



JASON E. MUMPOWER  
*Comptroller*

## **TENNESSEE STATE SCHOOL BOND AUTHORITY**

**November 29, 2023**

### **AGENDA**

1. Call meeting to order, establish that there is a physical quorum, and receive public comment on actionable agenda items in accordance with 2023 Public Chapter 300 and Board guidelines
2. Approval of minutes from the October 9, 2023, meeting
3. Consideration for approval of an amendment to the financial advisor contract with PFM Financial Advisors, LLC
4. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for University of Tennessee Knoxville – Cherokee Mills Suite 108
5. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for University of Tennessee – Institute for Public Service
6. Approval of Projects for:  
**The University of Tennessee**
  - University of Tennessee Knoxville – Arena Renovations and Systems Improvements (A92); Increase in cost of \$1,100,000 for total funding of \$13,800,000 of which \$11,500,000 (includes a decrease of \$1,200,000) will be financed by TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate
7. Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**OCTOBER 9, 2023**

The Tennessee State School Bond Authority (the “TSSBA”, or the “Authority”) met on Monday, October 9, 2023, at 3:37 p.m., in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable David H. Lillard, Jr., State Treasurer, was present and presided over the meeting.

The following members were physically present:

Sandra Thompson, proxy for The Honorable Jason Mumpower, Comptroller of the Treasury  
Chris Mustain, proxy for The Honorable Tre Hargett, Secretary of State  
Commissioner Jim Bryson, Department of Finance and Administration  
Luke Lybrand, proxy for Randy Boyd, President, University of Tennessee  
Angela Scott, proxy for Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Treasurer Lillard called the meeting to order. In accordance with Public Chapter 300 and Board guidelines, Treasurer Lillard asked Ms. Sandra Thompson, TSSBA Assistant Secretary and the Director of the Division of State Government Finance (“SGF”), if any requests for public comment had been received. Ms. Thompson responded that no requests for public comment had been received.

Treasurer Lillard stated that the first item on the agenda was the consideration and approval of the minutes from the September 20, 2023, meeting of the Authority. Treasurer Lillard asked if there were any questions or discussion regarding the minutes. Hearing none, Treasurer Lillard made a motion to approve the minutes, Mr. Mustain seconded the motion. Treasurer Lillard asked for comments or questions on the minutes. Hearing no comments, Treasurer Lillard took the vote, and the minutes were approved unanimously.

Treasurer Lillard stated that the next item on the agenda was the consideration and approval of a project for the University of Tennessee at Chattanooga (“UTC”). Treasurer Lillard recognized Ms. Michelle Crowder, Senior Director of Capital Planning at the University of Tennessee (“UT”) to present the request.

- University of Tennessee at Chattanooga – University Center Renovations and Addition (A98); Increase in cost of \$5,000,000 for total funding of \$38,000,000 of which \$30,200,000 (includes an increase of \$3,000,000) will be financed by TSSBA; Term of Financing: 30 years as long-term financing at an assumed taxable rate.

Ms. Crowder stated that UT was requesting an increase of \$3,000,000 in TSSBA funding, for a total TSSBA funding of \$30,200,000. Commissioner Bryson inquired as to the reason for the increase. Ms. Crowder stated the increase was due to the market cost increases for supplies and increased furniture needs. Treasurer Lillard asked Ms. Jacqueline Felland, Senior Program Accountant in the Division of SGF, if SGF had conducted a feasibility analysis on the project. Ms. Felland stated that SGF had performed a feasibility analysis and determined the revenues pledged would be sufficient to cover the maximum annual debt service on the project. Treasurer Lillard made a motion to approve the item and Commissioner Bryson seconded the motion. Treasurer Lillard asked for comments or questions on the request from UT. Hearing no comments, Treasurer Lillard took vote, and the motion was unanimously approved.

Treasurer Lillard stated that concluded the business on the agenda. Treasurer Lillard made a motion to adjourn, and Commissioner Bryson seconded the motion. Treasurer Lillard took the vote, and the meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

**AMENDMENT TWO**  
**to**  
**CONTRACT BETWEEN**  
**THE STATE OF TENNESSEE,**  
**OFFICE OF THE COMPTROLLER OF THE TREASURY, AND**  
**PFM FINANCIAL ADVISORS LLC**

The contract dated December 20, 2019, by and between the State of Tennessee, Office of the Comptroller of the Treasury (“Comptroller”) and PFM Financial Advisors LLC (“Contractor”), for the purpose of retaining Contractor as Financial Advisor to the Comptroller on financial issues of the State of Tennessee (“State”) and the Tennessee State Funding Board, Tennessee Local Development Authority, and Tennessee State School Bond Authority (jointly “Issuers”) to assist the Comptroller in the capacity as Secretary to the Issuers, is hereby amended as follows:

1. Section A.1. is amended by deleting the current section A.1. in its entirety and inserting the following in its place:
  1. The Contractor agrees to serve as financial advisor to the State and to the Issuers. The Contractor will assign the following individuals to provide the services described in this Contract:

Lisa Lawrence  
Lauren Lowe  
Todd Fraizer, CFA  
Daniel Kozloff  
Joshua McCoy  
Randall Bauer  
Marcie Lewis  
Seth Williams  
Ricardo Callender  
Brooke Baldwin  
Matt Rudroff  
Elise Lomel  
Mike Nadol  
Stanley Geberer  
Kevin Plenzler  
Matthew Stitt  
Danielle Scott  
JoAnne Carter  
Albert Brown  
Greta Englert  
Ryan Conway

These individuals will be assisted from time to time by other members of the Contractor’s staff. The Comptroller has the right to approve or disapprove any proposed changes in the staff of the Contractor providing services under this Contract from the above listed individuals.

2. Section B.2. is amended by deleting the current section B.2. in its entirety and inserting the following in its place:

2. For the three-year contract term commencing on January 1, 2020, and ending on December 31, 2022, and for the two one-year extension contract terms, the first of which commenced on January 1, 2023, and ends on December 31, 2023, and the second of which commences on January 1, 2024, and ends on December 31, 2024, the maximum contract amount shall not exceed \$842,304.

The total contract term budget as referenced above is derived from a set of assumptions provided by the State in the Outline for Proposal for Financial Advisor for State of Tennessee Funding Board, Tennessee State School Bond Authority and Tennessee Local Development Authority, dated October 21, 2019 (the “RFP”). The assumptions and expected related costs are attached to this Contract as Exhibit A. As the RFP stated, the assumptions are subject to change and/or negotiation. However, the total maximum contract amount as noted above is fixed in aggregate as adopted by the Issuers.

3. Section B.3. is amended by deleting the current section B.3. in its entirety and inserting the following in its place:

3. It is expected that the maximum contract amount will be allocated as follows:

Transactional advisory fees (including special project)	\$504,000
Retainer fee	\$312,804
Reimbursement of expenses	<u>\$ 25,500</u>
TOTAL	\$842,304

4. Section B.4 is amended by deleting the current section B.4. in its entirety and inserting the following in its place:

4. For planning and transactional professional services rendered pursuant to debt issuance under this Contract, the Contractor will be entitled to compensation at the following hourly rates:

Hourly Rate	FY 2020 (6 months)	FY 2021	FY 2022	FY 2023- FY2024	FY 2025 (6 months)
Managing Director	\$350	\$357	\$364	\$371	\$371
Director	\$300	\$306	\$312	\$318	\$318
Senior Managing	\$255	\$260	\$265	\$271	\$271
Senior Analyst/Analyst	\$225	\$229	\$234	\$239	\$239

Debt transactions for the State of Tennessee General Obligation bonds will include a minimum fee of \$50,000 and Tennessee State School Bond Authority bonds will include a minimum fee of \$65,000. The Contractor and the Issuer should set a maximum fee per transaction and at no point should the overall maximum contract amount exceed \$842,304 unless this contract is amended.

5. Section B.6. is amended by deleting the current section B.6. in its entirety and inserting the following in its place:

6. In addition, the State will pay a retainer for consultation and special projects as follows:

	FY 2020 (6 months)	FY 2021	FY 2022	FY 2023- FY2024	FY 2025 (six months)
6. Retainer Per Month	\$5,000	\$5,100	\$5,202	\$5,306	\$5,306

Monthly, the contractor will provide the contract administrator an advice notice of the number of hours expended by project under the retainer. Assuming 60 hours to assist in establishing a new debt issuance program, the Contractor will charge a maximum of \$24,000. The assumptions and expected related costs are attached to this Contract as Exhibit A.

6. Add the following as Section 29 and renumber any subsequent sections as necessary:

29. Boycott of Israel. The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the Contract, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119.

The other terms and conditions of the Contract not amended hereby shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have signed this Amendment Two to the Contract by their duly authorized representatives on the dates indicated below.

**PUBLIC FINANCIAL MANAGEMENT, INC.**

By: \_\_\_\_\_  
Lauren Lowe, Managing Director

Date: \_\_\_\_\_

**STATE OF TENNESSEE, OFFICE OF THE COMPTROLLER OF THE TREASURY**

By: \_\_\_\_\_  
Jason E. Mumpower, Comptroller of the Treasury

Date: \_\_\_\_\_

**APPROVAL AS TO FUNDING:**

By: \_\_\_\_\_  
Jim Bryson, Commissioner of Finance and Administration

Date: \_\_\_\_\_

**RESOLUTION TO APPROVE THE  
BORROWING OF MONEY BY ANOTHER METHOD BY  
THE UNIVERSITY OF TENNESSEE**

**Recitals**

Whereas, the University of Tennessee (“UT”), on behalf of its Knoxville campus (“UTK”) proposes to lease (the “Lease”) from Magnolia Cherokee Mills LP (“Landlord”), 11,872 square feet of office space located at 2200 Sutherland Avenue, Knoxville, Tennessee (the “Facility”); and

Whereas, UT previously received approval in 2022 for the construction of the Haslam College of Business Building (the “Project”) at UTK; and

Whereas, UT requires surge space for departments being displaced by the Project and for which on-campus space is not available; and

Whereas, the Facility is only 1.6 miles from UTK providing an ideal location and easy access for relocated departments to remain engaged with students and colleagues; and

Whereas, the term of the Lease is five (5) years, with a 5-year renewal option; and

Whereas, the average annual contract rent, including maintenance, utilities, and janitorial services is two hundred forty thousand six hundred forty-five dollars and forty-four cents (\$240,645.44); and

Whereas, UT will be responsible for its pro-rata share of excess operating expenses, and Landlord will provide a twenty dollar and no cents (\$20.00) per square foot tenant improvement allowance; and

Whereas, UT may terminate the Lease upon one hundred twenty (120) days’ notice for convenience, but must reimburse Landlord for the unamortized balance of the tenant improvement allowance; and

Whereas, the Lease will be funded by UTK College of Business Project SBC No. 540/009-01-2023.

**BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:**

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Tennessee State School Bond Authority (the “Authority”) gives its approval for UT to enter into the Lease.



BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of November 29, 2023.

Adopted by the Authority at its meeting on November 29, 2023.

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JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

## UNIVERSITY OF TENNESSEE

### Acquisition – Lease (Space)

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 2023-06-001

● **Proposed Lease**

- **Location:** University of Tennessee-Knoxville (UTK) – 2200 Sutherland Avenue, Knoxville, Knox County, Tennessee
- **Landlord:** Magnolia Cherokee Mills LP
- **Term:** 5 years with a 5 year option to extend
- **Area / Costs:** 11,872 Square Feet

First Year Contract Rent	\$15.00 /sf	\$178,080.00
Average Annual Contract Rent (including utilities & janitorial)	\$20.27/sf	\$240,645.44
Total Annual Effective Cost	\$20.27/sf	\$240,645.44

- **Source of Funding:** SBC No. 540/009-01-2023
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00/sf (for reference only)

**Comment:** This space will be used for surge space for departments that are being relocated in connection with construction of the new Haslam College of Business Building. Departments will be placed in on-campus space to the extent possible, but additional space is needed. The University will lease one suite for a total of 11,872 sf.

The UTK College of Business project budget includes more than \$5M to accommodate surge space as needed.

Utilities and janitorial are included in the base rental rate. The landlord will provide a \$20/sf tenant improvement (TI) allowance. The lease can be terminated for convenience with 120-days' notice, but the unamortized balance of the TI balance must be repaid.

**Prior Action:** 06/20/2023 Approval of waiver of advertisement.

**SSC Report:**

## **EXECUTIVE SUMMARY**

In 2022, the University of Tennessee, Knoxville campus received approval for the construction of a new facility for the Haslam College of Business.

Departments being displaced because of this project will be placed in on-campus space to the extent possible, but additional space is needed. Cherokee Mills office complex located at 2200 Sutherland Avenue, Knoxville, TN 37919 is 1.6 miles from the main UT Knoxville campus providing an ideal location and easy access for relocated departments to remain engaged with students and colleagues. SBC ESC approved a waiver of advertisement in June 2023.

Free parking that will accommodate faculty/staff working in the building and visitors is included.

## **TERMS**

The University proposes to lease a total of approximately 11,872 square feet square feet at this location under a five (5) year agreement, with an option to extend for an additional five (5) years. The lease rate is \$15/sf in year 1, \$18.50/sf in year 2, \$22.06/sf in year 3 and then increases 2.5% annually. Maintenance, utilities, and janitorial, are all included in the base rental rate.

The landlord will provide a \$ 20.00 /sf tenant improvement (TI) allowance. The lease may be terminated for convenience with 120-days' notice, but the unamortized balance of the TI allowance must be repaid.

## **FUNDING**

Funding for the lease payments will be funded by UTK College of Business Project SBC No. 540/009-01-2023.

## **REQUEST**

Request for approval of a lease.

AGENCY:	
ALLOTMENT CODE:	COST CENTER:

This Instrument Prepared By:

University of Tennessee  
 UT Tower, 9<sup>th</sup> Floor  
 400 W Summit Hill Drive  
 Knoxville, Tennessee 37902

LE NO.

**NOTE:** No handwritten or interlineated changes to this Lease will override the printed text of this Lease.

This lease document is not effective or binding unless approved in accordance with all applicable laws.

**LEASE**

1. Date of this Lease: \_\_\_\_\_

Name and Address of Building:  
Cherokee Mills, Suite 108  
2200 Sutherland Avenue  
Knoxville, TN 37919

2. Tenant: **University of Tennessee**

Landlord Name and Address:  
Magnolia Cherokee Mills LP  
c/o Magnolia Investment Partners  
10 Burton Hills Blvd, Ste 220  
Nashville, TN 37215

3. Leased Premises: space in the Building as identified herein and more particularly described on Exhibit B together with all Common Areas, including, without limitation, parking and the Mill Room

4. Rentable Square Feet: 11,872 sf

5. Term of Lease: 5 year(s) and 0 month(s)  
 Commencement Date of Lease Term \_\_\_\_\_  
 (and of the obligations hereunder): \_\_\_\_\_  
 Expiration Date of Lease Term: \_\_\_\_\_

Renewal Option: 1, 5-yr renewal option

6. Termination for Convenience: Tenant may terminate this Lease at any time by giving written notice to Landlord at least 120 days prior to the date the termination becomes effective. If Tenant terminates this Lease prior to the Expiration Date for convenience or as outlined in Section 6(b), 6(c), or 6(d), Tenant will pay the unamortized balance of Tenant Improvement Allowance provided by Landlord.

<b>Monthly Rental Installments Table</b>			
7. Lease Year(s)	Annual Rental	Monthly Rental Installments	Rental Rate Per Rentable Square Foot
1	\$178,080.00	\$14,840.00	\$15.00
2	\$219,632.00	\$18,302.67	\$18.50
3	\$261,896.32	\$20,776.00	\$22.06
4	\$268,425.92	\$20,776.00	\$22.61
5	\$275,192.96	\$20,776.00	\$23.18

8. **Utilities & Services:**

All utilities are included in the Monthly Rental Installments.

The following utilities are not included in the Monthly Rental Installments: \_\_\_\_\_

Tenant is solely responsible for payment of the following separately metered utilities:  electric  gas  water/sewer

Janitorial services are not included in the Monthly Rental Installments.

9. **Improvements (check any that apply):** Leasehold Improvement Allowance: \$20.00 per Rentable Square Foot

A. Existing Space (New Tenant or Renewal)  B. Landlord to build out space pursuant to Exhibit \_\_\_\_\_

10.  This Lease is a sublease pursuant to that certain \_\_\_\_\_ dated effective \_\_\_\_\_ by and between \_\_\_\_\_, as landlord, and Landlord, as tenant. If not checked, this paragraph is not applicable.

11. Attached hereto and incorporated herein for all purposes are the following additional exhibits:  
 Exhibit A -- Lease Standard Terms and Conditions; Exhibit B -- Floor Plan;  
 Other -- Exhibit C -- Commencement Date;  Other -- Exhibit D -- **Build Out Terms**;  Other -- Exhibit E -- **Build Out Plans**

**LANDLORD: MAGNOLIA CHEROKEE MILLS LP**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**TENANT: UNIVERSITY OF TENNESSEE**

By: \_\_\_\_\_  
Austin Oakes, Assistant Vice President – Office of Capital Projects

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Jonathan Skrmetti, Attorney General & Reporter  
(For Form and Legality)

Date: \_\_\_\_\_

(Notary Acknowledgements Attached)

**LANDLORD NOTARY**

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

Before me, \_\_\_\_\_, Notary Public in and for the County and State 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/herself to be, the within named Landlord, and that he/she, executed the foregoing instrument for the purposes therein contained

Witness my hand and seal, at office in \_\_\_\_\_, Tennessee, this the \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

**TENANT NOTARY**

STATE OF TENNESSEE  
COUNTY OF KNOX

Before me, \_\_\_\_\_, Notary Public in and for the County and State aforesaid, personally appeared **Austin Oakes**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be **Assistant Vice President, University of Tennessee Office of Capital Projects**, the within named Tenant, and that he as such representative, executed the foregoing instrument for the purposes therein contained and signed the name of the University of Tennessee, by herself as **Assistant Vice President, University of Tennessee Office of Capital Projects**

Witness my hand and seal, at office in Knoxville, Tennessee, this the \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

[ seal ]

## EXHIBIT A

In consideration of the mutual covenants and representations set forth in the Lease (the "Lease") and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows. The capitalized terms used in this Exhibit A shall have the meaning assigned to such terms in the Lease, unless another meaning is assigned to such terms in this Exhibit A.

1. DEMISE. Upon the terms and conditions hereinafter set forth and as set forth in the Lease, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Leased Premises for the Term of the Lease. Landlord represents and warrants to Tenant that Landlord is the fee simple owner of the Leased Premises and has the right to lease the Leased Premises to Tenant pursuant to the terms of the Lease. Landlord further represents and warrants to Tenant that there are no easements, covenants, restrictions or other agreements or instruments encumbering the Leased Premises that (i) contain any pre-approval rights relating to this Lease (including any lender approval rights) which have not been secured by Landlord, or (ii) would interfere with or restrict Tenant's ability to use the Leased Premises for office, storage and any other purpose permissible under applicable law (the "Permitted Use"). Landlord further represents and warrants to Tenant that (x) the use of the Leased Premises for the various purposes for which it is presently being used is permitted under all applicable zoning legal requirements and (y) all utilities necessary for the use of the Leased Premises for the various purposes for which it is presently being used are being supplied to the Building via publicly dedicated utility easement areas.

2. RENT. The Monthly Rental Installments for the Lease of the Leased Premises shall be due and payable on the 1<sup>st</sup> day of each month and considered late after the 5<sup>th</sup> day of each month during the term hereof to Landlord at Landlord's address as set forth on the Lease, provided Landlord has submitted a completed the ACH Form (as defined below) to Tenant. Landlord shall not invoice Tenant for services until Landlord has completed this form and submitted it to Tenant. The Monthly Rental Installments shall be prorated for any partial calendar month during the Term.

No payment shall be made by Tenant under this Lease until Tenant has received the following documentation properly completed:

1. Landlord shall complete, sign and present to Tenant an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by Tenant. By doing so, Landlord acknowledges and agrees that, once said form is received by Tenant, all payments to Landlord, under this or any other contract Landlord has with Tenant shall be made by Automated Clearing House (ACH).

2. Landlord shall complete, sign and present to Tenant a "Substitute W-9 Form" provided by Tenant. The taxpayer identification number detailed by said form must agree with Landlord's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Lease.

Landlord agrees that the Rent provided under the terms of this Section 2 is based in part upon the costs of the services, utilities, and supplies to be furnished by Landlord pursuant to Section 3 hereof and that should Tenant vacate the Leased Premises prior to the end of the term of this Lease, or, if after notice in writing from Tenant, all or any part of such services, utilities or supplies for any reason are not used by Tenant, then, in such event, the Monthly Rental Installments as to each month or portion thereof as to which such services, utilities or supplies are not used by Tenant shall be reduced by an amount equal to the average monthly costs of such unused services, utilities or supplies during the six-month period immediately preceding the first month in which such services, utilities or supplies are not used.

### 3. LANDLORD'S OBLIGATIONS.

#### A. Utilities:

Landlord shall, at Landlord's expense, furnish all utilities to the Leased Premises, including electrical, gas, water and sewer, heat, ventilation, and air conditioning in capacities sufficient for the Permitted Use; provided, however, Tenant shall be responsible for telephone and data services. Electrical, gas, water and sewer must be provided on a 24 hours per day, 7 days a week basis. Heat, ventilation and air conditioning must be provided at least during the hours of 6:00am-7:00pm, Monday through Friday; provided. Tenant shall reimburse the Landlord annually for the cost of utilities associated with and properly allocable to the Leased Premises in excess of the base year allowance. The Landlord shall provide the Tenant, on an annual basis at the end of each year of the term of this Lease, a detailed list of costs subject to reimbursement under this paragraph. In order for any expenses to be reimbursable hereunder by the Tenant, the costs incurred by the Landlord must have been reasonable and

necessary. The Landlord shall maintain documentation for all charges against the Tenant under this Lease. The books, records and documentation of the Landlord, insofar as they relate to reimbursement by the Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

B. Maintenance

Landlord shall, at Landlord's expense, and as required to keep the Building and the Leased Premises in a good, attractive and safe condition, maintain and repair, in a good and workmanlike manner and in compliance with all replacement and maintenance schedules followed by prudent landlords of commercial buildings, (i) the Building, including, but not limited to, the repair, maintenance and replacement of the roof, foundation and exterior and load-bearing walls; (ii) the mechanical, plumbing and electrical systems, including, but not limited to, air conditioning, heating, plumbing, wiring and piping and all filters, valves and other components; (iii) the exterior of the Building and the land upon which the Building is located, including any landscaped areas, parking areas and driveways, including, but not be limited to the following: weekly lawn cutting during the growing season, debris pick-up, leaf removal, mulching of planting beds, maintain any landscaping, daily snow and ice removal from parking areas and entrances to the Leased Premises; (iv) elevators, if any; (v) interior of the Building and the Leased Premises, including but not limited to repair, maintenance, patching, mold, mildew, and moisture removal, and, ceilings, and other surfaces; (vi) all lighting components, including but not limited to, furnishing and monthly replacement of electrical light bulbs, fluorescent tubes, ballasts and starters. Landlord shall also, at Landlord's expense, furnish and maintain appropriate outside trash and refuse receptacles for the disposal of trash and refuse from the Leased Premises. Furthermore, Landlord shall have maintenance personnel available to respond to routine calls within twenty four (24) hours and emergency calls within four (4) hours. "Emergency" repair or maintenance calls shall include, but not be limited to, situations involving HVAC, electrical, plumbing, roof leaks, utility disruptions, ingress and egress, and environmental issues. Tenant shall be permitted to maintain, inspect, repair and replace any equipment or fixtures installed by Tenant on the Leased Premises (the "Tenant Maintenance"), and Landlord shall hold Tenant harmless for any damage to the Leased Premises caused by the Tenant Maintenance. Tenant reimburses Landlord for prorata share of maintenance expenses over the Base Year as defined in Section 4A.

C. Insurance

Landlord shall, at Landlord's expense, maintain fire and extended coverage insurance on Leased Premises, in an amount not less than the full replacement cost of the Building, and comprehensive general liability insurance coverage in the sum of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate against any and all liability, loss or damage arising from any injury or damage to any person or property occurring in or about the Leased Premises or the Building resulting from Landlord's negligence or matters arising for reasons beyond Tenant's control. The policies described in this Section shall name Tenant as an additional insured. Annually, Landlord shall furnish Tenant with a certificate of such coverage which shall provide that thirty (30) days' advance written notice shall be given to Tenant in the event of cancellation or material change in the insurance policies maintained as required herein. Tenant reimburses Landlord for prorata share of insurance over the Base Year as defined in Section 4A.

D. Taxes

Landlord shall be responsible for payment of all real estate taxes assessed against the Building or land on which the Building is located, as well as all applicable local, state and federal income taxes which are or may be payable by Landlord. Landlord, by virtue of leasing property to Tenant, does not become a State of Tennessee agency, entity, or employee and is not entitled to any rights, privileges or immunities pertaining to the State or its agencies and instrumentalities. Tenant reimburses Landlord for prorata share of taxes over the Base Year as defined in Section 4A.

E. Janitorial

Landlord shall, at Landlord's expense, provide janitorial services to the Leased Premises in accordance with the following schedule:

- i. See attached Scope of Services for Janitorial



F. Pest Control

Landlord shall, at Landlord's expense, provide monthly exterior pest extermination services. All such services shall be performed during normal business hours.

4. TENANT'S OBLIGATIONS. In addition to the said rent to be paid, Tenant also agrees to pay directly during the term of the Lease, commencing on the Commencement Date, the following items of expense as the same become due and payable:

- A. The Tenant's Base Year for Operating Costs for this Lease is calendar year 2023. Accordingly, beginning in 2023, Tenant agrees to pay as Additional Rent its proportionate share of any Operating Costs over and above the actual amount calculated during the Tenant's Base Year (i.e., calendar year 2023), specified in the preceding sentence and Paragraph 3 Sections (a), (b), and (c), capped at 5% increase/annum over the previous year ("Excess Operating Costs") in the following manner:

Operating Costs shall include taxes; insurance coverage for casualty loss, rent loss, and public liability; contract cleaning and supplies; management fees not exceeding 5% of gross rents and other tenant charges collected; all utilities provided and paid by the Landlord; building payroll; guard and other security services; general maintenance repairs; landscaping; the reasonable amortization of capital improvements which will improve the efficiency of operating, managing, or maintaining the Building or which will reduce the Landlord's operating expenses or the rate of increase thereof.

Taxes shall include all general and special real estate taxes assessed against the real property of which the Leased Premises are a part, all user fees levied or charged by any state, county, municipal or federal government for garbage collection, fire or police protection, sewer surcharge, or the like, and any other rate, levy, charge, assessment, license or fee upon the Landlord by way of capital levy, tax assessment levy, imposition or charge measured by or based in whole or in part upon the Leased Premises and imposed upon the Landlord, or measured by the rent payable upon the Landlord, or measured by the rent payable under this Lease, or by way of a landlord's gross receipts tax, commercial lease tax, sales tax, or any other new tax imposed by the United States of America, any state or municipality or political subdivision thereof of whatever name and kind and whether or not now known or within the contemplation of the parties and however levied, assessed, charged, imposed or computed in any way attributable to the Leased Premises, the Building, property on which it is situated, or the right to receive rent therefrom.

Real estate taxes shall be included in the computation of operating costs on a monthly basis.

All refunds, repayments and recoveries of amounts theretofore included in operating costs shall be included in the computation as a credit during the month received by Landlord. All other operating costs shall be included in the computation in the month when incurred.

Tenant shall pay the proportion of any such Excess Operating Costs that the rentable area of the Leased Premises bears to the total rentable area of the entire Building. Rentable area shall be computed according to the recommended standard method of floor measurement for office buildings issued by the "Building Owners and Managers Association International".

Landlord shall estimate for each calendar year, or any portion of a calendar year at the beginning and end of this Lease, Tenant's proportionate share of the Excess Operating Costs for the forthcoming year. Tenant shall pay, with each monthly installment of rent, one-twelfth (1/12th) of Tenant's estimated annual share of Excess Operating Costs. The amount of any such Excess Operating Costs shall be prorated on a daily basis for any partial month during which this Lease begins and ends.

Within ninety (90) days after the expiration of each calendar year, Landlord shall forward to Tenant a statement showing Tenant's actual pro rata share of the Excess Operating Costs. Should Tenant's actual share differ from the amount actually paid, then, within thirty (30) days after the date of Landlord's statement, either Landlord shall refund to Tenant any amount paid in excess of its actual share or Tenant shall remit to Landlord any amount by which its payments were deficient.

Tenant shall have the right to inspect Landlord's cost records at Landlord's offices during business hours and upon request in advance. No right given Tenant in this provision shall relieve Tenant of the obligation to pay its proportionate part of increase in operating costs as herein provided.

- B. Nothing herein shall be construed so as to require Tenant to pay or be liable for any gift, inheritance, estate, general income, capital gain, or similar tax imposed upon Landlord and not attributable to the property or the

rent therefrom as above provided. Nothing herein shall be construed so as to require Landlord to pay or be liable for any taxes separately levied on Tenant's leasehold estate or for taxes on Tenant's personal property, tenant improvements which do not become a part of the real estate or income, business, gross receipts or other taxes on Tenant or Tenant's income or business, all of the foregoing which shall be paid by Tenant

C. All service costs and installations of all telephone or data services.

5. IMPROVEMENTS. Tenant shall have the right during the existence of the Lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the Leased Premises under the Lease or any prior lease of the Leased Premises by Tenant shall be and remain the property of Tenant and may be removed therefrom by Tenant prior to the termination or expiration of this Lease or any renewal or extension thereof, or within a reasonable time thereafter. Any signs must have prior written approval from Landlord, which shall not be unreasonably withheld.

6. TERMINATION FOR CAUSE. Tenant may in its sole discretion terminate this Lease at any time for any of the following causes: (a) Landlord's failure to disclose any conflict or potential conflict of interest existing at the date of this Lease or hereafter created; (b) termination or consolidation of Tenant's operations or programs housed in the Leased Premises because of loss of funding; (c) lack of funding by the appropriate Legislative Body for obligations required of Tenant under this Lease; (d) the availability of space in Tenant-owned property, provided that no cancellation for this reason may take place until the Lease has been in effect for one year; and (e) any default by Landlord which is not adequately remedied in accordance with **Section 8** hereof. Notwithstanding the foregoing, all terms and conditions of the Lease are made subject to the continued appropriations by the appropriate Legislative Body. If Tenant terminates this Lease prior to the Expiration Date for convenience or as outlined in Sections 6(b), 6(c), and 6(d), Tenant must pay to Landlord the balance of unamortized tenant improvement allowance from Landlord at time of termination.

7. ENVIRONMENTAL PROVISIONS. Following due inquiry, Landlord represents that there are no hazardous substances or hazardous wastes as defined by the Comprehensive Environmental Response and Liability Act or any hazardous wastes as defined by the Resource Conservation and Recovery Act, or any mold, PCB's, radon or asbestos containing materials, located on, in or about the Leased Premises to be occupied by Tenant. Landlord agrees that should any hazardous wastes, hazardous substances, mold, PCB's, radon or asbestos containing materials be determined to be present as a result of the acts or omissions or negligence of any person or legal entity, other than Tenant, Landlord shall indemnify, hold harmless and defend Tenant from all claims, damages, expenses or litigation resulting from the presence of such materials. If Tenant reasonably believes that hazardous substances may be present in the Leased Premises or the Building, Landlord will engage, at its expense, a qualified third party engineer to conduct an appropriate environmental survey. If hazardous substances are found or such survey indicates a risk of such hazardous substances being present in the Leased Premises or Building, then Landlord, at its expense, will make all necessary changes and/or corrections so that the Building and/or the Leased Premises are in compliance with all environmental laws and regulations. In the event Landlord discovers hazardous materials on the Leased Premises during the Term of this Lease, Landlord shall promptly notify Tenant.

8. DEFAULT. Tenant shall be in default of the terms of the Lease if Tenant shall fail to make a payment of any rent or additional rent, and such rent or additional rent is not paid within ten (10) days of written notice by Landlord to Tenant of non-payment of same, or in the event that Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty (30) days of written notice by Landlord to Tenant of such default, or, if it is not possible to complete the cure by such time, Tenant has not commenced the cure within such 30 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of default by Tenant hereunder:

A. Landlord may continue the Lease in full force and effect and shall have the right to collect rent when due. During the term Tenant is in default, Landlord may re-enter the Leased Premises with legal process and relet same, or any part thereof, to third parties for Tenant's account. Tenant shall pay to Landlord the rent due under the Lease on the date such rent is due, less the rent Landlord receives from any reletting. Landlord shall make its best efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total rent due for the remainder of the term.

B. Landlord may terminate the Lease pursuant to the terms of this Section. Upon termination, Landlord shall have the right to collect an amount equal to all expenses, if any, not including attorneys' fees, incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated by Tenant.

Except as specifically set forth herein, Landlord shall be in default of the terms of the Lease if Landlord shall commit an act of default under the terms hereof, and shall not cure such default within twenty (20) days of written notice by Tenant to Landlord of such default, or, if it is not possible to complete the cure by such time, Landlord has not commenced the cure within such 20 day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter. In the event of a default by Landlord hereunder, Tenant may, in addition to all rights and remedies available at law or in equity, (i) cure such default and deduct any reasonable and necessary amounts incurred by Tenant in connection therewith from the rent next due by Tenant hereunder with the presentment of receipts for such reasonable and necessary actions, or (ii) terminate the Lease. Notwithstanding the foregoing, in the event that Tenant is unable, in its reasonable judgment, to operate in the Leased Premises as a result of the failure by Landlord to satisfy its obligations pursuant to Section 3 hereof (A) for a period of more than forty eight (48) consecutive hours, then the rent shall abate during the entire period of the disruption and Tenant shall have the right to terminate the Lease in the event Landlord remains unable to satisfy its obligations pursuant to Section 3 hereof for a period of more than ten (10) consecutive days; or (B) more than ten (10) days during any twelve (12) month period, then Tenant shall have the right to terminate the Lease.

9. **END OF TERM.** At the termination of this Lease, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any equipment, furniture, trade fixtures or other personal property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal. In the event of holding over by Tenant after the expiration or termination of the Term of this Lease, Tenant shall pay rent at the then-current rate for rent as set forth in the Lease, on a monthly basis and the Term of this Lease shall be automatically extended on a month-to-month basis.

10. **MISCELLANEOUS.** The article captions contained in the Lease are for the convenience of the parties only and shall not be considered in the construction or interpretation of any provision hereof. Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required to make hereunder. The making of repairs by Landlord or its agents shall be coordinated with Tenant to minimize disruptions of Tenant's conduct of business in the Leased Premises. The Lease contains the entire agreement between the parties and supersedes any and all other prior oral and written agreements between the parties regarding the subject matter contained herein and may not be changed or terminated orally but only by agreement in writing and signed by all parties. Landlord and Tenant acknowledge and agree that (i) all exhibits referenced in the Lease (or in any of its exhibits) are incorporated into the Lease by reference, and (ii) any reference to "the Lease," "this Lease," "hereunder," "herein" or words of like import shall mean and be a reference to the Lease including such exhibits. No waiver by either party shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision. The Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators. Landlord has provided to Tenant a list of names and addresses of persons, associations, or corporations who hold any financial interest in the Leased Premises; such list shall be immediately revised in the event of a transfer of any such interest. The Lease Proposal Package from which this lease originated and the Landlord's response to the Lease Proposal Package (collectively, the "Proposal Package") is hereby incorporated in the Lease; provided, however, that in the event of any conflict between the terms of the Proposal Package and the Lease, the terms of the Lease shall control.

11. **DAMAGE OR DESTRUCTION.** If the Leased Premises are damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any personal property which is owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty (60) days after the occurrence of such damage. Landlord shall notify Tenant within fifteen (15) days of the event of casualty of its determination. Until such repairs are completed, the rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty (60) days and Landlord nonetheless chooses to repair, then Tenant may, at its option, continue as Tenant under the Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate the Lease. A total destruction of the Building in which the Leased Premises are located shall automatically terminate the Lease. Total destruction of the Building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

12. **NOTICES.** Any notice required or permitted to be given hereunder shall be sufficiently given if personally served, sent by registered or certified mail, or by reputable overnight courier, addressed to the relevant party at the addresses specified in the Lease, for Landlord to: Realty Trust Group, Property Manager for Cherokee Mills, 2220 Sutherland Avenue, Knoxville, TN 37919, and for Tenant to: University of Tennessee, 301 Andy Holt Tower, Knoxville, Tennessee 37996.

13. QUIET ENJOYMENT. Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof.

14. SUBORDINATION, ATTORMENT AND NON-DISTURBANCE. Tenant agrees that the Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage (collectively, "Mortgages"); provided as a condition to such subordination, any holder of the Mortgage must enter into a Subordination, Non-Disturbance and Attornment Agreement with Tenant in form reasonably acceptable to Tenant. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any Mortgage covering the Leased Premises or the Building, or in the event of termination of any Lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as Landlord under the Lease, unless the Lease is terminated. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of rent, or in the performance of any of the other terms, covenants or conditions of the Lease beyond any applicable cure periods, no mortgagee or similar person shall disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of the Lease notwithstanding any event or proceedings described in this section.

15. APPROVALS. Neither this Lease nor any amendment or modification hereto shall be effective or legally binding upon Tenant, unless and until a fully executed, original Lease has been returned to Tenant and the review and approval by all appropriate State officials and the State Building Commission, if applicable has been obtained.

16. COMPLIANCE WITH LAWS. Landlord represents and warrants to Tenant that as of the date of execution of this Lease, the Building complies with the provisions of the Americans with Disabilities Act (ADA) in all material respects. Landlord hereby indemnifies and holds harmless Tenant from and against all costs, liabilities, and causes of action occurring or arising as a result of Landlord's failure to comply with any of the requirements of the ADA or similar laws or as a result of any violation of any of the requirements of the ADA or similar laws by Landlord or its agents. Landlord shall provide all life safety equipment, including but not limited to, fire extinguishers and smoke alarms, in compliance with applicable municipal building codes.

17. FORCE MAJEURE. With the exception of the obligation of Tenant to pay rent and all other amounts that may be due from time to time under this Lease, if either party shall be delayed or hindered in or prevented from doing or performing any act or thing required hereunder by reason of any matters beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act or thing shall be extended for a period equivalent to the period of such delay. In such event, this Lease and the obligations of both parties to perform and comply with all of the other terms and provisions of this Lease shall in no way be affected, impaired, or excused.

18. RECORDS RETENTION. Landlord shall maintain documentation for all charges against Tenant under the Lease. The books, records and documentation of Landlord, insofar as they relate to reimbursement by Tenant for costs incurred, whether in whole or in part, shall be maintained in conformity with generally accepted accounting principles for a period of five (5) full years from the date of what amounts to the final payment under this Lease, and shall be subject to audit, at any reasonable time and upon reasonable notice by the Comptroller of the Treasury or his duly appointed representative or a licensed independent public accountant.

19. SPACE AUDIT. Landlord certifies that the rentable square feet set forth in the Lease is accurate to the best of its knowledge. Tenant reserves the right to perform physical measurements of the Leased Premises and adjust the Monthly Rental Installments proportionally based upon such measurements. Tenant shall use the current Building Owner's and Manager's Association standards of measurements for either single or multi-tenant occupancy, whichever is applicable.

20. COMMON AREAS. During the Term of the Lease, Landlord agrees that Tenant and its employees, agents, invitees and visitors shall have the non-exclusive right to use the Common Areas for their intended purpose. Except for repairs, maintenance and replacements required under this Lease, Landlord shall not materially alter (or permit the material alteration of) any entrances, exits, corridors, sidewalks or hallways providing access to or from the Leased Premises. Landlord represents and warrants to Tenant that the Common Areas include all areas which are necessary for the use of the Leased Premises for its current use. As used herein, "Common Areas" means all portions of the Building intended for the general use or benefit of tenants or owners of the Building, and their

employees, agents, and visitors, including, without limitation, all entrances, common corridors, parking areas, loading and unloading areas, trash areas, roadways, walkways, sidewalks and driveways.

21. IRAN DIVESTMENT ACT. The requirements of Tenn. Code Ann. § 12-12-101 et. seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, are a material provision of this agreement. Landlord hereby certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

22. NON-BOYCOTT OF ISRAEL. Pursuant to Tenn. Code Ann. § 12-4-119, Landlord certifies that it is not currently engaged in, and will not for the duration of the agreement, engage in a boycott of Israel, as defined by Tenn. Code Ann. § 12-4-119(a)(1).

23. PROHIBITION OF ILLEGAL IMMIGRANTS.

- a. The requirements of Public Acts of 2006, Chapter Number 878, of the State of Tennessee, addressing the use of illegal immigrants in the performance of any Agreement to supply goods or services to the State of Tennessee, shall be a material provision of this Agreement, a breach of which shall be grounds for monetary and other penalties, including termination of this Agreement.
- b. The Landlord hereby attests, certifies, warrants, and assures that the Landlord shall not knowingly utilize the services of an illegal immigrant in the performance of this Agreement and shall not knowingly utilize the services of any sub-contractor or consultant who will utilize the services of any illegal immigrant in the performance of this Agreement. The Landlord shall affirm this attestation, in writing, by his signature on this Agreement.
- c. The Landlord understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law provides for the prohibition of a Landlord from any sub-Agreement with, or submitting an offer, proposal, or bid to Agreement with the State of Tennessee to supply goods or services for a period of one year after a Landlord is discovered to have knowingly used the services of illegal immigrants during the performance of this Agreement.
- d. For purposes of this Agreement, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a lawful permanent resident, or a person whose physical presence in the United States is authorized or allowed by the Department of Homeland Security and who, under Federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Agreement.

24. CONFLICTS OF INTEREST. The Landlord warrants that no part amounts under this Agreement shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation or gifts in exchange for acting as an officer, agent, employee, sub-contractor, or consultant to the Landlord in connection with any work contemplated or performed relative to this Agreement.

25. NON-DISCRIMINATION. No person on the grounds of handicap, race, color, religion, sex, or national origin will be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Agreement, or in the employment practices of the Landlord. The Landlord shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notices on non-discrimination.

EXHIBIT B  
FLOOR PLANS

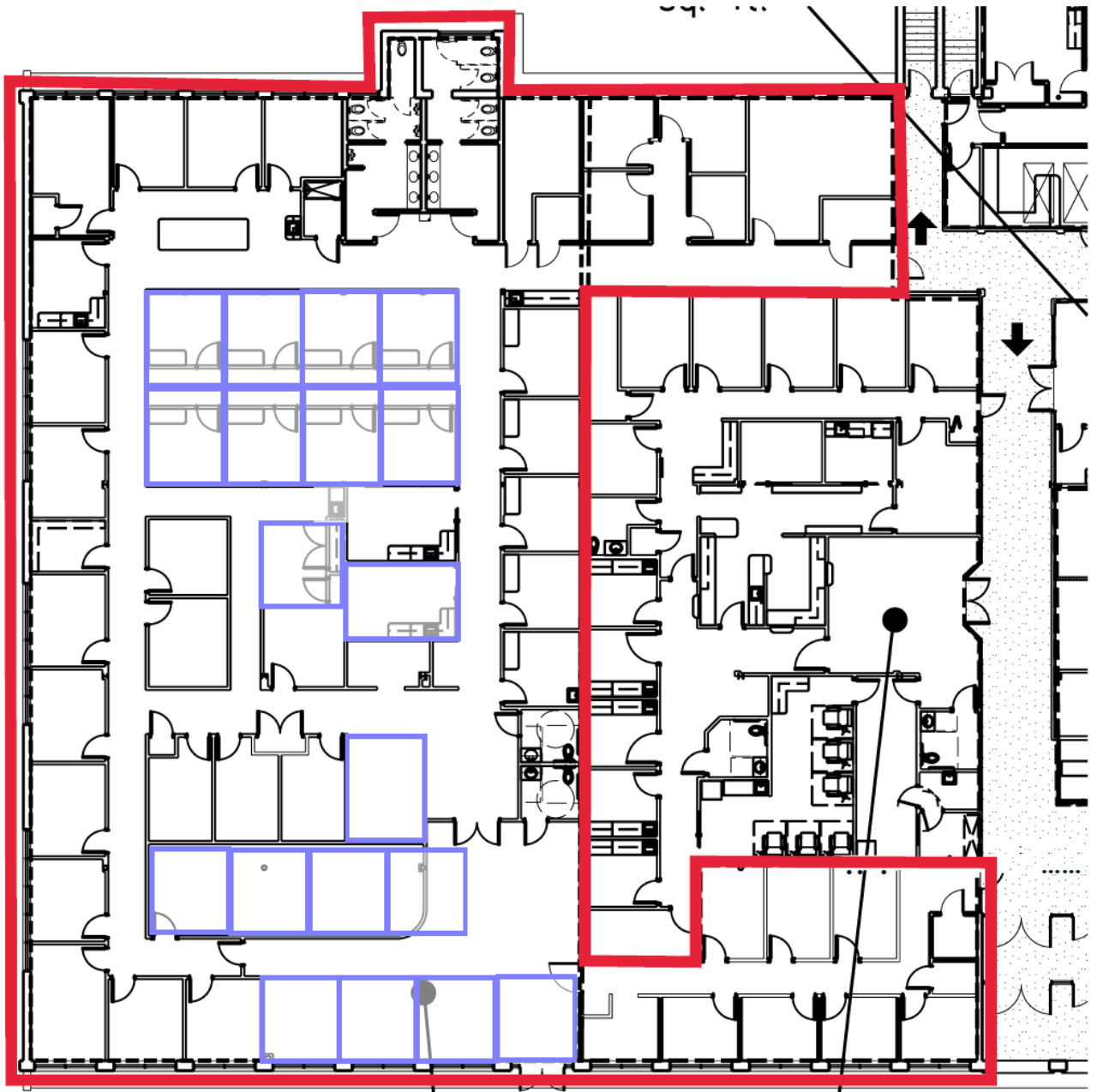


EXHIBIT C  
COMMENCEMENT DATE

Commencement Date Agreement

RE: Lease dated as of \_\_\_\_\_, by and between \_\_\_\_\_, as  
Landlord, and the University of Tennessee, as Tenant.

Dear Sirs:

Pursuant to the terms of the above captioned Lease, please be advised as follows:

1. The Commencement Date of the Lease Term is the \_\_\_\_ day of \_\_\_\_\_, 202\_\_, and the Expiration Date of the Lease Term is the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, subject however to the terms and provisions of the Lease.
2. Terms denoted herein by initial capitalization shall have the meanings ascribed thereto in the Lease.

LANDLORD

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGED AND AGREED:

University of Tennessee

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT D  
BUILD OUT TERMS

1. Tenant's space needs and conceptual renovations are attached to this Exhibit D. Landlord's architect will meet with Tenant to refine these conceptual renovations. Landlord will provide a schedule for all work within \_\_\_\_\_ (\_\_\_\_) days of execution of this Amendment.
2. Landlord shall cause to be prepared by Landlord's architect or engineer the following:
  - (a) Detailed working drawings and specifications, including mechanical and electrical plans and specifications where necessary for the installation of air conditioning system and ductwork, heating, electrical, plumbing and other engineering plans (collectively, the "Plans"), for Landlord's build-out of the Leased Premises (the "Landlord's Work"); and
  - (b) Any subsequent modifications to the construction documents and specifications required by Landlord or requested by Tenant and agreed to by Landlord.
2. Landlord shall submit for Tenant's approval the Plans within \_\_\_\_ (\_\_\_\_) days of the date of this Lease. If Tenant has not approved the Plans within fifteen (15) days of receipt, then the Plans shall be deemed disapproved. If Tenant disapproves the Plans, Landlord shall revise and resubmit the same to Tenant for approval within ten (10) business days following receipt of Tenant's disapproval, which process shall continue until the Plans are approved. A copy of the Plans shall be attached to the Lease as Exhibit E.
3. Any approval by Tenant of or consent by Tenant to any plans, specifications or other items to be submitted to and/or reviewed by Tenant pursuant to this Lease shall be deemed to be strictly limited to an acknowledgment of approval or consent by Tenant thereto and such approval or consent shall not constitute the assumption by Tenant of any responsibility for the accuracy, sufficiency or feasibility of any plans, specifications or other such items and shall not imply any acknowledgment, representation or warranty by Tenant that the design is safe, feasible, structurally sound or will comply with any legal or governmental requirements, and Landlord shall be responsible for all of the same.
4. Landlord will provide a Tenant Improvement Allowance of \$20.00 per square foot or \$ 237,440.00 for Landlord's Work. Tenant is responsible for the cost of Landlord's Work that exceeds this amount.
5. Landlord's Work requested by Tenant and approved by Landlord shall be performed (i) by Landlord's contractor or another contractor approved by Landlord, (ii) in a good and workmanlike manner, and (iii) in accordance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Leased Premises. Landlord agrees to request three bids from qualified contractors for the Landlord's work. Preference will be given to the lowest cost option unless this contractor is unable to meet the delivery date, has not demonstrated the ability to meet applicable codes and laws, or other reasons deemed significant by Landlord or Tenant. Prior to executing the construction contract, Landlord will seek approval from Tenant in writing. Once executed, any changes to the scope of work, schedule or budget must be approved by Tenant. Tenant assumes no liability for change orders that were not approved by Tenant prior to the work being completed.
6. During Landlord's work and on a monthly basis, Landlord will provide to Tenant copies of invoices indicating the work that was completed, the percent completion of the work, the amount paid and the remaining balance in the construction contract.
7. Landlord will cause Landlord's Work set forth in the Build Out Plans to be substantially completed and for occupancy within \_\_\_\_\_ (xx) days of Tenant's approval of the Build Out Plans. If Landlord's Work is not substantially complete and the Certificate of Occupancy has not been received by Landlord by such time, then Tenant, in its sole discretion, shall have the right to terminate the lease.
8. Landlord will allow Tenant's contractor to install telecommunications, fiber optic, and other cabling to support Tenant's audio and video needs while Landlord's Work is occurring.



**EXHIBIT E  
BUILD OUT PLANS**

[To be attached]

**RESOLUTION TO APPROVE THE BORROWING OF  
MONEY BY ANOTHER METHOD BY THE UNIVERSITY  
OF TENNESSEE**

**Recitals**

Whereas the UT Law Enforcement Innovation Center (“LEIC”), an agency of the University of Tennessee Institute for Public Service, provides training that improves the quality of policing including the National Forensic Academy (“NFA”), an intensive, highly hands-on, and experience-based course of instruction requiring in person training to achieve the course learning objectives; and

Whereas LEIC plans to offer, by using safety protocols and social distancing, three (3) ten (10) week NFA sessions for professionals and one (1) three (3) week NFA session for college students in 2024; and

Whereas attendees will include county, city and state police officers; state bureau of investigation staff; and DOD personnel among others from across the country and internationally; and

Whereas the first NFA 2024 session will begin on January 7, 2024 and the last session will end on November 15, 2024; and

Whereas housing is provided for attendees as part of their tuition cost; and

Whereas a proposed lease (the “Lease”) has been negotiated with Corporate Quarters, Inc. to act as an intermediary and provide rooms in an apartment complex meeting the bid criteria including location within twenty (20) minutes from LEIC; and

Whereas the terms of the Lease are: one hundred and fifty dollars and no cents (\$150.00) per night for up to fifteen (15) two (2) bedroom units with the nightly rate being lower than the state per diem rate of one hundred and seven dollars and no cents (\$107.00) per night in Anderson County, or two hundred and fourteen dollars and no cents (\$214.00) per night double occupancy, with the apartments for each session to be located in the same apartment complex and being fully furnished, including linens and kitchen appliances/utensils, and such rate also including utilities, parking, maintenance, internet service and cleaning prior to each arrival date; and

Whereas either party may terminate the Lease with 30-days prior notice; and

Whereas the total cost of the Lease is five hundred ten thousand, seven hundred fifty dollars and no cents (\$510,750.00) and the cost of the Lease will be paid through revenues from student tuition and fees.

**BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:**

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval to the University of Tennessee to enter into the Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of November 29, 2023.

Adopted by the Authority at its meeting on November 29, 2023 .

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JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

**Acquisition – Lease (Space)**

**Requested Action:**                    **Approval of a lease**

**Transaction Description:**        Transaction No. XXXX-XX-XXX

● **Proposed Lease**

- **Location:**                            University of Tennessee – Institute for Public Service (IPS)  
Anderson County – 1201 Oak Ridge Turnpike, Oak Ridge, TN
- **Landlord:**                            Corporate Quarters, Inc
- **Term:**                                    Up to one year (4 sessions – 227 nights)
- **Area / Costs:**                        Up to fifteen (15) two (2) bedroom units

	\$/night	Estimated Total Cost
Cost per unit (incl utilities)		
January 7, 2024 – March 15, 2024	\$150/night	\$155,250.00
April 7, 2024 – June 14, 2024	\$150/night	\$155,250.00
July 7, 2024 – July 26, 2024	\$150/night	\$45,000.00
September 8, 2024– November 15, 2024	\$150/night	\$155,250.00
		\$510,750.00

● **Source of Funding:**            Tuition and fees (O)

The UT Law Enforcement Innovation Center (LEIC) is an agency of the University of Tennessee Institute for Public Service. LEIC expands capabilities of law enforcement personnel by providing training that improves the quality of policing. LEIC’s National Forensic Academy (NFA) is an intensive, highly hands-on, and experience-based course of instruction that requires in person training to achieve the course learning objectives.

The need for fully trained Crime Scene Investigators is critical. LEIC plans to offer three (3) ten (10) week sessions for professionals and one (1) three (3) week session for college students in 2024. Attendees include county, city and state police officers; state bureau of investigation staff; and DOD personnel among others from across the country and internationally. Classes begin January 7, 2024 and the last session ends November 15, 2024.

Housing is provided for attendees as part of the cost of the program. The nightly rate per person is lower than the state per diem rate of \$107.00 per night in Anderson County, or \$214 per night double occupancy. Corporate Quarters will serve as an intermediary and provide the rooms in an apartment complex that met the bid criteria including location within 20 minutes of the LEIC. For each

session, all rooms will be located at the same apartment complex. Corporate Quarters fully furnishes the apartments including linens and kitchen appliances/utensils. The rate includes maintenance, utilities, internet service and cleaning prior to each arrival date.

Either party may terminate this agreement with 30 days prior notice.

**SSC Report:**

## EXECUTIVE SUMMARY

The UT Law Enforcement Innovation Center (LEIC) is an agency of the University of Tennessee Institute for Public Service. LEIC expands capabilities of law enforcement personnel by providing training that improves the quality of policing. Using the nation's best instructors and consultants, LEIC develops curricula for courses that can be delivered nationwide. Formed in 1997, LEIC is a leading training and technical assistance provider for the law enforcement community across the nation. Over the past 15 years, more than 30,000 law enforcement officers, other criminal justice practitioners, public safety workers, public school personnel, and community members have completed LEIC's training and educational programs.

LEIC's National Forensic Academy (NFA) is an intensive, highly hands-on, and experience-based course of instruction that requires in person training to achieve the course learning objectives. Specialty areas such as a forensics lab, blood splatter room and residential crime scene mock-ups are used in the training.

NFA is a nationally scoped program with a high demand from local, state, and federal law enforcement agencies. The need for fully trained Crime Scene Investigators is critical. Subject matter includes Crime Scene Management, Forensic Photography, Bloodstain Analysis, Latent Print Analysis among others which cannot be done online. LEIC plans to offer three (3) ten (10) week sessions for professionals and one (1) three (3) week session for college students in 2024. Attendees include county, city, and state police officers; state bureau of investigation staff; and DOD personnel among others from across the country and internationally.

Approval is requested of a lease with Corporate Quarters for units that meet the criteria including proximity to campus, fully furnished units, and the rental rate.

### TERMS:

The University proposes to lease up to fifteen (15) two (2) bedroom units from Corporate Quarters.

### FUNDING:

The rent will be paid through revenues from student tuition and fees.

### REQUEST:

Approval of lease.

# The University of Tennessee Lease Agreement

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This lease agreement is dated \_\_\_\_\_ (effective date), and is between The University of Tennessee, an instrumentality of the State of Tennessee (“University”), and Corporate Quarters Inc. (“Supplier”).

The parties agree as follows:

A. Term and Termination:

1. Term: The term of this agreement begins on 1/7/2024 and ends on 11/15/2024.
2. Termination:
  - i. For Cause: If Supplier materially breaches this agreement, University may terminate this agreement immediately.
  - ii. Unrestricted Right: Either party may terminate this agreement for any reason by giving the other party at least 30 days’ prior notice. Unless stated in Schedule 1, University will not be responsible for any damages, including cancellation fees.
  - iii. Work: If University terminates this agreement, upon receipt of University’s notice of termination, Supplier shall immediately stop all work under this agreement.
3. Scope: See Schedule 1.

B. Financial:

1. Compensation: See Schedule 1.
2. Invoices:
  - i. Required: Unless the University elects to submit a payment request through the University’s accounts payable process on Supplier’s behalf, Supplier shall invoice the University.
  - ii. Invoice Contents: Supplier must include the following information on its invoices under this agreement:
    1. Addressed to the University;
    2. Invoice number (assigned by Supplier);
    3. Invoice date;
    4. Transaction date;
    5. Supplier name;
    6. Supplier contact for invoice questions (name, phone, or email);
    7. Supplier remittance address;
    8. Description of delivered goods or services provided and invoiced, including identifying information as applicable;

9. Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
10. Amount due for each compensable unit of good or service; and
11. Total amount due for the invoice period.

iii. Late Payment: University's payment will not be considered late unless University pays later than 45 calendar days after receiving Supplier's invoice.

3. Records; Audit:

- i. Records: Supplier shall maintain records for all expenses for which Supplier invoices the University under this agreement. Supplier shall maintain its records for at least 5 years, and shall maintain its records in accordance with generally accepted accounting principles.
- ii. Audit: During the term of this agreement and for 3 years after the last payment from the University to Supplier under this agreement, the State of Tennessee Comptroller or the University's internal audit, or both, may audit Supplier's records that relate to this agreement.
- iii. Assistance: Supplier shall provide the University with any documentation, access to information, or other assistance necessary for the University to ensure that Supplier complies with its obligations under this agreement.

4. PaymentWorks: Supplier must register as a vendor in University's vendor-management system, PaymentWorks.

C. Compliance:

1. Conflicts of Interest:

- i. Supplier states that no part of the Supplier's compensation will be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Supplier in connection with any work contemplated or performed under this agreement.
- ii. Supplier states that this agreement is immediately void if the Supplier is, or within the past 6 months has been, an employee of the State of Tennessee or if the Supplier is an entity in which a controlling interest is held by an individual who is, or within the past 6 months has been, an employee of the State of Tennessee.

2. Iran Divestment Act: The requirements of Tenn. Code Ann. § 12-12-101 et. seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, are a material provision of this agreement. Supplier



hereby certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

3. Illegal Immigrants: In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Supplier hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.
4. Tennessee Department of Revenue: In compliance with the requirements of Tenn. Code Ann. § 12-3-306, the Supplier hereby attests that it has registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this agreement.
5. Debarment: Supplier hereby attests that the following are true statements:
  - i. Supplier is not currently debarred by the U.S. federal government.
  - ii. Supplier is not currently suspended by the U.S. federal government.
  - iii. Supplier is not currently named as an "excluded" supplier by the U.S. federal government.
6. Background Checks: This clause applies if Supplier will provide services on the University's accommodations.
  - i. General Obligation: Supplier will not knowingly assign any individual to provide services to University if the individual has a history of criminal conduct. For purposes of this agreement, "criminal conduct" means (a) that the person is listed on any state's sexual offender registry; (b) that person is listed on the Tennessee Abuse Registry, or (c) that the person has been convicted of a felony in any state.
  - ii. Prompt Background Checks: If the University requests, Supplier must perform a comprehensive criminal background check on any Supplier employee or sub-contractor.
7. Premises Rules: When Supplier is physically present on University accommodations, Supplier shall make reasonable efforts to cause its employees and permitted sub-contractors to:
  - i. Avoid alcohol use;
  - ii. Avoid illegal drug use;
  - iii. Avoid smoking;
  - iv. Comply with all access restriction protocols;
  - v. Comply with applicable firearms laws;
  - vi. Comply with applicable parking regulations.

8. Conduct: Supplier shall make reasonable efforts to ensure that Supplier's employees and sub-contractors will conduct themselves in a professional manner while on University accommodations, and while interacting with University employees, students, or visitors. Supplier must report, within 24 hours, to the University's Office of Procurement Services any complaints about Supplier's employees or sub-contractors engaging in the following behavior: sexually suggestive or harassing behavior; unwanted physical touching; unwanted photographs; alcohol use; illegal drug use; or physical manifestations of alcohol or drug use (e.g. Supplier's employee emits smells that indicate that the individual consumed alcohol recently).

D. Insurance: Supplier shall comply with Schedule 2 (Insurance).

E. General:

1. Assignment: This agreement is personal to Supplier. Accordingly, Supplier may not assign any rights or delegate any duties under this agreement.
2. Independent Supplier: The parties intend for their relationship to that of independent contractors. Supplier acknowledges that it is not an employee of University.
3. Governing Law: The laws of the state of Tennessee, without giving effect to its principles of conflicts of law, govern this agreement. The University's liability will be governed by the Tennessee Claims Commission Act.
4. Self-Insurance: The University is self-insured under the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301 et seq., which covers certain tort liability for actual damages of up to \$300,000 per claimant and \$1,000,000 per occurrence.
5. Use of University Intellectual Property: Except as allowed in this section, Supplier shall not use the University's name, marks, logos, or any other University-owned intellectual property for any reason, without the written consent of an authorized official of the University. During the term of this agreement, Supplier may list the University's name in Supplier's list of clients.
6. Third-Party Beneficiaries: There are no third-party beneficiaries to this agreement.
7. Severability: The parties intend as follows:
  - i. that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;

- ii. that if an unenforceable provision is modified or disregarded in accordance with this section, then the rest of the agreement will remain in effect as written; and
  - iii. that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.
- 8. Modification; Waiver: No amendment of this agreement will be effective unless it is in writing and signed by authorized officials of the parties. No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by an authorized official of the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation.
- 9. Counterparts: If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.
- 10. Force Majeure:
  - i. If a Force Majeure Event prevents a party from complying with any one or more obligations under this agreement, that inability to comply will not constitute breach if (1) that party uses reasonable efforts to perform those obligations, (2) that party's inability to perform those obligations is not due to its failure to (A) take reasonable measures to protect itself against events or circumstances of the same type as that Force Majeure Event or (B) develop and maintain a reasonable contingency plan to respond to events or circumstances of the same type as that Force Majeure Event, and (3) that party complies with its obligations under section this section (E)(10)(iii).
  - ii. For purposes of this agreement, "Force Majeure Event" means, with respect to a party, any event or circumstance, whether or not foreseeable, that was not caused by that party and any consequences of that event or circumstance.
  - iii. If a Force Majeure Event occurs, the noncomplying party shall promptly notify the other party of occurrence of that Force Majeure Event, its effect on performance, and how long the noncomplying party expects it to last. Thereafter the noncomplying party shall update that information as reasonably necessary. During a Force Majeure Event, the noncomplying party shall use reasonable efforts to limit damages to the other party and to resume its performance under this agreement.
- 11. Notice:
  - i. For a notice or other communication under this agreement to be valid, it must be in writing and delivered (1) by hand, (2) by a national transportation company, with all fees prepaid, or (3) by registered or certified mail, return receipt requested and postage prepaid;

- ii. Subject to sub-section (iv) below, a valid notice or other communication under this agreement will be effective when received by the party to which it is addressed. It will be deemed to have been received as follows:
  - 1. if it is delivered by hand, delivered by a national transportation company, with all fees prepaid, or delivered by registered or certified mail, return receipt requested and postage prepaid, upon receipt as indicated by the date on the signed receipt; and
  - 2. if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address for which no notice was given, then upon that rejection, refusal, or inability to deliver.
- iii. For a notice or other communication to a party under this agreement to be valid, it must be addressed using the information specified below for that party or any other information specified by that party in a notice in accordance with this section.

**Supplier:** See Schedule 1.

**University:**

Legal notices only; do not send invoices to this address:

The University of Tennessee  
400 W Summit Hill Drive  
UT Tower – 9<sup>th</sup> Floor  
Knoxville, TN 37902  
ATTN: Office of Real Property

Email: [contracts@tennessee.edu](mailto:contracts@tennessee.edu)

- iv. If a notice or other communication addressed to a party is received after 5:00 p.m. on a business day at the location specified in the address for that party, or on a day that is not a business day, then the notice will be deemed received at 9:00 a.m. on the next business day.

F. Entire Agreement: This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties. In the event that Supplier maintains terms and conditions on its website, software, invoices, etc., such terms and conditions do not apply to the University.

Agreed: The parties are signing this agreement on the effective date listed in the introductory clause of this agreement.

**The University of Tennessee**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Corporate Quarters, Inc.**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form and legality:

\_\_\_\_\_

Jonathan Skrmetti, Attorney General and Reporter

**CORPORATE QUARTERS, INC NOTARY**

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

Before me, the undersigned notary 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, swore to and acknowledged himself/herself to be \_\_\_\_\_ of \_\_\_\_\_, the within-named bargainor, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company by himself/herself as such officer.

WITNESS my hand and seal at office in \_\_\_\_\_, this \_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**UNIVERSITY OF TENNESSEE NOTARY**

STATE OF TENNESSEE  
COUNTY OF KNOX

Personally appeared before me, the undersigned Notary Public for Knox County, \_\_\_\_\_, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged that he/she is the \_\_\_\_\_ of the University of Tennessee and that he/she as officer, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the University of Tennessee by himself as officer.

Witness my hand and seal, at office in, this \_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public.

My Commission Expires: \_\_\_\_\_

## Schedule 1: Scope and Financial

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Supplier address for notices:

Corporate Quarters Inc.  
10912 Murdock Dr.  
Knoxville, TN 37932

University department name and address for notices:

Law Enforcement Innovation Center  
1201 Oak Ridge Turnpike  
Oak Ridge, TN 37830

1. Scope: To provide housing for students of the Law Enforcement Innovation Center for the year of 2022, up to fifteen (15) two (2) bedroom two (2) bath apartments with the final count being submitted 30 days prior to check-in.
2. Work Made for Hire: N/A
3. Compensation: Supplier's pricing is as follows (if all 15 apartments leased):

2 Bedroom/2 bath suite Student Housing - Arrive 1/7/24 – 3/15/24

Housing for up to 30 people 15 Suites @ \$150 per day x 69 days = \$155,520

2 Bedroom/2 bath suite Student Housing - Arrive 4/7/24 – 6/14/24

Housing for up to 30 people 15 Suites @ \$150 per day x 69 days = \$155,520

2 Bedroom/2 bath suite Student Housing - Arrive 7/7/24 – 7/26/24

Housing for up to 30 people 15 Suites @ \$150 per day x 20 days = \$45,000

2 Bedroom/2 bath suite Student Housing - Arrive 9/8/24 – 11/15/24

Housing for up to 30 people 15 Suites @ \$150 per day x 69 days = \$155,520

4. Other terms:
  - a. University may terminate accommodations by providing at least 30 days' notice to Supplier. In the event that University exercises this clause, Supplier will not charge the University any fees.
  - b. Supplier must ensure that the accommodations for any given University group are located at the same property.

- c. Supplier must ensure that all accommodations are within a 20-minute drive of 1201 Oak Ridge Turnpike, Oak Ridge, TN.
  - d. Supplier must ensure that all units are single-level (no interior stairs).
  - e. Supplier must ensure that all units are professionally cleaned before and after each University use.
  - f. Supplier must allow University staff to inspect the unit on the Friday before arrival date.
5. Travel: N/A



## Schedule 2: Insurance

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Supplier shall comply with the following terms regarding insurance:

1. **Additional Insurance Requirements:** Supplier's policies shall include, or be endorsed to include, the following provisions:
  - a. On insurance policies where The University of Tennessee is named as an additional insured, The University of Tennessee shall be an additional insured to the full limits of liability purchased by the Supplier, even if those limits of liability are in excess of those required by this contract.
  - b. The Supplier's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
2. **Notice of Cancellation:** Each insurance policy required by the insurance provisions of this contract shall provide the required coverage and shall not be suspended, voided, or canceled except after 30 days' prior written notice has been given to The University of Tennessee, except when cancellation is for non-payment of premium; then 10 days' prior notice may be given. Such notice shall be sent directly to:

The University of Tennessee Office of Risk Management  
505 Summer Place – UTT 1048C  
Knoxville, TN 37902

If any insurance company refuses to provide the required notices, the Supplier or its insurance broker shall notify The University of Tennessee of any cancellation, suspension or non-renewal of any insurance within 7 days of receipt of insurers' notification to that effect.

3. **Acceptability of Insurers:** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Tennessee and with an "A.M. Best" rating of not less than A- VII. The University of Tennessee in no way warrants that the above-required minimum insurer rating is sufficient to protect the Supplier from potential insurer insolvency.
4. **Verification of Coverage:** Supplier shall furnish The University of Tennessee with certificates of insurance (ACORD form or equivalent) as required by this contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by The University of Tennessee before work commences. Each insurance policy required by this contract must be in effect at or prior to commencement of work under this contract and remain in effect for the duration of the project. Failure to maintain the insurance

policies as required by this contract or to provide evidence of renewal is a material breach of contract.

5. **Subcontractors:** Supplier’s certificate(s) shall include all subcontractors as additional insureds under its policies, or contractor shall furnish to The University of Tennessee separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
6. **Approval:** Any modification or variation from the insurance requirements in this contract shall be made by the risk management department, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.
7. **Waiver of Subrogation:** Supplier hereby waives any right of subrogation on the part of its insurance provider against the University. Supplier shall ensure that its insurance certificates include the following language:

The University of Tennessee, its Board of Trustees, officers, employees, agents, and volunteers are named as Additional Insureds with respect to the General and Automobile Liability policies. A Waiver of Subrogation applies to Workers Compensation and the General and Automobile Liability policies as evidenced on this certificate of insurance. All insurance policies above are primary and non-contributory to any other insurance available to the Certificate Holder. A thirty day notice of cancellation is required.

8. During the term of this agreement, Supplier must maintain the following insurance types and limits (or higher limits):

Workers Compensation (WC):	Statutory Limits – required in all contracts
Employers’ Liability Each Accident	\$ 100,000
Employers’ Liability Disease – each employee	\$ 100,000
Employers’ Liability Disease – policy limit	\$ 500,000
Commercial General Liability (CGL):	
Each Occurrence Limit	\$ 1,000,000
Damage to Rented Premises – Ea. Occ.	\$ 300,000
Medical Expense – any one person	\$ 10,000
Personal & Advertising Injury Limit	\$ 1,000,000
General Aggregate Limit	\$ 2,000,000
Products/Completed Ops. Aggregate Limit	\$ 2,000,000
Automobile Liability	
Combined Single Limit – each accident	\$ 1,000,000

# Tennessee State School Bond Authority Feasibility Study

## UTK Arena Renovations and Systems Improvements - Project Number A92

### Individual Project Summary

Revenue Source: Annual Arena Revenue \$1,229,100

**Total Revenue Source:** \$1,229,100

Assumptions:

TSSBA Funding Requested*	\$11,500,000
Interest Rate	7.60%
Tax Status	Taxable
Term of Financing	20-Years
Cost of Issuance	\$172,500

Feasibility Test		
	May Principal (No DSRF)	November Principal (no DSRF)
Pledged Revenues	\$1,229,100	\$1,229,100
New Max Annual Debt Service	\$1,112,959	\$1,089,826
<b>Feasible</b>	<b>Yes</b>	<b>Yes</b>

Prepared on November 13, 2023 by Jacqueline Felland

Project Disclosed in Budget

TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.

## Tennessee State School Bond Authority UTK Arena Renovations and Systems Improvements Project Application

DEPARTMENT: University of TennesseeINSTITUTION/LOCATION: KnoxvillePROJECT: UTK Arena Renovations and Systems ImprovementsSBC PROJECT #: 540/009-07-2017**PROJECT BUDGET:**

		Original	Revised	Total
<b>Funding Sources:</b>	<u>TSSBA</u>	\$12,700,000	(\$1,200,000)	\$11,500,000
	<u>Other: Plant Funds (Aux-Athletics)</u>		\$2,300,000	\$2,300,000
	<b>Total</b>	\$12,700,000	\$1,100,000	\$13,800,000

**PROJECT REVENUES:** (Describe sources and projected levels)

Annual debt service to be funded by athletic and other campus events hosted a the arena. A portion of the annual arena revenue, \$1,229,100, will be pledged for the repayment of the debt service fee. The additional revenue to pay the debt will be generated through contracting more concerts and the increase in concession sales form the introduction of alcohol at these events.

**PROJECT LIFE:**Anticipated Useful Life of Project: 30+ yearsDesired Term for Financing (if less than useful life): 20 years**ESTIMATED ANNUAL FINANCING CHARGE:** \$1,229,100**PROJECT APPROVAL DATES:****BOARD:** 10/14/2016**THEC:** 11/16,2016**SBC:** 7/13/2017Disclosed in the Governor's Budget:  Yes  No If yes, what year? 2017

**PROJECT DESCRIPTION:** Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

This project will renovate portions of Thompson Boling Arena including dressing rooms, meeting rooms, media center, building systems, exterior signage, bleachers, and security. Also included are replacement of interior door hardware and exterior doors, and additional space for concession sales. Project includes all related work.

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**REAL ESTATE:**

Owner of real property The University of Tennessee

           To be acquired                                 To be leased or other arrangement

\*\*\*\*\*

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Construction

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2. Project completion estimated to be: 2024

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3. Project Owner: University of Tennessee

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4. Project Operator (see also item 8 below): University of Tennessee

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5. Intended Use of the Project: To support the activities and programs of the University of Tennessee

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6. Intended Users of the Project (excluding use by the general public): Students, faculty, and staff

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7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 450,953 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A

Operator \_\_\_\_\_

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? \_\_\_\_\_

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N/A

Type \_\_\_\_\_

Operator \_\_\_\_\_

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A

Operator \_\_\_\_\_

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? \_\_\_\_\_

E. Cafeteria or other food services areas:

Square Footage 10 Stands totaling 12,708 SF

Operator Aramark

F. Provision of health care services:

Square Footage N/A

Operator \_\_\_\_\_

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N/A

Recipient \_\_\_\_\_

H. Office space utilized by or on behalf of private entities:

Square Footage N/A

Occupant \_\_\_\_\_

I. Provision of housing for persons or entities other than enrolled students:

Square Footage   N/A  

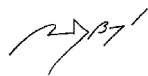
8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.  
Aramark operates the food service areas in the arena.

9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans:   No  

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.  
  N/A  

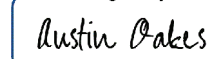
11. Additional information not explained above.   None  

Completed this   8<sup>th</sup>   day of   November  ,   2023  .



Randy Boyd  
 President

DocuSigned by:



Austin Oakes, Assistant Vice President  
 Department of Capital Projects



David Miller  
 Sr Vice President & Chief Financial Officer

*To be filled out by the Authority*

BOND COUNSEL APPROVAL:	DATE	<u>                    </u>
	GOOD	<u>                    </u>
	5%	<u>                    </u>
	10%	<u>                    </u>