is not on the list created pursuant to Tenn. Code Ann. § 12-12-106. The Lessor further certifies that it shall not utilize any subcontractor that is on the list created pursuant to Tenn. Code Ann. § 12-12-106.
22. **Use of University Intellectual Property:** Except as allowed in this section, Lessor shall not use the University's name, logo, or any other University-owned intellectual property for any reason, without the written consent of an authorized official of the University. During the term of this agreement, Lessor may list the University's name in Lessor's list of clients.
23. **Third-Party Beneficiaries:** There are no third-party beneficiaries to this agreement. The University is not party to, and is not responsible for, any agreements between the Lessor and students directly.
24. **Severability:** The parties intend as follows:

- a. that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;
- b. that if an unenforceable provision is modified or disregarded in accordance with this section, then the rest of this agreement will remain in effect as written; and
- c. that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

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- a. Modification:
  - i. No amendment of this agreement will be effective unless: (1) it is in writing; (2) it is signed by authorized officials of both parties; and (3) it specifically references this agreement.
  - ii. Only the University's authorized officials have the authority to bind the University. A list of the University's authorized officials is located here: <http://treasurer.tennessee.edu/contracts/contractsignature.html>. Approval of the State Building Commission and the State Attorney General will also be required for any amendment of this agreement.
- b. Waiver: No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation.

**26. Counterparts:** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.

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**28. Entire agreement:** This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties. In the event Lessor's invoices, order forms, or other Lessor-provided items contain terms other than those set forth in this agreement, Lessor acknowledges that Lessor's terms do not apply to the University. Further, in the event Lessor's website, mobile applications, or other platforms contain click-wrap, browse-wrap, or shrink-wrap terms and conditions, Lessor states that such terms and conditions do not apply to University.

29. **End of Term:** Upon termination or expiration of this agreement, the University will peaceably surrender to the Lessor the bedrooms in as good order and condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the University has no control or for which Lessor is responsible pursuant to this lease, excepted. The University will have no duty to remove any improvements or fixtures placed by it in the bedrooms or to restore any portion of the bedrooms altered by it, save and except in the event the University elects to remove any such improvement or fixture and such removal causes damages or injury to the bedrooms and then only to the extent of any such damages or injury.

The parties are signing this agreement on the date stated in the introductory clause. This agreement is not binding until signed by all parties below.

**The University of Tennessee**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

**University Park Partners I, LLC**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

Approved as to form and legality:

**Tennessee Attorney General**

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

**LESSOR NOTARY**

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Before me, the undersigned notary of the State and County aforesaid, personally appeared \_\_\_\_\_, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, swore to and acknowledged himself/herself to be \_\_\_\_\_ of \_\_\_\_\_, the within-named bargainer, a limited liability company, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company by himself/herself as such officer.

WITNESS my hand and seal at office in \_\_\_\_\_, this \_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_

Notary Public

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

**UNIVERSITY NOTARY**

STATE OF TENNESSEE  
COUNTY OF KNOX

Personally appeared before me, the undersigned Notary Public for Knox County, Austin Oakes, 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 Assistant Vice President of the University of Tennessee and that he/she as officer, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the University of Tennessee by himself as officer.

Witness my hand and seal, at office in, this \_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_

Notary Public.

My Commission Expires:

\_\_\_\_\_

# Master Lease Agreement

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## Schedule A

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**Deliverables:**

1. Electricity, HVAC, Sewer and Water: The rental amounts listed below shall not include the costs of utilities. The cost of utilities will be paid for by the University in addition to the rental amounts listed below. Lessor shall provide utilities in sufficient capacities for use of the bedrooms as residential bedrooms.
  
2. Wireless Internet: The rental amount shall include cable tv and wireless internet.
  
3. Furniture: The rental amount includes use of the following furniture items:
  - a. Common area which is the living room and kitchen area: Couch, Club Chair, TV Stand, Coffee Table, End Table and Barstools
  
  - b. Bedroom: Full Size Bed, Desk, Chair, Nightstand and dresser.
  
4. Parking: Parking is included in the monthly rental payments.

**Residential Apartment Space:**

**Summary:**

Total number of apartment units leased: 15 four-bedroom units.

Total, aggregate cost per month: \$34,140.

Unit # and bedroom (list each unit /bedroom specifically below)

TBD once lease approvals are in place

**Monthly Rental Payments:**

Month	Payment	Month	Payment	Month	Payment
August 2022	\$34,140	December 2022	\$34,140	April 2023	\$34,140
September 2022	\$34,140	January 2023	\$34,140	May 2023	\$34,140
October 2022	\$34,140	February 2023	\$34,140	June 2023	\$34,140
November 2022	\$34,140	March 2023	\$34,140	July 2023	\$34,140

# Master Lease Agreement

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## Schedule B

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**Insurance requirements:** Lessor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a “following form” basis. Coverage must be maintained for the full term of the agreement.

**Commercial General Liability – Occurrence Form:** Policy must include bodily injury, property damage, and, and liability assumed under an insured agreement, including defense costs. The policy must be endorsed to include the following additional insured language: “The University of Tennessee, its affiliated organizations, successors, or assignees, its officials, trustees, employees, agents, and volunteers shall be named as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Lessor.”

Minimum Limits:

- General Aggregate \$ 2,000,000
- Products/Completed Operations Aggregate \$ 2,000,000
- Each Occurrence Limit \$ 1,000,000
- Personal/Advertising Injury \$ 1,000,000

**Automobile Liability:** Bodily injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this agreement.

Minimum Limits:

- Bodily Injury/Property Damage (Each Accident) \$ 1,000,000

**Umbrella/Excess Liability:** designed to provide liability protection above and beyond that provided by standard liability contracts. The Umbrella or Excess Liability policy must be Follow Form.

Minimum Limits:

Each Occurrence Limit	\$ 3,000,000
Aggregate Limit	\$ 3,000,000

### **Workers’ Compensation and Employers’ Liability**

Minimum Limits:

- Each Accident \$ 100,000
- Disease, each employee \$ 100,000
- Disease, policy limit \$ 500,000

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

1. On insurance policies where The University of Tennessee is named as an additional insured, The University of Tennessee must be an additional insured to the full limits of liability purchased by the Lessor, even if those limits of liability are in excess of those required by this agreement.
2. The Lessor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

**Notice of Cancellation:** Each insurance policy required by the insurance provisions of this agreement must provide the required coverage and shall not be suspended, voided, or canceled except after 30 days' prior written notice has been given to The University of Tennessee, except when cancellation is for non-payment of premium; then 10 days' prior notice may be given. Lessor must provide notice to:

The University of Tennessee Office of Risk Management  
5723 Middlebrook Pike, Ste. 218  
Knoxville, TN 37996

If any insurance company refuses to provide the required notices, the Lessor or its insurance broker shall notify The University of Tennessee of any cancellation, suspension or non-renewal of any insurance within 7 days of receipt of insurers' notification to that effect.

**Acceptability of Insurers:** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Tennessee and with an "A.M. Best" rating of not less than A- VII.

**Verification of Coverage:** Lessor shall furnish The University of Tennessee with certificates of insurance (ACORD form or equivalent) as required by this agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by The University of Tennessee before work commences. Each insurance policy required by this agreement must be in effect at or prior to commencement of work under this agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this agreement or to provide evidence of renewal is a material breach of agreement.

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

**Subcontractors:** Lessor's certificate(s) must include all subcontractors as additional insureds under its policies, or contractor shall furnish to The University of Tennessee separate certificates and endorsements for each subcontractor. All coverages for subcontractors are subject to the minimum requirements identified above.

**Approval:** Any modification or variation from the insurance requirements in this agreement must be made by the University's risk management department, whose decision will be final. Such action will not require a formal amendment to this agreement.

UNIVERSITY OF TENNESSEE

**Acquisition – Lease (Space)**

**Requested Action:** Approval of waiver of advertisement

**Transaction Description:** Transaction No. 21-12-010

● **Proposed Lease**

- **Location:** University of Tennessee-Knoxville (UTK) – Various Locations in Knoxville, Knox County, Tennessee
- **Landlord:** To Be Determined (multiple apartment complexes)
- **Term:** Up to 5 years, August 2022 – August 2023 with four (4) one year extensions
- **Area / Costs:** Up to 1000 beds (mix of 2, 4 and 5 bedroom units)

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

● **Procurement Method:** Negotiated

**Comment:** Enrollment at UTK continues to increase, creating the need for additional bed capacity for undergraduate students. Undergraduate applications for Fall 2022 have increased by over 30% from last year and incoming student enrollment could increase by more than 10%. With a requirement for first-time students to live on campus, this will significantly limit on-campus bed availability for continuing students. As a result, additional beds will be needed off-campus for these students.

Likely due to the increased demand for units on and around the UTK campus, area apartment complexes began their renewal processes earlier this year with some starting as early as September. To lock-in favorable pricing and begin securing blocks of rooms at properties located in close proximity to campus, there is a need to begin negotiating terms immediately. Given the housing demand around the campus and in the Knoxville area, it is unlikely that apartments would respond to an RFP solicitation, hold their available units, or hold pricing during the time required for advertising, response and evaluation.

Approval is requested, based on availability, to commence negotiations with landlords that best meet criteria including the proximity to campus, comparable amenities compared to on-campus housing, fully furnished units, and the rental rate. Historically less than 300 beds have been available for this need but UTK is seeking to maximize whatever is available.

**Minutes:** 12/20/2021 Secretary Hargett asked for confirmation that they are committing to lease a certain amount of apartments regardless if they have students to fill them. Mr. Austin Oakes replied that was correct but the final leases will be based on the number of students expected at that point in time and based on the amount of applications they are receiving, UTK could be looking at a fall freshman class in the neighborhood of 6,700. Whether or not if it is that high, UTK typically has 2,300 additional continuing students that choose to live on campus. Their current projection is that available on-campus housing could dip as low as 1,000 students for these students based on the number of incoming freshman so they do see a need for additional housing. Secretary Hargett confirmed that the dip to 1,000 isn't because they're not continuing to go to school there but because of the requirement that first year students live on campus and that the non-first year students move elsewhere. Mr. Oakes replied that was correct.

Secretary Hargett asked Mr. Oakes for the comparison of pricing of living in these apartments to living on campus. Mr. Oakes replied that they are quite comparable. The average four bed/two bath unit on campus is \$8,700 per year and off campus is slightly lower at \$7,740. A two bed/one bath unit on campus is \$9,360 and off campus is \$9,090. Secretary Hargett confirmed that for the off campus sites UT pays the utilities just like they would for those living on campus. Mr. Oakes replied that was correct.

Commissioner Eley asked how much of this relates to the pandemic, there was a spike in the enrollment this year. Secondly how do they plan in an environment without the pandemic and how it would have rolled out. Mr. Oakes replied that the good news for the Knoxville campus is that while this year has seen significant growth; it is also part of a larger trend. Last year they had record freshman enrollment. The campus continues to grow and attract incredible students and the limitations on the size of their freshmen class is not based on how many people want to be a freshman at UTK, it is on how many they can accommodate. UT does their master planning in ten year cycles and typically do an update to the master plan at the five year mark. They are in the midst of doing a new ten year master plan for the campus and have about 500 beds of housing within their current master plan that they can build and plan on that being included in an upcoming budget amendment disclosure. They anticipate up to 1,000 beds of additional housing that they will likely seek to build on campus in the near future and this will be evaluated during the master planning process.

Commissioner Eley confirmed that they do see a need for more capacity than this request and are trying to get ahead of the curve on that. Mr. Oakes replied yes and they see these leases as a stop gap until they can provide additional housing on campus for students.

The Subcommittee approved a waiver of advertisement.