



**BOARD OF REGENTS OF
THE UNIVERSITY SYSTEM OF GEORGIA**

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LETTER OF INTENT

April 4, 2019

Mr. Roberto Hernandez
City Manager
City of Savannah
P.O. Box 1027
Savannah, Georgia 31402

DELIVERED ELECTRONICALLY

RE: Lease of East Wing of the Coastal Georgia Center
Savannah, Georgia

Dear Mr. Hernandez:

In the mutual interest of the Board of Regents of the University System of Georgia and the City of Savannah, this letter of intent ("LOI") outlines a proposal for the City of Savannah to lease a portion of the Coastal Georgia Center (the "Center") located at 305 Fahm Street in Savannah, Georgia. As noted below, this proposal does not constitute a binding agreement between the parties. It only evidences the parties' offer to negotiate with each other in good faith regarding a lease of the Premises, as defined herein. The basic terms of the proposal are:

Parties: Lessee: The Mayor and Aldermen of the City of Savannah
Lessor: The Board of Regents of the University System of Georgia

Premises: The leased premises (the "Premises") shall consist of approximately 34,734 net rentable square feet of building area located in the Center and further identified by the Chatham County Board of Assessors as Property Identification Number (PIN) 2-0031-047-003 as generally depicted on Exhibit A (the "Center Property"); the Premises is that area comprising the east wing of the Center, as generally depicted in yellow on Exhibit B. At Lessor's sole discretion, lease of the Premises shall include certain existing office furnishings, but generally exclude classroom tables, chairs, and computers.

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- Rental Rate:** The rental rate shall be \$13.75 per square foot of net rentable area, which shall increase at a rate of 3.0% annually throughout the term of the agreement. This rental rate shall be a triple net rate excluding utilities, janitorial service, and pest control service. Lessor shall be responsible for maintaining property insurance on the Center, and Lessee shall, at its sole cost and expense, be responsible for obtaining its own renter's content insurance. Lessee shall at its sole cost and discretion, provide its own internal security and information technology services.
- Maintenance:** Lessor shall be responsible for facility maintenance and repairs, including exterior grounds maintenance.
- Auditorium:** Rooms 100, 105 and 107 (collectively, the "Auditorium") shall be included within the approximate 34,734 square feet of area identified as the Premises. Notwithstanding Lessee's rights to use the Auditorium for its operations, Lessor shall have the right to utilize the Auditorium for up to four (4) times per month at no cost to Lessor. Unless otherwise agreed to by Lessee, Lessor's rights to utilize the Auditorium shall be limited to evenings after 5:00 p.m., Monday through Friday and all day Saturday and Sunday. Lessor shall be required to schedule its use of the Auditorium at least five (5) business days in advance of the requested use. Lessee shall retain the right to restrict Lessor's use of the Auditorium on scheduled City Council meeting days, including in the evening hours.
- Parking:** Lessee shall have a limited number of permitted parking spaces at the Center Property for Lessee's employees only. Lessee agrees to provide at least fifteen (15) dedicated visitor spaces (the "Visitor Spaces") on Lessee's property located immediately east and adjacent to the Center Property. At its sole cost and expense, Lessee shall install signage directing its visitors to park their vehicles in the Visitor Spaces.
- Security:** Lessee agrees to staff the Premises and the Center Property with at least two (2) police officers or security guards at all times when the Premises is open for Lessee's business. At least one (1) police officer or security guard shall staff the lobby of the Premises at all times during Lessee's business hours. In addition to securing the Premises, Lessee agrees that the second staffed police officer or security guard will be responsible for regular policing of the Center Property grounds during Lessee's business hours, said policing to include ensuring that use of parking on the Center Property is limited to Lessee's employees and/or the students and employees of Lessor. Notwithstanding anything to the contrary, Lessee shall have no responsibility to secure or police the west wing of the Center.
- Term:** The initial term of this lease shall be for a period of three (3) years and will commence on or about June 1, 2019 (the "Commencement Date") and expire on May 31, 2022. At the mutual option of Lessor and Lessee, the lease may be extended for two (2) additional, one (1) year terms.

Notwithstanding the foregoing, both parties acknowledge the Lessee must make certain information technology enhancements to the space and perform minor renovations prior to

occupancy. Thus, in coordination with Savannah State University ("SSU"), Lessor agrees to grant Lessee access to initiate these enhancements and minor renovations to prepare the space for occupancy prior to the Commencement Date while minimizing potential impacts to SSU's operations.

First Refusal: In the event Lessor decides to sell the Center at any point during the lease term, Lessor agrees to grant Lessee a limited right of first refusal to acquire the property.

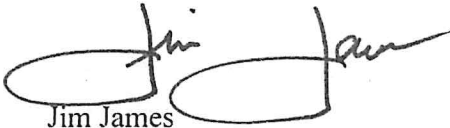
Broker: No real estate broker has been engaged by either party in this transaction, and no broker fees are payable by either party.

Please note this letter of interest is non-binding and intended solely to define the basic business terms associated with an intended lease transaction. Any obligation of Lessor to proceed is subject to approval by the Board of Regents of the University System of Georgia and finalization of a mutually agreeable intergovernmental agreement governing the lease transaction. Lessor acknowledges that Lessee's obligation to proceed is subject to approval by the Mayor and Aldermen of the City of Savannah.

If these general terms and conditions meet with your understanding, please acknowledge such below.

Thank you.

Respectfully submitted,



Jim James
Vice Chancellor for Facilities

Acknowledged By: Title: Date:

EXHIBIT A

The Center Property

PIN 2-0031-047-003

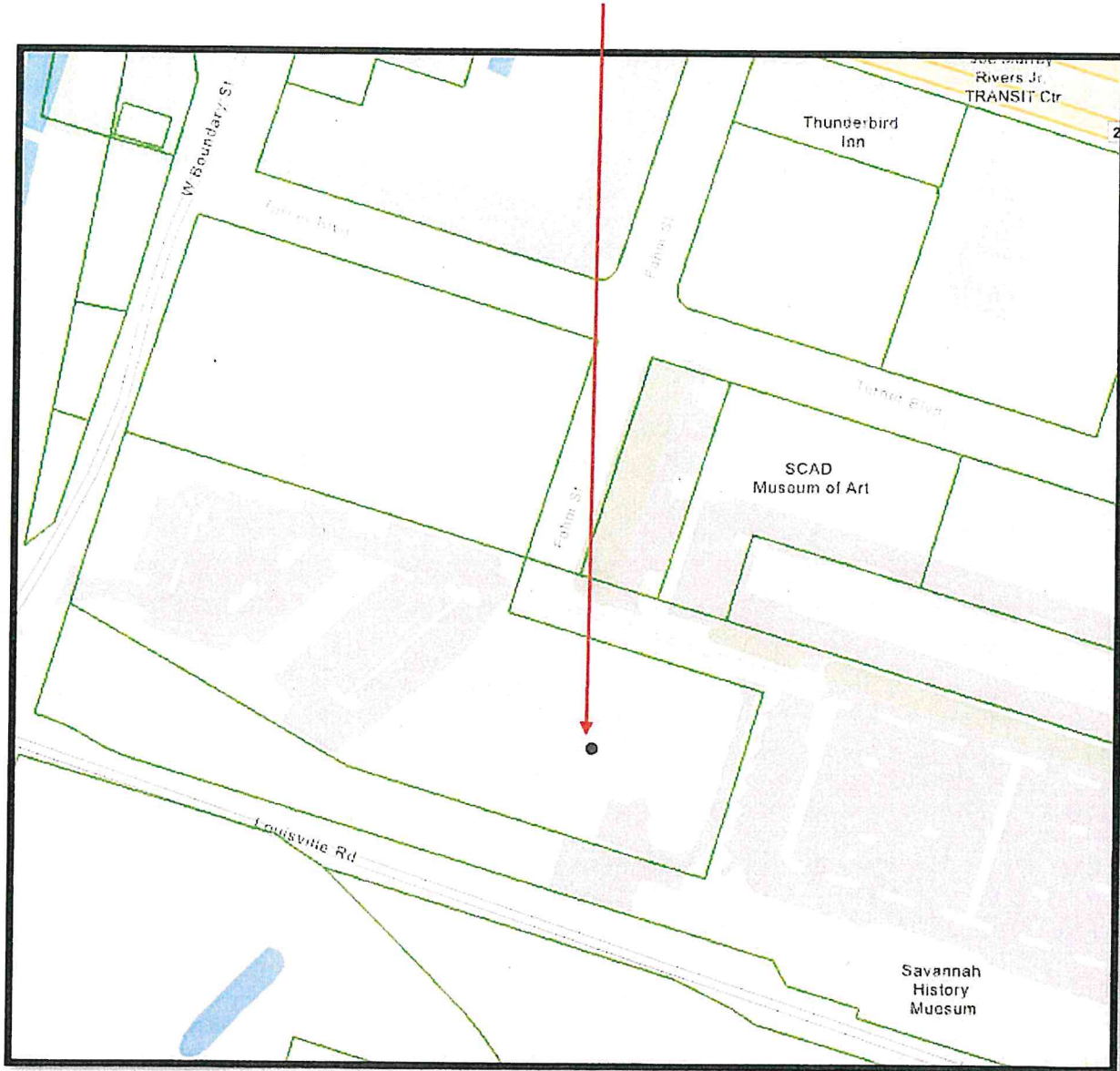
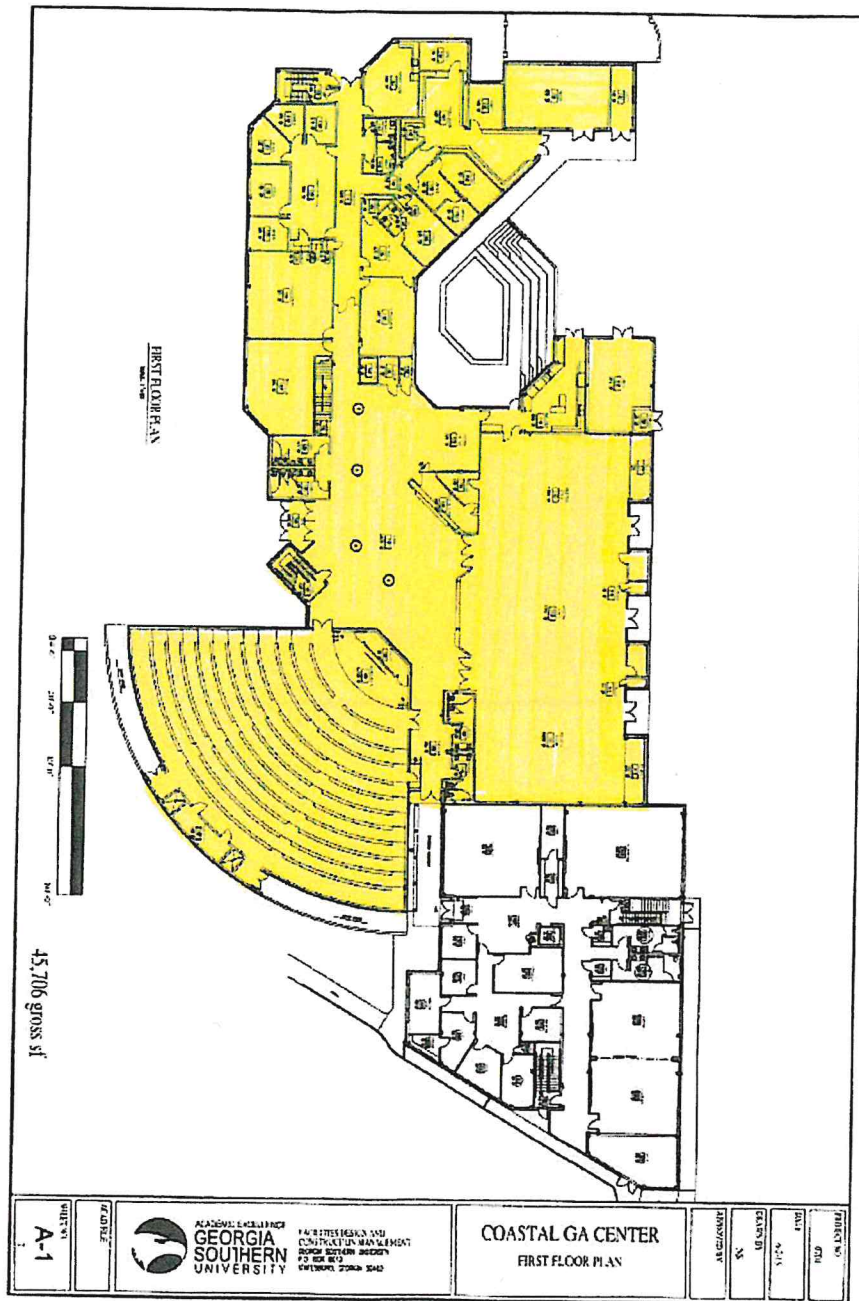


EXHIBIT B

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The "Premises"



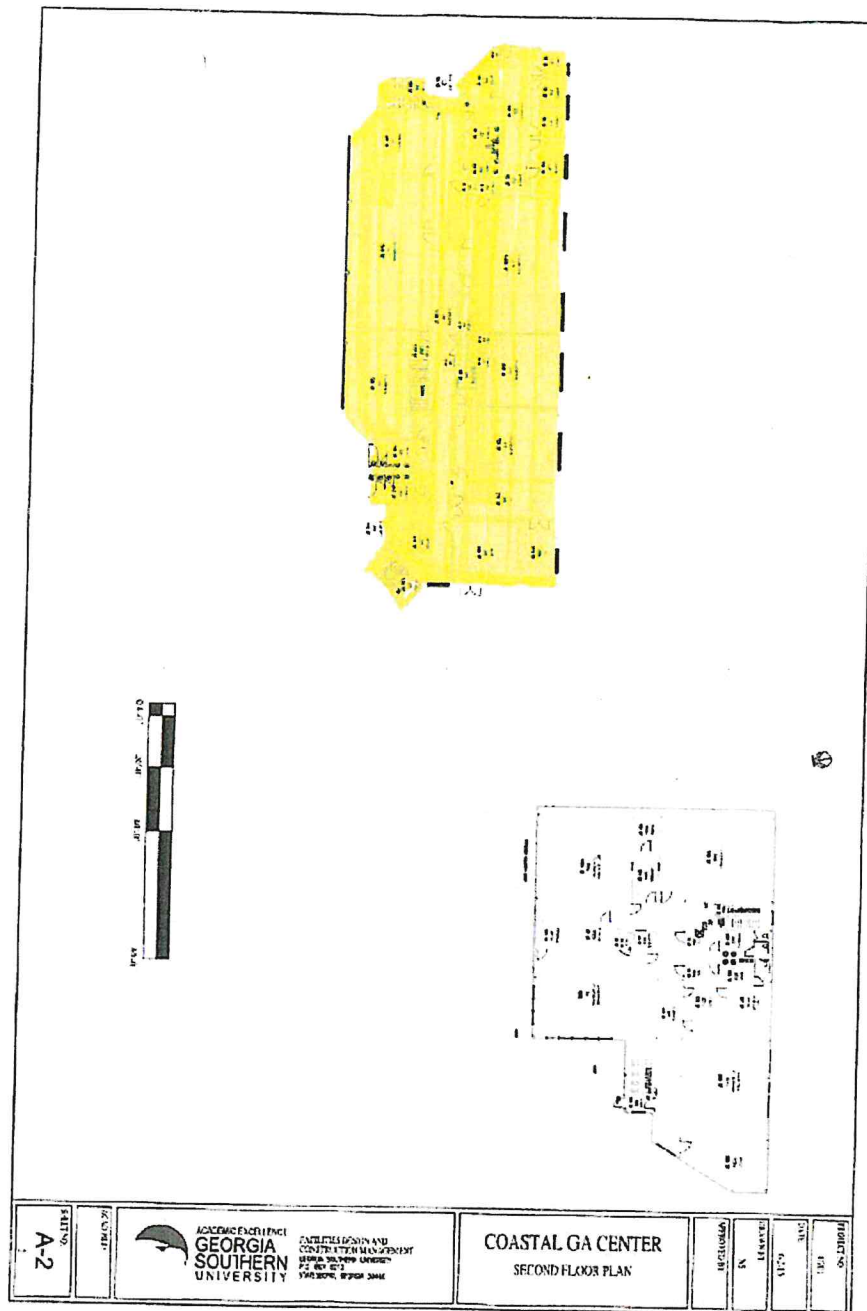
 = PROPOSED LEASED AREA

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EXHIBIT B

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The "Premises"



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