

**THE UNIVERSITY OF THE SOUTH
DOMAIN PROPERTY DISCLOSURE**

OVERVIEW

The purchase of a home involves careful consideration of all aspects of the property. There are several unique characteristics to consider when deciding to purchase property on the University of the South Domain, and we hope this disclosure will help you understand how owning a home or business in Sewanee is different.

The University of the South may not sell land on the Domain. All residential and commercial properties are subject to ground leases. This means that while the buyer may own the structure, the University will always own the land on which the structure is located. This differs substantially from the typical “fee simple” ownership arrangement (where the buyer owns both the structure and the land). Furthermore, the buyer’s interests in the structure are subject to the ground lease. Please review the lease and lease policies carefully before signing a contract to purchase a leasehold on the Domain and to better understand your responsibilities as a leaseholder.

All leasehold transfers must be approved by the Lease Committee, which normally meets once a month. Contracts should state that a transfer is contingent on University approval. Once a buyer is approved by the committee, the lease office requires at least four weeks until transfer documents are available. Lenders, appraisers, etc., may require additional time and it is the buyer's (or their representative's) responsibility to ensure that the closing date in the contract allows adequate time for all parties to prepare for the closing.

LEASEHOLDS WITHIN THE DOWNTOWN PLANNING ZONE

In 2015, the University engaged the Town Planning and Urban Design Collaborative to guide commercial and residential development in the downtown village zone. The downtown area is loosely described as being between Sherwood Road and Trimble Lane. There is always a possibility that lot lines on the Domain could be modified during a transfer, but lot lines in the downtown zone will receive special attention from the planner. You can expect this review to add additional time to the approval process. Information regarding the village development project along with the implementation plan can be found at <http://www.sewanee.edu/village/>.

LOANS SECURED BY LEASEHOLD PROPERTY

Leaseholders that borrow money (at any time during ownership) secured by the leasehold, must let the lender know that the University must consent to the Deed of Trust. The Deed of Trust must be specifically drafted for a leasehold interest in the property. Questions about appropriate language for a Deed of Trust can be directed to the lease office.

LEASE TRANSFER FEE

Anyone who acquires an interest in any residential or commercial lease through purchase, gift or otherwise must pay a transfer fee based on the purchase price or fair market value as determined by a certified appraiser. Currently the transfer fee is 4% of this amount, but the rate is subject to change at the University’s discretion. Some University employees and retired employees who purchase or otherwise acquire an interest in a lease for their primary residence are exempt from paying the transfer fee.

LEASE FEES

The leasing of ground on the Domain is governed by the Ordinances of the University of the South. According to the Ordinances, the annual lease fee “shall include a fair rental for the use of the land involved, based upon the then current value of that land, and a fair and proportionate share of the then current cost to the University of the municipal-type services which it furnishes within the Domain and without other charge to lessees. A lease may provide for the re-determination of this fee each year or at such other intervals as the lease may state.”

Lease fees are recalculated each year. A letter is sent to leaseholders in August notifying them of the annual lease fee effective in September.

Please acknowledge and sign pages 1 and 2.

Buyer: _____ Date: _____ Buyer: _____ Date: _____

GARBAGE FEES

In order to make garbage service affordable for our small community, all leaseholders are required to subscribe to the garbage service. If you plan to be out of town for a period of at least three months AND you notify the lease office in advance, garbage service can be suspended. Absentee leaseholders are required to pay for this service as well.

SUBLEASING/RENTING

We want you to know that we in no way want to interfere with your enjoyment of your home in Sewanee or your ability to have guests visit you in your home. Our goal is to protect the sense of community that we all love about Sewanee. Having frequent unsupervised guests may take a toll on your relationship with your neighbors. We also are concerned about the safety of visitors to the Mountain. Our emergency services personnel need to know about visitors in order to respond properly to a given emergency. Our policies place limitations on renting and subleasing. As you read our policies, please know that they are written with the best interest of the community in mind, and we need your cooperation to make them work.

Also, we need to emphasize that the Dean of Students Office does not permit enrolled students from the college to live outside the residence halls system without advance permission. This includes the use of non-primary homes (also known as second homes or family homes) on the Domain or in the surrounding areas.

BUILDING REGULATIONS

Changes to leasehold property must be approved by the Lease Committee prior to beginning the work. Examples include new roofs, additions, fences, changes in exterior materials or paint colors, tree removal, significant changes in landscaping, converting a garage into living space, sheds, etc. The Lease Committee, composed of University and community representatives, meets on a monthly basis to review requests for changes to leasehold property. The deadline for agenda items is posted on our website and in the *Sewanee Mountain Messenger*.

It is the responsibility of the lessee to meet Franklin County requirements for construction and to secure a Franklin County building permit if needed. The University recommends that leaseholders hire contractors who comply with the State of Tennessee’s laws for licensing and insurance. It is the leaseholder’s responsibility to confirm that a contractor meets the State of Tennessee’s requirements.

PARSON’S GREEN

Homes in Parson’s Green must be used as a primary residence and must transfer as a primary residence.

PROPERTY LINES

The University may decide to change the size of a lease when there is a transfer or renewal. Leaseholders are responsible for knowing the location of their property lines.

POLICIES AND SAMPLE LEASE

A sample lease and policies are available to you on the lease office website and in the lease office.

This disclosure is intended to highlight some of the important aspects of leasing property on the Domain. Please contact the Office of Leases and Community Relations at 931-598-1998 for further information.

All policies and forms referred to in this document and others can be found in their entirety at www.sewanee.edu/offices/leases. Hard copies can be obtained by calling the lease office at 931-598-1626. Before signing this disclosure, we recommend you read all the policies and the sample lease in order to better understand your responsibilities as a leaseholder.

I/We acknowledge receipt of this disclosure.

Buyer: _____ Date: _____ Buyer: _____ Date: _____