

AGENDA
INDUSTRIAL DEVELOPMENT BOARD

December 21, 2021 Meeting

City Hall – Administrative Conference Room

1:30 P.M.



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INDUSTRIAL DEVELOPMENT BOARD
December 21, 2021 Meeting
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1:30 P.M.

A. **CALL TO ORDER**

B. **ROLL CALL**

C. **MINUTES** – *October 13, 2021*

D. **REPORTS**

E. **OLD BUSINESS**

F. **NEW BUSINESS**

1. Consider approval of **Resolution IDB-R-2021-003** – A Resolution to amend the Forest Cove PILOT documents – *Dustin Smith*

G. **OTHER BUSINESS**

H. **ADJOURNMENT**

**INDUSTRIAL DEVELOPMENT BOARD of the
CITY OF SEVIERVILLE, TENNESSEE**

October 13, 2021

A called meeting of the Industrial Development Board of the City of Sevierville, Tennessee, was held at the Sevierville Main Fire Station, 1162 Dolly Parton Parkway, Sevierville, Tennessee, on October 13, 2021 following the Public Building Authority meeting at 2:00 PM.

There were present and participating at the meeting:

Mike Sutton, Director
Rodney Tarwater, Vice Chairman
Andrew Temple, Chairman
Jessica Ratcliff, Director

Absent:

Robbie Fox, Ex-officio
George Seaton, Director
Brenda McCroskey, Secretary/Treasurer
Howard Murrell, Director

Senior Staff Present:

Tracy Baker, Asst. City Administrator
Matt Henderson, Fire Chief
Lynn McClurg, CFO/City Recorder
Ed Owens, City Attorney
Bob Parker, Parks & Recreation Director
Dustin Smith, Development Director

Chairman Temple chaired the meeting with Lynn K. McClurg as secretary of the meeting. A motion was made by Vice Chairman Tarwater and seconded by Director Sutton to approve the minutes of the June 18, 2021 meeting and to dispense with the reading. Motion carried.

NEW BUSINESS

Chairman Temple recognized Vice Chairman Tarwater, who made a motion that was seconded by Director Sutton to re-elect Andrew Temple to the position of Chairman, Rodney Tarwater the position of Vice Chairman and Brenda McCroskey the position of Secretary/Treasurer. Motion carried.

Chairman Temple recognized Dustin Smith, who presented a Resolution IDB-R2021-001 Relating to the Second Amendment to PILOT Documents Among the Industrial Development Board of the City of Sevierville, Tennessee and the Villas at Kyker Ferry, LLC and the Villas at Kyker Ferry SPE, LLC. Smith explained that the amendment revises the legal description to include additional property and assigns the PILOT documents from a Tennessee LLC to a Delaware LLC. A motion was made by Vice Chairman Tarwater and seconded by Director Ratcliff to approve the resolution as presented. Motion carried.

There being no further business to discuss, a motion was made by Director Sutton and seconded by Vice Chairman Tarwater to adjourn the meeting at 2:30 PM. Motion carried.

Approved: _____
Andrew Temple, Chairman

Attest: _____
Lisa K. Taylor, Recorder



IDB Board Memorandum

Date: December 21, 2021

Agenda Item: Consider approval of **Resolution IDB-R-2021-003** – A resolution to amend the Forest Cove PILOT documents.

Presentation: This is a proposed amendment to extend the lease period with Forest Cove, L.P. to a 40-year term ending March 1, 2062. The extension is requested per requirements for USDA funding mechanisms. Following the original term of 10-years, ending on April 1, 2030, should Forest Cove, L.P. (Lessee) choose not to exercise an option to purchase, they shall make annual payments in lieu of taxes to the City and County in an amount equal to one hundred twenty-five percent (125%) of the ad volorem taxes that would otherwise be payable if the property were owned by the Lessee.

Requested Action: Approval of Resolution IDB-R-2021-003.

RESOLUTION – IDB-R-2021-003

**RESOLUTION RELATING TO AMENDMENT TO PILOT DOCUMENTS
BETWEEN THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY
OF SEVIERVILLE, TENNESSEE AND FOREST COVE, L.P.**

WHEREAS, the Board of Directors of The Industrial Development Board of the City of Sevierville, Tennessee (the “Board”) has met pursuant to proper notice; and

WHEREAS, to induce Forest Cove, L.P., a Tennessee limited partnership (the “Company”), to cause the acquisition of land and construction of a multifamily housing facility for low and moderate-income citizens known as Forest Cove, the Board and the Company entered into (i) a Lease on December 28, 2018 (the “Lease”) and (ii) a Memorandum of Lease and Purchase Option, dated December 28, 2018, recorded at Book 5260, Page 431 in the office of the Sevier County Register of Deeds (the "Memorandum" and together with the Lease, the "PILOT Documents"); and

WHEREAS, the Board and the Company desire to amend the PILOT Documents to revise certain provisions thereof by executing the following documents (collectively, the “Amendment Documents”):

(a) the Amendment to PILOT Documents;

(b) the Joinder of PILOT Lessor to Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement; and

(c) the Ground Lessor Estoppel Certificate.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF SEVIERVILLE, TENNESSEE:

1. The Chairman or Vice Chairman of the Board is hereby authorized and directed to execute, and its Secretary or Assistant Secretary is authorized to attest the Amendment Documents, and either is authorized and directed to deliver the Amendment Documents to the Company.
2. The Amendment Documents shall be substantially in the forms submitted, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officer executing them, his or her execution to constitute conclusive evidence of his or her approval of any such omissions, insertions and changes.
3. The officers of the Board are hereby authorized and directed to execute, deliver and file such other certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the consummation of the transactions described above.

4. All other acts of the officers of the Board which are in conformity with the purposes and intent of this resolution and in furtherance of the amendments described above are hereby approved and confirmed.

I hereby certify that attached hereto is a resolution of The Industrial Development Board of the City of Sevierville, Tennessee, duly and lawfully adopted by its Board of Directors on December 21, 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.

Dated: December 21, 2021

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF SEVIERVILLE, TENNESSEE

Andrew Temple, Chairman

Brenda McCroskey, Secretary/Treasurer

32090472.2

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

*This amends the document recorded at Book
5260, Page 431 in the office of the Sevier
County Register of Deeds.*

Bass, Berry & Sims, PLC
900 South Gay Street, Suite 1700
Knoxville, Tennessee 37902
Attn: G. Mark Mamantov

AMENDMENT TO PILOT DOCUMENTS

THIS AMENDMENT TO PILOT DOCUMENTS, is made and entered into this ____ day of _____, 2021, by and between THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF SEVIERVILLE, TENNESSEE, a public nonprofit corporation organized and existing under the laws of the State of Tennessee ("Lessor"), and FOREST COVE, L.P., a Tennessee limited partnership ("Lessee").

WITNESSETH:

WHEREAS, a certain Lease was executed on December 28, 2018, by and between Lessor and Lessee (the "Lease") whereby the Leased Property (as defined in the Lease) was demised unto Lessee; and

WHEREAS, notice of the Lease was previously given by recording that certain Memorandum of Lease and Purchase Option, dated December 28, 2018, recorded at Book 5260, Page 431 in the office of the Sevier County Register of Deeds (the "Memorandum"); and

WHEREAS, the parties desire to enter into this Amendment to PILOT Documents to make certain revisions to the Lease and the Memorandum (collectively referred to herein as the "PILOT Documents"); and

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. For all purposes of this Amendment, unless otherwise expressly provided in this Amendment or unless the context in which such term is used indicates a contrary intent, capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Lease.

2. Article III is hereby deleted and replaced with:

Subject to the provisions contained in this Lease, this Lease shall be in full force and effect for a Term commencing on the date hereof and ending on [March 1, 2062], unless terminated earlier, in accordance with the terms hereof.

Notwithstanding the foregoing, the Term of this Lease may be terminated at any time upon exercise by Lessee of the purchase option described in Article XV hereof.

3. The first paragraph in Subsection 7.04(c) is hereby deleted and replaced with:

For a period from the date hereof until December 31, 2029, Lessee shall not be required to make any payments in lieu of taxes under this Lease. For a period from January 1, 2030 through March 31, 2030, in addition to Basic Rent and Additional Rent hereunder, Lessee and Lessor agree that Lessee shall pay directly to the City and the County for each Tax Year, annual payments in lieu of taxes to the City and the County in an amount equal to the ad valorem taxes that would otherwise be payable with respect to the Leased Property if such Leased Property were owned by Lessee. Thereafter, beginning on April 1, 2030, in addition to Basic Rent and Additional Rent hereunder, Lessee and Lessor agree that Lessee shall pay directly to the City and the County for each Tax Year during the Term, annual payments in lieu of taxes to the City and the County in an amount equal to one hundred twenty-five percent (125%) of the ad valorem taxes that would otherwise be payable with respect to the Leased Property if such Leased Property were owned by Lessee.

4. On the date hereof, the parties agree to execute the joinder attached hereto as Exhibit D (the "Joinder"), and such exhibit shall constitute a part of this Amendment. As of the date hereof, and for avoidance of doubt, the following provisions reflected in the Joinder are hereby added to the Lease:

USDA Rights. At any time that the United States Department of Agriculture ("USDA") holds, or has issued a loan note guaranty with respect to, any mortgage or deed of trust on the Leased Property: (i) upon the occurrence of an Event of Default by Lessee under the Lease or under such mortgage or deed of trust, USDA shall have the right to foreclose or cause foreclosure on the Leased Property and the right to bid at a foreclosure sale or receive a deed in lieu of sale; and (ii) upon the occurrence of an Event of Default by Lessee under the Lease, Lessor shall provide USDA with notice of such Event of Default in the manner provided in Section 16.03 of the Lease.

5. Notwithstanding anything herein to the contrary, in the event of a foreclosure or deed in lieu of foreclosure under the Deed of Trust (as such term is defined in the Joinder), Beneficiary (as such term is defined in the Joinder) or any transferee or endorsee after transfer, endorsement or assignment of the Deed of Trust (other than the United States Department of Agriculture which, as a federal agency, is exempt from taxation) who acquires title to the Leased Property, shall make annual payments in lieu of taxes to the City and the County in an amount equal to the ad valorem taxes that would otherwise be payable with respect to the Leased Property if such Leased Property were owned by Beneficiary.

6. The last sentence of Section 13.01 is hereby amended and restated to read as follows:

Transfers of partnership interests within Lessee that are permitted under the terms of Lessee's partnership agreement shall not constitute a transfer of Lessee's rights under this Lease Agreement and shall not require the consent of Lessor or constitute an Event of Default hereunder.

7. Notwithstanding anything herein to the contrary, Lessee shall comply with the occupancy restrictions of that certain Declaration of Land Use Restrictive Covenants for Low-Income Housing Tax Credits, dated as of April 30, 2019, and recorded in Book 5589, page 800 in the office of the Sevier County Register of Deeds (the "Declaration"), even if the Term (as defined in the Declaration) has expired as long as this Lease is in effect.

8. The term of the Memorandum is hereby revised to be from December 28, 2018 through March 1, 2062.

9. Except to the extent amended or modified hereby, the Lease shall continue in full force and effect in all respects.

10. Each of the parties hereto affirms its respective obligations under the Lease, as amended hereby, and each such party agrees that such obligations are valid and binding, enforceable in accordance with its terms, subject to no defense, counterclaim, or objection.

11. This Amendment may be executed in any number of separate counterparts. All of such counterparts, when so executed and delivered, shall be deemed to be originals and shall together constitute one document.

IN WITNESS WHEREOF, the parties hereto have set their hands or caused this Amendment to be executed as of the day and date first above written.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF SEVIERVILLE, TENNESSEE, a public nonprofit corporation organized and existing under the laws of the State of Tennessee

By: _____
Chairman

STATE OF TENNESSEE)

)

COUNTY OF SEVIER)

Before me, the undersigned authority, a Notary Public with and for the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon his oath acknowledged himself to be the Chairman of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF SEVIERVILLE, TENNESSEE, the within named bargainer, a public not-for-profit corporation, and that he, as such Chairman, executed the foregoing instrument for the purposes therein contained by signing the name of said corporation as Chairman.

WITNESS my hand and official seal at office in _____, Tennessee, this ____ day of _____, 2021.

Notary Public

My Commission Expires:

FOREST COVE, L.P., a Tennessee limited partnership

By: _____
Its: _____

STATE OF TENNESSEE
COUNTY OF _____

Before me, the undersigned authority, a Notary Public with and for the State and County aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon his oath acknowledged himself to be the _____ of FOREST COVE, L.P., the within named bargainor, a Tennessee limited partnership, and that he, as such officer, executed the foregoing instrument for the purposes therein contained by signing the name of said company as such officer.

Witness my hand, at office, this ____ day of _____, 2021.

Notary Public

My Commission Expires: _____

EXHIBIT D

Joinder

See attached.

31290361.1

THIS INSTRUMENT PREPARED BY:
Ballard Spahr LLP
1909 K Street, NW, 12th Floor
Washington, DC 20006

**JOINDER OF PILOT LESSOR
TO MULTIFAMILY DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND
SECURITY AGREEMENT**

1. THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF SEVIERVILLE, TENNESSEE, a public nonprofit corporation organized under Tennessee law (the "**PILOT Lessor**"), whose address is _____, Sevierville, Tennessee 37862, hereby joins, effective this ____ day of December, 2021, that certain Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement by and among **ORIX REAL ESTATE CAPITAL, LLC**, a Delaware limited liability company, d/b/a Lument Capital ("**Beneficiary**"), **FOREST COVE, L.P.**, a Tennessee limited partnership ("**Grantor**") and the trustee party thereto dated as of December __, 2021, which is being recorded on or about the date hereof in the Sevier County, Tennessee Register's Office (the "**Deed of Trust**"). Accordingly, PILOT Lessor, for the purpose of securing payment and performance of the indebtedness described in the Deed of Trust, hereby irrevocably and unconditionally grants, conveys and assigns to Trustee and Trustee's successors and assigns, in trust , with power of sale, all estate, right, title and interest which PILOT Lessor now has or may later acquire in and to the Mortgaged Property (as such term is defined in the Deed of Trust). All rights and remedies of Beneficiary and of Grantor under the Deed of Trust shall also extend to PILOT Lessor's interest in the Property.

2. PILOT Lessor acknowledges that the Property is subject to the lien of the Deed of Trust which is permitted under the Lease Agreement dated as of December 28, 2018, between the PILOT Lessor (as Lessor) and Grantor (as Lessee), a memorandum of which is recorded in Book 5260, Page 431 in the Sevier County, Tennessee, Register's Office, as amended by that certain Amendment to PILOT Documents dated as of December __, 2021 and to be recorded on or about the date [t]hereof in the Sevier County, Tennessee Register's Office (collectively, the "**PILOT Lease**"). All provisions in the PILOT Lease inuring to the benefit of leasehold mortgagees or their successors and assigns shall inure to the benefit of Beneficiary, the United States Department of Agriculture ("**USDA**") and its and their respective successors and assigns.

3. Notwithstanding anything to the contrary contained in the PILOT Lease, PILOT Lessor hereby covenants and agrees that (i) Beneficiary and/or USDA shall be entitled to participate in any settlement regarding insurance or condemnation proceeds or awards and (ii) Beneficiary and/or USDA shall be entitled to collect, hold, and/or apply any such proceeds or awards in the manner set forth in the Deed of Trust and the other Loan Documents (as such term is defined in the Deed of Trust).

4. A copy of any notice permitted or required to be given to Lessee under the PILOT Lease shall be given by PILOT Lessor to Beneficiary and USDA in the manner provided in the PILOT Lease to the following address:

ORIX REAL ESTATE CAPITAL, LLC
2001 Ross Avenue, Suite 1900
Dallas, Texas 75201
Attn: Director, USDA Loan Servicing

And

United States Department of Agriculture
Production and Preservation Division
Multi-Family Housing
1400 Independence Avenue, S.W.
Washington, DC 20250
Attn: Multi-Family Housing Asset Management

or such other address as Beneficiary or USDA may direct by notice to PILOT Lessor as provided in the PILOT Lease.

5. Notwithstanding any of the conditions contained in the Deed of Trust, the exclusive and sole remedy of the Trustee and Beneficiary and any transferee or endorsee after transfer or endorsement or assignment of the Deed of Trust (including, but not limited to, USDA) against the PILOT Lessor for an Event of Default (as defined in the Deed of Trust) shall be foreclosure under the Deed of Trust. In the event of foreclosure or the exercise of any rights by the Trustee, Beneficiary or USDA, no deficiency or other personal judgment shall be sought or rendered against the PILOT Lessor, or its successors and assigns (including any incorporator, member, director, officer, employee, counsel or agent of the PILOT Lessor, their heirs, personal representatives, transferees, successor or assigns, as the case may be), nor shall any action or proceeding be brought against the PILOT Lessor (including any incorporator, member, director, officer, employee, counsel or agent of the PILOT Lessor) other than actions necessary to effectuate foreclosure of the Deed of Trust. Further, Beneficiary by acceptance of this Joinder, acknowledges that as regards the PILOT Lessor (including any incorporator, member director, officer, employee, counsel or agent thereof), it has not relied upon nor will it in the future rely upon any warranty, representation or statement by the PILOT Lessor or its incorporators, members, officers, directors, employees, counsel or agents concerning Grantor's financial condition or affairs or any other matter concerning Grantor. The provisions of this paragraph shall not limit or impair the rights of the Trustee or Beneficiary or USDA as regards to parties other than the PILOT Lessor under the Deed of Trust and PILOT Lessor expressly agrees that USDA may bid at a foreclosure sale or receive a deed in lieu of sale in connection with an Event of Default (as defined in the Deed of Trust). Nothing contained in the Deed of Trust shall constitute a waiver or otherwise impair the PILOT Lessor's right to indemnification and reimbursement under the PILOT Lease or any other right of the PILOT Lessor under said PILOT Lease or any other agreement between the PILOT Lessor and Grantor. Notwithstanding the foregoing provisions of the Deed of Trust, nothing hereinabove stated shall in any way prevent or hinder the Trustee, Beneficiary or USDA in the enforcement or foreclosure of the liens, deeds of trust, assignments, rights, and security interests now or at any time hereafter securing the Deed of Trust against the Property or other parties but not against the PILOT Lessor or its successor and assigns (including any incorporator, member, director, officer, employee, counsel or agent of the PILOT Lessor, their heirs, personal representatives, transferees, successors or assigns, as the case may be), other than actions necessary to effectuate foreclosure of the Deed of Trust by Trustee, Beneficiary, USDA or any other transferee or endorsee after transfer or endorsement or assignment of the Deed of Trust. The PILOT Lessor shall not be obligated to take any action or execute any instrument pursuant to any provisions hereof, or any other document until it shall have been requested to do so by the Grantor or the Trustee in writing and shall have received from the Grantor assurance and indemnification from Grantor satisfactory to the PILOT Lessor that the PILOT Lessor shall be reimbursed by the Grantor for its reasonable expenses incurred or to be incurred, and indemnified by the Grantor against all losses, expenses, and any risk or liabilities incurred or to be incurred in connection with the taking of such action

of executing such document on terms satisfactory to the PILOT Lessor, and no action shall be taken by the PILOT Lessor except in its sole discretion but in accordance with its obligations under this Joinder. The obligations of PILOT Lessor hereunder and under the Deed of Trust shall be non-recourse as to PILOT Lessor, and PILOT Lessor (and its officers, directors, employees and agents) shall have absolutely no personal or individual liability with respect to any of the terms, covenants and conditions of the Deed of Trust or this Joinder. Grantor and Lender hereby expressly agree that they shall look solely to the interest of PILOT Lessor or its successor(s) interest in the Property for the satisfaction of any remedy in the event of any breach by Grantor or PILOT Lessor of any of the terms covenants and conditions of the Deed of Trust or this Joinder. This exculpation of PILOT Lessor's personal liability is absolute and without any exception whatsoever.

6. The PILOT Lessor, its successors and assigns (including any incorporator, member, director, officer, employee, counsel or agent and their heirs, personal representatives, transferees, successors or assigns, as the case may be), shall have no personal liability for any representation, warranty, covenant or agreement contained in the Deed of Trust and said parties are fully exculpated therefrom by Trustee, Beneficiary and Grantor.

7. Notwithstanding any provision of the Deed of Trust to the contrary, it is understood and agreed by all parties that nothing in the Deed of Trust affects the right of the PILOT Lessor to receive (a) payments in lieu of taxes in accordance with the terms of the PILOT Lease, and (b) any other payments due under the PILOT Lease. In the event of any conflict between the terms of this Joinder and any other provisions of the Deed of Trust, the terms of this Joinder shall control.

8. All terms used but not defined in this Joinder shall have the same meaning as in the Deed of Trust.

[Signature page follows]

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF SEVIERVILLE, TENNESSEE**, a
public nonprofit corporation organized under Tennessee
law

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF TENNESSEE:

COUNTY OF SEVIER:

Before me, _____, of the state and county mentioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged herself/himself to be the _____ of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF SEVIERVILLE, TENNESSEE, a public nonprofit corporation organized under Tennessee law, and that such person, as such officer, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the corporation by himself as such officer.

Witness my hand and seal, this ____ day of _____, 2021.

Notary Public

My Commission Expires: _____

GROUND LESSOR ESTOPPEL CERTIFICATE

December __, 2021

PROPERTY NAME: FOREST COVE

PROPERTY ADDRESS: 2111 New Era Road
(include county) Sevierville, Sevier County, Tennessee 37862
(the “**Mortgaged Property**”)

LEASE DATE: December 28, 2018

GROUND LESSOR: The Industrial Development Board of the City of Sevierville,
Tennessee, a Tennessee public nonprofit corporation
(“**Ground Lessor**”)

GROUND LESSEE: Forest Cove, L.P., a Tennessee limited partnership
(“**Ground Lessee**”)

Ground Lessor acknowledges that (a) ORIX REAL ESTATE CAPITAL, LLC, a Delaware limited liability company (together with its successors and assigns, “**Lender**”) has agreed, subject to the satisfaction of certain terms and conditions, to make a loan (the “**Mortgage Loan**”) to Ground Lessee, which Mortgage Loan is or will be secured by a lien on Ground Lessee’s leasehold interest in the Mortgaged Property (the “**Premises**”). The U.S. Department of Agriculture (“USDA”) has agreed, subject to the satisfaction of certain terms and conditions, to provide a loan note guaranty (“**Note Guaranty**”) to Lender with respect to the Mortgage Loan, and (b) Lender and USDA are requiring this Ground Lessor Estoppel Certificate (this “**Estoppel**”) as a condition to their making the Mortgage Loan and issuing the guaranty. Accordingly, Ground Lessor hereby certifies, confirms, covenants and agrees to Lender and USDA and their respective transferees, successors and assigns, as follows:

1. A true, complete and correct copy of the Ground Lease Agreement between Ground Lessor and Ground Lessee with respect to the Premises is attached hereto as Schedule I (collectively, the “**Lease**”). The Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect except as attached here as Schedule I. The Lease is not in default and is valid and in full force and effect on the date hereof. The Lease represents the entire agreement between Ground Lessor and Ground Lessee with respect to the Premises.

2. Ground Lessor acknowledges and consents to the Mortgage Loan, to the encumbrance of Ground Lessee’s leasehold estate by that certain Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement to be granted by Ground Lessee to Lender as security for repayment of the Mortgage Loan and to the encumbrance of Ground Lessee’s leasehold estate by that certain Declaration of Restrictions between Ground Lessee and Lender.

3. The Lease commenced on December 28, 2018 and expires on March 1, 2062.

4. All Basic Rent, any Additional Rent and all Payments in Lieu of Taxes due and currently payable by Ground Lessee under the Lease through the date hereof have been fully paid by Ground Lessee.

5. The Lease is valid and in full force and effect, and to Ground Lessor's knowledge there is no existing default or unfulfilled obligation on the part of Ground Lessee in any of the terms and conditions of the Lease, and no event has occurred or condition exists which, with the passing of time or giving of notice or both, would constitute an event of default under the Lease.

6. Lender constitutes a permitted "mortgagee" under the Lease.

7. Lender and USDA may materially rely on the statements herein made by Ground Lessor in connection with making the Mortgage Loan and issuing the Note Guaranty.

IN WITNESS WHEREOF, the undersigned has signed and delivered this Ground Lessor Estoppel Certificate under seal (where applicable) or has caused this Ground Lessor Estoppel Certificate to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, the undersigned intend(s) that this Ground Lessor Estoppel Certificate shall be deemed to be signed and delivered as a sealed instrument.

GROUND LESSOR:

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF SEVIERVILLE, TENNESSEE

By: _____(SEAL)
Name:
Title:

SCHEDULE I TO GROUND LESSOR ESTOPPEL CERTIFICATE

(Copy of Lease)

Attachments:

Ground Lease Agreement dated December 28, 2018

Amendment to PILOT Documents dated December __, 2021