

Board Members:

Greg McWhorter
Paul Fortunato
Terry Henley
Julie Wheeler
Tiffany Gardner
Anthony Wise
Rick Gentry
Alvin Nance
Shannon Coleman Egle
Michael Wood
Mike George



The Health, Educational and Housing Facility Board of the County of Knox

Regular Meeting
Tuesday, May 11, 2021, 4:15 p.m.
17 Market Square, #201
Knoxville, Tennessee 37902

AGENDA

- I. Call to Order
- II. Approval of Minutes from Previous Meeting
ACTION A) Regular Meeting – April 13, 2021
- III. Consideration of Resolution regarding Signature Card Authorizations
ACTION
- IV. Review and consideration of a preliminary bond resolution of the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox relative to the issuance of revenue bonds for Gleason Partners, L.P. in a principal amount not to exceed \$35,000,000 to finance the acquisition, rehabilitation and equipping of Westview Towers located at 7823 Gleason Dr, Knoxville, TN 37919, a 240 unit housing facility for low and moderate income citizens in Knox County.
ACTION
- V. Review and consideration of a Bond Resolution relative an amendment to the issuance of revenue bonds for Farragut Pointe, L.P. in a principal amount not to exceed \$25,000,000 to finance the acquisition, construction and equipping of Farragut Pointe, an approximate 120-unit multifamily housing facility on Loop Road in Knox County, Tennessee for low and moderate income citizens in Knox County as well as a letter of intent related thereto.
ACTION
- VI. Review and Consideration of Payment-In-Lieu-of-Taxes (PILOT) Lease for Farragut Pointe, L.P. pertaining to an approximate 120-unit multifamily housing facility on Loop Road in Knox County, Tennessee for low and moderate income citizens in Knox County as well as a letter of intent related thereto.
ACTION
- VII. Old Business
- VIII. New Business
- IX. Adjourn

MINUTES OF THE REGULAR MEETING OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX

April 13, 2021, 4:15 p.m.

The regular meeting of the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox (the “Health & Ed Board” or “Board”) was held on Tuesday, April 13, 2021 at 5:43 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held via electronic method (Zoom Meeting), the Board’s Chair having determined on behalf of the Board that such was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

The following Directors were present at the meeting, constituting a quorum, Greg McWhorter (Chair), Paul Fortunato (Vice Chair), Mike George, Julie Wheeler, Rick Gentry, Michael Wood, Shannon Coleman Egle, Anthony Wise, and Alvin Nance.

Also, in attendance were Todd Napier (The Development Corporation), Brenda Wilson Spence (The Development Corporation), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Susan L. Levine (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), and Brannon McNeillie, CPA and John Young, CPA with Abacus Hive.

I. Greg McWhorter, the Board’s Chair, called the Health & Ed Board meeting to order. The Agenda of the Health & Ed Board meeting is attached hereto as Exhibit A. Mr. McWhorter stated that Item V of the Agenda is being tabled until the May 2021 meeting.

The Health & Ed Board discussed the following matters and took the following action as noted:

II. Review/ Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the regular meeting held on March 9, 2021. There were none. Upon a motion by Paul Fortunato and a second by Alvin Nance, the minutes of the March 9, 2021 meeting were unanimously approved.

III. Review and Approval of Finance Report as of March 31, 2021. The Chair recognized Brannon McNeillie who addressed the Board and presented the financial report as of March 31, 2021 (“Financial Report”), reviewing with the Board the Balance Sheet with Prior Year Comparison, Budget Variance Report, and Income Statement with Prior Year Comparison. Discussion was had.

Upon a motion by Julie Wheeler and a second by Alvin Nance, the Financial Report as of March 31, 2021 was unanimously accepted. A copy the financial statements so presented during the report are attached hereto collectively as Exhibit B.

IV. Review and Consideration of Budget for Fiscal Year 2021-2022. The Chair recognized Todd Napier who addressed the Board and presented the proposed budget for fiscal year 2021-2022 (“Budget”), reviewing with the Board the prior fiscal year budget, actual income and expensed from last fiscal year, and the proposed Budget for the current fiscal year. Mr. Napier stated that the only major increase was for legal expenses attributed to updating the Board’s

Policies and Procedures. Mr. Napier stated that the proposed Budget includes an additional \$5,000 for the legal expenses to finalize the revisions to the Policies and Procedures, to conduct the necessary public workshops to Knox County Commission and its meetings for approval. Discussion was had.

Upon a motion by Paul Fortunato and a second by Julie Wheeler, the budget for Fiscal Year 2021-2022 was unanimously accepted. A copy the proposed Budget for fiscal year 2021-2022 is attached hereto as Exhibit C.

V. Review and Consideration of a Preliminary Bond Resolution and Letter of Intent of the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox relative to a proposed Revenue Bond Issue for Gleason Partners, L.P. in a Principal Amount Not to Exceed \$35,000,000. Item tabled until May 2021 Board meeting.

VI. Old Business:

A) Review and consideration of a Resolution of the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox Approving Certain Amendments in Connection with Multifamily Housing Revenue Notes, Series 2018A, 2018B, 2018C and 2019D previously issued for the benefit of Broadway Towers Preservation, L.P. The Chair recognized Chris Trump, who provided an overview of the proposed resolution by Broadway Towers Preservation, L.P. (“Broadway”) to amend the existing Funding Loan Agreements to modify the language and definition of “Approved Transferee” and related transfers. Mr. Trump stated that the resolution would allow Citi Bank to assign the notes to certain institutional investors and government entities. Mr. Trump stated that this approval would also serve to waive the Board’s current requirement for any institution to be AAA rated and reduce the requirement to institutional investors with a BBB rating or better. Discussion was had.

Upon a motion by Alvin Nance, and a second by Mike George, the proposed resolution was unanimously approved. A copy of the resolution as approved is attached hereto as Exhibit D.

VII. New Business: Mr. Napier that certain restructuring involving The Development Corporation of Knox County (“TDC”) are being discussed but that the details of the proposal are still being developed. He stated that he would keep the Board apprised of any developments and their impact on the services provided by the TDC to the Board.

VIII. Next Meeting. The next regular meeting of The Health, Educational and Housing Facility Board of the County of Knox is scheduled for May 11, 2021, at 4:15 p.m. at the offices of The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee.

IX. Adjournment. No further business having come before the Board and upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 5:51 p.m.

Date

Tiffany E. Gardner, Secretary

EXHIBITS

- Exhibit A Agenda – April 13, 2021
- Exhibit B Finance Report as of March 31, 2021
- Exhibit C Budget for Fiscal Year 2021-2022
- Exhibit D Resolution of the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox Approving Certain Amendments in Connection with Multifamily Housing Revenue Notes, Series 2018A, 2018B, 2018C and 2019D previously issued for the benefit of Broadway Towers Preservation, L.P.

DRAFT

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE
COUNTY OF KNOX**

AUTHORIZATION FOR SIGNATURES ON CHECKS

May 11, 2021

WHEREAS, the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox (the “Health & Ed Board”) desires to designate and confirm the authorized signatories on all bank accounts maintained by the Health & Ed Board and the required signatures on all transfers of funds of the Health & Ed Board;

NOW, THEREFORE, the following resolutions are hereby adopted:

RESOLVED, that the following officers are hereby authorized, approved and designated as signatories on all bank accounts maintained by the Health & Ed Board:

Title

Chair – Greg McWhorter

Vice-Chair – Paul Fortunato

Secretary/Treasurer – Tiffany E. Gardner

Assistant Secretary/Treasurer – Julie Wheeler

President & CEO (The Development Corporation of Knox County) – Todd Napier

RESOLVED, that only one of the foregoing signatures shall be required on all checks or transfers of funds of less than \$10,000.00;

RESOLVED, that two of the foregoing signatures provided one of the signatures is the Chairman, Vice-Chairman or Secretary/Treasurer shall be required on all checks or transfers of funds of \$10,000.00 or more;

RESOLVED, that the form banking resolutions required by any and all banks at which the Health & Ed Board maintains bank accounts are hereby ratified, adopted and approved, such ratification, adoption and approval to be deemed effective as of May 11, 2021, and any designated signatory is authorized to complete and execute such form banking resolutions consistent with the authority granted herein and deliver such banking resolutions to such banks.

I hereby certify that this resolution of the Health & Ed Board was duly and lawfully adopted by its Board of Directors on May 11, 2021, at a meeting at which a quorum was acting throughout, and I furthermore certify that such resolution has not been amended or modified in any respect.

The Health, Educational and Housing Facility Board of
the County of Knox

Dated: May 11, 2021

By: _____
Tiffany E. Gardner, Secretary

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF KNOX**
AUTHORIZATION FOR SIGNATURES ON CHECKS

May 11, 2021

WHEREAS, the Board of Directors of The Industrial Development Board of the County of Knox (the "IDB") desires to designate and confirm the authorized signatories on all bank accounts maintained by the IDB and the required signatures on all transfers of funds of the IDB;

NOW, THEREFORE, the following resolutions are hereby adopted:

RESOLVED, that the following officers are hereby authorized, approved and designated as signatories on all bank accounts maintained by the IDB:

Title

Chair – Greg McWhorter

Vice-Chair – Paul Fortunato

Secretary/Treasurer – Tiffany E. Gardner

Assistant Secretary/Treasurer – Julie Wheeler

President & CEO (The Development Corporation of Knox County) – Todd Napier

RESOLVED, that only one of the foregoing signatures shall be required on all checks or transfers of funds of less than \$10,000.00;

RESOLVED, that two of the foregoing signatures provided one of the signatures is the Chairman, Vice-Chairman or Secretary/Treasurer shall be required on all checks or transfers of funds of \$10,000.00 or more;

RESOLVED, that the form banking resolutions required by any and all banks at which the IDB maintains bank accounts are hereby ratified, adopted and approved, such ratification, adoption and approval to be deemed effective as of May 11, 2021, and any designated signatory is authorized to complete and execute such form banking resolutions consistent with the authority granted herein and deliver such banking resolutions to such banks.

I hereby certify that this resolution of the IDB was duly and lawfully adopted by its Board of Directors on May 11, 2021, at a meeting at which a quorum was acting throughout, and I furthermore certify that such resolution has not been amended or modified in any respect.

The Health, Educational and Housing Facility Board of
the County of Knox

Dated: May 11, 2021

By: _____
Tiffany E. Gardner, Secretary

PRELIMINARY BOND RESOLUTION BY THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX IN SUPPORT OF GLEASON PARTNERS, L.P.
MULTIFAMILY HOUSING PROJECT

WHEREAS, Gleason Partners, L.P. or an affiliate thereof (the "Applicant"), is considering the acquisition, rehabilitation and equipping of an approximately 240-unit housing facility for low and moderate-income citizens known as Westview Towers located at 7823 Gleason Drive in Knoxville, Tennessee, and wishes to have The Health, Educational and Housing Facility Board of the County of Knox (the "Board") indicate its willingness to issue revenue bonds to provide financing for such purposes; and

WHEREAS, the acquisition, rehabilitation and equipping of such facilities will constitute a "project" within the meaning of T.C.A. § 48-101-301; and

WHEREAS, a letter of intent has been presented to the Board under the terms of which the Board agrees, subject to the provisions of such letter, to issue its revenue bonds in an amount not exceeding \$35,000,000 to provide financing for such project.

NOW, THEREFORE, BE IT RESOLVED BY The Health, Educational and Housing Facility Board of the County of Knox as follows:

1. The Board hereby finds that the financing of such above-described project will improve the quality and availability of housing in Knox County, Tennessee, and will contribute to the general welfare of the citizens of the county.

2. The Chair or the Vice Chair of the Board is hereby authorized to execute a letter of intent with the Applicant in substantially the form thereof as presented to this meeting or with such changes therein as shall be approved by the Chair or the Vice Chair. The officers of the Board are hereby authorized to take such further action as is necessary to carry out the intent and purposes of the letter of intent as executed.

3. The Chair, Vice Chair or legal counsel of the Board is hereby authorized to conduct such public hearings on behalf of the Board as the Applicant may request with respect to the project.

I, Tiffany E. Gardner, as Secretary of The Health, Educational and Housing Facility Board of the County of Knox hereby certify that the foregoing resolution was duly and lawfully adopted by its Board of Directors on May 11, 2021, at a duly called meeting at which a quorum was acting throughout, and I furthermore certify that such resolution has not been amended or modified in any respect.

Executed as of this 11th day of May, 2021.

THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX

Tiffany E. Gardner, Secretary



The Health, Educational and Housing Facility Board of the County of Knox

17 Market Square, #201
Knoxville, Tennessee 37902-1405
Phone: (865) 546-5887
Fax: (865) 546-6170

May 13, 2021

Gleason Partners, L.P.
900 S. Gay St., Suite 2000
Knoxville, TN 37902

Gentlemen:

The Health, Educational and Housing Facility Board of the County of Knox (the "Board") has been informed that Gleason Partners, L.P. or an affiliate thereof (the "Applicant"), is considering the acquisition, rehabilitation and equipping of an approximate 240-unit housing facility for low and moderate-income citizens known as Westview Towers located at 7823 Gleason Drive in Knoxville, Tennessee. The above-described acquisition, rehabilitation and equipping with regard to such facility constitutes a "project" within the meaning of T.C.A. § 48-101-301.

After investigation of the nature of the proposed project, the Board has determined that the financing of the project will improve the quality and availability of housing in Knox County, Tennessee, and will contribute to the general welfare of the citizens of the county. Therefore, it is the belief of the Board that in assisting the financing of the project, the Board will be acting in furtherance of the public purposes for which it was created.

Accordingly, in order to assist the Applicant in the financing of the project and in order to carry out the purposes for which the Board was created, the Board hereby makes the following proposals:

1. The Board will issue, and sell to a purchaser to be designated by the Applicant prior to issuance, revenue bonds (the "Bonds") in the principal amount not to exceed \$35,000,000 to provide financing for the project. The Bonds shall be limited obligations of the Board payable solely out of the revenues and receipts derived from the project including loan payments from the Applicant obtained in connection with the financing of the project. In no event shall the Bonds be general obligations of the Board, its directors, or Knox County, Tennessee.

2. The terms of the Bonds (maturity schedule, interest rate, denominations, redemption provisions, etc.) will be determined by agreement among the Board and the Applicant, subject to compliance with all applicable state and federal requirements, and all bylaws and policies of the Board.

3. Prior to delivery of the Bonds, the Board and the Applicant will enter into a loan agreement pursuant to which the proceeds from the sale of the Bonds will be used for the purposes hereinabove indicated and the Applicant will be obligated to make payments sufficient to cover all debt service requirements on the Bonds.

4. The Board will enter into a trust indenture with a trustee to be nominated by the Applicant and subject to the approval of the Board and/or a purchase contract with the purchaser of the Bonds. Such indenture and/or purchase contract will assign the loan agreement and all collateral therefor and all revenues received thereunder for the benefit of the bondholders. The terms and provisions of such indenture and/or purchase contract shall be agreed upon by the Board, the Applicant and the purchaser of the Bonds.

5. The Board hereby authorizes the Applicant to commence the acquisition, rehabilitation and equipping of the project as soon as practicable so that the inhabitants of the State of Tennessee might benefit from the project without delay. The Applicant may advance any interim funds required and be reimbursed from the proceeds of the Bonds, to the extent allowed by applicable law.

6. Upon the issuance, sale and delivery of the Bonds, the provisions of this proposal and the agreement resulting from its acceptance by the Applicant shall have no further effect and, in the event of any inconsistencies between the terms of this proposal and the terms of any loan agreement and/or indenture or purchase contract the provisions of such latter documents shall control.

7. If for any reason the Bonds have not been sold within eighteen (18) months from the date hereof, the provisions of this proposal and the agreement resulting from the acceptance by the Applicant shall, at the option of either party to be evidenced in writing, be canceled and neither party shall have any rights against the other and no third party shall have any rights against either party except:

- (a) The Applicant will pay the Board for all expenses incurred by the Board in connection with the financing of the project;
- (b) The Applicant will pay the out-of-pocket expenses for attorneys for the Board incurred in connection with the project and will pay attorneys for the Board reasonable fees for legal services related to the project; and
- (c) The Applicant will indemnify and hold the Board harmless against any liability which may be incurred by the Board with respect to the project.

8. The Board agrees to cooperate with the Applicant in executing, along with the Applicant, a Multi-Family Tax-Exempt Bond Authority Application (the "Application") to be prepared by the Applicant and submitted to the Tennessee Housing Development Agency ("THDA") with respect to the Project. The Applicant acknowledges that all information provided in the Application, other than the name and address of the Board, is to be provided by the Applicant and not by the Board and that the Board has no responsibility as to the accuracy of such information other than as to the name and address of the Board. The Applicant agrees to indemnify and hold harmless the Board and its directors, officers, employees and agents from any claims, liabilities, costs or expenses that may arise as a result of the inaccuracy of any information contained in the Application (other than the name and address of the Board) or the submission of the Application.

[Remainder of Page Intentionally Left Blank]

If the foregoing proposal is satisfactory to you, you may indicate by signing the following acceptance and returning a copy to the Board. This proposal and your acceptance will then constitute an agreement in principal with respect to the matters herein contained.

Yours very truly,

THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX

By: _____
Chairman

ACCEPTANCE OF PROPOSAL
OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD
OF THE COUNTY OF KNOX

BY

GLEASON PARTNERS, L.P.

The terms and conditions contained in the foregoing proposal by The Health, Educational and Housing Facility Board of the County of Knox are hereby accepted by Gleason Partners, L.P. this ___ day of _____, 2021.

Gleason Partners, L.P.

By: Gleason GP, LLC,
its general partner

By: _____
Title: _____

DATE: April 26, 2021

THE HEALTH, EDUCATION & HOUSING FACILITIES BOARD OF THE COUNTY OF KNOX

17 Market Square, #201
Knoxville, TN 37902-1405

The Board meets monthly on the second Tuesday at 4:15 p.m. in the offices of The Development Corporation located at 17 Market Square, #201, Knoxville, TN 37902-1405.

PROJECT APPLICATION

PROJECT NAME: Westview Tower Apartments

LOCATION: 7823 Gleason Drive, Knoxville, Tennessee

SUBMITTED BY: (If a partnership, applicant should provide the partners' names, addresses, and status, whether limited or general partner.)

Limited Partnership applicant is Gleason Partners, L.P. The general partner is Gleason GP, LLC.

Both the Limited Partnership and General Partner are affiliates of LHP Capital, LLC. Address of each is 900 South Gay Street, Suite 2000, Knoxville, TN 37902

AUTHORIZATION – AMOUNT ASKING FOR: \$35,000,000

ESTIMATED PROJECT COST AND BREAKDOWN (i.e., land, building, equipment, etc.)

Total Development Costs: \$57,462,253; (Land/Building Acquisition - \$26,000,000; Rehabilitation Costs - \$15,027,000; Professional Fees - \$1,652,200; Developer Costs and Soft Costs - \$11,324,988; Financing Fees, Tax Credit Fees, & Bond Costs of Issuance - \$2,620,752, Reserves - \$837,314)

PROCEDURE FOR SALE OF BONDS (Private vs. Public Placement, etc. See also Paragraphs 5 (3) (4) and (5). Likely private placement

PURCHASER: Likely Wells Fargo

GUARANTOR: Not Applicable

FISCAL AGENT (if selected): Not Applicable

ATTORNEY (if selected): Mark Mamantov and Jay Moneyhun - Bond Counsel - Bass, Berry & Sims PLC

TRUSTEE (if selected): Likely U.S. Bank

BRIEF DESCRIPTION OF PROJECT: (including the purpose, employment created, economic impact, size of buildings, land, etc., and other appropriate comments to fully explain.) Gleason Partners, L.P. plans to acquire and preserve Westview Tower. The two main sources of funding required to complete this transaction will be: (i) proceeds from the sale of private activity multifamily tax exempt bonds allocated by Tennessee Housing Development Agency (THDA) and issued by the Health, Education & Housing Facilities Board, and (ii) equity proceeds from the investment in limited partnership interests pursuant to an allocation of 4% Low Income Housing Tax Credits from THDA to the partnership. Westview Tower is presently a 240 unit apartment complex aimed towards families at or below 60% of the area median income and receive Section 8 Project Based Rental Assistance from HUD on 96.25% (231/240) of these units. Gleason Partners, L.P. plans to renovate the property as part of this transaction, spending approximately \$13,680,000 on renovations for existing systems such as roofs, siding, mechanical/electrical/plumbing systems, painting, flooring, cabinets and countertops, and lighting fixtures. The outcome of this

transaction will be that Westview Tower will remain quality affordable rental housing for qualified Knox County families for many years to come. The Section 8 Project Based Rental Assistance contract from HUD will serve the property for a minimum of another 20 years, subject to federal appropriations. Existing full time staffing positions will be preserved as part of this and a number of temporary construction jobs will be created for the duration of the approximate 16 month rehabilitation period. The development itself consists of a 13 story tower originally constructed in 1975 on a 3.5 acre site located behind West Town Mall in west Knoxville. No existing residents will be more than temporarily displaced by this planned renovation.

FINANCIAL STATEMENTS: If public placement is requested, include with the above: (1) financial summary of past 5 years; (2) current audit; (3) 3-5 year financial projections.

RULES: Compliance with the rules on the following page is the responsibility of Applicant. The Board reserves the right to amend or waiver any Rule without notice.

RULES

1. **Procedure** – The Project Application must be filed with the Secretary of the Board fourteen days prior to meeting so that copies can be mailed to all Board Members and counsel to the Board one week prior to Board meeting.
 - (1) If a TEFRA hearing is requested, the completed TEFRA form and Application **MUST BE RECEIVED** by the Secretary not less than 20 days prior to the meeting.
 - (2) If no TEFRA hearing is requested, the Application **MUST BE RECEIVED** by the Secretary not less than 14 days prior to the meeting.
2. **Fee Schedule** – Appropriate fees must be submitted with the request:

Projects and Bond Issues: The Industrial Development Board of the County of Knox and The Health, Educational and Housing Facility Board of the County of Knox

Agenda Fee: \$500. This fee is assessed on matters considered by the Board of Directors at a regular meeting of the Directors. It is not assessed if (i) the Applicant has paid a Project Fee and (ii) the action requested is related to the same Project or Bond Issue for which the Project Fee was paid. If an Applicant requests further action related to an outstanding Bond Issue, the Agenda Fee will be due and payable.

Project Fee: 10 basis points (0.10%) of the Total Project/Bond Issue with a minimum of \$2,000 and a maximum of \$4,000.

Special Meeting Fee: \$5,000 per Applicant.

Interlocal Agreement Fee: \$1,000 per Applicant.

All fees are due and payable fourteen days before the meeting and should be payable to the applicable Board and delivered to the Board at its office located at 17 Market Square, #201, Knoxville, TN 37902-1405.

3. **Housing** – For housing and similar issues, the Board will require a feasibility study to be filed with the original application or for consideration at a regular meeting not less than one month prior to final approval. If consideration is at a regular meeting, the study must be mailed to members and counsel not less than 10 days prior to the meeting.

4. **Refinancing** – Generally, except for manufacturing or regional warehouse facilities, the Board requires that in any refinancing of existing debt, 25% of the bond proceeds be used for new construction or renovations.

5. **General**

- (1) Projects are approved and extended for 6 month periods.
- (2) Regardless of property ownership, applicants will be required to pay all property taxes as if owned by the applicant.
- (3) In the event applicant requests approval of a public placement, he should clearly designate such request on the application and should be prepared to provide reasons therefore at the appropriate Board meeting. A rating of AA or better will normally be required.
- (4) Unless otherwise designated, the Board will consider all requests for new issues to be request for private placements. Private placements shall mean that the bonds may not be sold, transferred or assigned by the holder thereof except (1) to an institutional investor and then only for the investment account of such institutional investor, or (2) an individual investor and then only for the account of such individual investor. For this purpose, an institutional investor shall mean a bank, savings and loan association, insurance company, or other financial institution having a combined capital and surplus of not less than \$5,000,000. For this purpose, an individual investor shall mean one whose net worth is certified to be not less than \$1,000,000. Bonds, notes and other documents shall bear an appropriate legend to reflect these restrictions. As a substitute for this, the Board will consider restrictions limiting the minimum bond size to \$100,000.
- (5) In the event that the Board approves a public issue, it will not execute in connection therewith official statements or similar documents deemed by counsel to create unacceptable obligations.
- (6) Documents to be executed by the Board will include the following or similar paragraph:

No recourse under or upon any obligation, covenant, or agreement or in any Bond or coupon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any incorporator member, director or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond or coupon issue, of any sum that may be due and unpaid by the Issuer upon any such Bond or coupon. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such to respond by reason of any act or omission on his part or otherwise for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond or coupon , of any sum that may remain due and unpaid upon the Bonds and coupons or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such bonds and coupons.

The County of Knox, Tennessee, shall not in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds issued, or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein or indebtedness by the Issuer, and none of the Bonds of the Issuer issued or any of its agreements or obligations herein or otherwise shall be construed to constitute an indebtedness of the County of Knox, Tennessee, within the meaning of any constitutional or statutory provision whatsoever.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX AUTHORIZING AND APPROVING ALL DOCUMENTS, INSTRUMENTS, ACTIONS, AND MATTERS NECESSARY OR APPROPRIATE FOR, OR PERTAINING TO, THE ISSUANCE, SALE, AND DELIVERY OF ITS COLLATERALIZED MULTIFAMILY HOUSING BONDS, SERIES 2021 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS (\$25,000,000) TO FARRAGUT POINT, L.P. FOR THE FARRAGUT POINTE APARTMENTS PROJECT

WHEREAS, the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox (the "Issuer"), has met pursuant to proper notice; and

WHEREAS, Farragut Pointe, L.P., a Tennessee limited partnership (the "Borrower"), has requested the Issuer to finance the acquisition, rehabilitation and equipping of an approximately 124-unit housing facility for low and moderate-income citizens located in Knox County, Tennessee to be known as Farragut Pointe Apartments (the "Project"), which project is of the character and will accomplish the purposes of Part 3 of Chapter 101 of Title 48 of the Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, the Issuer proposes to finance the Project by the issuance and sale of its revenue bonds in an amount not to exceed \$25,000,000; and

WHEREAS, the Issuer or its designee has previously held a public hearing with respect to the issuance of Bonds, as required under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, there have been submitted to the Issuer at the meeting on May 11, 2021, the forms of the following instruments which the Issuer proposes to execute to carry out the transactions described above, copies of which instruments shall be filed with the records of the Issuer:

- (a) Trust Indenture (the "Indenture") between the Issuer and Regions Bank, as trustee (the "Trustee");
- (b) The form of the Issuer's Collateralized Multifamily Housing Bond (Farragut Pointe Apartments Project), Series 2021 (the "Bonds");

(c) Loan Agreement (the "Loan Agreement") between the Issuer and the Borrower, to provide for the loan of the proceeds of the Bonds to the Borrower and for the repayment of such loan;

(d) Bond Purchase Agreement (the "Purchase Agreement") by and among the Issuer, the Borrower, and the purchaser of the Bonds (the "Bond Purchaser"); and

(e) A Preliminary Official Statement (the "Preliminary Official Statement") relating to the issuance and sale of the Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX:

1. It is hereby found and determined that the financing of the Project will assist the Borrower in connection with its mission of providing safe, affordable housing to the citizens of the State of Tennessee, thereby improving their health and well-being and promoting the purposes of the Act.

2. It is hereby found to be most advantageous to sell the Bonds, upon the terms and conditions set forth in the Purchase Agreement.

3. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute and either is authorized to deliver the Purchase Agreement to the other parties thereto.

4. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute, and the Secretary or Assistant Secretary of the Issuer is authorized to attest, and either is authorized and directed to deliver the Indenture to the Trustee.

5. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute, and the Secretary or Assistant Secretary of the Issuer is authorized to attest, and either is authorized to deliver the Loan Agreement to the Borrower, the Trustee and the Lender.

6. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute by facsimile or manual signature, attested by the facsimile or manual signature of its Secretary or Assistant Secretary, and either is authorized and directed to deliver the Bonds to the Trustee for authentication and delivery to the Bond Purchaser thereof upon payment of the purchase price therefor.

7. The Issuer hereby approves the preparation and distribution of the Preliminary Official Statement in connection with the sale of the Bonds. The Issuer hereby authorizes the preparation of an Official Statement in substantially the same form as the Preliminary Official Statement with such changes as are necessary to finalize and complete the Preliminary Official Statement. Nothing herein shall constitute the approval by the Issuer of the form of the Preliminary Official Statement, the Official Statement or the information contained therein other than information directly relating to the Issuer contained therein. The Chairman of the Issuer is hereby authorized to execute such certificates as are requested to deem the Preliminary Official Statement as final as of its date within the meaning of Rule 15c2-12 under Securities Exchange Act of 1934.

8. The Purchase Agreement, the Indenture, the Loan Agreement and the Bonds shall be in substantially the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes. In connection with the execution of the Purchase Agreement and the Indenture, the officer(s) are hereby expressly authorized to approve the maturities and interest rates on the Bonds, provided that none of the interest rates on the Bonds may exceed the maximum interest rate permitted by law, the aggregate principal amount of the Bonds shall not exceed \$25,000,000, and the final maturity of the Bonds shall be no later than the maximum term permitted by law.

9. The officers of the Issuer are hereby authorized and directed to execute, deliver and file all certificates and instruments, including Internal Revenue Service Form 8038, financing statements to evidence security interests created under the Indenture, a Tax Exemption Certificate and Agreement, and an informational statement to be filed with the State of Tennessee, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Project.

10. Any authorization herein to execute any document shall include authorization to record such document where appropriate.

11. The Bonds, and the interest payable thereon, are limited obligations of the Issuer, and shall not be deemed to constitute a general debt or liability of the Issuer, but shall be payable solely from such special sources and funds provided therefor in accordance with the provisions thereof and the provisions of the Indenture.

Neither the State of Tennessee, nor any other political subdivision thereof, shall be liable for the payment of the principal of, or the interest on, the Bonds, or for the performance of any pledge, mortgage, obligation, agreement, or certification, of any kind whatsoever of the Issuer, and neither the Bonds, nor any of the pledges, mortgages, agreements, obligations, or certifications of the Issuer shall be construed to constitute an indebtedness of the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

No recourse under, or upon, any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents, including, without limitation, the Bonds, and the Indenture; or in any other document or certification whatsoever; or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents, including, without limitation the Bonds, and the Indenture; or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for, or to, the Issuer, or any receiver thereof, or from, or to, the owner of the Bonds for any sum that may be due and unpaid by the Issuer upon the Bonds, or the interest payable thereon. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such incorporator, member, director, or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Issuer or any receiver thereof, or for, or to, the owners of the Bonds, of the principal of, or the premium, if any, or interest on, the Bonds shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents and the issuance of the Bonds.

12. All other acts of the officers of the Issuer which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds and the financing of the Project are hereby approved and confirmed.

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**STATE OF TENNESSEE
COUNTY OF KNOX**

I, Greg McWhorter, Chair of THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX (the “Board”) do hereby certify that the foregoing is a true and complete extract of the minutes of the Board of Directors of the Board at a meeting duly called and held on May 11, 2021, and sets forth so much of said minutes as in any way relates to the introduction, consideration and passage of the resolution therein set forth. Public notice of said meeting was given pursuant to and in compliance with all provisions of law.

THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX

Greg McWhorter, Chair

Dated: May 11, 2021

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX APPROVING THE PILOT TRANSACTION AND LEASE AGREEMENT OF FARRAGUT POINTE, L.P.

WHEREAS, The Health, Educational and Housing Facility Board of the County of Knox (the “Governmental Lender”) has been duly created and organized pursuant to and in accordance with the provisions of Part 3, Chapter 101, Title 48 of the Tennessee Code Annotated, as amended (the “Act”); and

WHEREAS, the purpose of said Act, as stated therein, is to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, refinance, acquire, own, lease, and/or dispose of projects to promote and maintain and increase commerce, welfare, health, housing, education and prosperity of the people of the State of Tennessee; and

WHEREAS, Tenn. Code Ann. §48-101-312 provides that the Board and all properties at any time owned by it, and the income and revenues therefrom, and all bonds issued by it, and the income therefrom are exempt from all taxation in the State of Tennessee; and

WHEREAS, Farragut Pointe, L.P. (“Applicant”) submitted an application (“Application”) to the Board for a payment in lieu of tax arrangement under Tenn. Code Ann. §48-101-312 (“PILOT”) for real property taxes in connection with acquisition, rehabilitation and equipping of an approximately 124-unit housing facility for low and moderate-income citizens located in Knox County, Tennessee to be known as Farragut Pointe Apartments (the “Project”), subject to such project receiving an allocation of low-income housing tax credits (“LIHTC”) under Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. § 42) from the Tennessee Housing Development Agency (“THDA”); and

WHEREAS, in accordance with Tenn. Code Ann. §§48-101-312(b)(4), and pursuant to a letter of support issued by the Mayor and Chief Executive Officer of Knox County (“Mayoral Support Letter”) and a Resolution of the Board dated March 10, 2020 (“Original Resolution”), the Board has approved the Application and the grant of the tax incentives requested for the Project, finding that the Project and grant of tax incentives to Applicant by the Board are in furtherance of the Board’s public purposes; and

WHEREAS, the Applicant submitted an amended application (“Amended Application”) to the Board for a payment in lieu of tax arrangement under Tenn. Code Ann. §48-101-312 (“PILOT”) for the real property taxes in connection with the Project in January of 2021 and in accordance with Tenn. Code Ann. §§48-101-312(b)(4), and pursuant to a letter of support issued by the Mayor and Chief Executive Officer of Knox County (“Mayoral Support Letter”) and a Resolution of the Board dated March 9, 2021 (“Amended Resolution”), the Board approved the Amended Application and the grant of the tax incentives requested for the Project, finding that the Project and grant of tax incentives to Applicant by the Board are in furtherance of the Board’s public purposes; and

WHEREAS, there having been submitted to the Board at its regular scheduled meeting of its Directors on May 11, 2021, a form of Lease Agreement between the Board and the Applicant (“Lease Agreement”), which the Board proposes to execute to carry out the transactions described above, copies of which such instrument shall be filed with the records of the Board; and

WHEREAS, the Board’s Directors desire to approve the Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:

1. The Board finds that the Project and grant of tax incentives to Applicant by the Board pursuant to the Act, and in particular, Tenn. Code Ann. §§48-101-312, are in furtherance of the public purposes of the Board provided in the Act, and will have the effect of to promote and maintain and increase commerce, welfare, health, housing (affordable housing, in particular), education and prosperity of the people of the State of Tennessee and, in particular, Knox County, Tennessee.
2. The Board is hereby authorized and directed to acquire from the Applicant the real property constituting the Project, pursuant to such deeds, assignments, and other documents of transfer deemed necessary or convenient by the Board to effect the transfer of such property to the Board in a manner that will comply with the Board's enabling legislation and thereby cause such property to be exempt from taxation by any applicable municipality.
3. The Board is hereby authorized and directed to enter into the Lease Agreement, pursuant to which the Board leases to the Applicant the real property constituting the Project, which Lease Agreement provides for (a) a term-length commencing on the date of closing of the PILOT and ending on the date which is fifteen (15) years from the date of stabilization (i.e. the date the Project achieves 80% occupancy, not to exceed three (3) years from the closing of the PILOT), (ii) a closing fee in the amount of \$35,000.00, (iii) an annual maintenance fee equal to \$2,000 per annum, such amount to increase annually at a rate of 2.45% year over year, and (iv) payments in lieu of tax in an amount as follows:
 - a. From the date of closing of the PILOT until the date of stabilization (as defined above), an amount equal to the real property taxes which were otherwise payable with respect to the Project as of such date of closing;
 - b. Years 1 through 5 from the date of stabilization, an amount equal to \$4,384.00 per annum;
 - c. Years 6 through 10 from the date of stabilization, an amount equal to \$8,768.00 per annum; and Years 11 through 15 from the date of stabilization, an amount equal to \$17,536.00 per annum.

The documents described in Sections 2 and 3, together with any other documents executed and delivered in connection with the transactions contemplated herein or otherwise deemed necessary or convenient by the Board or the officer(s) of the Board specified herein, shall be hereinafter referred to as the "Transaction Documents."

4. The form, content, and provisions of the Lease Agreement presented to this meeting of the Board of Directors, are in all particulars approved. The Lease Agreement is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officer or officers executing the Transaction Documents and legal counsel to the Board. The execution of the Transaction Documents by the authorized officer or officers shall constitute evidence of his, her or their approval and approval of legal counsel of any and all such changes or revisions.
5. Each of the officers of the Board is hereby authorized and directed to execute and deliver the Transaction Documents on behalf of the Board. Such officers are, and each of them is, furthermore, hereby authorized to do all acts and things and execute all documents, from time to time, as may be necessary or convenient to effect the transactions contemplated herein and in the Transaction Documents and to carry out and comply with the provisions of the Transaction Documents and other documents deemed necessary by the Board.

6. The Original Resolution is in all respects hereby ratified and confirmed.
7. The PILOT transaction approved hereby must close by August 31, 2021, and upon failure to close by such date (or such later date approved by the Board pursuant to a separate resolution), the approval evidenced hereby shall expire and be of no further force and effect.

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**STATE OF TENNESSEE
COUNTY OF KNOX**

I, Tiffany E. Gardner, Secretary of THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX (the “Board”) do hereby certify that the foregoing is a true and complete extract of the minutes of the Board of Directors of the Board at a meeting duly called and held on May 11, 2021, and sets forth so much of said minutes as in any way relates to the introduction, consideration and passage of the resolution therein set forth. Public notice of said meeting was given pursuant to and in compliance with all provisions of law.

THE HEALTH, EDUCATIONAL AND HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX

Tiffany E. Gardner, Secretary

Dated: May 11, 2021

LEASE AGREEMENT

This **LEASE AGREEMENT** (herein, this “Lease”), is made and entered into as of the ____ day of _____, 2021, by and between **THE HEALTH, EDUCATIONAL & HOUSING FACILITY BOARD OF THE COUNTY OF KNOX**, a public nonprofit corporation organized under the laws of the State of Tennessee (“Landlord”), and **FARRAGUT POINTE, L.P.**, a limited partnership organized under the laws of the State of Tennessee (“Tenant”).

RECITALS

Landlord is a housing and redevelopment authority of the City of Knoxville, Tennessee, organized under the Tennessee Housing Authorities Law, Tenn. Code Ann. Sections 13-20-101 et seq., as amended, and is authorized thereunder to acquire, whether by purchase, exchange, gift, lease or otherwise, and to own, lease and dispose of properties for the purpose of providing safe and sanitary dwelling accommodation for persons of low income.

In connection therewith and in response to Tenant’s application and request filed with Landlord, Landlord has acquired from Tenant certain real property in Knox County, Tennessee, located at 554-566 Loop Road, Knoxville, TN 37934, Tax Map 143, Parcels 043.01, 047, 050, 050.01, 051, 051.01, such real property being more particularly described in Exhibit A attached hereto and incorporated herein by reference.

To induce Tenant to construct, develop, equip and install a 124-unit affordable housing apartment development on the Real Property, Landlord will authorize Tenant to construct, develop, equip and install a 124-unit affordable housing apartment development on the Real Property, and Landlord will lease the real property to Tenant on the terms and conditions of this Lease.

NOW, THEREFORE, LANDLORD AND TENANT AGREE AS FOLLOWS:

Landlord, for and in consideration of the payments stipulated herein to be made by Tenant and the covenants and agreements hereinafter contained and to be kept and performed by Tenant, does hereby demise, lease, and let unto Tenant, and Tenant hereby hires, leases and rents from Landlord, for the Term and upon the conditions stated herein, the Real Property and the Project.

ARTICLE I DEFINITIONS

Section 1.1 Definitions. In addition to words and terms defined in the Premises and Recitals, the following terms and variations thereof have the meanings specified or referred to in this Article I:

“**Act**” means Sections 13-20-101 et seq. or 48-101-301 et seq., as applicable, of the Tennessee Code Annotated, as amended.

“**Additional Rent**” shall mean all amounts payable by Tenant under this Lease other than Base Rent, including, without limitation, those amounts described in Section 5.3.

“**Application**” is the Application dated as of June 4, 2019, as amended by that certain amended application filed in January of 2021, filed by Tenant with Landlord, as the same may be amended with the written consent of Landlord.

“Authorized Tenant Representative” means Tenant’s general partner or other officer acceptable to Landlord.

“Base Rent” has the meaning provided in Article V.

“Default” means the happening of any occurrence which, together with the giving of any required notice or the passage of any required period of time, or both, would constitute an Event of Default.

“Environmental Laws” has the meaning provided in Section 14.1(a).

“Environmental Reports” means that certain Phase 1 Environmental Site Assessment dated [_____, 2021] conducted by [_____], a copy of which has been delivered to Tenant.

“Event of Default” has the meaning provided in Section 10.1.

“Force Majeure” shall mean any of the following causes, circumstances or events: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, including acts of terrorism; orders or restraints of any kind of the government of the United States of America or the State of Tennessee or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; war; insurrections; civil disturbances; riots; epidemics; earthquakes; tornados; lack of availability of material and failure of any lender that is legally committed to make a loan to Tenant to finance costs of the Project or to advance funds for the payment of such costs of the Project if such failure is not the result of any action or omission by Tenant; provided, however, that in any event, weather-related conditions, other than catastrophic weather-related disasters, shall not be deemed to be a “Force Majeure” event hereunder.

“Governmental Authority” or **“Governmental Authorities”** means the United States, the State of Tennessee, any political subdivision of either, any court of either of them, and any agency, department, commission, board, bureau or instrumentality of either of them.

“Hazardous Waste” has the meaning provided in Section 14.1(a).

“Improvements” means, collectively, the Tenant Improvements and any other improvements now or hereafter located on the Real Property.

“Investor Limited Partner” shall mean Alliant Credit Facility II, Ltd., a Florida liability company, Alliant Credit Facility ALP II, LLC, a Florida limited liability company.

“Landlord’s Agents” shall mean any incorporator, officer, director, agent, counsel, or employee of Landlord.

“Landlord’s Designated Representative” shall mean such person or persons as are designated by the Landlord to provide any approvals or consents under this Agreement or otherwise perform duties of the Landlord specified herein, which person or persons need not be officers, directors or employees of the Landlord.

“Lease Compliance Information” has the meaning provided in Section 7.4(a).

“Legal Requirement” means any federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, statute or treaty and any court order.

“Lender” means any lending institution which has extended credit to Tenant that is secured by a Security Instrument.

“Loan Documents” has the meaning provided in Section 4.6(a).

“Option Price” has the meaning provided in Section 12.1.

“Organizational Documents” means, with respect to any particular entity, (a) if a corporation, the articles or charter of incorporation and the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles of organization and operating agreement; (e) if another type of Person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the Person; (f) all equity holders’ agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the equity holders of any Person; and (g) any amendment or supplement to any of the foregoing.

“Person” means an individual, partnership, limited partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Authority.

“PILOT Payments” has the meaning provided in Section 7.2(a).

“Plans and Specifications” means the final plans and specifications for the design and construction of the Tenant Improvements on the Real Property, as approved by any and all applicable Government Authorities, which plans and specifications shall be consistent with the Application, subject to any revisions that have been approved by the Landlord’s Designated Representative.

“Premises” means the Real Property, together with the Improvements on such Real Property, all whether located on the Real Property at the time of the execution of this Lease, or at any time thereafter.

“Project” means the completion of the Tenant Improvements by Tenant, the conveyance of the Real Property to Landlord, the leasing of the Real Property by Tenant from Landlord, and the work of constructing and renovating the Tenant Improvements on the Real Property all pursuant to the terms of this Lease and the Application.

“Real Property” means the real property described in Exhibit A attached to this Lease and incorporated herein by reference and any improvements located thereon.

“Related Documents” has the meaning provided in Section 13.7.

“Report” has the meaning provided in Section 7.4.

“Security Instrument” means any deed of trust, security agreement, assignment, pledge, hypothecation, conditional sale agreement, chattel paper, financing statement or other instrument or

document encumbering the Real Property or Tenant's leasehold interest therein, all as amended from time to time.

"Stabilization Date" shall be the date the Project achieves 80% occupancy (e.g., 100/124 affordable housing living units are occupied).

"Tax Year" has the meaning provided in Section 7.2.

"Tenant" means the legal entity or natural person identified in the first paragraph of this Lease, or any permitted transferee or assignee pursuant to Section 4.6.

"Tenant Construction Contract" has the meaning provided in Section 3.1.

"Tenant Documents" means this Lease and such deeds, bills of sale, assignments, subleases, estoppel certificates, subordination agreements, nondisturbance and attornment agreements and other instruments and documents evidencing and providing for the transactions and obligations contemplated herein, as the same may be amended, modified and supplemented from time to time.

"Tenant Improvements" means the improvements constructed or to be constructed upon the Real Property and affixed thereto by Tenant, as provided in the Application.

"Tenant Improvements Completion Date" shall mean the date that is twenty-four (24) months following the date hereof, subject to brief reasonable extensions to accommodate Force Majeure events.

"Term" means the term of this Lease, as provided in Section 5.1.

Section 1.2 Usage.

(a) In this Lease, unless a clear contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Lease, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(iii) reference to any gender includes each other gender;

(iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(v) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(vi) “hereunder,” “hereof,” “hereto,” and words of similar import shall be deemed references to this Lease as a whole and not to any particular Article, Section or other provision hereof;

(vii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term;

(viii) “or” is used in the inclusive sense of “and/or”;

(ix) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding”; and

(x) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

(b) This Lease was negotiated by the parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Lease to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

(c) Any capitalized terms not specifically defined herein shall have the meanings assigned to them in the Application.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Covenants of Landlord. Landlord is a public nonprofit corporation and governmental instrumentality of the State of Tennessee, duly incorporated, validly existing and in good standing under the laws of the State of Tennessee, and is validly organized pursuant to the provisions of the Act. Landlord is authorized and empowered by the provisions of the Act, and has all requisite corporate power and authority to execute and deliver and perform its obligations under this Lease. No consents of any third parties are required nor are any regulatory filings required to be made in order for Landlord to execute this Lease and consummate the transactions herein. This Lease has been duly authorized, executed and delivered on behalf of Landlord and constitutes the legal, valid and binding obligation of Landlord, enforceable in accordance with its terms, subject to bankruptcy and other creditors’ rights, laws, and principles of equity. The execution, delivery and performance by Landlord of this Lease will not contravene or constitute a default under any provision of applicable law or regulation, the Organizational Documents of Landlord or of any contract, agreement, judgment, order, decree, rule, regulation or other instrument binding on Landlord.

Section 2.2 Representations, Warranties and Covenants of Tenant. Tenant hereby represents and warrants to, and agrees and covenants with Landlord as follows:

(a) Tenant is a limited partnership duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization, with full power and authority to conduct its business as it is now being conducted and to own or use the properties and assets that it purports to own or use.

(b) Tenant has all requisite power, authority and legal right to: (i) execute and deliver this Lease and all other instruments and documents to be executed and delivered by Tenant pursuant hereto; (ii) perform and observe the provisions thereof; and (iii) carry out the transactions contemplated

thereby. All action on the part of Tenant which is required for the execution, delivery, performance and observance by Tenant of this Lease has been duly authorized and effectively taken.

(c) This Lease constitutes the legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, subject to bankruptcy and other creditors' rights, laws, and principles of equity.

(d) The Application does not contain any untrue statement or omit to state a material fact necessary to make the statements therein or in this Lease, in light of the circumstances in which they were made, not misleading. No representation of Tenant, or information disclosed by Tenant, in the Application omits to state a material fact necessary to make the statements therein, in light of the circumstances and at the time in which they were made, not misleading.

(e) To its knowledge, Tenant is not in material default under or violating, and none of the execution and delivery of this Lease, consummation of the transactions contemplated hereby or compliance with the terms and conditions hereof will conflict with, constitute a breach of or a default under, or violate, any material agreement or instrument to which Tenant is a party or by which Tenant or any of Tenant's property is bound and which has not been waived, or to Tenant's knowledge, any Legal Requirement. To Tenant's knowledge no event has occurred or is continuing which constitutes a default under or which, with the lapse of time or giving of notice or both, would constitute a default under any of the foregoing.

(f) There is no action, suit or proceeding at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of Tenant, threatened against Tenant or any of its properties which might adversely affect the validity of this Lease or the transactions contemplated hereby.

(g) Neither the execution and delivery of this Lease or the other Tenant Documents nor the consummation or performance of any of the transactions contemplated thereby will, directly or indirectly (with or without notice or lapse of time):

(i) breach (A) any provision of any of the Organizational Documents of Tenant or (B) any resolution adopted by the board of directors, shareholders, partners, or members of Tenant, as applicable;

(ii) breach any of the transactions contemplated by the Tenant Documents or give any Governmental Authority or other Person the right to exercise any remedy or obtain any relief under any Legal Requirement or any judgment or order to which Tenant may be subject;

(iii) contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify, any license, permit, or other authorization that is held by Tenant or that otherwise relates to the Premises or to the business of Tenant; or

(iv) breach any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, any agreement, document or contract to which Tenant is a party or by which Tenant may be bound.

(h) Except as may be required by its Organizational Documents, Tenant is not required to give any notice to or obtain any consent from any Person in connection with the execution and

delivery of this Lease, the other Tenant Documents, or the consummation or performance of any of the transactions contemplated therein.

ARTICLE III CONSTRUCTION AND/OR RESTORATION

Section 3.1 Construction of Tenant Improvements.

(a) Following the date hereof, Tenant shall timely pay for and oversee the construction and completion of the Tenant Improvements on the Premises in order to complete the redevelopment of the Premises into a multi-family housing facility providing approximately one hundred twenty-four (124) affordable housing living units, as provided in the Application and the Plans and Specifications. In order to accomplish the construction of the Tenant Improvements, Tenant is hereby authorized to execute in its own name, without reference to Landlord, all necessary contracts, agreements, purchase orders, and related documents, including, without limitation, the construction contract for the Project (collectively, "Tenant Construction Contract"). In no event shall Landlord be liable under any such contracts, agreements, purchase orders, and other related documents, including, without limitation, the Tenant Construction Contract.

(b) Tenant agrees that the Tenant Improvements shall be completed by the Tenant Improvements Completion Date in accordance with the Plans and Specifications. Tenant further agrees that the Tenant Construction Contract will provide that the Tenant Improvements will be completed by the Tenant Improvements Completion Date and that any and all other agreements pertaining to the construction of the Tenant Improvements will provide for a completion date consistent with such Tenant Improvements Completion Date.

(c) Tenant agrees, pursuant to the authority and power granted in the preceding paragraph, to proceed with the construction, renovation and equipping of the Tenant Improvements with due diligence, in a good and workmanlike manner and in compliance with all Legal Requirements.

Section 3.2 Completion of Tenant Improvements. The Tenant Improvements shall be deemed complete upon the issuance of a Certificate of Occupancy to Tenant for the entirety of the Project.

Section 3.3 Rights against Contractors, Etc.

(a) Upon completion of the Tenant Improvements and the request of Tenant, Landlord will assign to Tenant (if any of the following inure to the benefit of Landlord) (i) all warranties and guaranties of any and all contractors, subcontractors, suppliers, and architects for the furnishing of labor, materials or supervision in connection with the Tenant Improvements or any part thereof, and (ii) any and all rights or causes of action against any of the foregoing Persons.

(b) If any contractor or subcontractor breaches any contract with Tenant or Tenant's contractor related to the Tenant Improvements, Tenant may at its expense, either in its own name or in the name of Landlord, prosecute or defend any action or proceeding related to the construction and equipping of the Project or take any other action involving any such contractor, subcontractor, surety, or supplier that Tenant deems reasonably necessary. Landlord will cooperate fully with Tenant and, at Tenant's expense, will take all action necessary to effect any necessary substitution of Tenant for Landlord in such action or proceeding related to the construction, renovation and equipping of the Project. Tenant shall indemnify Landlord from all claims, damages, liability, reasonable attorneys' fees, and court costs, if Tenant prosecutes or defends any such action or proceeding or takes any other action in Landlord's name;

provided Tenant shall be permitted to select its own counsel and otherwise control all aspects of any such actions or proceedings so long as it is diligently defending or prosecuting any such action. Landlord shall pay to Tenant any net amounts recovered and actually received by Landlord as damages, refunds, adjustments, or otherwise in connection with the foregoing.

Section 3.4 Agency Appointment. Landlord hereby makes, constitutes and appoints Tenant as its true and lawful agent, and Tenant hereby accepts such agency, (a) to construct the Tenant Improvements, (b) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, either in Tenant's name or as the stated agent for Landlord, with any other Person, and in general to do all things which may be requisite or proper, all for the construction of the Tenant Improvements with the same powers and with the same validity as Landlord could do if acting in its own behalf, (c) pursuant to the provisions of this Lease, to pay all fees, costs and expenses incurred in the construction of the Tenant Improvements, and (d) to ask, demand, sue for, levy, recover and receive all such sums of money, debts, dues and other demands whatsoever that may be due, owing and payable to Landlord under the terms of any contract, order, receipt, writing or instruction in connection with the construction of the Tenant Improvements, and to enforce the provisions of any contract, agreement, obligation, bond or other performance security. So long as an Event of Default has not occurred and be continuing beyond all applicable notice and cure periods, this appointment of Tenant to act as agent and all authority hereby conferred are granted and conferred irrevocably to the completion date of the Project and thereafter until all activities in connection with the construction and equipping of the Project shall have been completed, and shall not be terminated prior thereto by any act of Landlord or of Tenant or by operation of law.

ARTICLE IV AFFIRMATIVE COVENANTS

Section 4.1 Terms of Application, Restrictive Covenants and Limited Denial List. Tenant ratifies its representations made in the Application and agrees to comply with all terms and conditions of the Application. Tenant covenants to abide by the obligations of Tenant in the Declaration of Land Use Restrictive Covenants for Low-Income Housing Tax Credits to be recorded in the Register of Deeds' Office for Knox County, Tennessee (the "LURC"), including the applicable restrictions under Section 42 of the Internal Revenue Code and any Treasury Regulations promulgated thereunder.

Section 4.2 Use of Project and Compliance with Laws. Tenant shall comply with, cause compliance with, or obtain waivers of, all Legal Requirements applicable to the Premises and Tenant's operation thereof of a 124-unit multi-family affordable housing units, at no expense to Landlord, whether or not the same are foreseen or unforeseen, ordinary or extraordinary. Tenant shall, throughout the Term, cause the Premises to be used in a manner that will constitute a "housing project" within the meaning of Section 48-101-308 of the Act. Tenant has represented to Landlord in the Application that it will complete and use the Project solely for the purpose of operating a multi-family housing facility providing residential units, all as set out and defined in the Application. Any proposed changes in the use and operation of the Premises must be submitted to Landlord for advance written approval. Pursuant and subject to the provisions of Article X of this Lease, Landlord reserves the right to terminate this Lease if the use of the Premises becomes materially inconsistent with the representations summarized above and as stated in the Application. All representations and warranties in the Application shall be deemed representations and warranties under this Lease.

Section 4.3 Contesting Laws. Tenant shall not be required to comply or cause compliance with the Legal Requirements referred to in Section 4.2, so long as Tenant shall give written notice to Landlord, and at its expense, shall contest the same or the validity thereof in good faith and in accordance with applicable law. Such contests may be made by Tenant in the name of Landlord or of Tenant, or

both, as Tenant shall determine, and Landlord agrees that it will, at Tenant's expense, cooperate with Tenant therein, as Tenant may reasonably request. At Landlord's option, Tenant shall provide Landlord with such security reasonably satisfactory to Landlord for the purpose of indemnifying Landlord from all claims, damages, liabilities, reasonable attorneys' fees, and court costs, if Tenant shall pursue any claim or right in Landlord's name.

Section 4.4 Landlord's Title to Real Property. Tenant acknowledges that Tenant has been afforded an opportunity to conduct all diligence concerning the Real Property and the state of Landlord's title thereto and is satisfied with the state and condition thereof. Tenant further acknowledges and agrees that Landlord makes no representations or warranties as to the state or condition of Landlord's title to the Real Property. Until such time as this Lease has been terminated after the occurrence and continuation of an Event of Default beyond all applicable notice and cure periods, Landlord will not, without the prior written consent of Tenant, directly or indirectly create or consent to the creation or existence of any lien or encumbrance (other than as requested by Tenant in writing) upon the Premises or Landlord's interest therein, or convey title to the Premises in any manner whatsoever, except as otherwise provided herein or as requested or approved by Tenant in writing. Landlord will promptly consent to, and allow Tenant to place, any easements (including, but not limited to, the dedication of a portion or portions of the Real Property for public use) on the Real Property, which Tenant believes are necessary for the operation thereof. Landlord will promptly execute any and all documents reasonably requested by Tenant to grant such easements. The form and content of such documents shall be reasonably acceptable to Landlord and its counsel and shall provide that Landlord and its agents will not incur any obligations or liabilities as a result of granting and otherwise entering into such easements.

Section 4.5 Additional Encumbrances; Subordination; Estoppel.

(a) Provided that no Event of Default has occurred and is continuing beyond all applicable notice and cure periods under this Lease and provided that Landlord is notified in writing of the details of any proposed transaction prior to the closing of such transaction, Tenant shall have the right to encumber by one or more Security Instruments its right to use and occupy the Premises hereunder. Any and all such encumbrances of Tenant's leasehold estate shall, however, at all times be subject to the fee interest of Landlord and shall impose no personal liability on Landlord. Tenant shall indemnify Landlord against any losses, costs or expenses (including reasonable attorney fees), which Landlord may incur as the result of executing any such encumbrance requested by Tenant. Upon the execution and recordation of any Security Instrument, Tenant shall notify Landlord that such Security Instrument has been executed and delivered by Tenant, and Landlord shall also be furnished with the address of the Lender involved in such encumbrance, to which copies of notices are to be mailed. Landlord will thereafter contemporaneously mail to such Lender a duplicate copy of any and all notices in writing that Landlord may, from time to time, give or serve upon Tenant under this Lease. If a Lender requires Landlord to execute any certificate or other closing documents, Tenant shall be responsible to reimburse Landlord's actual expenses, costs, and reasonable attorneys' fees incurred in reviewing closing documents or otherwise expended by Landlord as a result of Tenant's transactions.

(b) Any Lender may, at its option, at any time before the rights of Tenant shall have been terminated, as provided for herein, pay any of the rent due hereunder or do any other act or thing required of Tenant by the terms hereof, or do any act or thing which may be necessary and proper to be done in the observance of the covenants and conditions hereof, in order to prevent the termination of this Lease. All payments so made and all things so done and performed, by such Lender shall be as effective to prevent a termination of the rights of Tenant hereunder as the same would have been, if done and performed by Tenant.

(c) Any Security Instrument to be executed by Landlord at the request of Tenant shall include no-recourse provisions stating that Landlord shall incur no personal or individual liability whatsoever as a result of entering into the Security Instrument, and these provisions shall have no exceptions to, or carve-outs from, the no-recourse covenant. In addition, any lien, encumbrance, mortgage or security interest evidenced by the Security Instrument shall be subordinate in right and dignity to the lien in favor of Landlord securing Tenant's obligation to make the rent payments the payments in lieu of taxes and other amounts due to Landlord under this Lease.

Section 4.6 Subletting, Assignment and Mortgaging.

(a) Except for (i) leases in the ordinary course of business or otherwise desirable for operation of an apartment complex, (ii) a leasehold deed of trust pursuant to which Tenant mortgages its leasehold estate in the Premises, (iii) removal of the special limited partner of Tenant in accordance with the terms of its partnership agreement or by the Lender pursuant to the loan documents related to the loan from the Lender to Tenant (the "Loan Documents") so long as any new special limited partner of Tenant is approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved, and (iv) any other transfer of a partnership interest in Tenant or in any partner of Tenant in accordance with the terms of its partnership agreement or by the Lender pursuant to the Loan Documents so long as (A) Farragut Pointe SLP, LLC, or an affiliate thereof remains a direct or indirect partner of Tenant or (B) the transferee is approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within sixty (60) days of the date of request or shall be deemed approved (each of the foregoing being a "Permitted Transfer" which shall not require Landlord's consent), Tenant shall not have the right to sublet the Premises or assign or otherwise transfer its rights and interest hereunder except with the prior written consent of Landlord or as explicitly permitted in this Lease. In the event that the Lender becomes the successor tenant hereunder pursuant to this section, the Lender shall be eligible to make the payments in lieu of taxes pursuant to Section 7.2 hereof; and further provided that any successor or assign of the Lender, or any purchaser at a foreclosure sale other than the Lender, shall be entitled to make payments in lieu of taxes pursuant to Section 7.2 hereof so long as Landlord has reasonably approved such person or entity, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within thirty (30) days of the date of request or shall be deemed approved. If such successor or assign of the Lender or any purchaser at a foreclosure sale other than the Lender is not approved by Landlord (the "Non-Approved Party") in accordance with the foregoing sentence, then the Non-Approved Party shall make payments in lieu of taxes beginning as of the date of such assignment or purchase equal to the ad valorem taxes that Tenant otherwise would have been required to make with respect to the Premises if the Premises was owned by Tenant.

(b) If a mortgagee or an investor limited partner of Tenant shall have given Landlord, before any Event of Default shall have occurred hereunder, a written notice specifying the name and mailing address of the mortgagee or investor limited partner, then Landlord shall not terminate this Lease by reason of the occurrence of any Event of Default hereunder unless Landlord shall have given the mortgagee and investor limited partner a copy of its notice to Tenant of such Event of Default addressed to the mailing address last furnished by the mortgagee and investor limited partner, and such Event of Default shall not have been cured by said mortgagee or investor limited partner within the time permitted herein (which such time period, with respect to mortgagee and investor limited partner, shall begin upon receipt of the respective notice by mortgagee and investor limited partner), provided that mortgagee and investor limited partner shall have the right to extend the period of time for the curing of any such Event of Default for an additional period of thirty (30) days from the date contained in the notice given pursuant to Section 13.9 herein, or in the case of an Event of Default which cannot be cured within said thirty (30) day period, for such additional period (not to exceed an additional sixty (60) days) as, with all due diligence and in good faith, is necessary to cure the Event of Default. Landlord acknowledges that

it has received written notice that (a) Lender is a mortgagee hereunder, and that Landlord shall send notices required to be sent to a mortgagee hereunder to Lender at the address provided in Section 13.9 and (b) the Investor Limited Partner is an investor limited partner hereunder, and that Landlord shall send notices required to be sent to an investor limited partner hereunder to the Investor Limited Partner at the address provided in Section 13.9.

(c) Tenant irrevocably directs that Landlord accept, and Landlord agrees to accept, performance by any such mortgagee or investor limited partner of the Tenant's right to terminate this Lease granted to Tenant by Article X hereof, regardless whether an Event of Default has occurred. After the date hereof, and in addition to any rights the mortgagee or investor limited partner may have by virtue of this Lease, if, within ninety (90) days after the mailing of a notice of termination, or such later date as may be provided in this Lease following the expiration of the cure period, if any, afforded to the Tenant (the "Mortgagee/Investor Cure Period"), such mortgagee or investor limited partner shall pay, or arrange to the satisfaction of Landlord for the payment of, a sum of money equal to any and all Base Rent, PILOT Payments, other Additional Rents, and other payments due and payable by Tenant hereunder with respect to the portion of the Premises to which such mortgagee or investor limited partner claims an interest as of the date of the giving of notice of termination, in addition to their pro rata share of any and all expenses, costs and fees, including reasonable attorneys' fees, incurred by Landlord in preparation for terminating this Lease, and in acquiring possession of the Premises, then, upon the written request of such mortgagee or investor limited partner made any time prior to the expiration of the Mortgagee/Investor Cure Period, Landlord and the party making such request (or its nominee) (the "New Tenant") shall mutually execute prior to the end of such Mortgagee/Investor Cure Period a new Lease of the Premises (or such portion thereof as they have an interest in or mortgage on) for the remainder of the Term of this Lease and on the same terms and conditions, and with the same priority over any encumbrances created at any time by Landlord, its successors and assigns which Tenant has or had by virtue of this Lease; provided, however, that in addition to the above payments such New Tenant shall have paid to Landlord a sum of money equal to the Base Rent, PILOT Payments, other Additional Rents, and other payments for such portion of the Premises accruing from the date of such termination to the date of the commencement of the term of such new Lease, together with its pro rata share of all expenses, including reasonable attorneys' fees, incident to the preparation, printing, execution, delivery and recording of such new lease and provided, further, that such New Tenant is approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed, and shall be provided or withheld within sixty (60) days of the date of request or shall be deemed approved. Such priority shall exist by virtue of the notice created by this Lease to any transferee of Landlord or person receiving an encumbrance from Landlord, and the priority shall be self-operative and shall not require any future act by Landlord. Such new Leases shall contain the same clauses subject to which this demise is made, and shall be at the rents and other payments for such portion of the Premises due Landlord and upon the terms as are herein contained. New Tenants under any such new Leases shall have the same right, title and interest in and to and all obligations accruing thereafter under this Lease with respect to the applicable portion of the Premises as Tenant has under this Lease. Nothing in this Section 4.6(c) shall require the investor limited partner or mortgagee, as a condition to the exercise of its rights under this Section 4.6(c), to cure any default of Tenant not reasonably susceptible of being cured by any investor limited partner or mortgagee.

(d) Simultaneously with the making of such new leases, the party obtaining such new lease and all other parties junior in priority of interest in the Premises shall execute, acknowledge and deliver such new instruments, including new mortgages and new subleases, as the case may be, and shall make such payments and adjustments among themselves, as shall be necessary and proper for the purpose of restoring to each of such parties as nearly as reasonably possible, the respective interest and status with respect to the Premises which was possessed by the respective parties prior to the termination of this Lease as aforesaid.

(e) Nothing herein contained shall be deemed to impose any obligation on the part of Landlord to deliver physical possession of the Premises to such mortgagee or their respective nominee until the new leases have been executed by all pertinent parties. Landlord agrees, however, that Landlord will, at the cost and expense of such mortgagee or respective nominee, cooperate in the prosecution of judicial proceedings to evict the then defaulting Tenant or any other occupants of the Premises.

(f) Notwithstanding the term of any mortgage, Tenant's mortgagee shall have no further rights in the Lease except as stated herein. As used in this Section and throughout this Lease, the noun "mortgage" shall include a leasehold deed of trust, the verb "mortgage" shall include the creation of a leasehold deed of trust, the word "mortgagee" shall include the beneficiary under a leasehold deed of trust, and the terms "foreclose" or "foreclosure" shall include a trustee's sale under a deed of trust as well as a foreclosure by judicial process.

Section 4.7 Tennessee Housing Development Agency. As a condition precedent to Landlord's obligations hereunder, Tenant shall secure a four percent (4%) allocation of low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. § 42) with the Tennessee Housing Development Agency ("THDA"). The Tenant is required to provide to Landlord such evidence of such allocation as Landlord shall reasonable require.

Section 4.8 Taxation of Improvements. This Lease Agreement is intended to be a lawful agreement between the Tenant and Landlord, as an instrumentality of a local government, for payments in lieu of taxes and therefore, the buildings and improvements that are or will be part of the Premises are assessed solely to Landlord and are subject to all applicable exemptions, all in accordance with Tennessee Code Annotated § 67-5-502(d).

ARTICLE V TERM AND RENT

Section 5.1 Term. Subject to the terms and provisions of this Lease, this Lease shall be and remain in full force and effect for a term commencing on the date of this Lease and ending on the date that is fifteen (15) years from the earlier to occur of (i) the Stabilization Date, and (ii) the date that is three (3) years from the date of this Agreement (the "Term"). This Lease may be terminated at an earlier date in accordance with terms and conditions of this Lease. Notwithstanding the foregoing, other than in connection with the exercise of the purchase option under Section 12.1 hereof, Tenant shall not terminate this Lease without the prior written consent of the Investor Limited Partner.

Section 5.2 Base Rent. Tenant shall pay to Landlord without notice, setoff or demand base rent ("Base Rent") in the amount set forth below, such Base Rent to be paid on the date on which the Additional Rent required pursuant to Section 7.2 hereof is due and payable. The first installment of Base Rent shall be equal to Two Thousand Dollars (\$2,000.00) per annum. Subsequently, the amount of such Base Rent payable by Tenant each year hereunder shall increase to an amount which is 102.45% of the Base Rent which was payable for the immediately preceding year hereunder.

Section 5.3 Additional Rent.

(a) Tenant covenants and agrees at its expense to acquire and construct the Tenant Improvements as described in the Application, and in connection therewith, Tenant agrees to incur capital expenditures of not less than Eighteen Million Dollars (\$18,000,000.00) to complete the Project. It is understood and agreed that such Tenant Improvements shall become the property of Landlord and part of the Premises leased hereunder. The cost of the acquisition, construction and renovation of the Tenant Improvements shall be treated as Additional Rent payable by Tenant under this Lease, although such amounts shall be payable not to Landlord but to the parties who actually construct and install the Tenant Improvements.

(b) Tenant shall also pay, as Additional Rent, those amounts set out in Article VII hereof and all other sums which Tenant shall be obligated to pay hereunder, whether or not such sums are specifically designated as Additional Rent and debt service payable by Tenant with respect to any loan secured in whole or in part by a security interest in the Premises or Tenant's interest therein. Tenant shall also pay, as Additional Rent, all reasonable sums advanced by Landlord for or on behalf of Tenant hereunder. The Additional Rent shall be due by Tenant in accordance with the applicable provisions of this Lease and, if no date is specified, then on demand. Any sums advanced by Landlord for or on behalf of Tenant shall bear interest at the prime rate of interest as published in the Wall Street Journal, as adjusted from time to time, plus 2.00% per annum, and shall be due and payable on demand.

Section 5.4 Net Lease. This Lease is a "net lease" and the Base Rent, Additional Rent and all other sums payable hereunder to or for the account of Landlord shall be paid promptly and without set-off, counterclaim, abatement, suspension, deduction, diminution or defense.

ARTICLE VI
RELEASE AND INDEMNIFICATION

Section 6.1 Acceptance of Improvements, No Warranties. Tenant acknowledges and agrees that (a) it has examined and is fully familiar with the Premises, (b) the Plans and Specifications for the construction of the Tenant Improvements have been prepared at Tenant's direction and (c) the Tenant Improvements are to be constructed under its supervision. Accordingly, Landlord makes no representation or warranty, either express or implied, and offers no assurance to Tenant or any other Person regarding the condition or title of the Premises, the suitability of the Improvements for Tenant's purposes or needs, or the availability or sufficiency of funds to pay in full the cost of the Project. As to Landlord, Tenant accepts the Premises in their AS-IS CONDITION WITH ALL FAULTS as of the date of the commencement of the Term, and assumes all risks, if any, resulting from the failure of the Project to be completed or to comply with all applicable Legal Requirements.

Section 6.2 Failure or Defect in Title. Landlord shall not be liable to Tenant or to anyone for any damages resulting from (a) failure of, or any defect in, Landlord's title which interferes with, prevents, or renders burdensome the use or occupancy of the Premises or the compliance by Tenant with any of the terms of this Lease, or (b) delay in obtaining possession of all or any part thereof, from any cause whatsoever. No such failure of, or defect in, Landlord's title or delay in possession shall terminate this Lease or entitle Tenant to any abatement in whole or in part, of Base Rent, Additional Rent, or any other sums payable by Tenant pursuant to the terms of this Lease.

Section 6.3 Release and Indemnification.

(a) Tenant hereby releases and forever discharges Landlord, including any incorporator, member, director, officer, employee, counsel or agent of Landlord, and its successors and

assigns from any claims, demands, causes of action, accounting, or any other matter arising in connection with the Project. Notwithstanding the foregoing, Tenant shall not be bound to release Landlord, its incorporators, members, directors, officers, employees, counsels or agents from any claims, demands, causes of action, accounting, or any other matter due to the negligence or willful misconduct of Landlord, its incorporators, members, directors, officers, employees, counsels or agents.

(b) Tenant covenants and agrees, at its expense, to pay, and to indemnify and save harmless Landlord, and any incorporator, officer, director, agent, counsel, or employee of Landlord (collectively, "Landlord's Agents"), against and from any and all claims by or on behalf of any Person, arising from (i) the occupation, use, possession, conduct, or management of, or from any work done in or about, the Premises or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, and Legal Requirements affecting the Project or the occupancy or use of the Premises, (ii) any condition of the Premises and, if caused by Tenant, any condition of the adjoining sidewalks and passageways, (iii) any breach or default on the part of Tenant in the performance of any covenant or agreement to be performed by Tenant pursuant to this Lease, (iv) any act or negligence of Tenant, or any of its agents, contractors, servants, employees, or licensees, (v) any accident, injury, or damage whatsoever caused to any Person in or about the Premises or, if caused by Tenant, upon or under the sidewalks, or (vi) Landlord's ownership of the Premises, the making of this Lease or any transactions related thereto, and from and against all costs, reasonable attorneys' fees, expenses, and liabilities incurred by reason of any claim referred to in this Section. Notwithstanding the foregoing, Tenant shall not be bound to indemnify Landlord, its incorporators, members, directors, officers, employees, counsels or agent, from any such claims, demands, causes of action, accounting, or any other matter due to the negligence or willful misconduct of Landlord, its incorporators, members, directors, officers, employees, counsels or agents.

(c) Upon notice from Landlord, Tenant shall defend Landlord or any of Landlord's Agents, in any action or proceeding brought in connection with any of the above. In the event Tenant shall fail or refuse to defend Landlord or Landlord's Agents after receipt of such notice or shall fail to diligently prosecute or defend any action subject to this Section 6.3, Landlord shall be entitled to provide its own defense of itself and Landlord's Agents and charge Tenant with the reasonable expenses incurred in connection therewith.

(d) The provisions of this Section 6.3 shall survive the termination of this Lease.

ARTICLE VII TAXES, OTHER CHARGES AND EXPENSES OF LANDLORD

Section 7.1 Agreement to Pay Additional Rent. Tenant agrees to pay and discharge, as Additional Rent, during the Term hereof, punctually, as and when the same shall become due and payable:

(a) All expenses and obligations of every kind and nature, foreseen or unforeseen, for the payment of which Landlord or Tenant is or shall become liable by reason of their respective estates or interests in the Premises or any portion thereof, by reason of any right or interest of Landlord or Tenant in or under this Lease, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use, or occupancy of the Premises or requirements of this Lease.

(b) All taxes of every type and description, assessments (including, but not limited to, assessments for public improvements or benefits), payments in lieu of taxes, and all other impositions and charges of every kind and nature, extraordinary or ordinary, general or special, which at any time

during the Term shall be or become due and payable by Landlord or Tenant which shall be levied, assessed, or imposed in connection with the Project or the Premises.

(c) All charges for gas, water, sewer, electricity, light, heat, power, telephone, and other utilities and services used, rendered or supplied to or in connection with the Premises which are required to be paid by Landlord. Tenant agrees that Landlord is not, nor shall it be required, to furnish to Tenant or any other occupant, any gas, water, sewer, electricity, light, heat, power, or any other facilities, equipment, labor, materials, or services of any kind. Landlord will extend any rights it may have to Tenant, and will cooperate with Tenant, at Tenant's expense, in connection with obtaining the use of any such utilities and other facilities and services.

(d) The reasonable out of pocket expenses of Landlord which are incurred in connection with administering the Premises and the Project or performing any act which it is required to do or deems necessary under this Lease, but specifically excluding salaries, office overhead, depreciation, or security.

(e) All of Landlord's closing costs and reasonable expenses, including reasonable attorneys' fees, incurred in connection with the acquisition of the Real Property by Landlord and the negotiation, execution and delivery of this Lease.

(f) As required by the Policies and Procedures, a closing fee equal to Thirty-Five Thousand Dollars (\$35,000.00), provided that Tenant shall be entitled to receive a credit against such closing fee in the amount of the application fee paid by Tenant prior hereto, if any.

Tenant covenants to furnish to Landlord, promptly upon request, proof of the payment of any amount or charge required to be paid by Tenant hereunder.

Section 7.2 Payments in Lieu of Taxes.

(a) Landlord and Tenant recognize that the properties owned by Landlord are exempt from all taxation in the State of Tennessee. Tenant agrees, however, as long as this Lease is in effect to make payments in lieu of taxes ("PILOT Payments") to Knox County, Tennessee and Knoxville, Tennessee, in accordance with the provisions of this Section 7.2.

(b) Tenant shall make PILOT Payments in an amount as follows:

(i) Beginning on the date of this Lease until the Stabilization Date, an amount equal to the real property taxes which were otherwise payable with respect to the Project as of the date of this Lease, payable per annum;

(ii) for Tax Years 1 through 5 from the Stabilization Date, an amount equal to \$4,384.00 per annum;

(iii) for Tax Years 6 through 10 from the Stabilization Date, an amount equal to \$8,768.00 per annum; and

(iv) for Tax Years 11 through 15 from the date of stabilization, an amount equal to \$17,536.00 per annum.

Provided, however, that any amounts payable with respect to any partial Tax Years (or other periods preceding the Stabilization Date) included within the Term will be prorated based upon the actual

number of days included within the Term. "Tax Year" means each annual period beginning on the Stabilization Date (or the anniversary thereof). It is the parties' intent that during the years identified above, Tenant shall not be required to pay an amount in real and personal property taxes with respect to the Premises constituting the Project in excess of the PILOT Payments.

It is the intent of this Section 7.2 that Knox County, Tennessee shall receive the amounts that would be payable if the Project were privately owned and fully subject to property taxation, minus those applicable reductions detailed above, notwithstanding Landlord's ownership of all or any part thereof. However, nothing contained in this Section 7.2 is intended or shall be construed to require the payment by Tenant of any greater amounts in lieu of taxes than would be payable as taxes if the Project was privately owned as aforesaid. It is accordingly understood and agreed that the amount payable by Tenant in any year under the provisions of this Section 7.2 shall be reduced by the amount of any real property taxes lawfully levied by Knox County, Tennessee and Knoxville, Tennessee upon the Project or any part thereof, or upon Tenant's leasehold estate therein, and actually paid by Tenant pursuant to the requirements of Section 7.2 hereof.

The PILOT Payments provided in this Section 7.2 for each year shall accrue on October 1 of each Tax Year and shall be due on or before the last day of the February immediately following the Tax Year with respect to which such payment relates, and the obligation to make any such payments shall survive the termination of this Lease as to any payments that accrue prior to such termination. Notwithstanding the immediately foregoing sentence, any PILOT Payment due and payable with respect to any Tax Year in which Tenant reacquires the Premises shall be payable upon the closing of the acquisition by Tenant of the Premises from Landlord pursuant to Section 12.1, if any, provided such closing occurs prior to the last day of the February immediately following such Tax Year. With respect to any payments made pursuant to this Section prior to the date they are due, Tenant shall be entitled to the same discounts, if any, as any taxpayer in Knox County, Tennessee is entitled to receive with respect to the payment of property taxes prior to the date such taxes are due.

Notwithstanding the foregoing or any other provisions of this Lease, however, it is the express intention of the parties hereto that the Premises and the leasehold interests therein of Tenant, or any sublessee, shall be exempt from all taxation in the State of Tennessee, and that the PILOT Payments as provided for in this Section 7.2 shall be made by and accepted from Tenant in lieu of all ad valorem taxes which are or may be assessed against the Premises and the leasehold interests therein of Tenant or any sublessee for and during the term of this Lease. If, following an Event of Default, the Premises should legally be placed on the ad valorem tax rolls of either Knox County, Tennessee, the payment in lieu of taxes shall terminate and Tenant shall thereafter pay ad valorem taxes as required of a tax-paying entity. In the event Tenant's leasehold interest, but not Landlord's fee interest, shall become subject to ad valorem taxation, the payment in lieu of taxes called for hereunder shall continue, but shall be reduced on a cumulative basis by the amount of ad valorem taxes paid by Tenant with regard to its leasehold estate in the Premises. In the event the payment in lieu of taxes obligation terminates, Tenant shall still have the right to exercise its option to purchase the Premises as set forth in Section 12.1 hereof. In such event, the provisions of Section 12.1 and Section 12.3 shall apply and Landlord shall reconvey the Premises to Tenant, subject to any then existing indebtedness created or incurred by or at the request of Tenant; and Tenant shall pay to Landlord, as consideration therefore, the sum of One Thousand Dollars (\$1,000.00).

All tax bills for payments in lieu of taxes as provided for in Section 7.2 shall be sent to: Farragut Pointe, L.P., PO Box 22314, Knoxville, Tennessee 37933, or to such other entity or address as Tenant may hereafter designate and provide to the tax collectors.

(c) In the event that the Premises are not, at the commencement of the Term hereof, situated within the City of Knoxville, Tennessee or some other municipality (collectively, a

“Municipality”) so as to be subject to ad valorem taxation as a part of a Municipality, but subsequently, by annexation or incorporation, becomes part of a Municipality during the Term, then Tenant shall make additional payments in lieu of taxes, as Additional Rent, in lieu of the ad valorem taxes of the Municipality from and after the effective date of the annexation or incorporation of the Premises into the Municipality. These payments will be billed to Tenant, and Tenant shall pay the same to the appropriate tax collector for the Municipality, upon the same terms and conditions and in the same manner as provided for the PILOT Payments provided in subsection (a) above.

(d) If any such PILOT Payments are not paid by the applicable dates on which they are due, then Tenant shall pay a penalty with respect to such delinquent PILOT Payment from and after the delinquency date in the same amount as the penalty and all other charges which would be due on the corresponding Knox County or other applicable municipality ad valorem taxes. Furthermore, Tenant shall be required to pay to Landlord the amounts payable to Landlord pursuant to Section 5.3(b).

Section 7.3 Other Taxes, Assessments, or Other Charges. Except as provided for in Section 7.2(c) above, if any Governmental Authority enacts or imposes any tax, assessment, or other charge on realty or leasehold interests which are not in existence or collected as of the date of this Lease, Tenant shall pay said tax, assessment, or other charge as Additional Rent under this Lease and said tax, assessment, or other charge, if based on the assessment assigned to realty, shall be calculated on an assessment determined as though the Premises were owned by a tax-paying entity.

Section 7.4 Reports to Landlord; Lease Compliance Information.

(a) On or before March 1 of each year during the Term of this Lease, commencing March 1, 2022, or as otherwise reasonably requested by Landlord, Tenant shall file or cause to be filed with Landlord (i) a report initially in the form of Exhibit B attached hereto and incorporated herein by reference, as such form may be revised by Landlord from time to time (the “Report”), containing all information required by Landlord to determine Tenant’s compliance with the terms and requirements of this Lease and the Application, and (ii) such other information reasonably requested by Landlord (“Lease Compliance Information”). Each Report shall be certified by an Authorized Tenant Representative. Upon the request of Landlord, Tenant shall provide any and all other additional information reasonably requested by Landlord to determine Tenant’s compliance with the Lease and the Application.

(b) Tenant shall prepare and file with the State of Tennessee’s State Board of Equalization by October 1 of each year during the term hereof an annual report containing all of the information required pursuant to Tennessee Code Annotated § 48-101-312 in the form attached hereto as Exhibit C, together with such other information, and using such forms, as such Board of Equalization may require from time to time. A copy of the annual report so filed by Tenant shall be filed with the property assessor’s office of Knox County, Tennessee by the immediately succeeding October 15, and a copy concurrently provided to Landlord.

(c) Concurrently with the delivery thereof to THDA, Tenant shall deliver to Landlord copies of any and all reports, documentation and information required to be submitted by Tenant from time to time to THDA respecting the Project’s compliance with the LURC.

(d) Tenant shall provide to Landlord any and all such other documentation respecting Tenant or the Premises as Landlord shall reasonably request. Tenant shall furthermore provide Landlord at all times during the Term hereof access to the Premises and to any and all records and documents respecting the Premises or Tenant and shall permit Landlord to review and inspect the same to confirm Tenant’s compliance with this Lease.

Section 7.5 Survival. The obligations of Tenant to pay any amount due at the termination of this Lease pursuant to this Article VII, shall survive the termination of this Lease.

ARTICLE VIII INSURANCE

Section 8.1 General Requirements. Tenant shall keep the Premises, existing as of the commencement of this Lease or thereafter constructed, erected, installed and purchased constantly and satisfactorily insured by an insurance company or companies lawfully doing business in Tennessee against losses under an All Risks Special Form Policy, in an amount not less than the full replacement costs of the Premises without deduction for depreciation. The policy evidencing this coverage shall be endorsed with a Replacement Cost Endorsement. The amount of the coverage shall be reviewed annually and increased if necessary so as to provide coverage at all times in an amount necessary to restore the Premises to the conditions existing just prior to the destruction or damage.

Tenant shall further keep or maintain or cause to be carried commercial general liability insurance on the Premises covering claims for bodily injury, death and property damage with a combined single limit of not less than Two Million Dollars (\$2,000,000.00), with “umbrella” liability coverage in an amount not less than Five Million Dollars (\$5,000,000.00), or such greater amounts as may from time to time be reasonably required by Landlord. Landlord shall be named as an additional insured on policies referred to in this paragraph.

Tenant shall further maintain, or cause to be maintained, the following insurance:

(a) During the course of any construction or repair of Improvements on the Premises, Builder’s Risk insurance under a Builder’s All Risk Policy against “all risks of physical loss,” including collapse and transit coverage, during construction of such Improvements covering the total value of work performed and equipment, supplies and materials furnished.

(b) If any part of the Premises now or hereafter lies within a “special flood hazard area” as defined and specified by the United States Department of Housing and Urban Development pursuant to the Flood Disaster Protection Act of 1973, Tenant shall (i) promptly purchase and pay the premiums for flood insurance policies as Landlord deems required so that Landlord shall be deemed in compliance with the rules and regulations and provisions of the Flood Disaster Protection Act of 1973 as then in effect; and (ii) deliver such policies to Landlord together with evidence satisfactory to Landlord that the premiums therefor have been paid. Such policies of flood insurance shall be in a form reasonably satisfactory to Landlord, shall name Landlord as an insured thereunder, shall be for an amount at least equal to the maximum limit of coverage made available with respect to the Premises under the National Flood Insurance Act of 1968, as amended, whichever is less.

(c) Such other insurance on the Premises, or any replacements or substitutions therefor, in such amounts as may from time to time be reasonably required by Landlord (and requested in writing) against other insurable casualties which at that time are commonly insured against in the case of properties of similar character and location, due regard being given to the height and type of the Tenant Improvements, their construction, location, use and occupancy, or any replacements or substitutions therefor.

Provided that no Event of Default has occurred and remained uncured for any applicable cure period, Tenant shall have the option to apply all insurance proceeds either to the repair, restoration and replacement of the Premises, or to retain the proceeds upon the exercise of its option to purchase the

Premises in accordance with Article XII. Notwithstanding the foregoing, Landlord's or Tenant's entitlement to insurance proceeds shall be subject to the rights of any Lender under a Security Instrument.

Section 8.2 Additional Covenants. All insurance policies and renewals thereof shall be in form reasonably acceptable to Landlord, shall be issued by a company or companies reasonably acceptable to Landlord, and shall name Landlord as the named insured or an additional insured, as its interest may appear. Said policies and renewals shall provide for no less than thirty (30) days' written notice to Landlord of any cancellation or amendment thereof. Certificates of said insurance policies and renewals satisfactory to Landlord shall be provided Landlord prior to the effective date thereof, or, upon written request, Landlord shall have the right to hold the policies and renewals thereof. Upon the request of Landlord, Tenant shall promptly furnish to Landlord all renewal notices and all receipts for paid premiums. At least thirty (30) days prior to the expiration date of any of the policies, Tenant shall deliver to Landlord renewal policies in form reasonably satisfactory to Landlord together with receipts evidencing the payment for such policies and renewals. If Tenant fails to maintain the insurance required hereunder, Landlord may, at its option, pay such premiums, or take such other actions, as may be necessary in order to keep any such insurance in full force and effect. In such event, Tenant shall promptly reimburse Landlord for any such payments on demand, or, at the option of Landlord, all sums so paid by Landlord shall bear interest in accordance with Section 5.3(b). All premiums on insurance policies shall be paid promptly when due.

ARTICLE IX MAINTENANCE, REPAIR, IMPROVEMENTS AND REPLACEMENT

Section 9.1 Tenant's Agreement to Maintain and Repair. Tenant acknowledges that Tenant is accepting the Premises "As-Is" and "With All Faults" and that LANDLORD MAKES NO WARRANTY TO TENANT WHATSOEVER, WHETHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES ALL OF SUCH WARRANTIES BEING EXPRESSLY DISCLAIMED BY LANDLORD, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. Tenant agrees that at its expense it will keep and maintain the Improvements and the Premises in good repair and condition, reasonable wear and tear, and damage by fire or other casualty expressly excepted. Tenant shall promptly make or cause to be made all interior and exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen repairs, including the maintenance, repair, and replacement necessary to keep the Premises in good and lawful order and condition, wear and tear from reasonable use and damage by fire and other casualty being expressly excepted, whether or not such repairs are due to any Legal Requirement. All permanent replacements, renewals, attachments, and accessories made to, placed on, or affixed to any part of the Real Property, which become fixtures under applicable law, shall become a part of the Real Property, provided, however, in the event that the Premises are transferred to Tenant, whether as a result of the exercise by Tenant of its right to purchase pursuant to Article XII hereof, or otherwise, any deed or instrument of transfer shall include not only the Improvements to the Premises, but also all such replacements, renewals, attachments and accessories constituting fixtures.

Section 9.2 Landlord's Repairs. At any time an Event of Default has occurred and is continuing, and if such Event of Default is not cured within any applicable cure period, then after notice to Tenant, Landlord may, but shall not be required to, rebuild or make any repairs, replacements, or renewals of any nature or description in connection with this Lease or maintain the Improvements or the Premises in any way. Tenant expressly waives the right contained in any Legal Requirement now or hereafter in effect to make any repairs at the expense of Landlord. If Landlord shall (in its sole discretion) advance funds with which to make such repairs, replacements, renewals, or other expenditures, such sums shall be payable by Tenant as Additional Rent hereunder pursuant to Section 5.3 above.

Section 9.3 Additions to Premises. Subject to Article III and Section 4.4, Tenant shall have the right to make replacements for, additions to, alterations of, and improvements to the Premises, structural or otherwise, to construct and equip additions thereto, to attach machinery, equipment, and fixtures thereto, as part of the real estate, and to modify all of the above at its expense, as Tenant in its discretion may determine appropriate, provided that the same shall not materially decrease the value of the Premises or materially change the use thereof. All work done in connection with such additions, alterations or improvements shall be done promptly and in a good and workmanlike manner. Tenant shall pay the cost of such replacements, additions, alterations and improvements. Upon the expiration or termination of this Lease, all such replacements, additions, alterations and improvements which have been affixed to the Real Property and are fixtures, including, without limitation, the Tenant Improvements, under applicable law, shall remain and shall belong to and be the property of Landlord, subject, however, to Tenant's option to purchase under Section 12.1.

Section 9.4 Personal Property. Tenant or its permitted sublessee(s) may at any time or times during the Term hereof install or commence the installation of any machinery, equipment, furnishings, trade fixtures, and other personal property to such extent as Tenant may deem desirable, provided however, that such installation shall not be permitted to interfere materially with the use and operation of the Premises as set forth in the Application.

Section 9.5 Removal of Personal Property. In the event Tenant or its permitted sublessee determines that any items of personal property installed pursuant to Section 9.4 have become inadequate, obsolete, or worn-out and that the removal thereof will not substantially interfere with the operation or substantially decrease the use of the Premises, Tenant may remove such items of personal property from the Premises and sell, trade-in, exchange, or otherwise dispose of the same.

ARTICLE X DEFAULT; REMEDIES

Section 10.1 Events of Default. Subject to the notice and cure periods set forth herein, any one or more of the following events shall constitute an "Event of Default":

(a) Tenant fails to pay the Base Rent or Additional Rent, as and when due or within thirty (30) days after receipt from Landlord of notice of such failure.

(b) Tenant fails to complete the Tenant Improvements by the Tenant Improvements Completion Date.

(c) Any other representation or warranty made by Tenant herein or in the Application, or any other representation or warranty made by Tenant in any statement or certificate furnished by Tenant either required hereby or in connection with the execution and delivery of this Lease, proves to be untrue in any material respect as of the date it was made.

(d) Tenant ceases to operate the Project or abandons the Project for a period of sixty (60) days or more.

(e) Tenant fails to file on time any Report (or any related financial statements) required under Section 7.4; or if any information contained in any such report proves to be untrue.

(f) Any other default or an event of default (including, in any case, the expiration of any permitted period for the curing of any such default) occurs under any Tenant Document or other agreement between Landlord and Tenant, or any default occurs under any document executed by Tenant

related to the Project or the Premises, including, without limitation, any Security Instrument, which in each case results in a material adverse effect upon Tenant.

(g) Any Lender forecloses on its interest in the Premises or otherwise takes control or possession of the Premises pursuant to its rights under any Security Instrument.

(h) Any material adverse change occurs in the use or operation of the Premises and/or the Project from that set forth in the Application without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed.

(i) Tenant fails to continuously operate a 124-unit apartment complex for households at or below sixty percent (60%) of the area median income on the Premises as provided in the Application at all times during the Term.

(j) Tenant fails in the due performance of, or compliance with, any of the other terms of this Lease and fails to remedy such failure within any applicable cure period.

(k) Tenant fails to comply with its obligations under Section 4.1, including failure to follow its obligations under the LURC.

Except for Events of Default based on subsections (a), (d) and (g) above, and any other Events of Default for which a cure period has been specifically provided, no Event of Default shall occur under this Section 10.1 until such default continues for thirty (30) days after Landlord shall have given Tenant written notice of such default, provided, however, that in the event any such default cannot reasonably be cured within the thirty (30) day period but can reasonably be cured within a sixty (60) day period, Tenant shall have an additional period of time, not to exceed sixty (60) days, after such written notice to cure such default provided Tenant commences such cure during the initial thirty (30) period and diligently pursues its completion at all times thereafter. In the event Tenant's Investor Limited Partner, or its successors and assigns, receives notice of an Event of Default as provided in Section 13.9 and provides written notice to Landlord within the initial thirty (30) days that Tenant has to cure Tenant's Event of Default that Investor Limited Partner desires to cure such Event of Default, Investor Limited Partner shall be allowed an additional thirty (30) days from the date Landlord receives such notice from Investor Limited Partner for Investor Limited Partner to cure the Event of Default.

Section 10.2 Force Majeure. With the exception of Section 10.1(b) which already takes into account for Force Majeure events by its terms, the provisions of Section 10.1 are subject to the limitation that if by reason of Force Majeure, Tenant is unable, in whole or in part, to carry out its agreements and covenants herein contained, other than its obligation to pay Base Rent and Additional Rent, Tenant shall not be deemed in default during the continuance of such inability.

Tenant agrees, however, to remedy with all reasonable dispatch the cause or causes preventing it (as the case may be) from carrying out its agreements and covenants.

Section 10.3 Rights to Cure. If an Event of Default occurs, Landlord may (but shall not be obligated to), advance funds, make payments and perform any such acts for the account of Tenant and at its expense, may enter upon the Premises for any purpose, and take all other actions as may be reasonably necessary or appropriate to protect its interest under this Lease. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and all necessary and incidental costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by Landlord, together with interest at the maximum rate of interest allowed by law, shall be due and payable by Tenant as Additional Rent and may be credited against any sums due to Tenant.

Section 10.4 Landlord's Rights Upon Default.

(a) Except as otherwise expressly provided herein, if any Event of Default, as defined in Section 10.1, occurs and is not cured within any applicable cure period, Landlord may exercise its right to terminate this Lease and without further notice may enter upon and repossess the Premises and may remove Tenant and all other persons and any and all property from the Premises.

(b) Except as otherwise expressly provided herein, if an Event of Default occurs and is not cured within any applicable cure period, Landlord shall have the right of entry, repossession, and removal prior to the expiration of the Term of this Lease. Landlord shall be under no obligation to terminate this Lease prior to exercising its rights of entry, repossession and removal. If Landlord exercises such rights without terminating this Lease, this Lease shall continue in full force and effect for the balance of its Term, except that Tenant shall have no right of possession from the date of the exercise of such right; provided that the exercise of such right shall not preclude the subsequent exercise of any other right under this Lease, including the right of termination pursuant to Section 10.1 hereof.

(c) Tenant covenants and agrees to pay, and to indemnify Landlord from and against, all costs and charges, including reasonable attorneys' fees, lawfully and reasonably incurred in (i) obtaining possession of the Premises after default by Tenant or upon expiration or earlier termination of the Term hereof, and (ii) enforcing any provision of this Lease.

(d) Tenant hereby (i) irrevocably submits to the exclusive jurisdiction of the state courts of the State of Tennessee located in Knox County, Tennessee and to the jurisdiction of the United States District Court for the Eastern District of Tennessee located in Knox County, Tennessee, for the purpose of any suit, action, or other proceeding arising out of or based upon this Lease, the Tenant Documents or any other document or transaction related directly or indirectly to the transactions contemplated herein; (ii) waive and agree not to assert by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim (A) that each is not subject personally to the jurisdiction of the above-named courts, (B) that the suit, action, or proceeding is brought in any inconvenient forum, (C) that the venue of the suit, action, or proceeding is improper, or (D) that this Lease or any of the Loan Documents or the subject matter hereof or thereof may not be enforced in or by such court.

Section 10.5 Reletting. Except as otherwise provided herein, at any time or from time to time after the termination of this Lease pursuant to Section 10.4(a), Landlord may, (but shall be under no obligation to) relet the Premises or any part thereof for the account of Tenant, in the name of Tenant or Landlord, or otherwise without notice to Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term of this Lease), on such conditions and for such uses as Landlord in its discretion may determine. Landlord may collect and receive the rents therefor. Landlord shall have the same right to relet if it exercises its right of entry, repossession, or removal without termination of this Lease as provided in Section 10.4(b). Landlord shall not be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon any such reletting. Any such reletting pursuant to this Section 10.5 shall, in all events, be subject to and expire upon the exercise of Tenant's purchase option set forth in Article XII.

Section 10.6 Survival of Tenant's Obligations. No termination of this Lease pursuant to Section 10.4(a) or repossession of the Premises pursuant to Section 10.4(b), or otherwise, shall relieve Tenant of its respective liabilities and obligations hereunder, all of which shall survive any such termination or repossession. If this Lease is terminated pursuant to Section 10.4(a) or if Landlord exercises its right of entry without termination of the Lease as provided in Section 10.4(b), Tenant shall pay to Landlord the Base Rent and all Additional Rent and other charges required to be paid under this

Lease or otherwise, by Tenant up to the time of such termination or repossession. Thereafter Tenant, until the end of what would have been the Term of this Lease in the absence of such termination or repossession and whether or not the Premises or any part thereof shall have been relet, shall be liable for and shall pay to Landlord as and for liquidated and agreed current damages for Tenant's default the following:

The Base Rent, Additional Rent, and other charges which would be payable under this Lease by Tenant if the Term of this Lease had not been terminated or the Premises repossessed, less the net proceeds, if any, of any reletting effected for the account of Tenant pursuant to the provisions of Section 10.5. In addition, Tenant shall pay on demand all of Landlord's necessary and incidental expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorneys' fees and expenses, employees' expenses, alteration costs and expenses of preparation for such reletting.

Section 10.7 Additional Remedies. In addition to the right to terminate this Lease and any other remedies provided for herein, when any Event of Default occurs and is not cured within any applicable cure period, Landlord may take whatever other action at law or in equity may appear necessary or desirable to collect the Base Rent, Additional Rent, and any other monetary obligation of Tenant hereunder when due, or to enforce any obligation, covenant, or agreement of Tenant under this Lease. If Landlord elects to terminate this Lease after an Event of Default, Landlord's remedies shall include, but are not limited to, Landlord's right to convey the Premises to Tenant and retain a vendor's lien for all sums due and payable to Landlord by Tenant at the time of the conveyance.

ARTICLE XI CONDEMNATION AND CASUALTY

Section 11.1 Condemnation Proceeds. If all or any part of the Premises is taken by the exercise of the power of eminent domain or condemnation, Tenant shall receive the entire award for the taking. If the award is disbursed by the condemning authorities to Landlord, Landlord shall immediately pay the award to Tenant. Tenant shall be entitled to the proceeds of any condemnation award or portion thereof separately awarded for damages to, or takings of, Tenant's property, or for damages on account of the taking or an interference with Tenant's right to possession, use, or occupancy of the Premises.

Section 11.2 Termination of Lease Upon Condemnation. If all or substantially all of the Premises are taken by the exercise of the power of eminent domain or condemnation, or if the exercise of the power of eminent domain renders the Premises and the use thereof unsatisfactory to Tenant for the purposes for which they were intended, Tenant shall have the right to either acquire the Premises pursuant to the provisions of Section 11.1 or terminate this Lease. Until the purchase or termination has taken place, this Lease shall continue in full force and effect without abatement of rent.

Section 11.3 Continuation of Lease Upon Condemnation. If a lesser portion of the Premises are taken by the exercise of the power of eminent domain or condemnation, this Lease shall nevertheless continue in full force and effect without abatement of rent. If such taking causes damage to, or necessitates the restoration or rebuilding of the Premises or a portion thereof, Tenant, at its sole cost and expense, shall promptly and diligently restore and rebuild to such condition as it shall deem reasonable in view of the nature of the taking and the then intended use of the Premises by Tenant.

Section 11.4 Minor Casualty. If a minor part of the Premises is destroyed or damaged, Tenant shall promptly notify Landlord and at Tenant's expense, Tenant shall promptly and diligently rebuild, restore, replace, and repair the same to such condition as it shall deem reasonable in view of the nature of the damage and the then intended use of the Premises by Tenant.

Section 11.5 Substantial or Complete Casualty. If the entire Premises, or a substantial part thereof, shall be damaged or destroyed to such an extent that restoration thereof cannot be accomplished within ninety (90) days from the date of damage, Tenant shall have the right to either restore the Premises as provided in Section 10.4, acquire the Premises pursuant to the provisions of Section 11.1, or terminate this Lease. If Tenant acquires or restores the Premises, Landlord shall then assign to Tenant (to the extent not previously paid to Landlord) or shall then pay to Tenant (to the extent the same have previously been paid to Landlord but not applied to the repair or restoration of the Premises) all insurance proceeds arising out of such damage or destruction. The foregoing shall in no way, however, supersede or modify the rights of Tenant and any permitted sublessee.

ARTICLE XII OPTION TO PURCHASE, INVESTMENT TAX CREDIT AND LIMITATIONS

Section 12.1 Option to Purchase. Tenant shall have the exclusive option at any time during the Term of this Lease or within ninety (90) days after the expiration or termination of this Lease for any reason whatsoever, including, without limitation, an Event of Default, to purchase all, but no less than all, of the Premises, subject to any then existing indebtedness created by or for the account of Tenant, as permitted or provided for in this Lease. The purchase price will be the sum of One Thousand Dollars (\$1,000.00) ("Option Price"). The exercise of such option by Tenant shall not relieve Tenant from the payment of any monetary obligations which shall be due and payable, or shall have accrued, under this Lease as of the date of conveyance. Tenant shall notify Landlord in writing ninety (90) days before the proposed date of purchase that Tenant desires to exercise its option to purchase hereunder. Upon payment by Tenant of the purchase price in collected funds plus all expenses related thereto and any other sums due and payable hereunder, Landlord shall convey the Premises to Tenant, subject always to the liens of any Security Instrument.

Section 12.2 Investment Tax Credit; Low Income Housing Tax Credit. Landlord and Tenant hereby elect and agree that Tenant shall be entitled to any investment tax or similar credit, or grants, with respect to the Premises now or hereafter authorized by the Internal Revenue Code, or other legislation, and Landlord agrees to take all reasonable action necessary to make such investment tax election and obtain the benefits for same for Tenant at Tenant's request and expense, and to obtain such grants. In addition, Landlord and Tenant acknowledge and agree that during the entire Term, Tenant shall be the owner(s) of the Premises for income tax purposes, and as such, Tenant alone shall be entitled to all depreciation deductions and low-income housing tax credits or other benefits for income tax purposes relating to the Premises, and Tenant shall have the right to amortize capital costs and to claim any other federal or state tax benefit attributable to the Premises. Landlord agrees to execute and deliver to Tenant any election forms or consents reasonably required to evidence Tenant's right to claim tax credits, depreciation or other tax benefits available to Tenant as the tax owner of the Premises.

Section 12.3 Conveyance of Title. In the event of any purchase of the Premises or any portion thereof by Tenant pursuant to any provision of this Lease, Landlord shall convey title by a quitclaim deed to Tenant, subject to (i) liens for payments in lieu of taxes and liens, encumbrances, charges, exceptions, and restrictions in existence as of the date of this Lease, (ii) liens, encumbrances, charges, exceptions, and restrictions which Tenant has subsequently requested to be placed, or caused to be placed, against the Premises, (iii) liens, encumbrances, charges, exceptions, and restrictions which Tenant has subsequently approved in writing to be placed against the Premises, (iv) liens, encumbrances, charges, exceptions, and restrictions for which Tenant is responsible under the terms and provisions of this Lease and which arise out of any default by Tenant in the performance of its obligations under this Lease, and (v) any other such liens, encumbrances, charges, exceptions, and restrictions not created or caused by Landlord or Landlord's Agents. Landlord shall not otherwise be obligated to convey any better title to Tenant than

existed on the first day of the Term of this Lease. Tenant shall accept such title, subject to all such aforementioned liens and encumbrances.

Section 12.4 Survival of Rights. All provisions of this Article XII shall survive the expiration of the Term of this Lease (including any extensions therefore) or the termination of this Lease pursuant to any provision hereof (including, but not limited to, any termination pursuant to Article X or Article XI).

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 13.1 Recording. Upon the request of either party, a memorandum of this Lease shall be executed and recorded in the proper public office for the recordation of deeds in Knox County, Tennessee.

Section 13.2 Signs. At the request of Landlord and the expense of Tenant any development or construction signs located at or on the Premises shall read: “The Health, Educational & Housing Facility Board of the County of Knox has provided financial incentives and other assistance for this Project.”

Section 13.3 Waivers. No waiver of any breach shall affect or alter this Lease or constitute a waiver of any other then existing or subsequent breach.

Section 13.4 Remedies. Subject to the express provisions and limitations of this Lease, each right, power, and remedy of Landlord or Tenant provided for in this Lease shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers, and remedies are sought to be enforced. The exercise of any one or more of the rights, powers, or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord or Tenant of any or all such other rights, powers, or remedies.

Section 13.5 No Claims against Landlord. Except as provided herein, nothing contained in this Lease shall constitute any consent or request by Landlord, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof, nor give Tenant any right, power, or authority to contract for, or permit the performance of, any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any personal claim against Landlord.

Section 13.6 Quiet Enjoyment. Landlord does not make any representation or covenant that Tenant shall have quiet and peaceful possession of the Premises. Landlord, however, agrees that it will not take any action to interfere with Tenant’s peaceful and quiet enjoyment of the Premises and that in the event the peaceful and quiet enjoyment of the Premises shall be denied to Tenant or contested by anyone, Landlord shall upon request of Tenant join when necessary in any proceeding to protect and defend the quiet enjoyment of Tenant, provided that Tenant shall pay the entire cost of any such proceeding and reimburse, indemnify, and hold harmless Landlord from any cost or liability whatsoever.

Section 13.7 Governing Law; Entire Agreement. This Lease shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Tennessee, and, together with the action taken by Landlord granting the incentives with respect to the Project set forth in the minutes of the meeting of the Board of Directors of Landlord held on March 9, 2021, and the Application (collectively, the “Related Documents”), expresses the entire agreement of the parties hereto. No party hereto shall be

bound by any agreement or representation to any other party which is not expressly set forth in this Lease and the Related Documents and Reports.

Section 13.8 Severability. In the event that any clause or provision of this Lease shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof.

Section 13.9 Notice. All notices, certificates, demands, requests, consents, approvals, and other similar instruments under this Lease shall be in writing and shall be deemed to have been properly given and received if delivered in person or if sent by United States certified or registered mail, postage prepaid, to Landlord, Tenant or if sent by recognized overnight service providing proof of delivery to Landlord or Tenant at such addresses as either may have designated from time to time in writing, and if to any Lenders under Section 4.5, or any permitted sublessee(s) under Section 4.6, addressed to their principal offices, or at such addresses as said Lenders or said permitted sublessee(s) shall have designated from time to time in writing to Landlord and Tenant. At the commencement of this Lease:

Landlord's address is 17 Market Square #201, Knoxville, Tennessee 37902 with a mandatory copy to counsel for the Board of Directors of Landlord: R. Christopher Trump, Egerton, McAfee, Armistead & Davis, P.C., 1400 Riverview Tower, 900 South Gay Street, Knoxville, Tennessee 37902;

Tenant's address is PO Box 22314, Knoxville, Tennessee 37933, with a mandatory copy to Tenant's counsel: James P. Moneyhun, 900 South Gay Street, Suite 2300, Knoxville, Tennessee 37902.

Investor Limited Partner's (which shall get copies of all notices to Tenant) address is (i) c/o Alliant Capital, Ltd., 340 Royal Poinciana Way, Suite 305, Palm Beach, Florida 33480, Attention: Brian Goldberg, and (ii) c/o Alliant Asset Management Company LLC, 21600 Oxnard Street, Suite 1200, Woodland Hills, California 91367, Attention: General Counsel, with a copy to Investor Limited Partner's counsel: Nixon Peabody LLP, 799 9th Street NW, Suite 500, Washington, DC 20001, Attention: Matthew W. Mullen.

Delivery in person shall be effective on the date of delivery. Delivery by mail shall be effective three (3) days from the date of posting in the United States Mail. Delivery by recognized overnight courier shall be effective the next business day following the date the notice is delivered to the recognized overnight courier for the delivery.

Section 13.10 No Default Certificates. Landlord and Tenant agree at any time and from time to time, upon not less than twenty (20) days prior written request by the other party or by any Lender, or by any permitted sublessee(s), to execute, acknowledge, and deliver a statement in writing certifying that this Lease is in full force and effect and that they know of no default (or if there is a default, the grounds therefor) and the date to which the Base Rent and other charges have been paid in advance, if any.

Section 13.11 Headings. Headings in this Lease are for convenience of reference only and shall not define or limit the provisions thereof.

Section 13.12 Successors. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 13.13 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one agreement. The signature of any party on a signature page intended by such party to be appended to a counterpart shall be deemed to be a

signature to, and may be appended to, any counterpart, and the signature of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart.

Section 13.14 Amendments. This Lease may be modified or amended only by an instrument in writing signed by the parties (or their respective successors or assigns).

Section 13.15 Landlord's Limitation of Liability - No Personal Liability. Anything in this Lease to the contrary notwithstanding, Tenant agrees that it shall look solely to the Premises for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed and/or performed by Landlord. No other property or assets of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies hereunder.

ARTICLE XIV ENVIRONMENTAL MATTERS

Section 14.1 Tenant's Environmental Representations and Warranties. Tenant represents, warrants and covenants to Landlord and its successors and assigns that:

(a) Except as set forth in the Environmental Reports, the Premises and their uses by Tenant comply and will at all times during the Term comply with, and Tenant is not in violation of, and has not violated and will not violate, in connection with the ownership, use, maintenance or operation of the Premises and the conduct of the business related thereto and therein, any applicable federal, state, county or local statute, law, regulation, rule, ordinance, code, license or permit relating to environmental matters, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act of 1976 as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. § 6901 et seq., the Clean Air Act of 1986, as amended, 42 U.S.C. § 7401, et seq., the Clean Water Act of 1977, as amended, 33 U.S.C. § 1251, the Toxic Substances Control Act of 1976, 15 U.S.C. § 2601, et seq., the National Environmental Policy Act of 1975, 42 U.S.C. § 4321, the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. § 300, et seq., the Emergency Planning and Right-to-Know Act of 1982, 42 U.S.C. § 11001, et seq., the Tennessee Water Quality Control Act, Tenn. Code Ann. § 69-3-101, et seq., the Tennessee Air Quality Act, Tenn. Code Ann. § 68-201-101, et seq., the Tennessee Solid Waste Disposal Act, Tenn. Code Ann. § 68-211-101, et seq., the Tennessee Hazardous Waste Management Act, Tenn. Code Ann. § 68-212-101, et seq., the Tennessee Petroleum Underground Storage Tank Act, Tenn. Code Ann. § 68-215-101, et seq., or any other Legal Requirements regulating, relating to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas, or hazardous, toxic, radioactive or any other regulated substance, product, material, waste, pollutant or contaminant which are defined as "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," or other similar designations by Legal Requirements (hereinafter "Hazardous Waste"), as may now or at my time hereafter be in effect (hereinafter "Environmental Laws").

(b) Without limiting the generality of (a), Tenant represents and warrants to Landlord, its successors and assigns that:

(i) Subsequent to the conveyance of the Premises to Landlord, Tenant will (and will require any permitted sublessee of the Premises) at all times receive, handle, use, store, treat,

ship and dispose of all Hazardous Waste in strict compliance with all applicable Environmental Laws, and will continue to do so during the Term of this Lease.

(ii) Tenant has delivered (or caused to be delivered) to Landlord a copy of the Environmental Reports concerning the environmental condition of the Premises. Except as may be shown in the Environmental Reports, Tenant has no knowledge of or information regarding any Hazardous Waste located on the Premises.

(iii) To Tenant's actual knowledge, except as set forth in the Environmental Reports, there are no violations of any Environmental Laws requiring any work, repairs, construction or capital expenditures with respect to the Premises, and Tenant has no knowledge or information, nor has Tenant received any notice of any such violations.

(iv) To Tenant's actual knowledge, except in strict compliance with all applicable Environmental Laws, and except as set forth in the Environmental Reports, no Hazardous Wastes have been released into the environment, or deposited, discharged, placed or disposed at, on or near the Premises, nor have the Premises been used at any time by any person or entity as a landfill or a waste disposal site.

(v) No notices of any violation of any of the matters referred to above relating to the Premises or their use have been received by Tenant, and to Tenant's actual knowledge, there are no writs, injunctions, decrees, orders or judgments outstanding, no lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Premises, nor (to Tenant's actual knowledge) is there any basis for such lawsuits, claims, proceedings or investigations being instituted or filed.

(vi) Tenant further represents and warrants to Landlord, its successors and assigns that, except as set forth in the Environmental Reports:

(A.) There are no monitoring wells on the Premises for monitoring Hazardous Waste.

(B.) To Tenant's actual knowledge, there are no underground storage tanks on the Premises.

(C.) To Tenant's actual knowledge, there is no evidence of PCB contamination from any power transformer, capacitor, or any other source on the Premises.

(D.) To Tenant's actual knowledge, there is no asbestos containing material (ACM) on the Premises.

(E.) Tenant knows of no fact or circumstance that may give rise to any future civil, criminal, or administrative proceedings against it relating to environmental matters involving the Premises.

Section 14.2 Tenant's Continuing Responsibility for Environmental Matters.

(a) Tenant covenants at its sole cost and expense, to remove or take remedial action required by any Environmental Law with regard to any Hazardous Waste released to the environment at, on, or from the Premises while under Tenant's possession and control during the Term of this Lease or any extension thereof.

(b) No removal or remedial action shall be taken except after reasonable advance written notice to Landlord; provided, however, that no notice shall be required if immediate action is required in order to comply with the requirements of any Legal Requirements or if immediate action would diminish the extent of any environmental problem or hazardous condition.

(c) Tenant shall indemnify Landlord for any action taken by Tenant, in accordance with Section 14.3 hereof to Landlord's satisfaction.

(d) Tenant shall at all times retain any and all liabilities arising from the handling, treatment, storage, transportation or disposal of any Hazardous Waste by Tenant or by any of Tenant's contractors.

(e) Upon Landlord's written request, Tenant agrees that it shall use its best efforts to obtain a "brownfield agreement" with the Tennessee Department of Environment and Conservation with respect to any of the matters described in the Environmental Reports and to take any and all actions required thereunder.

Section 14.3 Tenant's Indemnification.

(a) Tenant shall indemnify and hold Landlord and its officers, directors, agents, counsel and employees harmless from and against any and all liabilities, losses, claims, penalties, damages (including, without limitation, consequential damages, interest, penalties, fines and monetary sanctions), and costs, and reasonable attorneys' and consultants' fees and expenses, court costs and all other out-of-pocket expenses incurred or suffered by Landlord by reason of, resulting from, or in connection with, or arising in any manner whatsoever out of the breach of any warranty or covenant or the inaccuracy of any representation of Tenant contained or referred to in this Article XIV. Landlord shall be entitled to conduct its own investigation in connection therewith and provide its own defense and charge Tenant with its reasonable and actual expense incurred in connection therewith.

(b) All representations, warranties, covenants, agreements and indemnities of Tenant contained in this Article XIV shall survive the Term of this Lease or any extensions hereof and the consummation of the transactions contemplated in this Lease, and shall not be affected by an investigation by or on behalf of Tenant or by any information Tenant may have or obtain with respect thereof.

[Signatures Appear on Following Pages]

[SIGNATURE PAGE FOR LEASE AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

FARRAGUT POINTE L.P.,
a Tennessee limited partnership

By: Farragut Pointe SLP, LLC, a
Tennessee limited liability company, its
General Partner

By: _____
Name: _____
Title: _____

**THE HEALTH, EDUCATIONAL & HOUSING
FACILITY BOARD OF THE COUNTY OF KNOX**

By: _____
Name: _____
Title: _____

[NOTARY ACKNOWLEDGMENTS ON NEXT PAGE]

[NOTARY ACKNOWLEDGMENT PAGE TO LEASE AGREEMENT]

STATE OF _____
COUNTY OF _____

Before me, _____, a Notary Public of said County and State, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the _____ of Farragut Pointe SLP, LLC, a Tennessee limited liability company, the General Partner of **FARRAGUT POINTE, L.P.**, the within named bargainor, a Tennessee limited partnership, and that he/she as such _____ executed the foregoing instrument for the purposes therein contained, by signing the name of the company in its capacity as the General Partner of the partnership, and on its behalf, by himself/herself as the _____ of the company.

Witness my hand and official seal at office in the aforesaid county, this _____ day of _____, 2021.

Notary Public

My Commission expires: _____

STATE OF TENNESSEE
COUNTY OF _____

Before me, the undersigned authority, a Notary Public in and for said county and state, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the _____ of **THE HEALTH, EDUCATIONAL & HOUSING FACILITY BOARD OF THE COUNTY OF KNOX**, the within named bargainor, a public non-profit corporation organized under the laws of the state of Tennessee, and that he/she as such officer being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of said corporation by himself/herself as such _____.

Witness my hand and official seal at office in the aforesaid county, this _____ day of _____, 2021.

Notary Public

My commission expires: _____

EXHIBIT A
PROPERTY DESCRIPTION

**EXHIBIT B
REPORT**

Totals as of December 31, 20__

Project Data:

PILOT Recipient (Company Name): _____

Address of Property Subject to PILOT: _____

Insurance Requirements:

In accordance with the Lease Agreement, please provide a certificate of insurance showing insurance coverage in the proper amounts and listing The Health, Educational & Housing Facility Board of the County of Knox as an additional insured.

Maintenance and Repair:

In accordance with the Lease Agreement has the building currently owned by The Health, Educational & Housing Facility Board of the County of Knox been properly maintained and repaired?

_____ YES _____ NO

If the answer is no, please explain. Attach additional sheets if necessary.

Continuous Operation as Multi-Family Affordable Housing:

In accordance with the Lease Agreement, has all of the building currently owned by The Health, Educational & Housing Facility Board of the County of Knox been continuously operated during the term of the Lease Agreement as a Multi-Family Affordable Housing facility?

_____ YES _____ NO

If the answer is no, please explain. Attach additional sheets if necessary.

THE HEALTH, EDUCATIONAL & HOUSING FACILITY BOARD OF
THE COUNTY OF KNOX, TENNESSEE
PAYMENT-IN-LIEU-OF-TAX (PILOT) PROGRAM

PILOT PERFORMANCE REPORT
Totals as of December 31, 20____

I certify that the information and attachments provided are true and accurate to the best of my knowledge and belief:

Print name and title of authorized company representative

Signature

Date

Phone

Fax

Please submit completed and signed materials to:

The Development Corporation
Attn: Shawn Barhorst
17 Market Square, #201
Knoxville, TN 37902-1405

For assistance call: 865-546-5887

EXHIBIT C

BOARD OF EQUALIZATION REPORT

REPORT OF PROPERTIES OWNED BY HEALTH AND EDUCATIONAL, INDUSTRIAL DEVELOPMENT AND SPORTS AUTHORITY BOARDS
(Rev. 2013)

(Note: late fee due after October 1)

Tennessee law requires businesses leasing property from certain public boards and authorities to annually report to the State Board of Equalization concerning the leased properties.

<p>GENERAL INFORMATION County: _____ Year: _____</p> <p>Owner name: _____</p> <p>Lessee name and address: _____</p> <p>_____</p>	<p>This property is owned in the name of (select one):</p> <p><input type="checkbox"/> Industrial Development Board (T.C.A. §7-53-301)</p> <p><input type="checkbox"/> Health, Housing & Educational Facility Board (T.C.A. §48-101-307)</p> <p><input type="checkbox"/> Sports Authority Board (T.C.A. §7-67-108)</p>
--	--

Has lessee name changed since last filing? Yes ___ No ___

Person filing this report:

Name: _____

Title: _____

Address: _____

Phone: _____

E-mail: _____

1. **PROPERTY LISTING:** List all the real and personal property owned by the ID/H&ED Board which is leased or subleased by this lessee as of last January 1. List each property separately if it has a separate parcel or account number in the assessor's records:

A. _____	Assessor's id. no.
B. _____	State the city where the property is located
C. _____	_____

REPORT OF PROPERTIES OWNED BY HEALTH AND EDUCATIONAL, INDUSTRIAL DEVELOPMENT AND SPORTS AUTHORITY BOARDS
 (Rev. 2013)

(Note: late fee due after October 1)

Tennessee law requires businesses leasing property from certain public boards and authorities to annually report to the State Board of Equalization concerning the leased properties.

<p>GENERAL INFORMATION County: _____ Year: _____</p> <p>Owner name: _____</p> <p>Lessee name and address: _____</p>	<p>This property is owned in the name of (select one):</p> <p><input type="checkbox"/> Industrial Development Board (T.C.A. §7-53-301)</p> <p><input type="checkbox"/> Health, Housing & Educational Facility Board (T.C.A. §48-101-307)</p> <p><input type="checkbox"/> Sports Authority Board (T.C.A. §7-67-108)</p>
---	--

Has lessee name changed since last filing? Yes ___ No ___

Person filing this report:

Name: _____
 Title: _____
 Address: _____
 Phone: _____
 E-mail: _____

1. **PROPERTY LISTING:** List all the real and personal property owned by the ID/H&ED Board which is leased or subleased by this lessee as of last January 1. List each property separately if it has a separate parcel or account number in the assessor's records:

Project type code (see instructions)	Property address or location	State the city where the property is located	Assessor's id. no.
A. _____	_____	_____	_____
B. _____	_____	_____	_____
C. _____	_____	_____	_____