

AGENDA
MONTHLY MEETING OF
THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD
OF THE CITY OF CHATTANOOGA, TENNESSEE

Monday, April 18, 2022 @ 12:30 PM

1. Call to Order.
2. Confirmation of Meeting Advertisement and Quorum Present.
3. Approval of the Minutes for the January 24, 2022, meeting.
4. Recognition of Persons Wishing to Address the Board and Procedures.
5. A RESOLUTION RATIFYING ACTION TAKEN RELATED TO THE EXECUTION BY THE CHAIR OF AN AMENDMENT TO LAND USE RESTRICTION AGREEMENT REGARDING THE BATTERY HEIGHTS APARTMENTS PROJECT. **(HEB-2022-02)**
6. A RESOLUTION TO AUTHORIZE THE CHAIRMAN OR THE CHAIRMAN'S DESIGNEE TO ENTER INTO AN ASSIGNMENT AND ASSUMPTION AGREEMENT APPROVING THE ASSIGNMENT OF THE AGREEMENT FOR PAYMENT OF AD VALOREM TAXES ("PILOT AGREEMENT") AND THE LEASE FOR THE 1400 CHESTNUT PROJECT AND TO PROVIDE ADDITIONAL RELATED AUTHORIZATION. **(HEB-2022-03)**
7. Other Business.
8. Adjournment.



HEALTH, EDUCATIONAL, AND HOUSING FACILITY BOARD

**City of Chattanooga, Tennessee
MONTHLY MEETING MINUTES**

**John P. Franklin City Council Building
Council Assembly Room
1000 Lindsay Street
Chattanooga, TN 37402**

**for
January 24, 2022
12:30 p.m.**

Present were Board Members: Hicks Armor (Chair), Richard Johnson (Secretary), Charles D. Paty, Alexa LeBoeuf, and Johnika Everhart. Absent were Gregg Gentry (Vice-Chair) and Dr. John W. Schaerer.

Also present were Phillip Noblett (Counsel to the Board); and Tony Sammons and Sandra Gober (Community Development).

Mr. Armor called the meeting to order, confirmed the meeting advertisement, and established that a quorum was present to conduct business.

MINUTES APPROVAL FOR THE NOVEMBER 29, 2021, MEETING

On motion of Mr. Paty, seconded by Mr. Johnson, the minutes of the November 29, 2021, meeting, were unanimously approved as submitted.

There was no person present wishing to address the Board.

Mr. Armor presented the next order of business: **“A RESOLUTION RATIFYING THAT THE CHAIR WAS HEREBY AUTHORIZED TO EXECUTE A JOINDER OF A DEED OF TRUST, ASSIGNMENT, SECURITY AGREEMENT AND FIXTURE FILING ON DECEMBER 23, 2021, RELATIVE TO TSO CHATTANOOGA DEVELOPMENT, LP C/O THE SIMPSON ORGANIZATION, INC. AND ATLANTA CAPITAL BANK, N.A.” (HEB-2022-01)** Mr. Noblett stated the initial resolution authorized the Chair to be able to sign any necessary documents that were needed for TSO to be able to continue with its PILOT operation. TSO had a PILOT and during the course of a PILOT, the Board actually owns the property. It has a title to the property and a deed to the property. In this case, the TSO was getting a new bank refinancing and because of that they needed to have the Atlanta Capital Bank added to the Deed of Trust in connection with that and it was requested that it had to be done before the end of the year. The Chairman signed the document, and we have a resolution ratifying that action taken. It was already available under the initial resolution, but we also do this as a belt and suspenders. The initial resolution gave the authority to sign. This is ratifying after the fact permission by the Board to sign the documents. We do that every time. The property is with The

Simpson Organization. We actually had a lawsuit about them creating too many short-term vacation rentals on the property. Market City Center is now limited to only a specific number of units. They cannot use that as short-term vacation rentals. The issue was the number. They are still having trouble filling it up. They were hurt financially and did that to keep themselves afloat for a while.

OTHER BUSINESS

We do not have any items for next month's meeting at this time. Mr. Armor appreciates everyone coming in for this one item. We try to make sure if we do not have any business that the meeting be cancelled.

There being no further business, a motion was made by Mr. Johnson, seconded by Mr. Paty to adjourn the meeting at 12:35 p.m.

Respectfully submitted,

Richard A. Johnson, Secretary

APPROVED:

Hicks Armor, Chair

RESOLUTION

A RESOLUTION RATIFYING ACTION TAKEN RELATED TO THE EXECUTION BY THE CHAIR OF AN AMENDMENT TO LAND USE RESTRICTION AGREEMENT REGARDING THE BATTERY HEIGHTS APARTMENTS PROJECT.

BE IT RESOLVED BY THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, that it is hereby ratifying action taken related to the execution by the Chair of an Amendment to Land Use Restriction Agreement regarding the Battery Heights Apartments Project.

ADOPTED: April 18, 2022

HEALTH, EDUCATIONAL AND HOUSING FACILITY
BOARD OF THE CITY OF CHATTANOOGA

Hicks Armor, *Chair*

ATTEST:

Richard Johnson, *Secretary*

THIS INSTRUMENT PREPARED BY AND
WHEN RECORDED RETURN TO:

James P. Moneyhun, Jr., Esq.
BASS, BERRY & SIMS PLC
1700 Riverview Tower
900 South Gay Street
Knoxville, Tennessee 37902
(865) 521-6200

AMENDMENT
TO
LAND USE RESTRICTION AGREEMENT

This Amendment (this "Amendment") is made and entered into effective as of March 29, 2022, by and among **THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE** (the "Issuer"), **REGIONS BANK**, as trustee (the "Trustee") and **APP BATTERY PARTNERS, L.L.P.**, a Tennessee limited liability limited partnership (the "Borrower").

WHEREAS, the Issuer, Trustee and Borrower entered into that certain Land Use Restriction Agreement (the "Restrictive Covenants") dated as of August 1, 2021 and recorded as Instrument No. 2021090100255, Book GI 12634, Page 862, in the Register's Office of Hamilton County, Tennessee; and

WHEREAS, the Issuer, Trustee and Borrower desire to amend the Restrictive Covenants to correct a scrivener's error, all in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The term "[50%]" in the definition of "Low Income Tenant" in Section 1 of the Restrictive Covenants is hereby deleted and replaced with "60%."
2. Except to the extent amended or modified hereby, the Restrictive Covenants shall continue in full force and effect in all respects.
3. 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.

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A RESOLUTION

TO AUTHORIZE THE CHAIRMAN OR THE CHAIRMAN'S DESIGNEE TO ENTER INTO AN ASSIGNMENT AND ASSUMPTION AGREEMENT APPROVING THE ASSIGNMENT OF THE AGREEMENT FOR PAYMENT OF AD VALOREM TAXES ("PILOT AGREEMENT") AND THE LEASE FOR THE 1400 CHESTNUT PROJECT AND TO PROVIDE ADDITIONAL RELATED AUTHORIZATION

WHEREAS, on April 1, 2022, the Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee (the "Board") received a request for the Board's consent to the assignment of the PILOT Agreement and Lease for the 1400 Chestnut Project (the "Project") to SREIT 1400 Chestnut, L.L.C. ("SREIT 1400 Chestnut"), which is a wholly owned indirect subsidiary of Starwood Real Estate Income Trust ("SREIT"); and

WHEREAS, MA 1400 Chestnut at Chattanooga LLC, as the existing Lessee of the Project, has certified that there are no defaults under the PILOT Agreement and that all of its obligations under the PILOT Agreement will be satisfied as of the date of the assignment; and

WHEREAS, SREIT has demonstrated that it has sufficient financial resources to fund the business plan for the Project and, pursuant to the assignment and assumption agreement, SREIT 1400 Chestnut will agree to be bound by terms of the PILOT Agreement and Lease on and after the date of the assignment; and

NOW, THEREFORE, BE IT RESOLVED by The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, that the Chairman of the Board or the Chairman's designee is authorized to execute an assignment and assumption agreement in a form approved by the Board's counsel, the Mayor of the City of Chattanooga, and the Mayor of Hamilton County; and

BE IT FURTHER RESOLVED, that the Chairman or the Chairman's designee is authorized to execute such lender consents, estoppel agreements, certificates and other documents in forms approved by the Board's counsel as may be required by the lender or lenders providing financing to SREIT 1400 Chestnut or SREIT or another affiliate SREIT; and

BE IT FURTHER RESOLVED, that the Chairman or the Chairman's designee is authorized to enter into such further agreements or certifications approved by the Board's counsel and to take such further acts as may be necessary in connection to carry out the intent of this Resolution.

Approved this 18th day of April, 2022.

THE HEALTH, EDUCATIONAL AND
HOUSING FACILITY BOARD OF THE CITY OF
CHATTANOOGA, TENNESSEE

By: _____
Hicks Armor
Title: *Chair*

ATTEST:

Richard Johnson, *Secretary*

OFFICER CERTIFICATE OF 1400 CHESTNUT LLC

The undersigned, Jarvan Shen (“Officer”), as Authorized Signatory of MA 1400 Chestnut at Chattanooga LLC, a Delaware limited liability company (“Chestnut”), on behalf of Chestnut, hereby represents, warrants and certifies to The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation duly created and existing under the laws of the State of Tennessee (“Board”), City of Chattanooga, Tennessee (“City”), Hamilton County, Tennessee (“County”) and each of their respective transferees, successors and assigns, in connection with a proposed assignment of the Agreement for Payment in Lieu of Ad Valorem Taxes dated as of April 27, 2017, as amended by that certain Assignment and Assumption of Lease and Agreement for Payment in Lieu of Ad Valorem Taxes dated as of September 11, 2019 (as amended “Agreement”), for that certain real property and improvements located thereon known as 1400 Chestnut and having a street address of 1400 Chestnut, Chattanooga, Tennessee 37402, in the County of Hamilton, State of Tennessee, 37402 (the “Property”), that the following statements and all attachments hereto are true, complete, and correct to the best of the undersigned’s knowledge:

1. The state in which Chestnut is organized is Delaware.
2. As of the Effective Date of that certain Assignment and Assumption of Lease and Agreement for Payment in Lieu of Ad Valorem Taxes attached as Exhibit A to this Certificate (“Assignment”), there is no event of default under the Agreement attached as Exhibit B to this Certificate.
3. As of the Effective Date of Assignment, Company is current on all requirements and obligations of the Agreement.

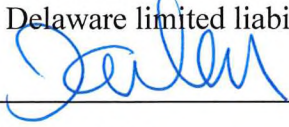
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IN WITNESS WHEREOF, the undersigned has signed and delivered this Certificate by its duly authorized representative.

Date: 03/29/2022

CHESTNUT:

**MA 1400 CHESTNUT AT CHATTANOOGA
LLC, a Delaware limited liability company**

By:  _____

Name: Jarvan Shen

Title: Authorized Signatory

EXHIBIT A

Copy of Assignment

[Attached]

WHEN RECORDED, MAIL TO:

**ASSIGNMENT AND ASSUMPTION OF LEASE AND
AGREEMENT FOR PAYMENT IN LIEU OF AD VALOREM TAXES**

This Assignment and Assumption of Lease and Agreement for Payment in Lieu of Ad Valorem Taxes (this "Assignment") is entered into as of _____, 2022 (the "Effective Date"), by and between MA 1400 CHESTNUT AT CHATTANOOGA LLC, a Delaware limited liability company ("Assignor") and SREIT 1400 CHESTNUT, L.L.C., a Delaware limited liability company ("Assignee"), with reference to the following facts:

A. Assignor is the owner of a leasehold interest in that certain real property located in the City of Chattanooga, County of Hamilton, State of Tennessee, as more particularly described in Exhibit A attached hereto (the "Real Property"), and all improvements located thereon (the "Improvements"; with the Real Property and the Improvements being collectively referred to herein as the "Property").

B. Assignor's interest in the Property is created by and subject to that certain Lease Agreement, dated as of April 27, 2016 (the "Pilot Lease"), between 1400 Chestnut LLC ("Original Tenant") and The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation duly created and existing under the laws of the State of Tennessee (the "Landlord") which was recorded at Book 10732, Page 768 in the Office of the Register of Deeds for Hamilton County, Tennessee, as assigned by Original Tenant to Assignor by that certain Assignment and Assumption of Lease and Agreement for Payment in Lieu of Ad Valorem Taxes, dated as of September 11, 2019, which was recorded at Book 11757, Page 264 in said Register's Office (the "Prior Assignment").

C. Assignor's interest in the Real Property is also subject to that certain Agreement in Lieu of Ad Valorem Taxes, dated as of April 27, 2017, executed by and among Original Tenant, Landlord, the City of Chattanooga, Tennessee (the "City") and Hamilton County, Tennessee (the "County"), as assigned and amended by the Prior Assignment (collectively, the "Pilot Agreement").

D. Pursuant to the Purchase and Sale Contract, dated as of _____, 2022 (the "Sale Agreement"), by and among Assignor, certain affiliates of Assignor, and SCG Global Holdings, L.L.C., an affiliate of Assignee, Assignor has agreed to assign and transfer its interest in the Pilot Lease and Pilot Agreement to Assignee, and Assignee has agreed to assume Assignor's rights and obligations under or in connection with the Pilot Lease and Pilot Agreement, to the extent arising from and after the Effective Date.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Assignor hereby bargains, sells, conveys, transfers and assigns to Assignee, as of the Effective Date, without representation or warranty (express or implied) other than as set forth in the Sale Agreement, all of the right, title and interest of Assignor in and to the Pilot Lease and Pilot Agreement. For the avoidance of doubt, Assignor does further hereby transfer, sell, and convey to Assignee all of Assignor's right, title, and interest in and to the Improvements, without representation or warranty (express or implied) other than as set forth in the Sale Agreement.

2. Assumption. Assignee hereby agrees to, as of the Effective Date, assume and perform all of the obligations of Assignor under or in connection with the Pilot Lease and Pilot Agreement, to the extent arising from and after the Effective Date, but without waiving any obligations of Assignor pursuant to the Sale Agreement.

3. Release of Assignor. The Landlord, City and County acknowledge and agree that Assignor is hereby fully and unconditionally released of all of its obligations under the Pilot Lease and Pilot Agreement arising after the Effective Date hereof, including, without limitation, the obligation to pay any rent or other sums of money to the Landlord, City and County, and Assignor shall have no future liability under the Pilot Lease and Pilot Agreement, except for any liability that first arises or accrues prior to the Effective Date.

4. Successors and Assigns. This Assignment shall bind and benefit the parties hereto and their respective successors and assigns.

5. Governing Law. This Assignment shall be governed and construed in accordance with the laws of the State of Tennessee.

6. Entire Agreement. This Assignment, together with the Sale Agreement and the other instruments executed in connection herewith, embody the complete agreement of the parties hereto with respect to the subject matter hereof, and cannot be altered, amended or modified except by written agreement among the parties hereto.

7. Counterparts. To facilitate execution of this Assignment, this Assignment may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Assignment, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

Assignee's Address:

Attention: _____

[Signature Pages Follow]

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the Effective Date.

ASSIGNOR:

**MA 1400 CHESTNUT AT CHATTANOOGA
LLC**, a Delaware limited liability company

By: _____

Name: _____

Title: _____

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 2022, before me, _____, a Notary Public, personally appeared, _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[SIGNATURE]

[SEAL]

IN WITNESS WHEREOF, Assignee has executed this Assignment as of the Effective Date.

ASSIGNEE:

_____ a _____

By: _____

Name: _____

Title: _____

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the _____ of [_____], a Delaware limited liability company, and is authorized by the limited liability company to execute the foregoing instrument for the purposes therein contained.

Witness my hand and Notarial Seal, this _____ day of _____, 2022.

Notary Public

My Commission Expires: _____

IN WITNESS WHEREOF, Landlord has executed this Assignment as of the Effective Date.

LANDLORD:

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a Tennessee public corporation

By: _____
Name: _____
Title: _____

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he/she executed the within instrument for the purposes contained therein, and who further acknowledged that he/she is the _____ of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation, and is authorized by the corporation to execute the foregoing instrument for the purposes therein contained.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public
My Commission Expires: _____

IN WITNESS WHEREOF, the City has executed this Assignment as of the Effective Date.

CITY:

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Tim Kelly, Mayor

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared Tim Kelly, who is the Mayor of the City of Chattanooga, Tennessee, with whom I am personally acquainted and who, after having been duly sworn, acknowledged that he as Mayor executed the foregoing instrument for the purposes therein contained.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

IN WITNESS WHEREOF, the County has executed this Assignment as of the Effective Date.

COUNTY:

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, Mayor

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared Jim Coppinger, who is the Mayor of Hamilton County, Tennessee, with whom I am personally acquainted and who, after having been duly sworn, acknowledged that he as Mayor executed the foregoing instrument for the purposes therein contained.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

EXHIBIT A
Legal Description

Hamilton County Tennessee Tax Map No. 145F J 003

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

BEGINNING at a rod/cap found on the eastern right-of-way of Chestnut Street, having a width of 60 feet, and marking the southwest corner of the VMH Inc. property, as recorded in Deed Book 6094, page 665, in the Register's Office of Hamilton County, Tennessee; thence, leaving said right-of-way and along the southern line of said VMH Inc. property, South 65 degrees 37 minutes 24 seconds East 228.81 feet to a rod/cap set marking the southeast corner of said VMH Inc. property and being on the western line of Lot 1, City of Chattanooga Former CSX Property Subdivision, as recorded in Plat Book 74, Page 70, in said Register's Office; thence, along the western line of said Lot 1 the following two calls, South 19 degrees 22 minutes 34 seconds West 49.48 feet to a rod/cap set and South 24 degrees 02 minutes 23 seconds West 251.10 feet to a rod/cap set marking the northeast corner of the Chestnut Properties LLC property, as recorded in Deed Book 9045, page 434, in said Register's Office; thence, along the northern line of said Chestnut Properties LLC property, North 65 degrees 29 minutes 36 seconds West 233.38 feet to a Mag Nail set marking the northwest corner of said Chestnut Properties LLC property and being on the eastern right-of-way of said Chestnut Street; thence, along the eastern right-of-way of Chestnut Street, North 24 degrees 08 minutes 36 seconds East 299.87 feet to the Point of Beginning. Said tract herein described contains 1.604 acres or 69,864 square feet, more or less.

EXHIBIT B

Copy of PILOT Agreement

[Attached]

**AGREEMENT FOR PAYMENTS IN LIEU
OF AD VALOREM TAXES**

THIS AGREEMENT is made and entered into as of the 27th day of April, 2016, by and among THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE (the "Board"); 1400 CHESTNUT LLC, a Delaware limited liability company (the "Company"); the CITY OF CHATTANOOGA (the "City"); and HAMILTON COUNTY (the "County") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by WILLIAM F. HULLANDER and his successors, acting in the capacity of HAMILTON COUNTY TRUSTEE ("Trustee"), and by WILLIAM C. BENNETT and his successors, acting in the capacity of HAMILTON COUNTY ASSESSOR OF PROPERTY ("Assessor").

WITNESSETH:

WHEREAS, the Company is contemplating the construction of apartments and other related facilities and improvements in downtown Chattanooga, to provide for approximately two hundred (200) residential units (collectively, the "Project"), and has requested the Board's assistance in the financing of the Project; and

WHEREAS, substantial public welfare benefits to the City and County will be derived from the Project; and

WHEREAS, the Board has agreed to take title to certain real and personal property that constitutes the Project, as described in Exhibit "A" attached hereto (the "Property"), which Property is to be owned by the Board and leased to the Company; and

WHEREAS, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, §48-101-301, *et seq.*, all such property will be exempt from ad valorem property taxes ("property taxes") normally paid

to the City and to the County, so long as the Property is owned by the Board, pursuant to the provisions of Tennessee Code Annotated, §48-101-312; and

WHEREAS, for the public benefit of the citizens of the City and the County, the Board has requested that the Company make certain payments to the Board in lieu of the payment of property taxes that would otherwise be payable on the Property; and

WHEREAS, the Company has agreed to make such payments to the Board in lieu of the property taxes otherwise payable on the Property (the "In Lieu Payments"), as more particularly set forth hereinafter; and

WHEREAS, the Board has been authorized to receive the In Lieu Payments in lieu of property taxes by resolutions adopted by the City and the County, acting through their duly elected Council and Commission, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions; and

WHEREAS, the Company and the Board have agreed that all In Lieu Payments made to the Board by the Company shall be paid to the Trustee, who shall disburse such amounts to the general funds of the City and the County in accordance with the requirements specified herein; and

WHEREAS, the Board wishes to designate the County Assessor as its agent to appraise the Property and assess a percentage of its value in the manner specified herein; and

WHEREAS, the Board wishes to designate the Trustee as its agent to receive the In Lieu Payments in accordance with the terms of this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The Assessor shall

appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee as though the Property were subject to property taxes. The Assessor shall give the Trustee, the City Treasurer, the Board, and the Company written notice of any changes in appraisals of the Property in the same manner that notices are given to owners of taxable property. The Assessor shall make available to the Board and the Company all records relating to the appraisal and assessment of the Property.

2. Designation of Trustee; Computation and Billing of Payments In Lieu of Taxes.

The Board hereby designates the Trustee as its agent to compute the amounts of the In Lieu Payments, to receive such payments from the Company and to disburse such payments to the City and the County. On or about October 1 of each year during the term of this agreement, the Trustee shall compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and assessment of the Assessor. Each year hereunder, the Trustee shall send the Board and the Company a bill for appropriate amounts of In Lieu Payments (the "Tax Bill").

3. Payments in Lieu of Taxes. After receipt of the Tax Bill, the Company shall pay to the Trustee the amounts indicated on the Tax Bill to be paid to the County and the Company shall pay to the City Treasurer the amounts on the Tax Bill to be paid to the City in accordance with the amount set forth below in Paragraph 4. The In Lieu Payments shall be made by the Company in lieu of the property taxes which would otherwise be payable on the Property if it were subject to property taxes.

4. Amount of Payments by the Company.

(a) Property Exclusive of Improvements. For each of the years 2017 and thereafter, the Company shall make payments with respect to the Property in an amount equal to

one hundred percent (100%) of all City and County annual ad valorem property taxes levied in the base year of 2015 (the "Base Year") on the value of the associated Property (land, buildings, etc.). The intent is for the City and County to continue receiving throughout the term of this Agreement all taxes assessed as to the value of the property in the Base Year exclusive of the improvements made in connection with the Project, which improvements are subject to the payment in lieu of tax obligations set forth in subsection (b), immediately below.

(b) Improvements. After construction of the Project is completed and the Assessor of Property has reassessed the then improved Property, the Company shall make In Lieu Payments in the amount required to satisfy the Hamilton County Schools portion of the property taxes that would be due on the improvements to the Property if it were subject to taxation (the "School Portion"), which the parties acknowledge and agree currently equates to [27.1%] of the amount of the total City and County taxes that would have been payable on the improvements to the Property if it were subject to property taxes. Additional In Lieu Payments on the improvements will be as follows:

Year	City General Fund ⁽¹⁾	County General Fund ⁽¹⁾	County School Fund ⁽¹⁾
2017 – 2026	0%	0%	100%
2027	20%	20%	100%
2028	40%	40%	100%
2029	60%	60%	100%
2030	80%	80%	100%
2031	100%	100%	100%

⁽¹⁾ – *The above percentages refer to the percent of the amount of taxes that would have been payable on the improvements to the Property if it were subject to property taxes.*

As noted above, during such years 2017 to 2030, the Company shall continue to pay the School Portion attributable to the Hamilton County Schools. For any periods before or after such 14-year period that the Property is owned by the Board, the Company shall make In Lieu Payments

in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the Property if it were subject to property taxes.

(c) For each of the years 2017 to 2030, the Company shall make In Lieu Payments with respect to any commercial and/or retail portion of the Property in an amount, as determined by the Assessor and the Trustee, equal to one hundred percent (100%) of the amount of taxes that would have been payable on the commercial and/or retail portion of the Property, if any, if it were subject to property taxes.

5. Penalties and Late Charges. The Company shall make the In Lieu Payments for each year before March 1 of the following year. All In Lieu Payments to the City and County shall be subject to penalties, late charges, fees and interest charges as follows:

(a) If the Company fails to make any In Lieu Payment when due, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1-1/2%) of the owed amount, for each month that each payment has been unpaid. Such one and one-half percent (1-1/2%) per month late charge amount shall accumulate each month and be payable so long as there remains any outstanding unpaid amount.

(b) If the Company should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County may bring suit in the Chancery Court of Hamilton County to seek to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees, and if the Company should fail to pay all amounts and late charges due as provided hereinabove for more than two (2) years, the City or the County may, as to their respective In Lieu Payments, terminate the benefits of this Agreement and

thereafter require the Company to pay one hundred percent (100%) of the amount of taxes that would have been payable on the Property for so long as such payment default continues as determined by the Mayor of the City and the Mayor of the County. In the event of a disagreement between the parties concerning whether or not the Company has cured a default, a representative of the Company may request that the City and County, as applicable, each meet to determine whether such default has been cured, and the Company and the City or the County, as the case may be, shall meet promptly thereafter attempt in good faith to resolve such dispute. The Company may, in addition, file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

(c) If the Company should fail to reserve for lease at least twenty (20%) percent of the available units in the Project to persons whose income does not exceed eighty (80%) percent of the area median income as annually defined in the most recent guidelines published by the Department of Housing and Urban Development, then the City and the County reserve the right but are not obligated to adjust the terms and conditions of the tax abatement granted to the Company under this Agreement for the Tax Abatement Period by requiring the Company to pay an additional amount of the In Lieu Payments on the Property. The City and the County may then require the Company to pay an amount up to the difference between the amounts of the In Lieu Payments required pursuant to Paragraph 4 of this Agreement and the amounts that the Company would have paid using the pro-rated percentage of the affordable housing units associated with the Tax Abatement Period. The County and the City shall look solely to the Company for any repayment obligations.

6. Disbursements by the Treasurer and Trustee. All sums received by the Treasurer pursuant to Paragraph 4 for the benefit of the City general fund shall be disbursed to the general funds of the City in accordance with this paragraph and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received by the Trustee pursuant to Paragraph 4 for the benefit of the County general fund shall be disbursed to the general fund of the County in accordance with this paragraph and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All such sums received by the Treasurer shall be placed into an account for the use and benefit of the City. All such sums received by the Trustee shall be divided into an account for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the County. All sums received by the Trustee pursuant to Paragraph 4 for the benefit of the County school system shall be disbursed to the County and thereafter deposited into an account for the educational use and benefit of the County schools. The parties acknowledge and agree that all disbursements to the City and County pursuant to this Agreement are in furtherance of the Board's purposes as set forth in Tennessee Code Annotated §7-53-305.

7. Contest by the Company. The Company shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If the Company contests any such appraisal or assessment, then it shall present evidence to the Assessor in favor of its position. Likewise, if the Company contests any

such computation, it shall present evidence to the Trustee in favor of its position. If the In Lieu Payments being contested shall be or become due and payable, the Company shall make such payments under protest. The Company and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If the Company and the Assessor or the Trustee are unable to resolve a dispute, then the Company may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

8. Annual Report. The Company will provide, on or before January 31 of each calendar year during this Agreement, an annual report to the Board, the Mayor of the City, and the Mayor of the County, summarizing its investment in the Property and a certified rent roll. An independent audit of the annual report may occur if requested by the City or County during any calendar year of this Agreement.

9. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

10. Term. This Agreement shall become effective on the date that the Board attains title to the Property and shall continue for so long as the Board holds title to any of the Property or the Company has made all payments required hereunder, whichever shall later occur.

11. Leasehold Taxation. If the leasehold interest of the Company should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder. The Company agrees to cooperate fully with the Assessor in

supplying information for completion of leasehold taxation questionnaires with respect to the Property.

12. Stormwater Fees. In addition to other requirements under this Agreement, the Company shall be responsible for all stormwater fees assessed by the City of Chattanooga against the Real Property.

13. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered, if to the City or the Board, c/o Mr. Phillip A. Noblett, Suite 200, 100 E. 11th Street, Chattanooga, Tennessee 37402; if to the County, c/o Mr. Rheubin M. Taylor, County Attorney, Hamilton County Government, Room 204, County Courthouse, Chattanooga, Tennessee 37402-1956; if to the Company, 3221 Brookwood Road, Birmingham, Alabama 35223; if to the Trustee, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; and if to the Assessor, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered and certified mail, return receipt requested, Express Mail, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

14. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

15. Assignment. Except as provided in this Section, the Company may only assign this Agreement, or any part hereof, with the prior consent of the Mayor of the City, the Mayor of the County, and the Board. The Mayor of the City, the Mayor of the County and/or the Board shall not withhold such consent upon the occurrence of all of the following conditions: (i) there is no default under this Agreement at the time of the assignment, (ii) all requirements of the Company under this Agreement have been satisfied as of the date of the assignment, and (iii) any assignee agrees to provide proof of sufficient assets to fund the business plan for the Project and agrees to be bound by the terms of this Agreement from and after the date of assignment (the "Consent Requirements"). If the Company provides the Mayor of the City, the Mayor of the County and the Board (x) a certificate of an officer of the Company certifying that the requirements of (i) and (ii) have been satisfied and (y) proof of sufficient assets to fund the business plan for the Project and a copy of an assignment and assumption agreement pursuant to which the assignee agrees to be bound by the terms of this Agreement, the Mayor of the City, the Mayor of the County and the Board shall each have the option, upon at least seven (7) days' prior notice to the Company, to meet with a representative of the Company within forty-five (45) days of receipt of the Company's certificate for purposes of determining whether the Company has satisfied the Consent Requirements. Unless the Mayor of the City, the Mayor of the County and the Board meet with the Company and all state in writing within such forty-five (45) day period that the Company has not satisfied the Consent Requirements, the Company may assign this Agreement in accordance with the terms and conditions described in the Company's certificate without any further action of the Mayor of the City, the Mayor of the County and/or the Board. In the event that the Mayor of the City, the Mayor of the County and the Board timely state in writing that the Company has not satisfied the Consent Requirements, the Company and the assignee may, upon the Company's

request, appear before the City Council of the City, the Board of Commissioners of the County and the Board to request approval of such assignment pursuant to the terms of this Section, which consents shall not be unreasonably withheld. Upon satisfaction of the requirements of this Section, the assignment shall relieve the Company from liability for any of its obligations hereunder as of the effective date of the assignment.

16. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

17. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. 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, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

18. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

19. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

20. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

ATTEST:

By: Don B. [Signature]
Secretary

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

By: Hicks [Signature]
Chairman

1400 CHESTNUT LLC

By: _____
Title: _____

CITY OF CHATTANOOGA, TENNESSEE

By: [Signature]
Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
County Mayor

WILLIAM F. HULLANDER

By: _____
Hamilton County Trustee

WILLIAM C. BENNETT

By: _____
Hamilton County Assessor of Property

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

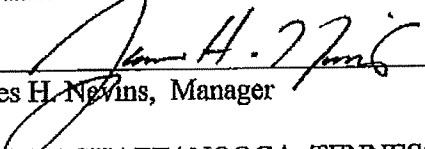
ATTEST:

By: _____
Secretary

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

By: _____
Chairman

1400 CHESTNUT, LLC
BY: KORE CHESNUT LLC,
An Authorized Member

By:  _____
James H. Nevins, Manager

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Mayor

HAMILTON COUNTY, TENNESSEE

By: _____
County Mayor

WILLIAM F. HULLANDER

By: _____
Hamilton County Trustee

WILLIAM C. BENNETT

By: _____
Hamilton County Assessor of Property

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

ATTEST:

By: _____
Secretary

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE

By: _____
Chairman

1400 CHESTNUT LLC

By: _____
Title: _____

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Mayor

HAMILTON COUNTY, TENNESSEE

By: J. M. Cooper
County Mayor

WILLIAM F. HULLANDER

By: William F. Hullander
Hamilton County Trustee

WILLIAM C. BENNETT

By: William C Bennett
Hamilton County Assessor of Property

EXHIBIT "A"
TO AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES

REAL PROPERTY

Located in the City of Chattanooga of Hamilton County, Tennessee:

Being the South fifty (50) feet of Lot Twenty-three (23), Block Thirteen (13), (EXCEPT a small triangular tract along its eastern line), all of Lot Twenty-five (25), Block Eighteen (18), all of Lot Twenty-seven (27), Block Eighteen (18), (EXCEPT the south 4 feet thereof) in Carter, Fort and Whiteside Addition to the City of Chattanooga, and that part of formerly Frank Street, later West Fourteenth (14th) Street, that lies Eastwardly of Boyce, now Chestnut Street, and Westwardly of the railroad right-of-way (being officially closed by the City of Chattanooga by Ordinance #2948) described as follows: Beginning on the Eastern line of Boyce, now Chestnut Street, 350 feet Southwardly along said line from its intersection with the Southern line of West Thirteenth (13th) Street, being in the Northern line of a joint private drive, and in the Western line of said Lot Twenty-three (23), Block Thirteen (13); thence Eastwardly, parallel to West Thirteenth (13th) Street, 228.88 feet, more or less, to the Western line of the property conveyed the Chattanooga and St. Louis Railroad on November 14, 1879; thence Southwardly, along the said right-of-way passing the Southeast corner of said Block Thirteen (13), in the Northern line of what was formerly Frank Street, later West Fourteenth (14th) Street, continuing across said street and along the Eastern line of Lots Twenty-five (25) and Twenty-seven (27), Block Eighteen (18) in all 306 feet, more or less to the Northeastern corner of the property conveyed Starr Box and Printing Company on December 24, 1910, now G. W. Bagwell; thence Westwardly, along the Northern line of said property being the Southern line of a 10-foot private alley, 233 feet to the Eastern line of Boyce, now Chestnut Street; thence Northwardly along said Eastern line, being the western line of said Lots 27 and 25, across what was formerly Frank Street, continuing along Lot Twenty-three (23), 306 feet to the Point of Beginning.

Excepted from the above description is that portion conveyed by James C. Berry to Chestnut Properties, LLC by deed recorded in Book 9045, Page 434, in the Register's Office of Hamilton County, Tennessee.

The source of grantor's interest is found in Deed recorded in Book 10149, Page 951, in the Register's Office of Hamilton County, Tennessee.

PERSONAL PROPERTY

All personal property used by the Company in connection with its housing facility located on the real property described above.



February [25], 2022

Starwood Real Estate Investment Trust (“SREIT”) – Multifamily Experience

To Whom it May Concern:

The Starwood Real Estate Investment Trust (“SREIT”) is a public real estate investment trust managed by Starwood Capital Group (“Starwood”). Since inception in early 2019, the SREIT has raised approximately \$9 billion of equity, including over \$6.3 billion in 2021 with recent months exceeding \$650 million. Given SREIT’s emphasis on income and stability, both market-rate multifamily and affordable housing are a focus of the vehicle and in aggregate make up over 65% of SREIT’s AUM. Below we outline Starwood’s experience and ownership across both the market-rate and affordable housing sectors. More information on the SREIT can be found at www.starwoodnav.reit.

Starwood owns or is under contract on over 124,000 apartment units. With over 72,000 units, Starwood’s market-rate apartment portfolio is valued at nearly \$17.0B, making Starwood one of the largest market-rate apartment owners in the country. Starwood’s market-rate apartment portfolio includes 7 properties totaling over 3,000 units in Tennessee. In addition to its market-rate apartment portfolio, Starwood owns or is under contract on over 45,000 affordable housing units in the United States. The total affordable housing portfolio is valued at nearly \$7.3 billion, making Starwood a top 3 affordable housing owner in the country and the most active acquirer over the past 5 years. The affordable housing portfolio includes 4 properties totaling 550 units in Tennessee. Starwood has been approved by each relevant public housing authority in every single one of our affordable housing acquisitions, including by the Tennessee Housing Development Agency (“THDA”).

ESTOPPEL CERTIFICATE

_____, 2022

PROPERTY NAME: 1400 Chestnut Apartments

PROPERTY ADDRESS: 1400 Chestnut Street
Chattanooga, Tennessee 37402
Hamilton County
(the "Property")

GROUND LESSOR: THE HEALTH, EDUCATIONAL AND HOUSING FACILITY
BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE
(“Ground Lessor”)

GROUND LESSEE: MA 1400 CHESTNUT AT CHATTANOOGA LLC
(“Ground Lessee”)

PURCHASER SREIT 1400 CHESTNUT, L.L.C., a Delaware limited liability
company (such entity or any of affiliate thereof that acquires the
interests of Ground Lessee being referred to herein as
“Purchaser”)

GROUND LEASE Lease Agreement, dated April 27, 2016, as executed by Ground
Lessor and 1400 Chestnut LLC, a Delaware limited liability
company (“Original Ground Lessee”), and as assigned to Ground
Lessee pursuant to that certain Assignment and Assumption of
Lease and Agreement for Payment in Lieu of Ad Valorem
Taxes, dated September 11, 2019, as executed by Original
Ground Lessee and Ground Lessee (collectively, the “Ground
Lease”)

Ground Lessor acknowledges that (a) Ground Lessee intends to assign to Purchaser and Purchaser intends to assume the interest of Ground Lessee under the Ground Lease and the PILOT Agreement, and (b) the Purchaser’s acquisition of Ground Lessee’s interests under the Ground Lease may be financed by one or more lenders taking, as security for such financing, either a leasehold deed of trust or pledge of the direct or indirect interests in Purchaser (any such lender, together with any administrative agent or servicer administering any such financing, together with their respective successors and assigns, being referred to hereinafter as a “Lender”). With the understanding that Purchaser and Lender will rely upon this instrument in acquiring the interests of Ground Lessee or financing such acquisition, as applicable, Ground Lessor hereby certifies, confirms, covenants and agrees, for the benefit of Purchaser, Lender, and any title company providing title insurance to Purchaser or Lender, as of the date hereof, as follows:

1. A true, complete and correct copy of the Ground Lease is attached hereto as Schedule I. Other than as attached on Schedule I, the Ground Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect. The Ground Lease represents the entire agreement between Ground Lessor and Ground Lessee with respect to the Premises, other than the Agreement For Payments In Lieu Of Ad Valorem Taxes executed by and among Ground Lessor, Ground Lessee, the City of Chattanooga, Tennessee, and Hamilton County, Tennessee (the "PILOT Agreement").

2. The Ground Lease and the PILOT Agreement each provide for an original term commencing on April 27, 2016 and expiring on December 31, 2030.

3. Neither the Ground Lease nor the PILOT Agreement contains an option(s) or other right to renew or extend the same for any additional term or terms.

4. The rent currently payable by Ground Lessee to Ground Lessor under the Ground Lease is \$0 and the amount of the In Lieu Payments for the current year under the PILOT Agreement is \$ _____. All rent and other charges due and currently payable by Ground Lessee under the Ground Lease and the PILOT Agreement through the date hereof have been fully paid by Ground Lessee.

5. Each of the Ground Lease and the PILOT Agreement is valid and in full force and effect, and there is no existing default or unfulfilled obligation on the part of Ground Lessee in any of the terms and conditions of the Ground Lease or the PILOT Agreement, 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 Ground Lease or the PILOT Agreement.

6. Ground Lessor has no right to terminate the Ground Lease or the PILOT Agreement, except as a result of a default thereunder by Ground Lessee, and Ground Lessor has not terminated the Ground Lease or the PILOT Agreement

7. Ground Lessee has an option to purchase the Premises as set forth in the Ground Lease, which option Ground Lessee has not exercised.

8. There are no mortgages encumbering Ground Lessor's fee estate in the Property and Ground Lessor acknowledges and agrees that it will not mortgage or otherwise encumber its fee estate in the future.

9. Ground Lessor has not assigned, mortgaged, conveyed, transferred, encumbered, hypothecated or granted to any party any interest in the Ground Lease, the PILOT Agreement, or the Premises (other than recorded easements, rights of way or similar recorded encumbrances of record as of the date hereof) other than to Ground Lessee, or granted to any party any right or option to purchase the Premises or any interest of Ground Lessor in the Lease other than options granted to Ground Lessee under the Ground Lease. Ground Lessor has not subordinated its interest in the Ground Lease to any mortgage lien or other encumbrance on the fee.

10. Lender will rely on the representations made by Ground Lessor herein in connection with a financing secured by either a leasehold deed of trust or pledge of the direct or indirect interests in Purchaser, and Ground Lessor agrees that Lender may so rely on such

representations and agreements. Purchaser will rely on the covenants and agreements made by Ground Lessor herein in connection with Purchaser's acquisition of the Premises and Ground Lessor agrees that (a) Purchaser may so rely on such representations and agreements, and (b) upon execution and delivery of that certain Assignment and Assumption of Lease and Agreement for Payment in Lieu of Ad Valorem Taxes, by and among Ground Lessee, Purchaser, Ground Lessor, and the other applicable parties thereto, Ground Lessor shall recognize Purchaser as succeeding to all right, title, and interest of Ground Lessee under the Ground Lease.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the undersigned has signed and delivered this Estoppel Certificate under seal (where applicable) or has caused this 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 Estoppel Certificate shall be deemed to be signed and delivered as a sealed instrument.

GROUND LESSOR:

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a Tennessee public corporation

By: _____
Name: _____
Title: _____

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he/she executed the within instrument for the purposes contained therein, and who further acknowledged that he/she is the _____ of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation, and is authorized by the corporation to execute the foregoing Estoppel Certificate on behalf of the corporation.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

SCHEDULE I TO ESTOPPEL CERTIFICATE

(Copy of Lease with Amendments and Assignments)

That certain Lease Agreement dated as of April 27, 2016, by and between The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation duly created and existing under the laws of the State of Tennessee, and MA 1400 Chestnut at Chattanooga LLC, a Delaware limited liability company (as successor-by-assignment from 1400 Chestnut, LLC, a Delaware limited liability company), as the same may have been amended, assigned, supplemented or otherwise modified from time to time.

PILOT AGREEMENT ESTOPPEL CERTIFICATE

_____, 2022

The undersigned, are each party to that certain Agreement For Payments In Lieu Of Ad Valorem Taxes, dated as of April 27, 2016, by and among THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE (the "Board"); 1400 CHESTNUT LLC, a Delaware limited liability company (the "Original Company"); the CITY OF CHATTANOOGA (the "City"); and HAMILTON COUNTY (the "County") and joined in by certain other parties (the "PILOT Agreement") relating to certain premises located at 1400 Chestnut Street, Chattanooga, Tennessee 37402 (the "Premises"). The interests of the Original Company under the PILOT Agreement were assigned to and assumed by MA 1400 Chestnut at Chattanooga LLC, a Delaware limited liability company (the "Existing Company") pursuant to that certain Assignment and Assumption of Lease and Agreement for Payment in Lieu of Ad Valorem Taxes, dated as of September 11, 2019.

SREIT 1400 Chestnut, L.L.C., a Delaware limited liability company ("Prospective Buyer"), intends to purchase the Existing Company's leasehold interest in the Premises (with Prospective Buyer or any affiliate thereof as acquiring such leasehold interest in the Premises being referred to herein as "Buyer"). Each of the undersigned hereby warrants, represents and certifies to (i) Buyer, together with its successors and/or assigns, (ii) any lender providing financing to Buyer or its direct or indirect owner and secured by Buyer's interests in the Premises or the direct or indirect ownership interests in Buyer (any such lender, together with any administrative agent or servicer administering any such financing, together with their respective successors and assigns, being referred to hereinafter as a "Lender"), and (iv) any title company providing title insurance to Buyer or Lender ("Title Company"), as follows, as of the date of this Estoppel Certificate ("Certificate").

1. A true, complete and correct copy of the PILOT Agreement is attached hereto as Schedule I. Other than as attached on Schedule I, the PILOT Agreement has not been modified, changed, altered, assigned, supplemented or amended in any respect.

2. All amounts due and currently payable by the "Company" under the PILOT Agreement through the date hereof have been fully paid by the Original Company and/or the Existing Company.

3. The PILOT Agreement is valid and in full force and effect, and there is no existing default or unfulfilled obligation on the part of the "Company" pursuant to any of the terms and conditions of PILOT Agreement, and no event has occurred or condition exists which, with the passage of time or giving of notice or both, would constitute an event of default under the PILOT Agreement.

4. Buyer, Lender, Title Company and their respective successors and assigns may rely upon the truth and accuracy of the certifications contained in this Certificate, and this Certificate will be binding upon the undersigned and their respective successors and assigns, and inure to the benefit of Buyer, Lender, Title Company and their respective successors and assigns.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the undersigned has signed and delivered this Estoppel Certificate as of the date set forth above.

BOARD:

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a Tennessee public corporation

By: _____
Name: _____
Title: _____

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he/she executed the within instrument for the purposes contained therein, and who further acknowledged that he/she is the _____ of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation, and is authorized by the corporation to execute the foregoing Estoppel Certificate on behalf of the corporation.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

IN WITNESS WHEREOF, the undersigned has signed and delivered this Estoppel Certificate as of the date set forth above.

CITY:

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Tim Kelly, Mayor

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared Tim Kelly, who is the Mayor of the City of Chattanooga, Tennessee, with whom I am personally acquainted and who, after having been duly sworn, acknowledged that he as Mayor executed the foregoing Estoppel Certificate for and on behalf of the City of Chattanooga, Tennessee.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

IN WITNESS WHEREOF, the undersigned has signed and delivered this Estoppel Certificate as of the date set forth above.

COUNTY:

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, Mayor

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared Jim Coppinger, who is the Mayor of Hamilton County, Tennessee, with whom I am personally acquainted and who, after having been duly sworn, acknowledged that he as Mayor executed the foregoing instrument for the purposes therein contained.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

SCHEDULE I TO ESTOPPEL CERTIFICATE

(Copy of PILOT Agreement)

This instrument prepared by
and return to:

PILOT LENDER RECOGNITION AGREEMENT

THIS PILOT LENDER RECOGNITION AGREEMENT (this “**Agreement**”) is made to be effective as of the ___ day of _____, 2022, by and among SREIT 1400 CHESTNUT, L.L.C., a Delaware limited liability company (hereinafter referred to as “**Borrower**”), THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE CITY OF CHATTANOOGA, TENNESSEE, a public corporation duly created and existing under the laws of the State of Tennessee (hereinafter referred to as the “**Landlord**”), and _____, a _____ (hereinafter referred to as “**Lender**”¹) and is joined in by THE CITY OF CHATTANOOGA, TENNESSEE (hereinafter referred to as “**City**”), and HAMILTON COUNTY, TENNESSEE (hereinafter referred to as “**County**”), for purposes of evidencing their consent to the terms hereof.

RECITALS

A. In connection with that certain Agreement For Payments In Lieu Of Ad Valorem Taxes, dated April 27, 2016, by and among Landlord, 1400 Chestnut LLC, Delaware limited liability company (“**Original Owner**”), the City of Chattanooga, Tennessee, and Hamilton County, Tennessee (such agreement as from time to time modified and amended is hereinafter referred to as the “**PILOT Agreement**”), and pursuant to that certain Lease Agreement, dated April 27, 2016, executed by Landlord, as landlord, and by Original Owner, as tenant, (such lease agreement as from time to time modified and amended is hereinafter referred to as the “**PILOT Lease**”) which was recorded at Book Number 10732, Page 768 in the Office of the Register of Deeds for Hamilton County, Tennessee, Landlord leased to Original Owner certain real estate located in Hamilton County, Tennessee, which real estate is more fully described in Exhibit “A” attached hereto and made a part hereof (such real estate is hereinafter referred to as the “**Real Estate**”), for a term beginning April 27, 2016 and ending on December 31, 2030.

B. Pursuant to that certain Assignment and Assumption of Lease and Agreement for Payment in Lieu of Ad Valorem Taxes, dated September 11, 2019, by and between Original Owner and MA 1400 Chestnut at Chattanooga LLC, a Delaware limited liability company (“**Prior Owner**”), which was recorded at Book Number 11757, Page 264 in the Office of the Register of Deeds for Hamilton County, Tennessee, Original Owner assigned to Prior Owner, and Prior Owner

¹ NTD: In the event that Borrower obtains a syndicated loan, the reference to “Lender” will be replaced with “Administrative Agent” or a similar term.

assumed, all of Original Owner's right, title, and interest under the PILOT Lease and the PILOT Agreement.

C. On or about the date of this Agreement, Borrower shall acquire all of Prior Owner's right, title and interests in the Premises (defined below) and Prior Owner shall assign to Borrower all of Prior Owner's right, title and interests under the PILOT Agreement and the PILOT Lease. Pursuant to that certain Assignment and Assumption of Lease and Agreement for Payment in Lieu of Ad Valorem Taxes, dated on or about the date of this Agreement, Landlord, the Mayor of the City and the Mayor of the County approved Borrower's acquisition of all of Prior Owner's right, title and interests in the Premises and Prior Owner's assignment of the PILOT Agreement and PILOT Lease to Borrower.

D. Lender has agreed to make, subject to certain conditions, and Borrower has agreed to accept from Lender a loan in the principal amount of _____ Dollars (US \$ _____) (hereinafter referred to as the "**Loan**") for the purpose of, among other things, financing the acquisition of the apartment complex and related facilities (hereinafter generally referred to as the "**Project**") on the Real Estate (the Real Estate and the Project are collectively hereinafter referred to as the "**Premises**").²

E. The Loan shall be secured by, among other things, that certain _____ dated of even date herewith, executed by Borrower for the benefit of Lender encumbering Borrower's interest in the Premises (collectively, such deed of trust as from time to time amended, amended and restated, extended, modified, or supplemented is hereinafter referred to as the "**Deed of Trust**").³

F. The Deed of Trust encumbers, as security for the Loan, all of Borrower's rights, title and interests in, to and under the Premises, the PILOT Agreement, the PILOT Lease and any other agreements now or hereafter entered into by Borrower or Landlord in connection with the PILOT Agreement and the PILOT Lease.

G. The PILOT Lease provides that Landlord shall cooperate with Borrower, to the extent reasonable, in consummating any financing related to the Project and the Premises, including without limitation, entering into or consenting to such documents as are necessary to consummate such financing.

H. As a condition to closing the Loan, Lender has required that Landlord and Borrower enter into the agreements set forth herein and that the Mayor of the City and the Mayor of the County consent to the terms of this Agreement.

I. Lender is closing the Loan and disbursing the Loan proceeds in reliance upon the agreements contained in this Agreement, but for which it would not close and disburse the Loan.

² NTD: If Borrower obtains a syndicate loan, this recital will be revised to correctly describe the debt.

³ NTD: If a separate assignment of leases is required by lender, this recital will be revised to describe the subject instrument.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The above and foregoing Recitals are true and correct and incorporated herein and form a part of this Agreement.

2. Landlord acknowledges the making of the Loan by Lender and consents to the grant and collateral assignment by Borrower to or for the benefit of Lender in and to all of Borrower's rights, title and interests in, to and under the Premises, the PILOT Agreement, the PILOT Lease and any other agreements now or hereafter entered into by Borrower or Landlord in connection with the PILOT Agreement and the PILOT Lease (hereinafter collectively referred to as the "**Project Documents**") as security for the Loan, but by giving such consent, Landlord acknowledges and agrees that, by such assignment, Lender has not assumed any obligation of Borrower under the Project Documents. Notwithstanding anything expressed or implied in the Project Documents to the contrary, any restrictions and prohibitions that may be contained in the Project Documents on the assignment of the leasehold interest, and other interests, of Borrower in the Premises shall not apply or extend to any sale or transfer of the leasehold interest, and other interests, of Borrower in the Premises pursuant to a judicial or non-judicial foreclosure sale, deed in lieu of a foreclosure, appointment of a receiver, or other transfer of all or a portion of the Premises as a result of the exercise of Lender's rights and remedies under the Deed of Trust.

3. Landlord represents and warrants to Lender that the PILOT Lease is currently in full force and effect without modification and that no default or event which, with the giving of notice or lapse of time, would constitute a default has occurred thereunder.

4. Landlord agrees that it will not modify, amend or, subject to Section 9 of this Agreement, terminate the Project Documents without the prior written consent of Lender, which consent Lender agrees shall not be unreasonably withheld. Borrower agrees that it will not surrender or voluntarily cancel or terminate the PILOT Lease without the prior written consent of Lender, and Landlord agrees that it will not accept or permit a surrender or a voluntary cancellation or termination of the PILOT Lease from Borrower without the prior written consent of Lender; provided that, upon the expiration of the Term, Borrower may terminate the PILOT Agreement and PILOT Lease and exercise any option(s) to acquire fee simple title in and to the Premises as provided therein or as is otherwise permitted by applicable law.

5. Landlord represents and warrants to Lender that all of the conditions and contingencies contained in the Project Documents for the PILOT Lease to take affect have been fully satisfied or waived.

6. Notwithstanding anything in the Project Documents to the contrary, Landlord agrees that Borrower may alter, improve and modify the Project without Landlord's consent.

7. Upon the occurrence of an event of default under the Loan, Landlord consents to the acquisition of any rights, title and interests of Borrower in, to and under the Project Documents by Lender, and the transfer of such rights, title and interests to a successor or designee of Lender or purchaser of such title and interests pursuant to Lender's foreclosure or deed in lieu thereof,

appointment of a receiver or similar disposition thereof (either a **“Lender Successor”**) provided that no such transfer shall impair or affect Landlord’s right to expect full compliance by Lender or any such Lender Successor with the terms and conditions of the Project Documents thereafter and to require the cure of any defaults which occurred prior to the date of such transfer within applicable cure periods, such cure to be either pursuant to any cure provisions under the Lease or pursuant to the cure provisions of Section 11 of this Agreement. It is the intention of the parties hereto that in the event Lender acquires the rights, title and interests of Borrower in the Premises pursuant to a trustee’s sale or by a deed-in-lieu of a trustee’s sale after an event of default has occurred under the documents evidencing the Loan (herein referred to as a **“Lender Acquisition”**), Lender (or any Lender Successor, as applicable) shall succeed to all rights, title and interest of Borrower under the Project Documents and Lender (or any Lender Successor, as applicable) shall be vested with all rights and benefits of Borrower under the Project Documents without the need for any further consents to the assignment of the Project Documents. Furthermore, without the need for any further consents to the assignment of the Project Documents Lender (or any Lender Successor, as applicable) shall be permitted to convey its rights, title and interest in the Premises and assign the Project Documents to a third party (herein referred to as a **“Lender Disposition”**) with the effect that such third party purchaser shall be vested with all rights and benefits of Borrower under the Project Documents. Any restrictions and prohibitions contained in the Project Documents on the assignment of the Project Documents shall continue in full force and effect with respect to any proposed assignment of the Project Documents occurring after a Lender Disposition.

8. In the event that Lender acquires Borrower’s rights, title and interests in the PILOT Lease pursuant to a Lender Acquisition, then Lender shall be recognized as the tenant under the PILOT Lease and Lender shall be vested with all rights and benefits of Borrower under the Project Documents and shall be permitted to transfer such rights, title and interests to a Lender Successor provided that no such transfer shall impair or affect Landlord’s right to expect full compliance by Lender or any such Lender Successor with the terms and conditions of the Project Documents thereafter and to require the cure of any defaults which occurred prior to the date of such transfer within applicable cure periods, such cure to be either pursuant to any cure provisions under the Lease or pursuant to the cure provisions of Section 11 of this Agreement. Notwithstanding the foregoing, Landlord agrees and acknowledges that so long as Lender has not entered into possession of the Premises for purposes of operating the same, Lender shall not be liable for any rent or other obligations of Borrower under the Project Documents notwithstanding any provision in the Project Documents to the contrary. In the event Lender acquires Borrower’s rights, title and interests in the Project Documents and enters into possession of the Premises for purposes of operating the same, then Lender shall perform the obligations of Borrower under the Project Documents except that Lender shall not be: (a) liable for any act or omission of Borrower under the Project Documents whenever incurred or occurring, provided however, such exclusion of liability for Lender shall not be deemed to relieve Lender for any obligation to cure any event of default under the Project Documents which is not a personal default described in Paragraph 10 of this Agreement, in the event Lender desires to succeed to the interests of Borrower under the Project Documents; (b) subject to any claims for damages that Landlord had, or may have, against Borrower under or in connection with the Project Documents whenever incurred or occurring, provided however, such exclusion of liability for Lender shall not be deemed to relieve Lender for any obligation to cure any event of default under the Project Documents which is not a personal default described in Section 11 of this Agreement, in the event Lender desires to succeed to the

interests of Borrower under the Project Documents; or (c) bound by any amendment or modification of the Project Documents made without Lender's written consent pursuant to Paragraph 4 of this Agreement.

9. In the event the PILOT Lease is terminated or cancelled for any reason, including without limitation as a result of the rejection of such PILOT Lease in a bankruptcy proceeding involving Borrower, other than the failure of Lender to cure a default of Borrower pursuant to Section 11 of this Agreement, prior to the payment in full of the Loan, then if requested in writing by Lender within thirty (30) days after the effective date of such termination, Lender shall have the right to either (i) purchase the Premises under the same terms and conditions of the option to purchase granted to Borrower under Section 11.02 of the PILOT Lease or (ii) enter into a new lease with Landlord containing substantially the same terms and conditions as the PILOT Lease. If Lender elects to purchase the Premises, then Landlord shall convey the Premises pursuant to the terms of Section 11.02 and Section 11.03 of the PILOT Lease. If Lender elects to enter into a new lease for the Premises, then Landlord shall enter into a new lease with Lender containing substantially the same terms and conditions as the PILOT Lease. Landlord further agrees and acknowledges that it shall not terminate the PILOT Lease without providing prior written notice to Lender and, if applicable, the opportunity to cure any applicable default as provided in Section 11 below.

10. Lender acknowledges that the lien for the payments in lieu of taxes pursuant to Tenn. Code Ann. §7-53-305 constitutes a lien against the fee simple interest in the Premises that it is, and will continue to be, superior in right, title and dignity to any interest of Lender under the Deed of Trust or otherwise. Lender also acknowledges that the payment in lieu of tax arrangements set forth in the PILOT Documents are only available to the Premises for so long as the Landlord holds title to the Premises pursuant to the PILOT Documents and further acknowledges that upon conveyance of all or any portion of the Premises in fee simple to Lender, the benefits set forth in the PILOT Documents shall immediately terminate as to such portions of the Premises as are conveyed to the Lender from time to time, provided that neither Lender nor any Lender Successor shall be personally liable for any acts or omissions of Borrower or for any claims for damages that Landlord had, or may have, against Borrower under or in connection with the Project Documents prior to Lender's or Lender Successor's acquisition of the Premises.

11. Landlord agrees to provide Lender with written notice of any default by Borrower under the Project Documents. Lender shall have the right, but not the obligation, to cure any default of Borrower under the Project Documents within thirty (30) days after receipt of written notice of any monetary default from Landlord and (b) sixty (60) days after receipt of written notice of any non-monetary default from Landlord. Notwithstanding anything expressed or implied herein or in the Project Documents to the contrary, with regard to any non-monetary default by Borrower under the Project Documents which Lender has begun action to cure but has not completed such cure during such sixty (60) day period, Landlord will extend Lender's right to cure for such reasonable period of time as may be necessary to cure such default provided Lender is diligently pursuing action to cure any such default. The extended cure period provided to Lender shall include without limitation any period of time (i) during which Lender is diligently pursuing acquisition of Borrower's title and interest in the Premises through foreclosure proceedings or otherwise, (ii) during which Lender's acquisition of Borrower's title and interest in the Premises is stayed by any proceeding in bankruptcy, any injunction or other judicial process, and (iii) after acquisition of

Borrower's title and interest in the Premises by Lender during any period in which Borrower or any other party is contesting the validity of the acquisition of Lender's title to the Premises. With respect to those defaults under the Project Documents which are personal to Borrower and are not reasonably capable of being cured by Lender (herein, "**Personal Defaults**"), or with respect to defaults which are not capable of being cured by Lender without possession or ownership of the Premises, Lender shall be deemed to be diligently pursuing a cure of such default if, within the above described sixty (60) day initial cure period, Lender commences and thereafter diligently pursues to completion (subject to any judicial stays, injunctions or other delays) foreclosure or power of sale proceedings for Borrower's rights, title and interest in the PILOT Documents and the Premises. Furthermore, in the case of Personal Defaults, Lender shall be deemed to have cured such defaults upon acquiring Borrower's right, title and interest in the PILOT Documents and the Premises through foreclosure, power of sale or otherwise. Lender shall be subrogated to any claim Landlord may have against Borrower which arises in connection with any default by Borrower under the Project Documents which is cured by any action of Lender, and Borrower agrees that all costs and expenses incurred by Lender in connection with any such cure, including but not limited to attorneys' fees, shall be payable by Borrower upon demand with interest on all sums not paid upon demand at the rate of interest under the Loan as applicable following an event of default thereunder.

12. Landlord acknowledges that Lender has not made any representation or warranty to Landlord with respect to the value or adequacy of Lender's collateral or otherwise. Without notice to Landlord, Lender reserves the right to (a) increase, renew, extend, compromise or modify the Loan, (b) exercise, fail to exercise, waive or amend any of its rights under any instrument evidencing, securing or delivered in connection with the Loan, (c) release collateral and any obligor of the Loan and (d) apply any amounts paid to Lender in such order of application as Lender in its sole discretion, deems appropriate.

13. Notwithstanding anything contained herein or in the Project Documents to the contrary, prior to the payment in full of the Loan, all insurance proceeds payable in connection with any casualty, damage or destruction to any portion of the Premises shall be paid to Lender to be applied as provided for in the Deed of Trust and the other documents entered into in connection with the Loan (collectively, the "Loan Documents"). If any portion of such proceeds remain after the payment in full of all sums due and owing to Lender in connection with the Loan, then any remaining sums shall be paid first to Landlord to the extent necessary to give full effect to the terms of the PILOT Lease which provide for a different application between Landlord and Borrower.

14. Notwithstanding anything contained herein or in the Project Documents to the contrary, prior to the payment in full of the Loan, in the event any portion of the Premises is taken in any proceedings by public authorities (by condemnation or otherwise), or is acquired for public or quasi-public purposes by sale in lieu thereof, then all such awards or sales proceeds which are attributable to any improvements located upon the Real Estate shall be paid to Lender to be applied as provided for in the Loan Documents. If any portion of such awards or sales proceeds remain after the payment in full of all sums due and owing to Lender in connection with the Loan, then any remaining sums shall be paid first to Landlord to the extent necessary to give full effect to the terms of the PILOT Lease which provide for a different application between Landlord and Borrower.

15. Landlord waives notice of (a) the creation, renewal, amendment, modification, increase, decrease, extension, accrual or assignment of the Loan and (b) the reliance of Lender, any Lender Successor, or their respective successors and assigns upon this Agreement. Without limiting any of the waivers and consents of Landlord set forth herein, Landlord hereby consents to the execution and delivery by Borrower of such supplements and amendments to the Loan Documents as Lender may require in connection with maintaining and confirming the lien of the Deed of Trust and the other Loan Documents with respect to any future interest, rights and estates of Borrower in any easements and other estates and rights from time to time hereafter created or established which benefit Borrower or the Premises. Such supplements and amendments to the Loan Documents shall not affect, modify or impair the obligations of Landlord hereunder.

16. Landlord certifies to Lender that there are no mortgages, deeds of trust, security interests or other liens encumbering Landlord's title to the Premises. Landlord agrees that it shall not grant any mortgage, deed of trust, security interest or other lien which encumbers the title of Landlord in the Premises for so long as the Deed of Trust remains in force and effect.

17. Any options or rights in favor of Landlord contained in the Project Documents to acquire title to the leasehold interest, and other interests, of Borrower in the Premises, including without limitation any purchase options or rights of first offer or refusal, are hereby made subject and subordinate to the rights of Lender under the Deed of Trust, and such rights shall not apply or extend with respect to any sale or transfer of the leasehold interest, and other interests, of Borrower in the Premises pursuant to (i) a judicial or non-judicial foreclosure sale or (ii) a conveyance in lieu of a judicial or non-judicial foreclosure sale, provided that such subordination shall not affect Landlord's right and ability to terminate the lease upon the occurrence of a default after applicable notice and cure periods as provided in the PILOT Lease and this Agreement.

18. All notices, demands or other communications of a material nature (but excluding all routine correspondence between Landlord to Borrower) to or among the parties hereto relating hereto or to the Project Documents and/or required or permitted to be given hereunder or under the Project Documents shall be in writing and shall be effective (a) upon the third (3rd) day after being mailed by certified United States mail, postage prepaid with return receipt requested or (b) upon the following day after being sent by an overnight carrier which provides for a return receipt, to the applicable address specified below:

If to Landlord: The Health, Educational and Housing Facility
Board of the City of Chattanooga, Tennessee
100 E. 11th Street, Suite 200
Chattanooga, Tennessee 37402
Attention: Phillip A. Noblett, Deputy City Attorney

With a copy to:

If to Borrower: _____

If to Lender: _____

or to such other addresses as either Landlord, Borrower or Lender may from time to time specify for itself by notice hereunder. Any notice may be given on behalf of Landlord, Borrower or Lender by such party's legal counsel.

19. Anything in this Agreement to the contrary notwithstanding, Borrower and Lender agree that they 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 Agreement 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 Borrower's or Lender's remedies hereunder.

20. No recourse shall be had for any claim, obligation, or covenant in this Agreement against any past, present or future director, officer, member, employee, counsel, or agent of Landlord, whether directly or indirectly, and all such liability of any such individual as such is expressly waived and released as a condition of and in consideration for the execution of this Agreement.

21. Each of the undersigned executing this Agreement, certifies, represents and warrants to the other parties hereto that he/she is duly authorized by all action necessary on the part of the party on whose behalf each is executing this Agreement to execute and deliver this document and that this document constitutes a legal, valid and binding obligation of such party in accordance with its terms.

22. The agreements of Landlord, Borrower and Lender set forth herein may not be revoked or amended except by written agreement by and among the parties hereto.

23. In the event any legal action or proceeding is commenced to interpret or enforce, the terms of, or obligations arising out of, this Agreement, or to recover damages for the breach thereof, the party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees, costs and expenses incurred by the prevailing party as shall be plead and proven by such party and awarded by a court of competent jurisdiction. Notwithstanding anything contained herein to the contrary, in no event shall Landlord be required to pay attorneys' fees, costs and expenses of any party, and Borrower agrees to pay the reasonable attorneys' fees, costs and expenses of Landlord incurred in connection with this Agreement or the enforcement thereof.

24. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, notwithstanding that Tennessee conflicts of law rules might otherwise require the substantive rules of law of another jurisdiction to apply.

25. Landlord, Borrower and Lender hereby (a) irrevocably submit to the jurisdiction of the state courts of the State of Tennessee and to the jurisdiction of the United States District Court

for the Eastern District of Tennessee, in each case located in Hamilton County, Tennessee for the purpose of any suit, action, or other proceeding arising out of or based upon this Agreement; (b) waive and agree not to assert by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim (i) that they are not subject personally to the jurisdiction of the above-named courts, (ii) that their property is exempt or immune from attachment or execution, (iii) that the suit, action, or proceeding is brought in any inconvenient forum, (iv) that the venue of the suit, action, or proceeding is improper, or (v) that this Agreement or the subject matter hereof may not be enforced in or by such court; and (c) waive and agree not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such Tennessee state or federal court.

26. In the event of a conflict between the terms of either of the Project Documents and this Agreement, the terms of this Agreement shall govern to the extent of such conflict with respect to the rights of Lender as against Landlord.

27. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Notwithstanding anything expressed or implied herein to the contrary, this Agreement is being made in favor of Lender for itself and as agent for any parties which might obtain any participating or syndicated interest in the Loan. All references to "Lender" herein shall be construed to mean Lender for itself and as agent for any parties which might obtain any participating or syndicated interest in the Loan. All rights of Lender in, to and under this Agreement shall pass to, and may be exercised by, any assignee of such rights of Lender, including without limitation all holders from time to time of the Loan.

28. The City and the County shall have no obligations under this Agreement and join in the execution of this Agreement solely for the purposes of evidencing their consent to the terms of this Agreement and their consent to (i) the collateral assignment of the Project Documents to Lender pursuant to the Deed of Trust and this Agreement, (ii) any future assignment of the Project Documents to Lender to be effective upon a Lender Acquisition, and (iii) any future assignment of the Project Documents by Lender to a third party in connection with a Lender Disposition. The execution of this Agreement by the Mayor of the City on behalf of the City and by the Mayor of the County on behalf of the County shall be deemed to be their consent to the assignments of the Project Documents as contemplated or described in this Agreement to the extent required under Section 15 of the PILOT Agreement.

29. This Agreement may be executed in counterparts, each of which taken together shall constitute one and the same instrument and any party hereto may execute this Agreement by executing any such counterpart. The signature page(s) of any counterpart may be detached from a counterpart, without impairing the legal effect of the signature(s) thereon, and attached to any other counterpart identical thereto except for the signature page attached to it. Any executed counterpart which is transmitted to Lender or its attorneys by facsimile or electronic mail transmission shall be deemed to have been properly executed and delivered by all parties executing such counterpart for all purposes hereof to the same effect as if such original executed counterpart was delivered to Lender or its attorneys.

[the remainder of this page is intentionally left blank, see following separate signature pages for signatures of parties]

Book and Page:

**SIGNATURE PAGE FOR BORROWER FOR PILOT AGREEMENT
REGARDING LEASEHOLD DEED OF TRUST RIGHTS**

IN WITNESS WHEREOF, Borrower has executed this Agreement to be effective as of the day and year first above written.

BORROWER:

_____ a _____

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)

)

COUNTY OF _____)

On _____, 2022, before me, _____, a Notary Public, personally appeared, _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[SIGNATURE]

[SEAL]

Book and Page:

**SIGNATURE PAGE FOR LANDLORD FOR PILOT AGREEMENT
REGARDING LEASEHOLD DEED OF TRUST RIGHTS**

IN WITNESS WHEREOF, Landlord has executed this Agreement to be effective as of the day and year first above written.

LANDLORD:

**THE HEALTH, EDUCATIONAL AND
HOUSING FACILITY BOARD OF THE CITY
OF CHATTANOOGA, TENNESSEE, a**
Tennessee public corporation

By: _____

Name: _____

Title: _____

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he/she executed the within instrument for the purposes contained therein, and who further acknowledged that he/she is the _____ of The Health, Educational and Housing Facility Board of the City of Chattanooga, Tennessee, a public corporation, and is authorized by the corporation to execute the foregoing instrument for the purposes therein contained.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

Book and Page:

**SIGNATURE PAGE FOR LENDER FOR PILOT AGREEMENT
REGARDING LEASEHOLD DEED OF TRUST RIGHTS**

IN WITNESS WHEREOF, Lender has executed this Agreement to be effective as of the day and year first above written.

LENDER:

a _____

By: _____

Name: _____

Title: _____

[INSERT NOTARY BLOCK]

Book and Page:

**SIGNATURE PAGE FOR THE CITY OF CHATTANOOGA,
TENNESSEE FOR PILOT AGREEMENT
REGARDING LEASEHOLD DEED OF TRUST RIGHTS**

IN WITNESS WHEREOF, the City of Chattanooga, Tennessee has executed this Agreement, to be effective as of the day and year first above written.

CITY:

CITY OF CHATTANOOGA, TENNESSEE

By: _____
Tim Kelly, Mayor

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared Tim Kelly, who is the Mayor of the City of Chattanooga, Tennessee, with whom I am personally acquainted and who, after having been duly sworn, acknowledged that he as Mayor executed the foregoing instrument for the purposes therein contained.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

Book and Page:

**SIGNATURE PAGE FOR HAMILTON COUNTY,
TENNESSEE FOR PILOT AGREEMENT
REGARDING LEASEHOLD DEED OF TRUST RIGHTS**

IN WITNESS WHEREOF, Hamilton County, Tennessee has executed this Agreement, to be effective as of the day and year first above written.

COUNTY:

HAMILTON COUNTY, TENNESSEE

By: _____
Jim Coppinger, Mayor

STATE OF TENNESSEE)
) s.s.
COUNTY OF _____)

Before me, the undersigned notary public, of the state and county aforesaid, personally appeared Jim Coppinger, who is the Mayor of Hamilton County, Tennessee, with whom I am personally acquainted and who, after having been duly sworn, acknowledged that he as Mayor executed the foregoing instrument for the purposes therein contained.

Witness my hand and Notarial Seal, this ____ day of _____, 2022.

Notary Public

My Commission Expires: _____

**EXHIBIT A
LEGAL DESCRIPTION**

Hamilton County Tennessee Tax Map No. 145F J 003

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

BEGINNING at a rod/cap found on the eastern right-of-way of Chestnut Street, having a width of 60 feet, and marking the southwest corner of the VMH Inc. property, as recorded in Deed Book 6094, page 665, in the Register's Office of Hamilton County, Tennessee; thence, leaving said right-of-way and along the southern line of said VMH Inc. property, South 65 degrees 37 minutes 24 seconds East 228.81 feet to a rod/cap set marking the southeast corner of said VMH Inc. property and being on the western line of Lot 1, City of Chattanooga Former CSX Property Subdivision, as recorded in Plat Book 74, Page 70, in said Register's Office; thence, along the western line of said Lot 1 the following two calls, South 19 degrees 22 minutes 34 seconds West 49.48 feet to a rod/cap set and South 24 degrees 02 minutes 23 seconds West 251.10 feet to a rod/cap set marking the northeast corner of the Chestnut Properties LLC property, as recorded in Deed Book 9045, page 434, in said Register's Office; thence, along the northern line of said Chestnut Properties LLC property, North 65 degrees 29 minutes 36 seconds West 233.38 feet to a Mag Nail set marking the northwest corner of said Chestnut Properties LLC property and being on the eastern right-of-way of said Chestnut Street; thence, along the eastern right-of-way of Chestnut Street, North 24 degrees 08 minutes 36 seconds East 299.87 feet to the Point of Beginning. Said tract herein described contains 1.604 acres or 69,864 square feet, more or less.