

**LEASE NO. \_\_\_\_\_**

This agreement is effective on the \_\_\_\_ day of \_\_\_\_\_, 2024, between The University of the South, a Tennessee corporation, herein called the Lessor, **and \_\_\_\_\_, as tenants by the entirety**, herein called the Lessee, whether one or more, for the leasing by Lessor to Lessee of the real property to be described, and \_\_\_\_\_ (Lender) on the terms and conditions set forth.

1. Description of Property. This lease is for that certain lot and parcel of land situated in the Eighteenth Civil District of Franklin County, Tennessee, within the domain of the Lessor, and more particularly described as follows:

**(Legal)**

**This is the same property described in Lease Number \_\_\_\_\_ dated \_\_\_\_\_, and recorded in Trust Deed Book \_\_\_\_\_ at Page \_\_\_\_\_ in the Register's Office of Franklin County, Tennessee, which lease is surrendered and canceled even date herewith.**

This lease is for land only and not for any improvements located on the leased premises at any time. Lessee understands and agrees that Lessor has no responsibility for any existing or future improvements located on the leased premises or the construction of any improvements, and that it is Lessee's sole responsibility to insure that all improvements are constructed in accordance with applicable laws, regulations, and codes and to inspect, repair, maintain and insure the improvements. Lessee will defend and hold Lessor harmless from any claims arising from or relating to existing or future improvements and the construction of any improvements.

This lease is subject to existing or future utility or other easements and right-of-ways, whether or not of record.

2. Term of Lease. This lease is for a term of **thirty-five (35) years**, commencing as of the \_\_\_\_ day of \_\_\_\_\_, 2024. In the event of any holdover after the lease term expires without the execution of a new lease, Lessee shall be a tenant at will on a month-to-month basis.
3. The Lease Fee. Lessee agrees to pay to Lessor an annual lease fee which shall include (a) a fair rental for the use of the land described, based upon the then current value of that land, and (b) a fair and pro rata share of the then current cost to Lessor of the municipal-type services it furnishes within the Lessor's domain, to be based upon the appraised value of Lessee's improvements for county tax purposes. This lease fee shall be payable in advance for each twelve-month period, commencing with September 1st each year. The proportionate part of this annual fee from the beginning of the term to the September 1st next following shall be payable upon the execution of this lease.

It is agreed that the initial annual fee **shall be \_\_\_\_\_ dollars and no cents (\$00)**. This lease fee will be prorated the first year through August 31. Each year thereafter this annual fee shall be subject to adjustment in accordance with the principles stated above for fixing the fee. Any notice for a change in the annual fee shall be given before the first day of the twelve month period to which it is to apply, and if no notice is given the fee shall be the same for the ensuing twelve month period. If Lessee does not agree that the annual fee proposed to be charged by Lessor is in keeping with the principles stated for fixing that fee, the Lessee may seek review by the Lease Committee.

4. Other charges. Lessee agrees to pay all real property and other taxes assessed against the property during the term of this lease, as and when due, and for all utilities furnished the premises, including any assessments or charges by a utility company and the charges for the collection of garbage. Lessee shall also pay for the maintenance and repair of all utility systems located on the leased property, including but not limited to electric, cable, gas, water and sewer lines. Failure to timely pay these charges shall be grounds for terminating the lease. Lessee shall pay the reasonable costs and attorneys' fees incurred by Lessor to collect any past due lease fees, garbage fees, or other charges.

5. Use of Premises. These premises are leased to Lessee for use as a single family residence and for no other purpose. Any change in this use requires the prior written consent of Lessor. The improvements to be constructed upon the property, any structural change in the existing improvements, the location of driveways and utility lines, and the cutting or removal of trees shall also be subject to the prior written approval of Lessor. Lessee covenants that, during the Lease term and any renewal thereof, Lessee shall comply in all respects with local, state and federal laws regarding the use, generation, storage and disposal of hazardous materials, including but not limited to petroleum, petroleum by-products, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, pesticides, herbicides, and any and all substances and materials now or hereafter defined or designated as "hazardous substances," "hazardous materials," or "toxic substances" or any similar substance or material under any applicable law. Lessee shall promptly notify Lessor in the event of any violation or suspected or alleged violation of any applicable law, and shall promptly forward to Lessor copies of any orders, notices, permits, applications, or other communications and reports in connection with any such alleged violation. Lessee further covenants not to install on or under the premises any underground storage tank. Lessee shall indemnify and hold Lessor harmless from all losses, damages, claims, liabilities, and expenses, including reasonable attorneys' fees, arising out of or related to the presence of any underground storage tank and/or any hazardous materials on the premises, any violation or alleged violation of law, or any breach of any covenant set forth herein. It is understood and agreed that the indemnities provided herein shall survive the termination of this Lease and any renewal hereof and shall continue in full force and effect until the expiration of any applicable periods of limitation with respect to any loss or liability covered by such indemnity.
6. Sub-leases. Any sub-lease of the premises or rental of the improvements shall be subject to Lessor's prior written approval and shall be made a matter of record in the office of the Lessor's Superintendent of Leases. The requirements and conditions of this lease shall continue to apply to any sub-lessee or renter.
7. Transfer of Lease. This lease or the improvements thereon shall not be sold, transferred, assigned, bequeathed, devised, donated, mortgaged or otherwise conveyed or encumbered, either in whole or in part, without the prior written consent of Lessor, and Lessor may condition its consent on changes to the terms of the lease including but not limited to changes in the size of the lease. Lessee must notify Lessor of Lessee's intent to convey any interest in this lease or the improvements, and in the event of any proposed conveyance, the Lessor shall have the option to purchase Lessee's improvements and cancel this lease. If Lessor elects to exercise its option, the value of the Lessee's improvements on the property shall be agreed upon by the parties, and if no agreement can be reached the value shall be determined by arbitration as hereinafter provided. Notwithstanding the foregoing, Lessor's consent is not required to permit an assignment in the ordinary course of business by (Lender) of a loan secured by this lease.
8. Conditions of the Lease. This lease is made subject to the Charter, Constitution, Ordinances, and Lease Policies of the University of the South, the Lessor, as in effect during the term of this lease, and upon these express conditions:
  - (a) That the sale of wine, beer, or intoxicating liquor will not be permitted upon the premises without Lessor's written consent.
  - (b) That the premises will not be used for gambling or an illegal or immoral purpose.
  - (c) That horses, cows, or other livestock will not be kept upon the premises without Lessor's permission.
  - (d) That the premises will be kept in good and sanitary condition and free of any unreasonable hazard or nuisance. For this purpose they will be subject to inspection by the appropriate authority.
  - (e) That all new construction or changes in or additions to existing construction on this leasehold will conform to the applicable building and fire prevention codes. That the Lessor's Fire Marshal or other appropriate authority shall have the right to make inspections of the premises at reasonable times for the purpose of determining the existence of conditions offering an unreasonable risk of fire or explosion and the direct the elimination of such conditions. If the improvements should be destroyed or damaged by fire or other casualty, Lessee agrees that they will be replaced or properly repaired within a reasonable time, and in keeping with the provisions of this lease, or the lease surrendered.
  - (f) That buildings and other structures on the premises will be maintained in good condition and appearance, and the grounds kept orderly and free from trash and debris. No signs shall be erected except with Lessor's permission.

- (g) That the premises will not be used in any way which in the judgment of the Lessor's Board of Regents would be detrimental to the discipline, health, or moral welfare of students on the Domain.
- (h) The Lessee will procure and maintain liability insurance on the property, including the improvements thereon.

9. Termination of the Lease. In the event Lessee fails to pay the lease fee, taxes, or other charges as and when due, or fails to comply with the other requirements and conditions of this lease, and this failure is not corrected within thirty (30) days after notice from Lessor, or in the event any lien is placed against the property or Lessee obtains leasehold financing and Lessee fails to pay the leasehold promissory note in accordance with its terms or fails to observe and perform any covenants under the leasehold deed of trust securing such leasehold promissory note, or if Lessee files for bankruptcy or is declared bankrupt or insolvent, or abandons or vacates the premises before the end of the lease term, this lease shall be subject to termination at Lessor's option. The failure of Lessor to exercise this option shall not be construed as a waiver by Lessor of any requirement or condition of this lease or of its right to terminate the lease for a further violation of its terms. In the event of a termination of the lease under these provisions, except for failure to pay the leasehold promissory note or comply with the terms of the leasehold deed of trust, Lessee shall have the right, within one year from the date of that termination, and provided all lease fees and other charges due under this agreement have been paid in full, either to remove the improvements or to sell them in place to a purchaser approved by the Lessor. After the expiration of one year from that termination, all rights of Lessee in the improvements remaining on the leased premises shall expire, and all right, title and interest in and to the improvements shall vest in the Lessor.

Lessor will provide written notice of Lessee's default to (Lender) if it has a leasehold deed of trust secured by this lease and permit (Lender) to cure the default within sixty (60) days of said notice, provided that Lessor has received written notice of the existence of a deed of trust. (Lender) will provide Lessor written notice of Lessee's default under the leasehold deed of trust or promissory note prior to foreclosure, and Lessor may then offer to purchase Lessee's interest in the property, together with the improvements. If Lessor declines to make an offer to purchase or if Lessor and (Lender) are unable to agree on a purchase price within sixty (60) days of the notice of default, then (Lender), its successors and assigns may proceed with the foreclosure.

10. Renewal of the Lease. At the expiration of the stated term of this lease, the Lessor shall have the option to purchase the Lessee's improvements at their value at that time. If Lessor and Lessee are unable to agree on the value of the improvements, that value shall be determined by arbitration as hereinafter provided. If Lessor elects not to exercise this option to purchase Lessee's improvements, the Lessor shall offer to Lessee a new lease on the same terms and conditions as are then in effect, as to lease fees and other provisions, in leases being offered to other persons, except that Lessor may alter the size of the lease.
11. Arbitration. When the value of the improvements is to be determined by arbitration, the Lessor and Lessee shall each appoint one arbitrator, and a third arbitrator shall be agreed upon by the two arbitrators so appointed. The decision of a majority of these three arbitrators shall be binding upon the parties.
12. Re-delivery of the Premises. Whenever this lease has been terminated, for whatever reason or cause, Lessee agrees to immediately and peaceably redeliver the premises to Lessor, and if Lessee fails or refuses to do so and Lessor is required to use legal procedures to obtain possession of the premises, Lessee agrees to be liable for Lessor's costs, including attorney's fees, incurred in that procedure.
13. Condemnation. Should the leased premises, or any part thereof, be taken, damaged or condemned by public authority, this lease shall terminate, as to the part so taken, as of the date title shall vest in the public authority. All damages and payments resulting from the taking shall accrue and belong to the Lessor. If the taking includes the improvements, then Lessee shall be entitled to that portion of the payment which the public authority or court hearing the condemnation case designates as the value of the improvements so taken, less a pro rata share of all legal fees or court costs incurred by the Lessor.
14. Notices to Lessee. Notices, including statements of account, may be sent by Lessor to Lessee by mail, electronically, or delivered in person. If there is more than one Lessee, a notice to one shall be effective as to all. If no Lessee is resident in the leased premises, a notice delivered to any adult resident of those premises shall be considered as a notice to Lessee.

15. Notices to Lessor. Notices from Lessee to Lessor may be mailed or delivered to the office of Lessor's Superintendent of Leases. Payments to Lessor shall be made at the office of its Treasurer.

16. Special Provisions. These further terms and conditions shall apply to this lease:

The parties to this Lease understand and agree that Lessee's interest in the real property that is the subject of this Lease is a leasehold interest, not a fee simple interest, notwithstanding any language to the contrary in any document including any deed of trust, mortgage or similar instrument secured by the property described in section 1 above.

17. Binding Agreements. This agreement, unless amended in writing properly executed, constitutes the full agreement between the parties as to the matters related. Any and all prior agreements concerning the premises described, or any part thereof, are hereby canceled and annulled.

In Witness Whereof this lease agreement has been executed by the parties on the date first written.

THE UNIVERSITY OF THE SOUTH

\_\_\_\_\_  
*President and Vice-Chancellor*

\_\_\_\_\_  
*Superintendent of Leases*

LESSEE

\_\_\_\_\_  
*Lessee*

\_\_\_\_\_  
*Lessee*

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

LENDER

By \_\_\_\_\_

Its \_\_\_\_\_

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

Before me, a Notary Public in and for said State and County, this day **appeared** \_\_\_\_\_, to me personally known, or proved to me on the basis of satisfactory evidence, the within named bargainer(s), who acknowledged that this instrument was executed for the purposes therein stated and as a free act and deed.

Witness my hand at office this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

My commission expires: \_\_\_\_\_  
\_\_\_\_\_  
*Notary*

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

Personally appeared before me, the undersigned, a Notary Public within and for said State and County, duly commissioned and qualified, \_\_\_\_\_, 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** \_\_\_\_\_, a corporation, the within named bargainer, and that he/she as such officer, being authorized, so to do, executed the foregoing instrument, for the purposes therein contained by signing the name of the corporation by himself/herself as such officer.

Witness my hand at office this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

My commission expires: \_\_\_\_\_  
\_\_\_\_\_  
*Notary*

STATE OF TENNESSEE  
COUNTY OF FRANKLIN

Before me, a Notary Public in and for said State and County, this day appeared Robert W. Pearigen and Sallie Green to me personally known, who being by me duly sworn did say that he, said Robert W. Pearigen is the President and Vice-Chancellor and she, said Sallie Green is the Superintendent of Leases of THE UNIVERSITY OF THE SOUTH, the within named bargainor, a corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Trustees, and said Robert W. Pearigen and said Sallie Green acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand at office this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

My commission expires: \_\_\_\_\_  
\_\_\_\_\_  
*Notary*