



JASON E. MUMPOWER  
*Comptroller*

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**AUGUST 19, 2024**  
**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 July 22, 2024, meeting
3. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for University of Tennessee Knoxville – Core Spaces Lease
4. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for University of Tennessee Knoxville – Southern Depot Lease
5. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method for University of Tennessee Knoxville – Cherokee Mills Lease
6. Approval of Projects for:  
**The Tennessee Board of Regents**
  - Tennessee Technological University – New Tucker Stadium West (932); Cost: \$57,204,066 of which \$42,204,066 will be funded by TSSBA; Term of Financing: 20 years at an assumed tax-exempt rate.
7. Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**July 22, 2024**

The Tennessee State School Bond Authority (the “TSSBA”, or the “Authority”) met on Monday, July 22, 2024, at 3:22 p.m., CT, in the Volunteer Conference Center, 2<sup>nd</sup> Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

The following members were physically present:

Chris Mustain, proxy for the Honorable Tre Hargett, Secretary of State  
The Honorable David H. Lillard, Jr., State Treasurer  
Commissioner Jim Bryson, Department of Finance and Administration  
Luke Lybrand, proxy for Randy Boyd, President, University of Tennessee

The following members were absent:

The Honorable Bill Lee, Governor  
Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

Comptroller Mumpower recognized a physical quorum present and called the meeting to order. In accordance with Public Chapter 300 and Board guidelines, Comptroller Mumpower asked Ms. Sandi Thompson, TSSBA Assistant Secretary and 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.

Comptroller Mumpower stated that the first item on the agenda was the consideration and approval of the minutes from the May 14, 2024, meeting of the Authority. Comptroller Mumpower asked if there were any questions or discussion regarding the minutes. Hearing none, Comptroller Mumpower asked for a motion to approve the minutes. Commissioner Bryson moved approval of the minutes, and Treasurer Lillard seconded the motion. Comptroller Mumpower took the vote, and the minutes were unanimously approved.

Comptroller Mumpower stated the next item on the agenda was the consideration and approval of the Tennessee State School Bond Authority Debt Management Policy (the “Policy”). Comptroller Mumpower called upon Ms. Thompson to present the Policy. Ms. Thompson stated that SGF had conducted an extensive review of the Policy for all of SGF’s debt programs. Ms. Thompson stated that clarifications and updates were made throughout the Policy during the review process. Ms. Thompson stated that SGF consulted with both the TSSBA’s financial advisor and Issuer’s Counsel, in the Attorney General’s office (AG). Ms. Thompson explained that the AG’s office assisted in the review as it pertained to references to Tennessee Code Annotated (TCA). Ms. Thompson stated that a summary of the changes made was provided to all staff and board members. Comptroller Mumpower asked for a motion to approve the Policy. Commissioner Bryson moved approval of the Policy, and Treasurer Lillard seconded the motion. Comptroller Mumpower took the vote, and the Policy as revised was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval of a Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee, Health Science Center – Corporate Quarters Lease. Comptroller Mumpower stated that this lease had been heard by the Executive Subcommittee (ESC) in a meeting that was held earlier that day and had been approved by the ESC contingent upon the Authority’s approval of the lease. Comptroller Mumpower recognized Mr. Austin Oakes, Assistant Vice President of the Office of Capital Projects at the University of Tennessee (UT) to present the request. Mr. Oakes explained that UT, on behalf of its Health Science Center (UTHSC), was proposing to amend its current lease such that the new lease would provide up to nine (9) two (2) bedroom apartments with the lease term extended by one year until July 31, 2025. Mr. Oakes stated the total cost of the lease was \$400,000, and the apartments were to be used by medical students with UTHSC’s College of Medicine, Knoxville and UTHSC College of Dentistry during clinical rotations in Knoxville. Commissioner Bryson moved to approve the resolution, and Comptroller

Mumpower seconded the motion. Hearing no questions or discussion, Comptroller Mumpower took the vote, and the motion was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval of a Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee, Institute for Public Service – Capitol Boulevard Building Lease. Comptroller Mumpower stated that this lease had been heard by the Executive Subcommittee in a meeting that was held earlier that day and had been approved by the ESC contingent upon the Authority's approval of the lease. Comptroller Mumpower recognized Mr. Oakes to present the request. Mr. Oakes explained that UT was requesting a three (3) year extension of its current lease of 15,070 square feet of space in the Capitol Boulevard Building in Nashville, with a tenant right to terminate upon 180 days' notice beginning August 31, 2025, in order to provide flexibility with respect to potentially relocating the Institute for Public Service's (IPS) Municipal Technical Assistance Service and County Technical Assistance Service programs to an alternative location. Mr. Oakes stated that the proposed rental rate was \$19.50 per square foot with a total average annual effective cost of \$293,865. Commissioner Bryson moved to approve the resolution, and Treasurer Lillard seconded the motion. Comptroller Mumpower took the vote, and the motion was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was the consideration and approval of a Resolution to Approve the Borrowing of Money by Another Method for the University of Tennessee, Institute for Public Service – Polk Avenue Lease. Comptroller Mumpower stated that this lease had been heard by the Executive Subcommittee in a meeting that was held earlier that day and had been approved by the ESC contingent upon the Authority's approval of the lease. Comptroller Mumpower recognized Mr. Oakes to present the request. Mr. Oakes explained that UT was requesting to add approximately 12,000 square feet of space by an amendment to its current lease of 44,746 square feet of space in the Polk Avenue Building in Nashville that continues through June 30, 2031. Mr. Oakes stated that the new space would have the same rental rate of \$17.48 per square foot, and that the total average annual effective cost for the entire lease would be \$974,440. Mr. Oakes stated the amendment would create the opportunity to relocate IPS's The Language Center, Municipal Technical Assistance Service, and County Technical Assistance Service programs, from other locations in Nashville to this building, providing the benefits of co-locating these groups. Commissioner Bryson moved to approve the resolution, and Treasurer Lillard seconded the motion. Comptroller Mumpower took the vote, and the motion was unanimously approved.

Comptroller Mumpower stated that the next item on the agenda was a report on the Tennessee State School Bond Authority Bond and Revolving Credit Facility Indebtedness. Comptroller Mumpower recognized Ms. Thompson to present the report. Ms. Thompson stated that the debt report was included in the packets, and that the amounts outstanding as of June 30, 2024, were unaudited. Ms. Thompson stated the report showed the bonded amounts outstanding for the Higher Education Facilities Program Bonds, as well as the Revolving Credit Facility. Ms. Thompson stated the total bonded amounts outstanding were taxable bonds of \$858,085,000 and tax-exempt bonds of \$842,215,000, for a total of \$1,700,300,000. Ms. Thompson stated that the outstanding Revolving Credit Facility was \$13,971,323 taxable and \$48,902,784 tax-exempt, for a total of \$62,874,107. Ms. Thompson stated the report showed the range of interest rates for fiscal year 2024. Ms. Thompson stated that the report also showed the bonded amounts outstanding for the Qualified School Construction Bonds Program. Ms. Thompson stated that the bonded amount outstanding for Series 2009 was \$177,000,000, and for Series 2010 \$212,440,000, for a total of \$389,440,000. Ms. Thompson stated that the sinking fund balances were \$163,128,631 for Series 2009 and \$182,082,854 for Series 2010, for a total of \$345,211,485. Ms. Thompson explained that the Series 2009 bonds would mature in 2026, and the Series 2010 bonds would mature in 2027. Comptroller Mumpower thanked Ms. Thompson for the report and stated that since it was a report item there would be no action necessary.

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

Approved on this \_\_\_\_ day of \_\_\_\_\_, 2024.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

**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 Core Knoxville Cumberland, LLC (the “Landlord”), approximately fourteen thousand six hundred twenty-two (14,622) square feet of street-level retail space (the “Space”) in the Core Spaces development (“Core Spaces”) located at 1925 Cumberland Avenue, Knoxville, Tennessee; and

Whereas, UTK is preparing for unprecedented growth and part of the preparations include having sufficient food service capacity which is why UTK is urgently seeking additional food service space; and

Whereas, Core Spaces is located along Cumberland Avenue between 18th and 20th Streets and presents a special and unique opportunity to meet campus demand because the Space is within two blocks of the northwestern edge of the UTK campus thus providing ideal proximity for students to use their meal plan funds; and

Whereas, Core Spaces is the only commercial dining space in proximity to the UTK campus with the ability to offer a large amount of food service square footage needed to serve a high volume of students; and

Whereas, the Lease will have an initial five (5) year term with an option to extend for an additional five (5) years and it is anticipated the additional five (5) year term will be needed based on UTK’s enrollment growth plan and build-out investment; and

Whereas, the base rent (the “Rent”) for the Space will be twenty nine dollars (\$29.00) per square foot, escalating annually by three per cent (3%), including during the option term, if exercised; and

Whereas, UT will also pay a proportionate share of Core Spaces’ operating costs thereby making the average annual Rent cost for the initial five year term four hundred fifty thousand two hundred eleven dollars and thirty-eight cents (\$450,211.38) and the total average effective cost (including operating costs) for the initial five year term five hundred forty-five thousand two hundred fifty-four dollars and thirty-eight cents (\$545,254.38): and

Whereas, under the Lease, the Landlord will provide a tenant improvement allowance of forty dollars (\$40.00) per square foot which will fund a portion of the Landlord's work on the tenant build-out but UT will be responsible for the cost of the tenant build-out in excess of the tenant improvement allowance, including furnishings and equipment, which UT build-out cost is projected to be three million five hundred thousand dollars (\$3,500,000.00); and

Whereas, UT may terminate the Lease for convenience upon 120 days' notice, however, UT will be required to reimburse the Landlord for the then unamortized tenant improvement allowance; and

Whereas, funding for the Lease payments will be provided by UTK through Plant Funds (Auxiliary) (A).

**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 August 19, 2024.

Adopted by the Authority at its meeting on August 19, 2024.

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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. 2023-03-001

• **Proposed Lease**

- **Location:**                              University of Tennessee-Knoxville (UTK) – Hub Knoxville HUB 1 (Core Spaces)  
Knox County- 1925 Cumberland Avenue, Knoxville, TN
- **Landlord:**                              Knoxville TN Condo Properties KP6, LLC
- **Term:**                                      5 years with one (1) 5-year option to extend
- **Area / Costs:**                          14,622 square feet

Access to 11 parking spaces

First Year Contract Rent	\$424,038.00	\$29.00/sf
Average Annual Contract Rent	\$450,211.38	\$30.79/sf
First Year Est. Triple Net Expenses	<u>\$ 95,043.00</u>	<u>\$ 6.50/sf</u>
Total Avg. Annual Effective Cost	\$545,254.38*	\$37.29/sf*

- **Source of Funding:**                  Plant Funds (Aux-Dining) (A)
- **Procurement Method:**              Negotiated
- **FRF Rate:**                              \$18.00/sf (for reference only)

**Comment:**                                  The University of Tennessee, Knoxville campus has grown approximately 15% over the past 5 years and is preparing for continued growth. Part of the preparations include having sufficient food service capacity.

This lease will provide additional food services spaces serving students off campus in the Cumberland Avenue district. The lease for dining space is in a new development with approximately 1,000 beds under construction, and a 2,000 bed full buildout goal. This lease space is designed to provide dining capacity to serve approximately 400 students at a time. This space will be incorporated into the campuswide Aramark food service agreement once it becomes operational. Aramark is responsible for utilities and janitorial services. The projected completion date is August 2025. Rent will increase by 3% annually in the renewal term, if exercised. If the University terminates for convenience, then the unamortized Tenant Improvement Allowance will be repaid.

The asterisk in the Area/Costs section indicates that base year operating expenses are included.

**Previous Action:**                          03/20/2023      Approved waiver of advertisement

## **EXECUTIVE SUMMARY**

### **BACKGROUND:**

As part of its strategic plan, the University of Tennessee, Knoxville campus is preparing for unprecedented growth. Part of the preparations includes having sufficient food service capacity.

As a result, additional food service space is being sought and a recent market survey of commercial/retail space near campus found very few suitable options. The Core Spaces residential development located along Cumberland Avenue between 18<sup>th</sup> and 20<sup>th</sup> Streets is ideal in meeting the campus demand. This space is within two blocks of the northwestern edge of the main UT Knoxville campus providing ideal proximity for students to use their meal plan funds. This is the only available commercial dining space located this close to campus and that can offer a large amount of food service square footage needed to serve a high volume of students.

### **TERMS:**

The University proposes to lease approximately 14,622 square feet of street-level retail space at this location under a five (5) year agreement with an option to extend for an additional five (5) years. It is anticipated the additional 5-year term will be needed based on the enrollment growth plan, build-out investment, and provides the flexibility, if needed.

The base rent will be \$29.00 per square foot, escalating annually by 3%, including during the option term, if exercised. Tenant will pay all separately metered utilities and provide its own janitorial services for its space, via Aramark Educational Services, LLC ("Aramark"), the University's student dining services provider. Customers of the University's dining space will have non-exclusive access to ten (10) spaces in the retail parking garage adjoining the leased premises, and the University and Aramark shall have exclusive use of one reserved parking space in that same garage for official use only, at no additional cost. However, the vast majority of the patrons of the student dining facility will access the leased premises on foot, so the University deems this parking adequate.

The University will also pay a proportionate share of Landlord's operating costs for both the retail portion of the Hub 1 complex (71.28%) and for the overall complex including the student housing (3.12%), which includes Landlord's cost of maintenance of the two portions of the Hub Knoxville complex, the leased premises, the service areas and landscaping, driveways and parking garages, real property taxes, Landlord's insurance, and pest control, which is estimated to be an average of \$6.50 per square foot per year during the five (5) year initial term.

Under the lease, the Landlord will provide a tenant improvement allowance of \$40.00 per square foot which will fund a portion of the Landlord's work on the tenant build-out. The University will be responsible for the cost of the tenant Build-Out in excess of the tenant improvement allowance, including furnishings and equipment, which University build-out cost is projected at \$3,500,000.00. Additionally, Aramark will provide certain equipment pursuant to its separate master agreement with the University.

Tenant may terminate the lease for convenience upon 120 days' notice, however, the University will be required to reimburse the Landlord for the then unamortized tenant improvement allowance.

### **FUNDING:**

Funding for the lease payments will be provided by UTK through Plant Funds (Auxiliary-Dining) (A).

### **REQUEST:**

Request for approval of a lease agreement.



UNIVERSITY OF TENNESSEE**Acquisition – Lease (Space)****Requested Action:** Approval of waiver of advertisement**Transaction Description:** Transaction No. 2023-03-001● **Proposed Lease**

- **Location:** University of Tennessee-Knoxville (UTK) – Core Spaces
- **Landlord:** Core Knoxville Cumberland, LLC
- **Term:** Five years with one (1) 5-year option to extend
- **Area / Costs:** Up to 30,000 square feet

● **Source of Funding:** Plant Funds (Aux) (A)● **Procurement Method:** Negotiated

**Comment:** The UTK campus is preparing for unprecedented growth. Part of the preparations include having sufficient food service capacity. As a result, additional food service space is being sought.

The Core Spaces development located along Cumberland Avenue between 18<sup>th</sup> and 20<sup>th</sup> Streets presents a special and unique opportunity to meet campus demand. The space is within two blocks of the northwestern edge of the UTK campus, providing ideal proximity for students to use their meal plan funds. \$300 Flex Plans are charged to every undergraduate student enrolled in 6 or more credit hours without a traditional meal plan. All students staying in off-campus housing have either a traditional meal plan or a Flex Plan that can only be used at Vol Dining locations. As campus enrollment grows, having sufficient offerings/locations is critical to meeting the overall demand and convenience of the students. Core Spaces is the only commercial dining space this close to campus with the ability to offer a large amount of food service square footage needed to serve a high volume of students.

Approval is requested to begin negotiations with the landlord. The anticipated completion dates within the project differ; therefore, a lease would have varying start date and expiration dates for the spaces of interest. The first space has a projected completion date of August 2025. The second space has a projected completion date of August 2026.

**Minutes:** 03/20/2023 ESC Approved waiver of advertisement

**CERTIFICATION OF FUNDS**

Please be advised that The University of Tennessee Knoxville has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the Lease with **Knoxville TN Condo Properties KP6, LLC** in the amount of **Six million three hundred fifty-seven thousand one hundred eighty-three and 94/100 (\$6,357,183.94)**.

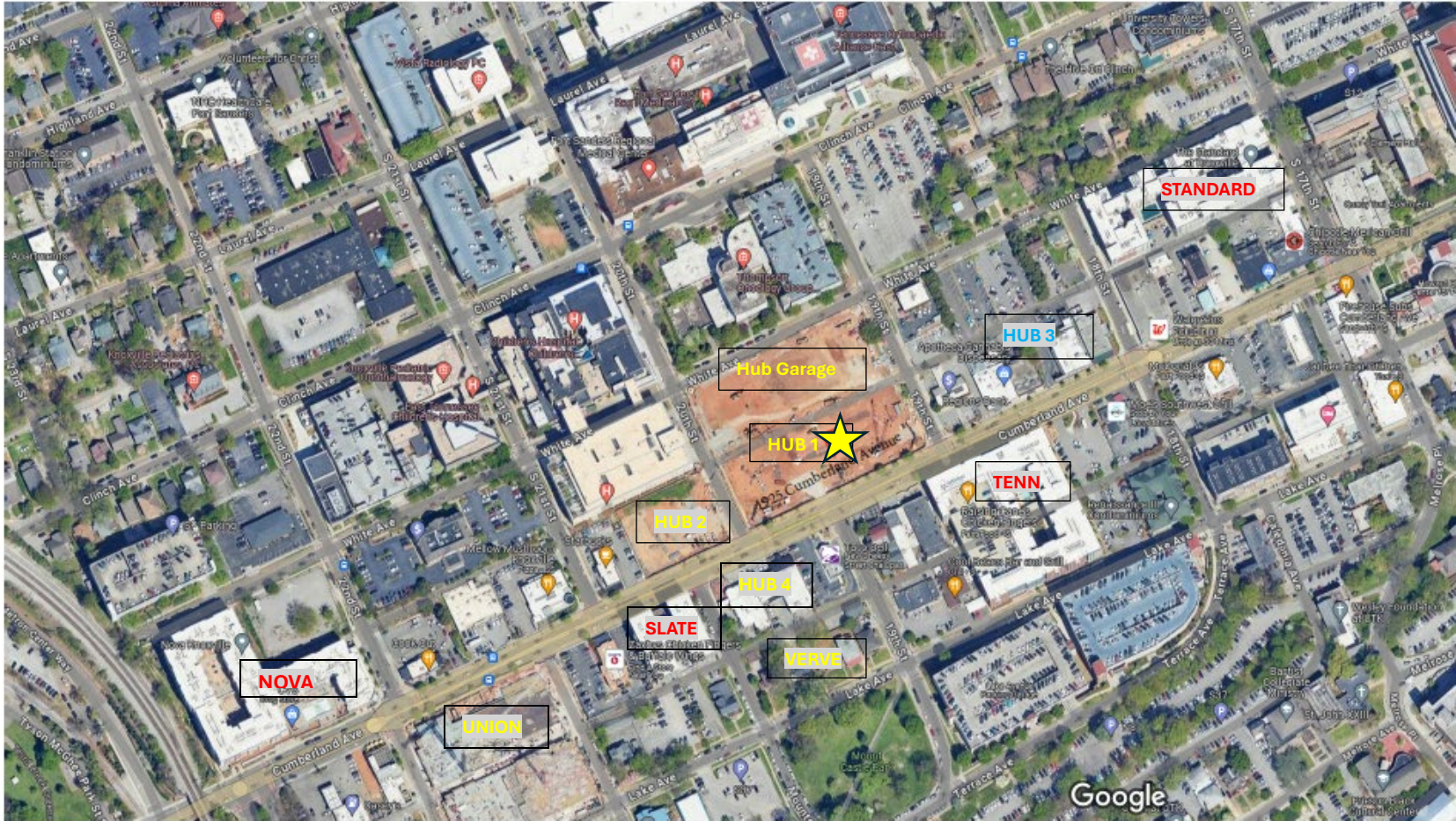
*David L. Miller*

July 3, 2024

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

\_\_\_\_\_  
David L. Miller  
Senior Vice President & Chief Financial Officer

Google Maps 1925 Cumberland Avenue, Knoxville, Tennessee



Existing
Under Construction
Planned

Imagery ©2024 Maxar Technologies, Map data ©2024 Google 100 ft

A B C D E F G H I J



- 1 B7 Mabel's at McCord Hall
- 2 F3 Cumberland Avenue
- 3 F3 Clement Hall Dining
- 4 F2 Laurel Hall
- 5 F5 Fred Brown Hall
- 6 F5 Hess Hall
- 7 E7 TRECS Dining
- 8 C8 Pendergrass Library
- 9 G2 Volunteer Hall
- 10 G3 Sidebar Cafe
- 11 G4 Starbucks at Hodges Library
- 12 G5 Art and Architecture Building
- 13 G5 Humanities Plaza
- 14 H4 Haslam Business Building
- 15 H6 Stokely Hall Dining
- 16 H4 Student Union Phase I Dining
- 17 I6 Thompson-Boling Arena at Food City Center Dining
- 18 E6 Rocky Top Dining Hall
- 19 H2 Einstein Bros. Bagels at Mossman
- 20 G3 Student Union Phase II Dining



21 H4 Burchfiel Plaza

22 H4 Gate 21

23 H5 Circle Park

24 H5 Humanities

25 F5 Fred Brown/Hess Hall

26 F7 Fiji Island

27 J3 Engineering Quad

28 A6 Sorority Village

29 C8 Business Incubator

30 C9 Vet Med

AGENCY:	
ALLOTMENT CODE:	COST CENTER:

This Instrument Prepared By:  
 University of Tennessee  
 Real Property & Space Administration  
 400 W Summit Hill Drive  
 UT Tower 9th Floor  
 Knoxville, TN 37902

LE NO.
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**NOTE:** No hand written 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: _____, <b>2024</b> ("Effective Date")  Address of Building: <b>HUB Building 1</b> <b>c/o Core Spaces</b> <b>1925 Cumberland Avenue</b> <b>Knoxville, TN 37916</b>
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2. Tenant: <b>University of Tennessee</b> ("Tenant")  Landlord Name and Address: <b>Knoxville TN Condo Properties KP6, LLC</b> ("Landlord") <b>a Delaware limited liability company</b> <b>3508 Far West Blvd, Suite 355, Austin, TX 78731</b> <b>Attn: Scott Stager</b>  <u>With a copy to:</u> <b>Knoxville TN Condo Properties KP6, LLC</b> <b>1643 N Milwaukee Ave.</b> <b>Chicago, Illinois, 60647</b> <b>Attn: Adam Grant &amp; Jason Keith</b>
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3. Leased Premises: space in the Building as identified herein and more particularly described and depicted on <u>Exhibit B</u> (collectively, the "Leased Premises")
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4. Rentable Square Feet: Approximately <b>14,662</b> (subject to adjustment as provided in Exhibit A) <u>Base Year:</u> As provided in Section 4(A)(ii) of <u>Exhibit A</u> <u>Proportionate Share:</u> As provided in Section 4(A)(ii) of <u>Exhibit A</u>
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5. Term of Lease: <u>5</u> year(s) and <u>0</u> month(s) (the "Lease Term") Commencement Date of Lease Term (and of the obligations hereunder): The first day of the calendar month immediately following the Delivery Date (the "Commencement Date") Expiration Date of Lease Term: 5 years following the Commencement Date (subject to Renewal option) Renewal option: 5 year(s) and 0 month(s) (the "Option Term")  If no fixed Commencement Date is inserted, the Commencement Date shall be set pursuant to <u>Exhibit C</u> .
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6. Termination for Convenience. Tenant may terminate at any time by giving written notice to Landlord at least 120 days prior to the date the termination becomes effective, subject to Tenant's reimbursement obligations set forth in Section 6.C of <u>Exhibit A</u> attached hereto.
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<b>Rental Table</b>			
7. Lease Year(s)	Rental Rate Per Rentable Square Foot	Monthly Rental Installments	Annual Rental
1	\$ 29.00	\$35,433.17	\$425,198.00
2	\$ 29.87	\$34,496.16	\$437,953.94
3	\$ 30.77	\$37,595.81	\$451,149.74
4	\$ 31.69	\$38,719.90	\$464,638.78
5	\$ 32.64	\$39,880.64	\$478,567.68
<u>Option Term</u>			
6	\$ 33.62	\$41,078.04	\$492,936.44
7	\$ 34.63	\$42,312.09	\$507,745.06
8	\$ 35.67	\$43,582.80	\$522,993.54
9	\$ 36.74	\$44,890.16	\$538,681.88
10	\$ 37.84	\$46,234.17	\$554,810.08

<b>8. Utilities &amp; Services:</b> <input type="checkbox"/> All utilities are included in the Monthly Rental Installments. <input type="checkbox"/> The following utilities are not included in the Monthly Rental Installments: <u>N/A</u> <input checked="" type="checkbox"/> Tenant is solely responsible for payment of the following separately metered utilities: <input checked="" type="checkbox"/> electric <input checked="" type="checkbox"/> gas <input checked="" type="checkbox"/> water/sewer <input checked="" type="checkbox"/> Janitorial services are not included in the Monthly Rental Installments.
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<b>9. Improvements (check any that apply):</b> Tenant Improvement Allowance: \$ <b>40.00 per square foot</b> (the "Tenant Improvement Allowance") <input type="checkbox"/> A. Existing Space (New Tenant or Renewal) <input checked="" type="checkbox"/> B. Landlord to build out space pursuant to <u>Exhibit D</u> and <u>Exhibit E</u>
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10.  This Lease is a sublease pursuant to that certain **NA** dated effective **NA** by and between **NA**, 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;

Exhibit C – Commencement Date; Exhibit D – Build-Out of Space; Exhibit E – Work Letter; Exhibit F - Tenant Operations in the Leased Premises; Exhibit G – Plans; Exhibit H – Common Areas

**LANDLORD:** Knoxville TN Condo Properties, KP6, LLC

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

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

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

Title: Authorized Signatory

**TENANT:** UNIVERSITY OF TENNESSEE

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

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

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

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

**LANDLORD NOTARY**

STATE OF \_\_\_\_\_  
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 \_\_\_\_\_, \_\_\_\_\_, this the \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
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/herself to be the **Assistant Vice President of Capital Projects** of the University of Tennessee, the within named Tenant, and that he/she as such officer executed the within instrument for the purposes therein contained by signing the name of the entity by himself/herself as such officer.

Witness my hand and seal at office in Knoxville, Tennessee, on this the \_\_\_\_ day \_\_\_\_\_, 2024.

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

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

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. This Exhibit A is hereby fully incorporated into the Lease by reference and shall be binding on Landlord and Tenant at all times during the Lease Term. In the event any of the terms in this Exhibit A conflict with the terms set forth in the Lease, the terms in this Exhibit A shall control.

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 Lease Term, as it may be extended (or earlier terminated) under the terms hereof. 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, subject to all applicable laws and all matters of record encumbering title to the Leased Premises. Landlord further represents and warrants to Tenant that, to Landlord's actual knowledge, 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 as of the date of the Lease, or (ii) would interfere with or restrict Tenant's ability to use the Leased Premises for the operation of a food hall and any other purposes ancillary thereto and permissible under applicable law (collectively, the "Permitted Use"). See the attached Exhibit F (as incorporated herein by reference) regarding Tenant's use and operation of the Leased Premises, including certain conditions and restrictions related thereto (to the extent Tenant or Tenant's employees are operating within the Leased Premises); provided, that, to the extent Aramark (as defined below) is operating in the Leased Premises, such conditions and restrictions set forth on Exhibit F shall be applicable to Aramark. Landlord further represents and warrants to Tenant that, to Landlord's actual knowledge (x) the use of the Leased Premises for the Permitted Use 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. Landlord makes no representations, warranties or projections as to the demographics of the customer base of the Leased Premises, or as to Tenant's anticipated sales or likelihood of success at the Property, or as to the suitability of the Leased Premises for Tenant's Use. For purposes hereof, the term "Property" shall mean and refer to the Land (as defined below) and a to-be-constructed mixed use building located at 1925 Cumberland Avenue, Knoxville, TN (the "Building") in which the Leased Premises are to be located, as more particularly described on Exhibit B.

2. **RENT.** The Monthly Rental Installments set forth in Section 7 of the Lease (collectively, "Base Rent") shall be payable in advance on the first day of each and every month during the term hereof to Landlord via electronic payment as described below, and the parties hereto agree to use commercially reasonable efforts to cause Landlord to successfully complete vendor registration through the University's PaymentWorks web portal on or prior to the Delivery Date. The Monthly Rental Installments shall be prorated for any partial calendar month during the Lease Term. Monthly Rental Installments, Base Rent and all other sums payable by Tenant to Landlord under this Lease (such other sums payable by Tenant hereunder, collectively, "Additional Rent"), may from time to time be referred to herein collectively as "Rent". Rent shall be paid without set-off or abatement, except as expressly provided in this Lease.

No payment shall be made by Tenant under this Lease until Tenant has received the following documentation completed to Tenant's reasonable satisfaction:

A. Landlord shall complete vendor registration through the University's PaymentWorks web portal, and the parties hereto agree to use commercially reasonable efforts to cause Landlord to successfully complete same on or prior to the Delivery Date. Accordingly, once said registration is successfully completed by Landlord, all payments to Landlord hereby required in accordance with this Lease shall be made by Automated Clearing House (ACH).

B. Landlord's vendor registration via PaymentWorks shall include submitting a "Substitute W-9 Form" provided by Tenant, and the parties hereto agree to use commercially reasonable efforts to cause Landlord to successfully submit same on or prior to the Delivery Date. 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, and the parties hereto agree to use commercially reasonable efforts to cause Landlord to successfully submit same on or prior to the Delivery Date.

If any installment of Rent shall not be paid within five (5) days after due, Tenant shall pay to Landlord a late fee of five hundred dollars (\$500.00), to cover the additional administrative costs of Landlord. Any Rent or any expenditure made by Landlord pursuant to this Lease to satisfy an obligation of Tenant which shall not be paid within five (5) days after due shall bear interest at the floating rate of four percent (4%) per annum in excess of the prime rate quoted from time to time in the Wall Street Journal (the "Default Rate"). Notwithstanding the foregoing, if any installment of Rent is not paid when due more than twice in any 12-month period, the 5-day grace period relative to the late fee and interest shall no longer apply. Any payment by Tenant or acceptance by Landlord of a lesser amount than shall be due from Tenant to Landlord shall be treated as a payment on account. The acceptance by Landlord of an electronic payment or a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that a lesser amount is payment in full shall be given no effect, and Landlord may accept the check without prejudice to any other rights or remedies which Landlord may have against Tenant hereunder.

### 3. **LANDLORD'S OBLIGATIONS.**

#### A. Maintenance.

Landlord shall, at Landlord's expense, and as required to keep the Building in a good, attractive and safe condition (normal wear and tear excepted), maintain and repair, in a good and workmanlike manner and in substantial compliance with customary replacement and maintenance schedules followed by prudent landlords of commercial buildings in Knoxville, Tennessee, (i) the roof, roof membrane, and foundations of the Building, (ii) the Common Areas (as defined below); (iii) the structural soundness of the concrete floors and exterior walls of the Building (excluding the storefront of



the Leased Premises) and (iv) the land upon which the Building is located, including any landscaped areas, parking areas and driveways constituting Common Areas. Tenant shall, at Tenant's expense, and as required to keep the Leased Premises in a good, attractive and safe condition (normal wear and tear excepted), maintain and repair, in a good and workmanlike manner and in substantial compliance with customary replacement and maintenance schedules followed by prudent tenants of commercial buildings in Knoxville, Tennessee, (a) the Leased Premises, including the fire protection system, signs, the storefront, the electrical and plumbing systems and the heating, ventilating and air conditioning systems serving the Leased Premises, (b) all glass in windows, doors, fixtures and skylights, including replacement of glass which may be damaged or broken with glass of the same kind, and (c) any equipment or fixtures installed by or on behalf of Tenant on the Leased Premises..

**B. Landlord's Insurance.**

Landlord shall procure and maintain policies of insurance insuring:

- (1) All claims, demands or actions made by or on behalf of any person or persons, firm or corporation and arising from, related to or connected with the Property, other than the Leased Premises, for bodily injury to or personal injury to or death of any person, or more than one person, or for damage to property in an amount of not less than \$3 million combined single limit per occurrence/aggregate. The insurance shall be written on an "occurrence" basis and not on a "claims made" basis. If at any time during the Lease Term, Landlord owns more than one location or building, the policy shall contain an endorsement to the effect that the aggregate limit in the policy shall apply separately to each location or building owned by Landlord.
- (2) The improvements at any time situated upon the Property against loss or damage by fire, lightning, wind storm, hail storm, aircraft, vehicles, smoke, explosion, riot or civil commotion as provided by the Standard Fire and Extended Coverage Policy and all other risks of direct physical loss as insured against under Special Form ("all risk" coverage). The insurance coverage shall be for not less than the full replacement cost of the improvements with agreed amount endorsement. Landlord shall be named as the insured and all proceeds of insurance shall be payable to Landlord. The insurance shall contain an endorsement waiving the insurer's right of subrogation against Tenant, its officers, employees or agents ("Tenant Protected Parties"), provided that the waiver of the right of subrogation shall not be operative in any case where its effect is to invalidate the insurance coverage or increase the cost thereof (except that Tenant shall have the right, within thirty (30) days after notice, to pay the increased cost, thereby keeping the waiver in full force and effect).
- (3) Landlord's business income, protecting Landlord from loss of rents and other charges during the period while the Leased Premises are untenable due to fire or other casualty (for the period reasonably determined by Landlord).
- (4) Flood or earthquake insurance, whenever, in the reasonable judgment of Landlord, that protection is necessary and it is available at commercially reasonable cost.
- (5) Such other insurance as Landlord reasonably deems appropriate.

**C. Taxes.**

Landlord shall be responsible for payment of all real estate taxes assessed against the Building or land on which the Building is located (the "Land"), as well as all applicable local, state and federal income taxes which are or may be payable by Landlord, to the applicable taxing authorities, it being understood Tenant's obligation to pay Tenant's Proportionate Share of Operating Expenses (as defined below) to Landlord shall include the payment of real estate taxes as provided in Section 4(b) below. The foregoing notwithstanding, Landlord shall not be responsible for payment of any sales taxes or similar-type taxes arising out of the operation of Tenant's business within the Leased Premises. 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.

**D. Parking.**

Tenant shall have non-exclusive use of ten (10) shared retail parking stalls in the Building, plus Tenant shall have one (1) dedicated parking stall adjacent to the Building which shall be reserved at all times for official use by Tenant's personnel, which parking stalls shall be in the approximate locations set forth in the Approved Plans (as defined in Exhibit E).

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

**A. Utilities.**

Tenant shall pay, commencing on the Commencement Date and all times during the Lease Term, for all utilities serving the Leased Premises. Tenant shall heat or chill air to meet its heating and air conditioning requirements and to prevent freezing and deterioration of the Leased Premises and the equipment and facilities therein, and shall heat water to meet its hot water requirements. If the Leased Premises are not separately metered with respect to water and sewerage, Tenant shall reimburse Landlord for water and sewerage used on the Property, based upon Landlord's reasonable allocation, from time to time, among the tenants of the Property, giving due regard to the respective uses of the various tenants. The reimbursement shall be estimated, paid and adjusted in the manner set forth in Section 4(A)(ii). If the Leased Premises are separately metered, then Tenant shall pay for all water, sewerage and other utilities actually used in the Leased Premises. Tenant agrees that Landlord shall not be liable for damages either to persons or property for any interruption or failure of any utility, or for lost profits. No such interruption or failure be construed as an eviction of Tenant or allow Tenant to terminate this Lease or abate any Rent.

**B. Tenant's Proportionate Share of Operating Expenses.**

- (i) Beginning as of the Commencement Date and until the expiration of the Lease Term, Tenant shall pay Landlord as Additional Rent a sum equal to Tenant's Proportionate Share (as defined below) of the amount by which Operating Expenses (as defined below) paid or incurred by Landlord during the Term. If the first and/or last years of the Lease Term shall not coincide with a calendar year, then Tenant's Proportionate Share of Operating Expenses attributable to the partial calendar year shall be prorated on the basis of the ratio between the number of days of such partial calendar year and 365.
- (ii) Tenant's proportionate share of the annual charges for Operating Expenses shall be paid in advance in monthly installments in an amount reasonably estimated by Landlord. Landlord's estimate of Tenant's Proportionate Share of Operating Expenses shall be made at the beginning of each calendar year (or partial year at the beginning of the Term). Landlord may adjust each estimate at other times by giving Tenant notice of the adjusted estimate. If there is a partial Lease Year at the end of the Term, Landlord may reasonably increase the estimate, so as to assure that the amount on deposit with Landlord will be sufficient to pay Tenant's Proportionate Share of Operating Expenses for the partial Lease Year. After the end of each calendar year, Landlord shall furnish Tenant a statement in reasonable detail of the actual Operating Expenses paid or incurred by Landlord during that period prepared in accordance with sound accounting practices by Landlord, and there shall, within thirty (30) days after delivery of the statement, be an adjustment between the parties so that Landlord shall receive the precise amount of Tenant's Proportionate Share of Operating Expenses for the period (with Tenant paying to Landlord any underpayment within thirty (30) days after receipt of such statement and Landlord refunding to Tenant any overpayment within thirty (30) days after receipt of such statement, as applicable). The maximum increase in the amount of Controllable Expenses (as defined below) that may be included in calculating Tenant's Proportionate Share of Operating Expenses for each calendar year after the first Lease Year (the full calendar year during which the first Lease Year ends shall be the "Base Year") shall be limited to 5% per calendar year on a cumulative basis; for example, the maximum amount of Controllable Expenses that may be included in the calculation of Tenant's Proportionate Share of Operating Expenses for each calendar year after the Base Year shall equal the product of the Controllable Expenses during the Base Year and the following percentages for the following calendar years: 105% for the first calendar year following the Base Year; 110% for the second calendar year following the Base Year; 115% for the third calendar year following the Base Year, and so on. However, any increases in Controllable Expenses not recovered by Landlord due to the foregoing limitation shall be carried forward into succeeding calendar years during the Term (subject to the foregoing limitation) to the extent necessary until fully recouped by Landlord. "Controllable Expenses" shall mean all Operating Expenses except insurance expenses, real estate taxes, utilities, snow removal, and other Operating Expenses outside of Landlord's control. If Landlord does not provide Tenant with an estimate of the total amount of Operating Expenses and Taxes by January 1 of a calendar year, Tenant shall continue to pay monthly installments based on the previous year's estimate until Landlord provides Tenant with the new estimate. Upon delivery of the new estimate, an adjustment shall be made for any month for which Tenant paid monthly installments based on the previous year's estimate. Tenant shall pay Landlord the amount of any underpayment within thirty (30) days after receipt of the new estimate. Tenant's obligations under this Section 5(A)(ii) shall survive the expiration of the Term (to the extent such obligations are incurred during the Lease Term).

For purposes of this section, (a) "Tenant's Proportionate Share" of Operating Expenses applicable to the Property as a whole shall be 3.12% (subject to adjustment based on the Confirmed Leased Premises SF (as defined in Section 19 below) and the good faith determination of rentable square footage of the Building by Landlord's Architect), and (b) "Tenant's Proportionate Share" of Operating Expenses applicable to the Commercial Facilities only shall be 71.28% (subject to adjustment based on the Confirmed Leased Premises SF and the good faith determination of rentable square footage of the Commercial Facilities by Landlord's Architect). The Net Rentable Area of the Building shall be approximately 469,525 square feet (subject to adjustment based on the good faith determination by Landlord's architect). "Commercial Facilities" shall be approximately 20,571 square feet (subject to adjustment based on the good faith determination by Landlord's architect).

It is understood that the Leased Premises are a part of a Building that contains residential facilities as well as commercial facilities (the "Commercial Facilities"), and that some Operating Expenses relate to the entire Property and some to the Commercial Facilities only or residential facilities only. Thus, Landlord shall have the right, but not the obligation, from time to time, to elect to allocate some or all Operating Expenses between the Commercial Facilities and/or commercial tenants, and the residential facilities and/or residential tenants of the Property (the "Cost Pools"), and in such cases that Landlord makes such election, Tenant's Pro Rata Share of any such Cost Pools shall be determined on an equitable basis by Landlord. In no event shall Landlord include within Operating Expenses payable by Tenant hereunder any operating expenses incurred solely in relation to the residential portion of the Building.

- (iii) For purposes hereof, "Operating Expenses" shall mean and include:

All costs and expenses relating to the operating, management, and ownership of the Property (including the Building, the Land and the Common Areas) and, including all costs of operation, maintenance and management therefor, ad valorem real estate taxes (excluding interest or penalties for late payment) and the costs, including, without limitation: (i) cleaning, painting, planting, water and sewerage charges (other than for leasable portions of the Property for the which the tenants occupying such portions shall be solely responsible under their respective leases), (ii) maintaining and monitoring the sprinkler system, if any, (iii) fees for required licenses and permits, (iv) intentionally deleted, (v) expenses relating to all Common Areas of the Property, (vi) all labor and labor related costs, including wages, salaries, bonuses, employment-related taxes, insurance, uniforms, training, retirement plans, pension plans and other employee benefits; (vii) management fees and legal fees not attributable to leasing or collection activity, and other

administrative costs; (viii) accounting costs; (ix) the cost of services including amounts paid to service providers; (x) rental and purchase cost of parts, supplies, tools and equipment; (xi) insurance premiums; (xii) electricity, gas and other utility costs (other than for leasable portions of the Property for which the tenants occupying such portions shall be solely responsible under their respective leases); and (xiii) the amortized cost of capital improvements (as distinguished from replacement parts or components installed in the ordinary course of business) which are: (a) performed primarily to reduce current or future operating expense costs, intended as a labor saving device or to effect other economies in the operation or maintenance of the Property, or otherwise improve the operating efficiency of the Property; (b) required to comply with any applicable laws that are enacted, or first interpreted to apply to the Property, after the Effective Date; or (c) in Landlord's reasonable opinion necessary to maintain the Property in good condition and repair. The cost of capital improvements shall be amortized by Landlord over the expected useful life of the applicable improvement (as determined in accordance with customary practices for such buildings). The amortized cost of capital improvements may, at Landlord's option, include actual or imputed interest at the rate that Landlord would reasonably be required to pay to finance the cost of the capital improvement. Landlord shall not be required to provide any of the foregoing services unless Landlord has specifically agreed elsewhere in this Lease to perform the same. If Tenant, or any other tenant or tenants on the Property, are solely responsible for any expense which would otherwise be an Operating Expense, then that expense shall be paid by the responsible tenant and shall be excluded from Operating Expenses. If the Building is not fully occupied during any year, the variable Operating Expenses for that year shall be equitably adjusted as though the Building were fully occupied.

Notwithstanding the foregoing, it is agreed that Operating Expenses shall not include: any leasing or marketing or brokerage costs, fees, or commission, any cost of upfitting space for occupancy by Tenant or other tenants; any amortization of principal or interest on account of any indebtedness; any legal expenses arising out of any misconduct or negligence of Landlord or any person for which Landlord is responsible or arising out of dealings between any principals constituting Landlord or arising out of any leasing, sale or financing of the Building or the Land or any part of either of them; any utilities to the extent paid by Tenant; or, except as expressly permitted above, any amortization or depreciation.

- (iv) Any contest by Landlord of ad valorem real estate taxes shall not relieve Tenant of the obligation to continue to make payments of Tenant's Proportionate Share of Operating Expenses during the pendency of such a contest; provided that promptly upon reduction in the amount of any such taxes, Landlord shall credit Tenant for Tenant's Proportionate Share of such savings.

C. All service costs and installations of all of Tenant's telephone, data, or Suite access control systems.

D. Tenant's Insurance.

Commencing on the Commencement Date or any earlier date of Tenant's entry into the Leased Premises and continuing at all times thereafter that this Lease is in effect, Tenant shall procure and maintain the following policies of insurance, at its own cost and expense:

- (i) Commercial General Liability Insurance insuring Landlord, its members, managers, agents, directors, officers and employees ("**Landlord Protected Parties**"), and Tenant Protected Parties, from all claims, demands or actions made by or on behalf of any person or persons, or entities and arising from, related to or connected with the Leased Premises, for bodily injury to or personal injury to or death of any person, or more than one person, or for damage to property in an amount of not less than \$5 million combined single limit per occurrence/aggregate. The insurance shall be written on an "occurrence" basis and not on a "claims made" basis. If at any time during the Lease Term, Tenant's policy relates to more than one location, the policy shall contain an endorsement to the effect that the aggregate limit in the policy shall apply separately to each location owned or rented by the insured. Whenever Tenant shall undertake any alterations, additions or improvements in, to or about the Leased Premises, the aforesaid insurance protection must extend to and include injuries to persons and damage to property arising in connection with such work, including liability under any applicable structural work act. Landlord shall have the right, exercisable by giving notice to Tenant, to require Tenant to increase the limit if, in Landlord's reasonable judgment, the amount is insufficient to protect the Landlord Protected Parties and Tenant Protected Parties from judgments which might result from such claims, demands or actions. Tenant will protect, indemnify and save harmless the Landlord Protected Parties from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorney's fees and expenses) imposed upon or incurred by or asserted against the Landlord Protected Parties, or any of them, by reason of any bodily injury to or personal injury to or death of any person or more than one person or for damage to property, occurring on or about the Leased Premises, caused by any party including any Landlord Protected Party, to the extent of the amount of the insurance required to be carried under this Section 4(C)(i) or such greater amount of insurance as is actually carried. Tenant shall cause its liability insurance to include contractual liability coverage fully covering the indemnity.
- (ii) Property damage insurance covering the Tenant Improvement Work (described in Exhibit E), fixtures, Tenant's alterations, Tenant's contents, trade fixtures, machinery, equipment, furniture and furnishings in the Leased Premises to the extent of 100% of their replacement cost value new without deduction for depreciation under Standard Fire and Extended Coverage Policy and all other risks of direct physical loss as insured against under Special Form ("all risk" coverage), and such insurance shall include a vandalism and malicious mischief endorsement and earthquake and sprinkler leakage coverages. The insurance shall contain an endorsement waiving the insurer's right of subrogation against any Landlord Protected Party, provided that the waiver of the right of subrogation shall not be operative in any case where its effect is to invalidate the insurance coverage or increase its cost (except that Landlord shall have the right, within 30 days after notice, to pay the increased cost, thereby keeping the waiver in full force and effect).

- (iii) Appropriate Workers Compensation insurance as required in the State of Tennessee, and appropriate employer's liability insurance in an amount not less than \$1 million per employee/per disease/per year.
- (iv) Plate glass insurance insuring Landlord and Tenant against breakage of all plate glass utilized in the improvements on the Leased Premises in an amount equal to the full replacement cost thereof.
- (v) Product liability insurance with limits of not less than \$1 million per occurrence.
- (vi) Business interruption, loss-of-income and extra expense insurance in such amounts as will reimburse Tenant for direct or indirect loss of earnings for one (1) year attributable to all perils required to be insured against pursuant to Section 4(D)(ii) above or attributable to prevention of access to the Leased Premises, the Building and/or the Property as a result of such perils.

All of the above insurance shall be carried with responsible companies satisfactory to Landlord and holding a "General Policyholder's Rating" of A-, Class XII or better as set forth in the most current issue of Best's Key Rating Guide. As to Tenant's insurance, the insurer and the form, substance and amount (where not stated above) shall be reasonably satisfactory to Landlord and any mortgagee of Landlord, and shall unconditionally provide that it is not subject to cancellation or non-renewal except after 30 days prior written notice to Landlord and any mortgagee of Landlord. Originals of Tenant's insurance policies (or certificates satisfactory to Landlord), together with satisfactory evidence of payment of the premiums, shall be deposited with Landlord prior to Tenant's taking possession of the Leased Premises and renewals not less than 30 days prior to the end of the term of the coverage. Landlord may, at any time and from time to time, on 10 days prior notice, require Tenant to make copies of any insurance policies that this Lease requires Tenant to maintain available for Landlord's inspection.

Tenant, as an agency of the State of Tennessee, shall have the right to self-insure under the Tennessee Claims Commission Act, Tenn. Code Ann. s 9-8-301 et seq., and the Tennessee Worker's Compensation Law, Tenn. Code Ann. 50-6-101 et seq., which covers certain tort liability for actual damages of up to \$300,000 per claimant and \$1,000,000 per occurrence.

## **5. ALTERATIONS; LIEN CLAIMS.**

**A.** From and after the Commencement Date, Tenant shall have the right during the Lease Term and at its sole cost and expense, to make alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises (in each case an "Alteration" and collectively, "Alterations"). Such Alterations so placed in or upon or attached to the Leased Premises under the Lease 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 (not to exceed thirty (30) days). Landlord will have the right to review and approve of any substantive Alteration to the space prior to its installation, such approval not to be unreasonably withheld, conditioned or delayed. A substantive Alteration is any Alteration to the exterior of the Leases Premises or Building or any Alteration to the interior of the Leased Premises which will cost more than Fifteen Thousand and No/100 Dollars (\$15,000.00). Any Alteration shall be of a first-class quality, shall comply with all applicable statutes, ordinances, regulations, codes, and shall not obstruct vehicular or pedestrian access to the Property, or any parking at the Property. Inasmuch as any alterations, additions or other work in or to the Leased Premises may constitute or create a hazard, inconvenience or annoyance to the public or other tenants of the Building, Tenant shall, if directed by Landlord, erect barricades, temporarily close all or a part of the Leased Premises to the public or take whatever measures are necessary to protect the Building, the public and the other tenants of the Property for the duration of the work. If Landlord determines, in its commercially reasonable discretion, that Tenant has failed to take any of such necessary protective measures, Landlord may do so and Tenant shall reimburse Landlord's cost within thirty (30) days after Landlord bills Tenant, plus an administrative charge of ten percent (10%) of the cost of such contract.

**B.** Tenant shall not suffer any mechanics', laborers' or materialmen's liens to be filed against the Leased Premises or the Property or any interest in either of them by reason of any work, labor, services or materials performed at or furnished to, or claimed to have been performed at or furnished to, the Leased Premises, by, or at the direction or sufferance of, Tenant or anyone holding the Leased Premises through or under the Tenant; if any liens shall at any time be filed or claimed, Tenant shall have the right to contest them in good faith and with reasonable diligence, provided Tenant has, within thirty (30) days after the filing of the lien, deposited with Landlord security reasonably satisfactory to Landlord to assure payment and to prevent any sale, foreclosure or forfeiture of the Leased Premises or the Property by reason of non-payment. On final determination of the lien or claim for lien, Tenant shall immediately pay any judgment, with all costs and charges, and shall have the lien released of record and any judgment satisfied. If Tenant shall fail to contest the liens with due diligence (having secured Landlord as provided above) or shall fail to cause the liens to be discharged within thirty (30) days after being notified of their filing and in any case, before any sale, foreclosure or forfeiture then, in addition to any other right or remedy of Landlord, Landlord may discharge the liens by paying the amount claimed to be due or by bonding or other proceeding deemed appropriate by Landlord, and the amount paid by Landlord and all costs and expenses, including reasonable attorneys' fees, expenses and court costs, incurred by Landlord in procuring the discharge of the liens or judgment, shall be deemed to be Additional Rent and shall be due and payable by Tenant to Landlord within ten (10) days after demand by Landlord. Nothing in this Lease shall be construed as a consent on the part of Landlord to subject Landlord's estate in the Leased Premises or the Property to any lien or liability.

## **6. TERMINATION FOR CAUSE; TERMINATION FOR CONVENIENCE.**

**A.** Tenant may in its sole but reasonable discretion terminate this Lease at any time for any of the following causes: (a) intentionally deleted; (b) intentionally deleted; or (c) any material default by Landlord which is not adequately remedied in accordance with Section 8 hereof (subject to the cure rights of the holder of the first mortgage covering the Leased Premises, as set forth in Section 8 hereof). Notwithstanding the foregoing, Tenant shall obtain appropriate legislative body approval of its obligations to pay Additional Rent, including Tenant's Proportionate Share of Operating Expenses, for the initial Term, plus all costs associated with the Proposal and Tenant Improvement Work (as such terms are defined in Exhibit E hereto), which approval shall be evidenced by the certification of funds related to as delivered by a duly authorized University official, either: (i) concurrent with Tenant's execution of this Lease or (ii) within ninety (90) days of the date of Tenant's execution hereto. Failure to provide evidence of such appropriation as provided in the aforementioned sentence shall allow Landlord to either (i) terminate

this Lease or (ii) extend such period for an additional thirty (30) days, following which Landlord shall continue to have the right to terminate this Lease as provided in clause (i) if Tenant fails to provide the required evidence of such appropriate legislative body approval.

**B.** Tenant may terminate this Lease at any time for convenience by giving Landlord written notice thereof at least one hundred and twenty (120) days prior to the date that such termination shall be effective, subject to Tenant's reimbursement obligations set forth in Section 6.C below.

**C.** If the Tenant does not exercise the Option Term prior to the expiration of the initial Lease Term or otherwise terminates this Lease pursuant to Section 6.B above (i.e., a termination is for convenience), Tenant will reimburse the Landlord for any unamortized Tenant Improvement Cost that Landlord incurred in connection with this Lease (collectively, the "Unamortized TI Costs") as follows: (i) 100% of the Unamortized TI Costs if such termination occurs during the initial Lease Term, (ii) 80% of the Unamortized TI Costs if terminated during the 1<sup>st</sup> Lease Year of the Option Term, (iii) 60% of the Unamortized TI Costs if terminated during the 2<sup>nd</sup> Lease Year of the Option Term, (iv) 40% of the Unamortized TI Costs if terminated during the 3<sup>rd</sup> Lease Year of the Option Term, (v) 20% of the Unamortized TI Costs if terminated during the 4<sup>th</sup> Lease Year of the Option Term, and (vi) 0% of the Unamortized TI Costs if terminated during the 5<sup>th</sup> Lease Year of the Option Term.

## **7. ENVIRONMENTAL PROVISIONS.**

**A.** Tenant shall not use (or permit any Tenant Party to use) the Leased Premises or any portion of the Property for any activities involving, directly or indirectly, the use, generation, treatment, storage, or disposal of any hazardous or toxic chemical, material, substance or waste, including without limitation, (1) asbestos in any form; (2) urea formaldehyde foam insulation; (3) transformers or other equipment which contain dielectric fluid containing polychlorinated biphenyls; (4) any other hazardous or toxic chemical, material, substance or waste, exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local governmental authority (all being hereinafter referred to collectively as "Hazardous Substances"). Notwithstanding the foregoing, Tenant (or its permitted assignees pursuant to Section 27.A) may handle, store, use or dispose of small quantities of products containing one or more Hazardous Substances as an incidental use in the ordinary course of maintaining or operating the Leased Premises (such as cleaning agents, paint, and copy toner), so long as the quantity of such Hazardous Substances utilized does not exceed amounts reasonably required for such incidental use, and provided further that Tenant shall handle, store, use and dispose of any such Hazardous Substances in a safe manner and in compliance with all applicable local, state and federal environmental laws and regulations, including, without limitation, the Comprehensive Environmental Response and Liability Act, and the Resource Conservation and Recovery Act (collectively, "Environmental Laws").

**B.** Landlord represents that, to Landlord's actual knowledge, and except as set forth in the Environmental Reports (defined below) there are no Hazardous Substances located on, in or about the Land. Landlord agrees that should any Hazardous Substances be determined to be present at the Property in such amounts that results in a violation of any applicable Environmental Laws due to the acts or omissions or negligence of Landlord or any person or legal entity acting by or on behalf of Landlord, Landlord shall indemnify, hold harmless and defend Tenant from all claims, damages, expenses or litigation resulting from the presence of such Hazardous Substances in violation of any applicable Environmental Laws; provided, however, such indemnification obligation shall not apply to any such claims, damages, expenses or litigation to the extent resulting from the acts or omissions or negligence of Tenant (or any person or legal entity acting by or on behalf of Tenant). If Tenant reasonably believes that Hazardous Substances may be present in the Leased Premises in such amounts as may reasonably be expected to result in a violation of any applicable Environmental Laws due to the acts or omissions or negligence of Landlord or any person or legal entity acting by or on behalf of Landlord, Landlord will engage, at its expense, a qualified third-party engineer to conduct a reasonably appropriate environmental survey. If Hazardous Substances are found or such survey indicates a material risk of such Hazardous Substances being present in the Leased Premises or Building in violation of applicable Environmental Laws, then Landlord, at its expense, will make all reasonably necessary changes and/or corrections so that the Building and/or the Leased Premises are in substantial compliance with all Environmental Laws and regulations. In the event Landlord discovers Hazardous Substances on the Leased Premises during the Lease Term, Landlord shall promptly notify Tenant. As used herein, "Environmental Reports" means, collectively, (i) Phase I Environmental Site Assessment for 702 Twentieth Street, prepared by S&ME, Inc., last updated on February 23, 2023; (ii) Phase I Environmental Site Assessment for 1901-1931 Cumberland Avenue and 1912-1916 White Avenue, prepared by Partner Engineering and Science, Inc., last updated on February 13, 2023; (iii) Phase I Environmental Site Assessment Update for 1908 White Avenue, prepared by S&ME, Inc., last updated February 27, 2023; and (iv) Phase I Environmental site Assessment Update for 1937 Cumberland Avenue, prepared by S&ME, Inc., last updated February 27, 2023.

**C.** To the extent Tenant or any Tenant Party is responsible for any liabilities, obligations, claims, damages, penalties, causes of action, costs and/or expenses incurred by any Landlord Protected Parties as the result of Tenant or any other Tenant Party causing or contributing to an Environmental Condition, or otherwise in connection with Tenant's or any other Tenant Party's breach of any terms and conditions set forth in this Section 7, such matters shall be submitted to and processed with the State of Tennessee Claims Commission for the resolution thereof (provided that such Tenant obligations shall not apply to any permitted assignees of Tenant under Section 27.A to the extent such permitted assignees covenant to provide the Landlord Protected Parties with substantially similar obligations under separate agreements with Landlord). Landlord may conduct tests in and about the Leased Premises for the purpose of determining the presence of any Environmental Condition. If the tests indicate the presence of an Environmental Condition so caused or contributed to, Tenant shall, in addition to its other obligations under this Section 7, reimburse Landlord for the cost of conducting the tests. The phrase "**Environmental Condition**" shall mean any adverse condition in violation of Environmental Laws relating to surface water, ground water, drinking water supply, land, surface or subsurface strata or the ambient air, and includes air, land and water pollutants, noise, vibration, light and odors. If any Environmental Condition is so caused or contributed to, Tenant shall promptly and at its cost, take all steps necessary to remedy the same, or shall, at Landlord's election, reimburse Landlord for the cost to Landlord of performing remedial work. The reimbursement shall be paid to Landlord in advance of Landlord's performing the work, based upon Landlord's reasonable estimate and upon completion of the work by Landlord, Tenant shall pay to Landlord any shortfall within ten (10) days after demand, or Landlord shall promptly refund to Tenant any excess deposit.

**8. DEFAULT.** Tenant shall be in default of the terms of the Lease if any of the following shall occur (in each case, an "Event of Default"): (i) Tenant shall fail to make a payment of any Rent when due and payable, and such

Rent or Additional Rent is not paid within thirty (30) business days of written notice by Landlord to Tenant of non-payment of same; (ii) Tenant fails to continuously operate for the Permitted Use in all of the Leased Premises (other than such minor portions as are reasonably required for storage and office purposes) for more than thirty (30) days in the aggregate for any twelve (12)-month period during the Lease Term, except when and to the extent that the Leased Premises are untenable by reason of casualty, condemnation or other Force Majeure Event; (iii) 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 thirty (30) day period and does not thereafter diligently pursue the same to completion within a reasonable time thereafter (not to exceed sixty (60) days in the aggregate, in any event); (iv) Tenant shall be adjudged an involuntary bankrupt, or a decree or order approving, as properly filed, a petition or answer filed against Tenant asking reorganization of Tenant under the federal bankruptcy laws as now or hereafter amended, or under the laws of any state, shall be entered, and any such decree or judgment or order shall not be vacated or stayed or set aside within sixty (60) days from the date of its entry or granting; (v) Tenant shall file, or admit the jurisdiction of the court and the material allegations contained in, any petition in bankruptcy, or any petition pursuant or purporting to be pursuant to the federal bankruptcy laws now or hereafter amended, or Tenant shall institute any proceedings for relief of Tenant under any bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustments or indebtedness, reorganization, arrangements, composition or extension; (vi) Tenant shall make any assignment for the benefit of creditors or shall apply for or consent to the appointment of a receiver for Tenant or any of the property of Tenant; (vii) Tenant fails to timely deliver a Subordination, Non-Disturbance and Attornment Agreement as required in Section 14; or Tenant fails to provide the insurance as required under Section 4.D and fails to cure the same within five (5) business days after notice; or Tenant fails to timely deliver an estoppel certificate as required in Section 26; or Tenant fails to surrender the Leased Premises when required under Section 9; or (viii) Tenant does, or permits to be done, any act which creates a mechanic's lien or claim therefor against the Property or the Building, and Tenant does not comply with the provisions of Section 5.B. If an Event of Default by Tenant occurs hereunder:

- A. Landlord may re-enter and repossess the Leased Premises and relet same, or any part thereof, without terminating the Lease to third parties upon such terms and for such rent as may be reasonably acceptable to Landlord. For the purpose of the reletting, Landlord may decorate and make any repairs, changes, alterations or additions to the Leased Premises. 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 use reasonable efforts to relet the Leased Premises at a reasonable price; provided, however, Landlord shall not be deemed to have failed to use reasonable efforts by reason of the fact that Landlord has leased or sought to lease other vacant premises owned by Landlord in preference to reletting the Leased Premises or by reason of the fact that Landlord has sought to relet the Leased Premises at a rental higher than that payable by Tenant under this Lease (but not in excess of the then current market rental rate). 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 8. Upon termination, Landlord may re-enter the Leased Premises, with process of law, using such force as may be necessary, and remove all persons, fixtures and personal property from the Leased Premises. Landlord shall be entitled to recover as damages all rents and other sums payable by Tenant on the date of termination plus (i) the value of the Rent, to be paid by Tenant to Landlord for the remainder of the Term, less the fair rental value of the Leased Premises for that period, (ii) the cost of performing any other covenants to be performed by Tenant, (iii) the costs incurred by Landlord in reletting the Leased Premises, including the cost of all decorations, repairs, changes, alterations, additions, broker's commissions and attorneys' fees and expenses, and (iv) an amount equal to the full amount of the Tenant Improvement Allowance.
- C. Landlord may, but shall not be obligated to, cure any default by Tenant under this Lease, and if Landlord does so, all costs and expenses paid by Landlord in curing the default (specifically excluding Landlord's reasonable out-of-pocket attorneys' fees and expenses), shall be due and payable by Tenant to Landlord within thirty (30) days after demand, together with interest (except in the case of attorneys' fees) at the Default Rate.

No remedy of Landlord shall be considered to exclude or suspend any other remedy but all remedies shall be cumulative and shall be in addition to every other remedy in this Lease, or now or hereafter existing at law or in equity, and every power and remedy given by this Lease to Landlord may be exercised from time to time and so often as occasion may arise or as may be deemed expedient.

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 thirty (30) 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 thirty (30) 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 (after the expiration of any applicable notice and cure periods), Tenant may 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. If the holder of the first mortgage covering the Leased Premises shall have given written notice to Tenant of the address to which notices to such holder are to be sent, Tenant shall give such holder written notice simultaneously with any notice given to Landlord of any default of Landlord, and if Landlord fails to cure any default asserted in said notice within the time provided above, Tenant shall notify such holder in writing of the failure to cure, and said holder shall have the right, but not the obligation, within thirty (30) days after receipt of such second notice or such additional time as is reasonably required to correct any such default), to cure such default before Tenant may take any action by reason of such default. Under no circumstances shall Landlord be liable for consequential damages, including, without limitation, injury to the other party's business or for any loss of income or profit therefrom.

## **9. TERM AND SURRENDER OF LEASED PREMISES.**

A. The Lease Term shall be as set forth in Section 5 of the Lease. Provided no Event of Default by Tenant shall then exist, and provided that Tenant (and not a sublessee or assignee) shall then be in occupancy of all or substantially all of the Leased Premises and shall be open for business to the general public, Tenant shall have the one-time right to extend the Lease Term for the duration of the Option Term upon all of the terms contained in the

Lease, subject to the monthly rental installments payable during the Option Term (as set forth in Section 7 of the Lease), by giving notice to Landlord at least twelve (12) months prior to the expiration of the initial Lease Term (time being of the essence thereof); provided, however, prior to giving such notice, Tenant shall have obtained appropriation by the appropriate Legislative Body to fulfill all of its obligations hereunder for the entirety of the Option Term (or such other governmental approvals as may be required by State law or public policy).

B. 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, signage 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 Lease Term, Tenant shall pay Rent at the then-current rate for rent as set forth in the Lease, on a monthly basis and shall pay to Landlord, as an occupancy charge, an amount equal to the sum of twenty-five percent (25%) of the Base Rent, Additional Rent and other sums paid during the last month prior to the expiration or earlier termination of this Lease. In addition to the payment of the amounts provided above, if Landlord is unable to deliver possession of the Leased Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover and Tenant fails to vacate the Leased Premises within fifteen (15) days after Landlord notifies Tenant thereof, Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages, that Landlord suffers from the holdover.

**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 unreasonable disruptions of Tenant's Permitted Use of 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 represents that it 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 by Landlord and provided to Tenant in the event of a transfer of any such interest.

**11. DAMAGE OR DESTRUCTION; EMINENT DOMAIN.**

A. 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, and excluding any such damage resulting from the acts, omissions, or negligence of Tenant or any party acting by, through, or at the direction of Tenant), provided that (i) such repairs can, in Landlord's opinion, be made within ninety (90) days after the occurrence of such damage, (ii) Landlord is not prohibited by applicable law from rebuilding the Property or the Building in substantially the same form as existed prior to the fire or casualty, and (iii) Landlord's mortgagee does not require insurance proceeds be applied to the payment of the mortgage debt. Landlord shall notify Tenant within ninety (90) 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 ninety (90) 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. Notwithstanding the foregoing, Landlord shall have the right to terminate this Lease if: (1) the Property or the Building shall be damaged so that, in Landlord's reasonable judgment, substantial alteration or reconstruction of the Property or the Building (as applicable) shall be required (whether or not the Leased Premises has been damaged); (2) Landlord is not permitted by applicable law to rebuild the Property or the Building in substantially the same form as existed before the fire or other casualty; (3) the Leased Premises have been materially damaged and there is less than twelve (12) months of the Lease Term remaining on the date of the casualty; (4) any mortgagee of Landlord requires that the insurance proceeds be applied to the payment of the mortgage debt; or (5) a material uninsurable loss to the Property occurs. Landlord's election to terminate shall be made, if at all, within ninety (90) days after the event causing the damage. If the Lease is terminated as a result of the casualty, Tenant shall promptly pay to Landlord from the proceeds received by Tenant from its insurance required under this Lease, the cost of restoring the work described on Exhibit E, and Tenant's Alterations.

B. If the entire Leased Premises or so much of the Leased Premises that Tenant cannot economically operate in the balance, shall be taken by any public authority by the exercise, or under the threat of the exercise of the power of eminent domain, the Lease Term shall terminate as of the day the right to possession shall be taken by the public authority, and Tenant shall pay Rent up to that date with an appropriate refund of rent which was paid in advance for the period subsequent to the date the right to possession is taken. If the Lease is not terminated as provided in the preceding sentence, the Lease shall terminate only as to the parts so taken as of the day the right to possession shall be taken by such public authority, and Tenant shall pay rent up to that day with appropriate refund by Landlord of rent which was paid in advance for any period subsequent to the date the right to possession is taken, and thereafter the Rent shall be equitably reduced. Landlord shall at its expense make all necessary repairs or alterations to the Building so as to constitute the remaining Premises a complete architectural unit, provided that Landlord shall not be obligated to undertake any such repairs and alterations if the cost exceeds the amount of the award received by Landlord. If more than twenty-five percent (25%) of the gross leasable area of the Building shall be taken by the exercise, or under the threat of the exercise of the power of eminent domain, or if the condemnation award is not made available to Landlord to restore, Landlord may, within thirty (30) days after Landlord receives notice of the taking, terminate this Lease (which termination shall be effective on the date possession is surrendered) and Rent shall be paid or refunded as of the date of termination. As between Landlord and Tenant, all compensation awarded for any taking under the power of eminent domain, whether for the whole or a part of the Leased Premises,

shall be the property of Landlord, whether the damages shall be awarded as compensation for diminution in the value of the leasehold or to the fee of the Leased Premises or otherwise, and Tenant assigns to Landlord all of Tenant's right to any compensation, except that Tenant shall have the right, if such a right exists under applicable law, to pursue against the condemning authority a separate award in respect of the loss of Tenant's leasehold improvements installed by or on behalf of Tenant and paid for by Tenant without reimbursement by Landlord, but only if Landlord's award is not diminished or delayed in any way. The rights of Tenant set forth in this Section shall be subject and subordinate to the rights of any holder of a mortgage on the Property.

**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, and for Tenant to: University of Tennessee, Office of Real Property, 505 Summer Place – UTT 989, Knoxville TN 37902.

**13. QUIET ENJOYMENT.** Provided no Event of Default exists, Tenant's quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof shall not be disturbed by Landlord or by any person claiming by, through or under Landlord.

**14. SUBORDINATION, ATTORNMENT 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 substantially in the form attached hereto as Exhibit I (the "SNDA"), which SNDA shall be subject to such modifications as Landlord's mortgage lender may require. 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 no Event of Default exists, no mortgagee or similar person shall disturb Tenant in its occupancy of the Leased Premises during the Lease Term or Option Term (if applicable) 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 University officials and the State Building Commission, if applicable, has been obtained. Tenant's execution and delivery of this Lease to Landlord shall be deemed a confirmation by Tenant that all applicable approvals by all appropriate University officials and the State Building Commission, if applicable, have been or will be obtained pursuant to Section 6 above.

**16. COMPLIANCE WITH LAWS; APPLICABLE LAW.** Landlord represents and warrants to Tenant that as of the date of execution of this Lease, the Building complies with (or upon the completion of construction thereof, will comply 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. The laws of the State where the Leased Premises are located shall govern the validity, performance and enforcement of this Lease, without reference to the conflicts of law principles of that State. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision.

**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 (in each case, a "Force Majeure Event"), 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. MEASUREMENT OF LEASED PREMISES AND RENT AUDIT.** The final measurement of the Leased Premises shall be completed by Landlord's architect in connection with applicable BOMA standards (the "Confirmed Leased Premises SF") and the Base Rent, Tenant's Proportionate Share and the Tenant Improvement Allowance shall be revised accordingly. Prior to the determination of the Confirmed Leased Premises SF, Tenant shall pay Rent and the aforementioned charges based on the calculations identified herein with a reparation based on the Confirmed Leased Premises SF to be credited or charged to the Tenant, as the case may be. The foregoing notwithstanding, Tenant reserves the right to perform physical measurements of the Leased Premises by a licensed architect within thirty (30) days following the Commencement Date, or within thirty (30) days of exercising any renewal option, and the Monthly Rental Installments accruing after the date thereof shall be adjusted 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 Lease Term, 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 purposes. 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 direct access to or from the Leased Premises without obtaining Tenant's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. 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 and the Property intended for the general use or benefit of tenants or owners of the Building, and their employees, agents, and visitors. Following completion of the Approved Plans, the parties shall attach a depiction of the Common Areas to this Lease as Exhibit H.

**21. EXTERIOR SEATING.** Subject to obtaining the City of Knoxville's approval and subject to compliance with all Applicable Laws and the terms of this Lease, Tenant shall be permitted, all at Tenant's cost but without payment to Landlord of any additional per square foot Rent or additional rent, to provide exterior seating adjacent to the Leased Premises in the location shown on Exhibit B attached hereto (the "Outdoor Seating Area"). To the extent Tenant desires an Outdoor Seating Area, Tenant shall incorporate the Outdoor Seating Area in the Plans and as part of the Tenant Improvement Work (both, as defined herein). Tenant shall maintain the Outdoor Seating Area in a clean and healthful condition, cleaning all trash and emptying all trash containers, which Tenant shall provide at its expense. Any exterior furniture shall be of a first-class quality. Landlord shall not be responsible or liable for securing or ensuring that other tenants or customers of the Property do not use the Outdoor Seating Area. The Outdoor Seating Area may be used by Tenant solely as additional seating for service of food and beverage (including service of permitted alcohol if and to the extent permitted pursuant to this Lease) to customers of Tenant's restaurant operated within the Leased Premises, and for no other purposes whatsoever. The Outdoor Seating Area shall comply with all Applicable Laws, ordinances and regulations pertaining thereto and shall not obstruct pedestrian access or vehicular parking, and Tenant shall pay any fees due to the City of Knoxville or other applicable governmental authority. The Outdoor Seating Area shall be deemed part of the Leased Premises for all purposes of the Lease, to the extent appropriate and applicable and not otherwise modified by the provisions of this Section 21 (except that, as provided above, the square footage of the Outdoor Seating Area shall not be included in the square footage of the Leased Premises for purposes of calculation of Fixed Minimum Rent, Tenant's Proportionate Share, or other amounts due under this Lease that are calculated based on square footage of the Leased Premises).

**22. 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 Lease. 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.

**23. ILLEGAL IMMIGRANTS.** In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Landlord hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this Lease 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 Lease.

**24. ANTI-ISRAEL BOYCOTT.** In compliance with the requirements of Tenn. Code Ann. § 12-4-119, Landlord hereby states that it is not currently engaged in, and will not for the duration of this Lease engage in, a boycott of Israel.

**25. TENNESSEE DEPARTMENT OF REVENUE.** In compliance with the requirements of Tenn. Code Ann. § 12-3-306, Landlord hereby attests that it has registered with (or will register with prior to the Commencement Date) 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.

**26. ESTOPPEL CERTIFICATES.** Tenant agrees that it will, within ten (10) business days after request from Landlord, without charge, execute, acknowledge and deliver to Landlord an estoppel certificate substantially in the form attached hereto as Exhibit J (each, an "Estoppel Certificate"), which Estoppel Certificate shall be subject to such modifications as Landlord's mortgage lender, investor, or purchaser may reasonably require.

**27. ASSIGNMENT, SUBLETTING AND CONCESSIONS.**

**A.** Tenant acknowledges that Tenant's agreement to operate its business in the Leased Premises for the Permitted Use is a primary inducement and precondition to Landlord's agreement to lease the Leased Premises to Tenant. Accordingly, Tenant shall not enter into license, franchise or concession agreements, or otherwise assign this Lease or sublet the Leased Premises in whole or in part, or permit occupancy of all or any part of the Leased Premises by anyone other than Tenant (the foregoing are referred to as "Transfer" or "Transfers") without first procuring the consent of Landlord. If no change of the Permitted Use is involved, Landlord's consent to a Transfer shall not be unreasonably withheld, conditioned, or delayed. In the case of a Transfer involving a change in Permitted Use, Landlord's consent may be withheld in Landlord's discretion. Any attempt to Transfer, without the Landlord's consent, shall be void and confer no rights upon any third person. Notwithstanding the foregoing or the terms of Section 27.B below, Landlord hereby consents to Tenant entering into a food services management contract with Aramark Educational Services, LLC ("Aramark") for the provision of certain dining services in the Leased Premises in accordance with the Permitted Use, provided, however, Tenant shall otherwise remain fully responsible and liable for the payment and performance of all of Tenant's obligations under this Lease, including without limitation, the time payment all Rent and tenant improvements costs as and when required under this Lease.

**B.** If Tenant proposes to Transfer this Lease, Tenant shall first give notice to Landlord of its intention to do so, which notice shall contain: (1) the name of the proposed transferee ("Transferee"); (2) the nature and history of the proposed Transferee's business to be carried on in the Leased Premises; (3) the terms and provisions of the proposed Transfer; (4) the most recent financial statement or other equivalent financial information concerning the proposed Transferee; (5) the proposed Transfer documentation; and (6) such other documents and information regarding the proposed Transferee or the Transfer reasonably requested by Landlord. Once given, any notice of proposed Transfer shall be irrevocable for the period of time permitted under this Section 27 for Landlord to make an election, which election shall be final. Whether or not Landlord consents to a Transfer under this Section 27, Tenant shall promptly pay Landlord's processing costs, administrative fees, and attorneys' fees incurred in connection with any request for such consent. Landlord agrees, within thirty (30) days after receipt of such notice, to:

- (i) Consent to the proposed Transfer, which consent shall not be unreasonably withheld as provided above; or
- (ii) Withhold consent to the proposed Transfer; or
- (iii) In the case of a proposed assignment or other Transfer of all or substantially all of the Leased Premises, terminate this Lease, in which event this Lease shall terminate on the effective day of the proposed transfer, and Tenant shall surrender the Leased Premises in accordance with the provisions of this Lease relating to the surrender of the Leased Premises at the expiration of the Term. Landlord may, in the event of a termination, enter into a new lease with the proposed Transferee. If Landlord does not exercise its right to terminate under this subsection, then to the extent that the total Rent payable by the Transferee exceeds the Rent payable by Tenant, Tenant shall pay to Landlord monthly, as Additional Rent, 50% of the amount calculated by subtracting from the rent and other charges and consideration payable by the Transferee to Tenant, the total of (A) the amount of Rent payable by Tenant to Landlord for such month, and (b) the actual cost to Tenant of procuring the Transfer (including broker's commission, marketing, reasonable attorney's fees, costs of alterations or any tenant allowance), all as amortized without interest over the term of the Transfer.
- (iv) In the case of a proposed Transfer of less than all of the Leased Premises, exclude from this Lease that portion of the Leased Premises proposed to be transferred by Tenant, effective as of the commencement date of the proposed Transfer. If Landlord exercises that right, Tenant shall surrender the portion of the Leased Premises proposed to be Transferred on the effective date of the exclusion, this Lease shall terminate with respect to that portion of the Leased Premises excluded, and Tenant shall reimburse Landlord, as Additional Rent, for any cost to Landlord of construction or installation of necessary walls and doors and relocation of utilities as required to divide the Leased Premises. Landlord may enter into a new lease with the proposed Transferee for the portion of the Leased Premises excluded. Effective as of the date that any portion of the Leased Premises is excluded, Rent shall be reduced in the same proportion as the number of square feet of gross leasable area contained in the portion of the Leased Premises excluded bears to the number of square feet of gross leasable area contained in the Leased Premises prior to the exclusion. Notwithstanding the exclusion of the portion of the Leased Premises and the termination of the Lease as to that portion, the Lease shall continue in full force and effect, as modified, as to the remaining portion of the Leased Premises.
- (v) If Landlord does not exercise its right under this subsection, and if Tenant enters into the proposed Transfer, Tenant shall pay to Landlord on a monthly basis, as Additional Rent, 50% of the amount calculated by subtracting from the Rent and other charges and consideration payable by subtenant to Tenant for said space during any month, the total of (a) the amount of Rent payable by Tenant to Landlord for such month, allocated to the Transferred portion of the Leased Premises, and (b) the actual cost to Tenant of construction or installation of necessary walls and doors and relocation of utilities as required to divide the Leased Premises and the actual cost to Tenant of procuring the sublease (including, without limitation, broker's commission, marketing, reasonable attorneys' fees or any tenant allowance), all as amortized without interest over the term of the Transfer.

**C.** Without limiting other reasonable grounds for Landlord's withholding consent, Tenant agrees that Landlord shall be deemed to have reasonably withheld consent if:

- (i) The proposed Transferee: (1) is of a character or engaged in a business or proposes to use the Leased Premises in a manner which is not in keeping with the standards of Landlord for the Property; (2) has an unfavorable reputation; (3) has a credit standing or financial worth which, in the opinion of Landlord, is insufficient to meet its obligations; (4) does not have substantial experience in owning and operating the type of retail business to be conducted on the Leased Premises; or (5) will be in violation of this Lease or any applicable laws, ordinances, rules and regulations governing the Property, including zoning or subdivision ordinances;
- (ii) The use of the proposed Transferee would violate any exclusive use provisions in other leases on the Property;
- (iii) The Transferee intends to use the Leased Premises (or portion thereof) for purposes which are other than the Permitted Use;
- (iv) An Event of Default has occurred and has not been cured within the applicable cure period;
- (v) The proposed use of the Leased Premises by the proposed Transferee would require Landlord to make alterations or additions to the Leased Premises, the Building or the Property to comply with applicable law or governmental requirements, would increase the cost of insurance for the Property, or would impose environmental risks;
- (vi) Any mortgagee of the Property will not consent to the proposed Transfer (to the extent such mortgagee's consent is required under the terms of Landlord's loan documents with such mortgagee);
- (vii) Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (a) occupies space in the Commercial Facilities at the time of the request for consent, (b) is negotiating with Landlord to lease space in the Commercial Facilities at such time, or (c) has negotiated with Landlord to lease space in the Commercial Facilities during the twelve (12)-month period immediately preceding Tenant's request for consent; or
- (viii) The terms of the proposed Transfer provide for (a) a rental or other payment based in whole or in part on the income or profits derived by any person from the Leased Premises (other

than an amount based on a fixed percent or percentages of gross receipts or sales), or (b) rental to be paid in the form of non-cash consideration;

**D.** The consent by Landlord to any Transfer shall not constitute a waiver of the necessity for consent to any subsequent Transfer. Receipt by Landlord of Rent from any party other than Tenant shall not be deemed to be a consent to a Transfer. Tenant shall have no claim, and waives the right to any claim, against Landlord for damages by reason of any withholding or delay by Landlord of any consent, and Tenant's only remedy shall be an action for declaratory judgment or injunction.

**E.** Each Transfer to which Landlord consents (or as to which Landlord's consent shall not be required) shall be by instrument in form reasonably satisfactory to Landlord, and shall be executed by Tenant and the Transferee, who shall agree, for the benefit of the Landlord, (i) in the case of an assignment, to assume the obligations of Tenant under this Lease, or (ii) in the case of a sublease, that sublease shall be subject and subordinate to this Lease and shall provide that the subtenant shall procure and maintain policies of insurance covering liability and covering all contents and subtenant's stock in trade, trade fixtures, and fixtures in the Leased Premises, as required of Tenant under Section 4(C). An executed copy of the instrument shall be delivered to Landlord. Notwithstanding any Transfer, Tenant shall remain fully liable on this Lease, as a principal and not as a guarantor or a surety, and shall not be released from performing any of its obligations under this Lease.

**F.** Intentionally Deleted.

**G.** Nothing contained in this Section 27 shall be construed to permit any Transferee to violate any exclusive clause in any lease in the Building existing at the time of the Transfer, to conflict with the primary use of any existing tenant in the Building, or to use the Leased Premises in a manner that may have a negative impact on the Property or the business of other tenants. Nothing in this Section 27 is intended to nor shall permit Tenant to transfer its interest under the Lease as part of a fraud or subterfuge to intentionally avoid its obligations under the Lease (for example, transferring its interest to a shell corporation that subsequently files a bankruptcy).

**H.** Tenant shall not permit any transfer of this Lease, or any interest in it, by operation of law, nor mortgage, pledge, hypothecate, encumber or permit a lien on this Lease or any interest in it. No such "transfer" shall be deemed a "Transfer" under Section 27.

**28. SIGNAGE.** Tenant shall not affix or maintain any signs or items on any part of the outside of the Leased Premises (including the exterior side of any door, wall or window), except for Tenant's exterior store identification signs, which shall be subject to Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall be responsible for obtaining (or causing its licensees or concessionaires to obtain) all permits, complying with all governmental regulations relating to its signs and for maintaining all signs in good condition during the Term. No signs or other items shall materially obstruct the view of Tenant's store from the outside or contain flashing or moving letters or words. No illuminated signs located in the interior of any store shall be visible from the outside, except as may be permitted by applicable law. All signs located in the interior of any store shall be in good taste, professionally made, so as not to detract from the general appearance of the store, and shall comply with the Landlord's sign criteria, if any. If Tenant installs any signage in violation of the provisions of this Section, Landlord shall have the right to remove that signage after 5 days' notice to Tenant. If Landlord deems it necessary to remove any signs in order to paint or to make repairs, alterations or improvements, Tenant shall remove (or cause its licensees or concessionaires to remove) its signage within fifteen (15) days after Landlord's request and if Tenant fails to do so, Landlord may remove them (and the cost thereof shall be deemed Additional Rent hereunder).

**29. EXCULPATION.** Tenant hereby expressly understands and agrees that, notwithstanding anything in this Lease to the contrary and notwithstanding any applicable laws to the contrary, the liability of Landlord and of any transferee of Landlord hereunder, and any recourse by Tenant against Landlord or Landlord's transferee, shall be limited solely and exclusively to the interest of Landlord in and to the Property (including any proceeds therefrom), and none of the Landlord Protected Parties (nor any members, partners, submembers or subpartners of Landlord's transferee, nor their respective officers, directors, managers, shareholders, agents, property managers, employees, or independent contractors) shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29 shall inure to the benefit of the present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees of Landlord and the Landlord Parties (and of Landlord's transferee), and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or any present or future member of Landlord (if Landlord is a limited liability company), or any present or future trustee or beneficiary (if Landlord or any partner of Landlord is a trust), or any present or future owner of equity interests in Landlord (if Landlord is any other type of entity) have any liability for the performance of Landlord's obligations under this Lease. Under no circumstances shall Landlord or Tenant, as applicable, be liable for consequential damages, including, without limitation, injury to the other party's business or for any loss of income or profit therefrom (it being agreed, however, that (a) any loss of rents by Landlord arising out of Tenant's Event of Default under or breach of this Lease shall not be deemed "injury to the other party's business" or "loss of income or profits", and (b) consequential damages payable by Tenant pursuant to Section 9 shall not be precluded by this Section 29).

**30. DEBARMENT.**

**A.** Landlord hereby attests that the following are true statements:

- (i) Landlord is not currently debarred by the U.S. federal government.
- (ii) Landlord is not currently suspended by the U.S. federal government.
- (iii) Landlord is not currently named as an "excluded" supplier by the U.S. federal government.

**B.** Landlord must notify Tenant within two (2) business days if Landlord is debarred by any organization in the United States.

**EXHIBIT B  
FLOOR PLAN**

See attached.



1925 CUMBERLAND AVE  
KNOXVILLE, TN 37916  
TEL: 615.252.1111  
WWW.DWELLDESIGNSTUDIO.COM

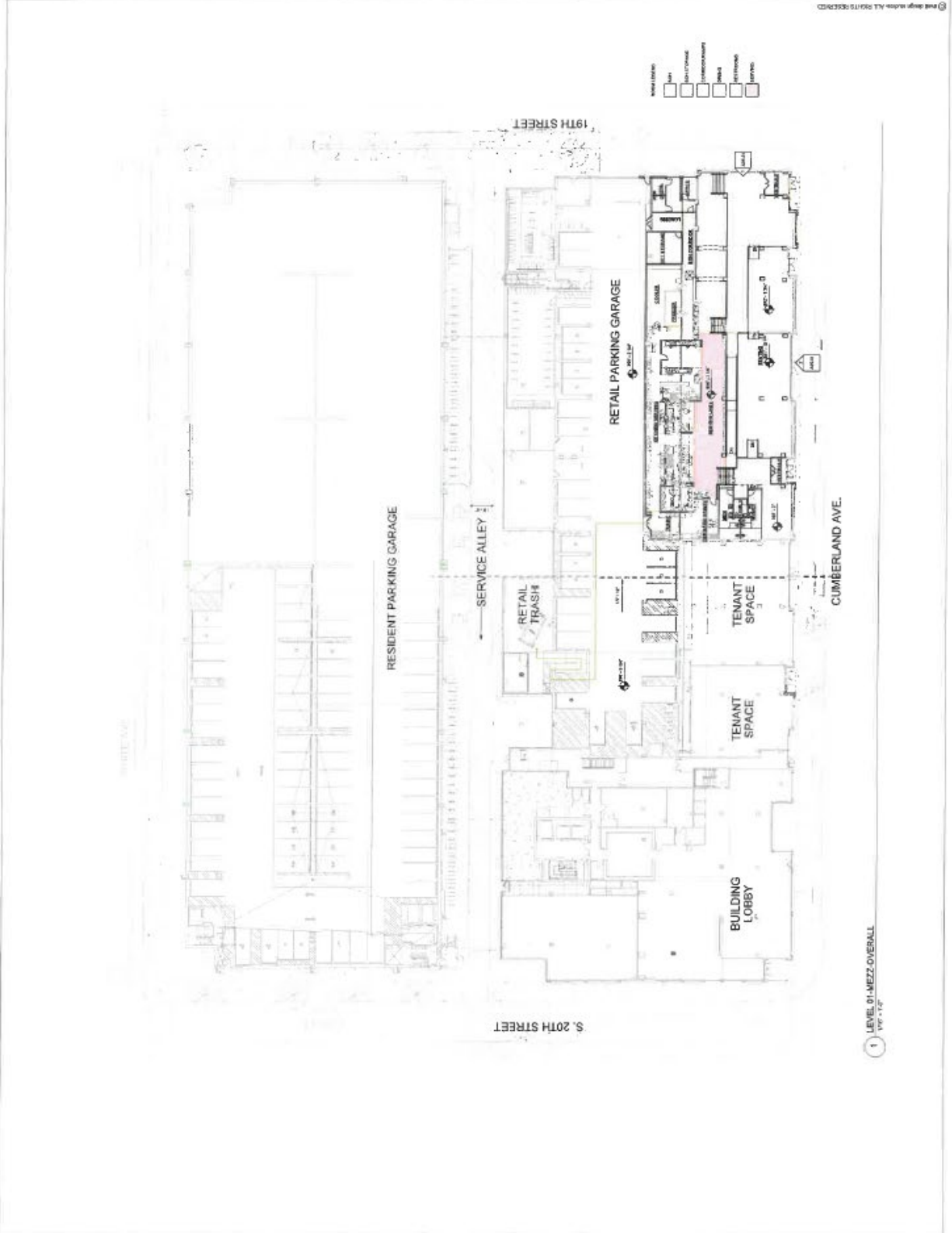
HUB KNOXVILLE - UT FOODHALL  
1925 CUMBERLAND AVENUE  
KNOXVILLE, TENNESSEE 37916

DATE	NOV 14, 2018
REVISION	
NO.	
DESCRIPTION	

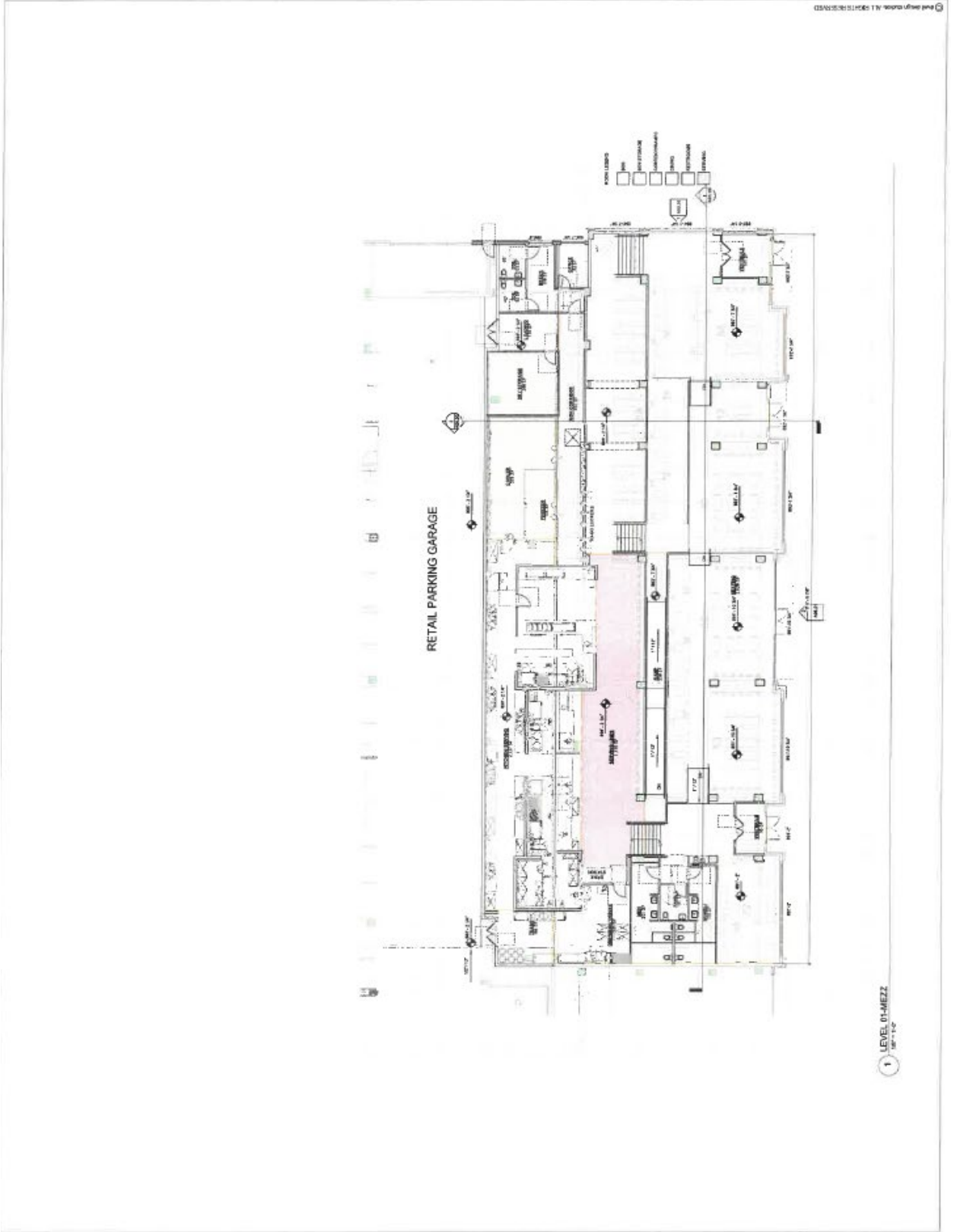
OVERALL FLOOR PLAN

DATE: 11/14/18  
BY: [signature]  
CHECKED BY: [signature]

SCALE: 1/8" = 1'-0"  
SECTION: A03.00  
SECTION: OVERALL



1 LEVEL 01 - MEZZ-OVERALL  
1/8" = 1'-0"





ibach design  
ARCHITECTS & INTERIORS  
1000 UNIVERSITY BLVD. SUITE 100  
KNOXVILLE, TN 37996  
TEL: 615.585.1234  
WWW.IBACHDESIGN.COM



PROJECT INFORMATION	
PROJECT NO.	1000000000
DATE	10/12
DESCRIPTION	LEVEL 01-FS EQUIPMENT PLAN
CLIENT	UNIVERSITY OF TENNESSEE - HUB KNOXVILLE
DESIGNED BY	UT FRESHFILL
DATE	10/12

REVISIONS	
NO.	DESCRIPTION

UNIVERSITY OF TENNESSEE - HUB KNOXVILLE  
UT FRESHFILL  
ARCHITECTS  
1000 UNIVERSITY BLVD. SUITE 100  
KNOXVILLE, TN 37996  
TEL: 615.585.1234  
WWW.IBACHDESIGN.COM  
PROJECT NO. 1000000000  
DATE 10/12  
DESCRIPTION LEVEL 01-FS EQUIPMENT PLAN  
CLIENT UNIVERSITY OF TENNESSEE - HUB KNOXVILLE  
DESIGNED BY UT FRESHFILL  
DATE 10/12

NOT FOR CONSTRUCTION

**EXHIBIT C  
COMMENCEMENT DATE**

Commencement Date Agreement

RE: Lease dated as of \_\_\_\_\_, 2024 (the "Lease") by and between Knoxville TN Condo Properties, KP6, LLC, as landlord ("Landlord"), and the University of Tennessee, as tenant ("Tenant").

To whom it may concern:

Pursuant to the terms of the above captioned Lease, Landlord and Tenant hereby agree 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:

Knoxville TN Condo Properties KP6, LLC

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

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

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

TENANT:

University of Tennessee

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

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

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



**EXHIBIT D  
BUILD OUT TERMS**

1. The Plans for the Leased Premises shall be prepared in accordance with the terms of Section II of the work letter attached to the Lease as Exhibit E (the "**Work Letter**").
2. A copy of the Plans is attached to the Lease as Exhibit G. Upon the approval of the Approved Plans by the requisite parties (as identified in the Work Letter), the Approved Plans shall be deemed to replace the Plans.
3. Any approval by Tenant of or consent by Tenant to the Plans, or any other plans and specifications requiring Tenant's approval 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.
4. Landlord will provide a "Tenant Improvement Allowance" of **\$40.00 per rentable square foot** as outlined in Section 9 of this Lease, which amount shall be paid to Tenant within thirty (30) days after the later of (i) Landlord's receipt of a copy of the certificate of occupancy for the Leased Premises or its equivalent issued by the applicable building authority, and (ii) the date on which Tenant initially opens the Leased Premises for business to the public. Tenant is responsible for the cost of the Tenant Improvement Work (as defined in the Work Letter) that exceeds this amount.
5. The Tenant Improvement Work shall be performed (i) in accordance with the terms of the Work Letter, (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. In connection with the Tenant Improvement Work, Landlord agrees to cause Landlord's general contractor to obtain two (2) bids from qualified contractors for each major trade subcontract exceeding \$100,000, unless the trade selected for such work was engaged to perform a similar scope of work for the Building. 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 general construction contract for the Tenant Improvement Work, Landlord will seek approval from Tenant in writing pursuant to Exhibit E, paragraph II.A.1, which approval shall not be unreasonably withheld, conditioned or delayed. Once such general construction contract is executed, any changes to the scope of work, schedule or budget must be approved by Tenant and Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Neither Landlord nor Tenant assumes any liability for change orders that were not approved by Landlord or Tenant, as applicable, 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 Base Building Work (as defined in the Work Letter) to be complete on or before the Estimated Base Building Work Completion Date (as defined in the Work Letter); subject to extension upon the occurrence of a Force Majeure Event; provided, however, Landlord shall have a one-time right to extend the completion of the Landlord's Base Building Work for one hundred eighty (180) days.
8. Intentionally Deleted.
9. **SPECIFIC REQUIREMENTS RELATING TO RESTAURANT USE.** Landlord and Tenant anticipate that the Plans will address the specifications set forth below; provided, however, anything herein to the contrary notwithstanding, the Approved Plans (as defined in the Work Letter) shall supersede and replace the requirements set forth below.
  - A. Exhaust Systems; Cleaning and Degreasing. Tenant's Plans (as defined in Exhibit E) shall, provide the necessary exhaust system, including, without limitation, fans, scrubbers, ductwork and venting as required by applicable law to ensure that all smoke, odors, vapors and steam are exhausted from the Leased Premises in a location and manner reasonably approved by Landlord. Tenant's exhaust or venting systems shall include fire prevention and/or extinguishment facilities or systems as may be reasonably required from time to time in view of Tenant's methods and volume of cooking and other food and beverage preparation. This shall be in addition to any sprinkler or other fire protection facilities installed in the Leased Premises. Such systems shall be designed so as to prevent the discharge of noxious smoke, odors, vapors and steam into the ambient air. Tenant shall regularly and adequately clean or provide for the cleaning of all exhaust, scrubber and venting systems serving the Leased Premises. This cleaning shall include degreasing of all hoods, filters, fans, vents, pipes, flues, grease traps and other areas of such systems subject to grease buildup. Tenant shall provide to Landlord, upon demand, reasonable proof that Tenant is doing such cleaning and degreasing or causing it to be done.
  - B. Extermination. Tenant shall, at its cost, at all times during the Term, have and keep in force a pest control contract (in form and with a contractor satisfactory to Landlord) providing for monthly inspection and pest control in such a manner as shall eliminate any pest or vermin within the Leased Premises and prevent the spreading of the pests or vermin to other portions of the Property.
  - C. Sewers and Catch Basins. Tenant Plans shall provide the necessary piping, connections, grease traps, catch basins and other facilities for the removal of all waste liquids from the Leased Premises in compliance with all applicable codes and ordinances of the municipality and other governmental authorities having jurisdiction. Landlord may require that Tenant's waste liquid removal equipment include ejector pumps, if the same should be deemed reasonably necessary by Landlord. Such facilities shall be connected to the sewers and mains provided by Landlord, and shall be designed so as to prevent the backing up or discharge of any such waste liquids into the Leased Premises or into any part of the Property.

Tenant shall not dispose of waste grease, oil or other materials which tend to cause clogging or blockage of pipes and drains (hereinafter collectively referred to as "grease") by pouring or permitting the same to flow into any drains or pipes. Tenant shall regularly and adequately clean or cause the cleaning of all grease traps, catch basins and similar facilities serving the Leased Premises. Tenant shall not use any chemicals or other cleaning methods which could damage the drain pipes or other portions of the drainage and/or sewer systems in the Leased Premises or the Property. Tenant shall provide to Landlord, upon demand, reasonable proof that Tenant is regularly doing such cleaning or causing it to be done.

D. Equipment. All equipment installed or used by Tenant in the Leased Premises shall be properly installed and, where necessary, with adequate electrical wiring in conformity with the recommendations of the manufacturers thereof and with all applicable codes and ordinances. No equipment shall be used by Tenant in the Leased Premises unless and until such equipment and the installation thereof has been inspected and approved by the departments or bureaus of the municipal and other governmental authorities having jurisdiction and unless, until and only for so long as all necessary permits and authorizations for the use and/or operation thereof have been obtained by Tenant from such authorities at Tenant's sole cost and expense.

**EXHIBIT E**  
**WORK LETTER**

**I. LANDLORD'S BASE BUILDING WORK**

1. Landlord will provide per Landlord's plans only the following improvements to the structure to be constructed by Landlord, and Landlord may select the manufacturer as to all materials and equipment that Landlord is obligated to supply. For purposes hereof, "**Landlord's Base Building Work**" shall mean only the following improvements or facilities:
  - **See Exhibit E-1 attached hereto.**
2. Landlord will cause Landlord's Base Building Work to be completed at Landlord's sole cost and expense. Landlord's Base Building Work and the Tenant Improvement Work (as defined in Section II.C below) are together referred to herein as "**Landlord's Work**". As used in the Lease, the terms "**substantial completion**" and "**substantially complete**" shall mean that Landlord's Work has been completed with the exception of punch list items which will not interfere with Tenant's use or occupancy of the Leased Premises, as reasonably determined by Landlord.
3. Prior to completion of the Approved Plans (as defined below), Landlord will advise Tenant of the estimated date by which Landlord anticipates Landlord's Base Building Work to be substantially complete (the "**Estimated Base Building Work Delivery Date**"). Landlord currently anticipates that the Estimated Base Building Work Delivery Date will be on or before February 1, 2025.

**II. PRE-CONSTRUCTION ACTIVITIES:**

**A. Plans.**

1. As an accommodation to Tenant, Landlord has hired, at Tenant's sole cost Dwell Design Studio, LLC ("**Dwell**") to prepare the Plans (as defined below) pursuant to that certain Proposal for Services from Dwell dated August 25, 2023, and identified as Project No. 2354101, with Dwell engaging Square Feet Studio, Inc., Ricca Design Studio, Jordan & Skala Engineers and DCI Engineers in connection therewith (collectively, the "**Architect**"), to assist with preparing the Plans. As of the Effective Date, Landlord has executed the proposal for Architect's preparation of the Plans (the "**Proposal**"). Any fees due and payable pursuant to the Proposal will be payable by Tenant within thirty (30) days of receipt of an invoice therefor. The parties agree and acknowledge that: (i) Landlord has engaged Dwell pursuant to the Proposal to perform a portion of the Tenant Improvement Work contemplated in the Proposal prior to the execution of this Lease; and (ii) the parties have entered into a Pre-Development Agreement dated as of July 1, 2024 (the "**Pre-Development Agreement**"), contemplating the reimbursement of fees incurred pursuant to the Proposal prior to the execution of this Lease. Within thirty (30) days of execution of this Lease, Landlord will pay all outstanding invoices associated with the Proposal not previously paid pursuant to the Pre-Development Agreement, whereupon the Pre-Development Agreement shall be terminated in accordance with its terms.
2. The parties agree and acknowledge that Landlord is engaging Architect as an accommodation to Tenant. Tenant shall utilize diligent, good faith efforts to finalize the Plans pursuant to the following schedule:

<b>Phase</b>	<b>Start</b>	<b>Finish</b>	<b>Duration</b>
Schematic Design	6/17/24	7/12/24	4 weeks
SD Owner Review	7/15/24	7/19/24	1 week
Design Development	7/22/24	8/30/24	6 weeks
DD Owner Review	9/2/24	9/6/24	1 week
Construction Documents	9/9/24	10/4/24	4 weeks
Permitting/Bidding	10/7/24	12/13/24	10 weeks (estimate)
Construction	1/1/25	8/1/25	6-8 months

If the Plans are not finalized on or before August 9, 2024 (the "**CD Completion Date**"), then Tenant, may extend the CD Completion Date by an additional ninety (90) days to cause the Architect to complete and deliver the CDs to Tenant and Landlord by delivery of notice of such extension to Landlord at least five (5) business days prior to the CD Completion Date. If Tenant fails to provide completed CD's to Landlord on or before the date that is ninety (90) days following the CD Completion Date, then Landlord shall have the right to terminate the Lease by written notice delivered to Tenant. If Landlord terminates the Lease as a result of such failure, Landlord shall submit a final invoice to Tenant for all bills due and payable pursuant to the Proposal whereupon this Lease shall be deemed null and void and the parties shall have no further responsibility to each other (except for those obligations that expressly survive such termination). Notwithstanding the foregoing, Tenant shall provide Landlord with its requirements for venting and drainage prior to August 1, 2024, and if not provided by such date, Tenant shall provide same within ninety (90) days after such date, in which case the CD Completion Date shall be extended on a day for day basis until so delivered (which extension of the CD Completion Date shall not exceed 90 days).

3. As used herein, the term “**Plans**” shall mean the full and detailed architectural and engineering plans and specifications covering the work to be performed in the Leased Premises, as approved by Tenant and prepared in cooperation with the Architect (collectively, the “**Tenant Improvement Work**”). Tenant has budgeted \$3,500,000.00 for the Tenant Improvement Work (the “**Tenant Budget**”). Tenant and Landlord will instruct Architect to use commercially reasonable efforts to design the Leased Premises in accordance with the Tenant Budget. Landlord will attend the meetings with Architect and Tenant pursuant to the Proposal and within fifteen (15) days of completion of: (i) Conceptual, (ii) Schematic Design, (iii) Design Development and (iv) CDs, provide its approval of the Tenant Improvement Work; provided, however, such approval shall not be a guarantee that the Tenant Budget will be achieved. The Plans shall also be subject to the approval of all local governmental authorities requiring approval of Tenant’s Work. Landlord shall give its approval or disapproval of the Plans within fifteen (15) business days after their delivery to Landlord. Landlord agrees not to unreasonably withhold its approval of the Plans; provided, however, that Landlord shall not be deemed to have acted unreasonably if it withholds its approval of the Plans because, in Landlord’s reasonable opinion: (i) the Tenant Improvement Work as shown in the Plans is likely to adversely affect Building systems, the structure of the Building or the safety of the Building; (ii) the Tenant Improvement Work would violate or fail to comply with any applicable laws or industry standards; (iii) the Tenant Improvement Work contains or uses Hazardous Substances; (iv) the Tenant Improvement Work would adversely affect the appearance of the Building; or (v) the Tenant Improvement Work is prohibited by any mortgage or trust deed encumbering the Land or the Building. The foregoing reasons, however, shall not be exclusive of the reasons for which Landlord may withhold consent, whether or not such other reasons are similar or dissimilar to the foregoing. If Landlord notifies Tenant that changes are required to the final Plans or any draft Plans (Concept, Schematic or Design Development Plans) submitted by Tenant, Tenant shall, within ten (10) business days thereafter, submit to Landlord, for its approval, the Plans amended in accordance with the changes so required. As used herein the term “**Approved Plans**” shall mean the Plans (as hereinafter defined), as and when approved in writing by Landlord and all governmental authorities requiring approval of Tenant’s Work (including the State of Tennessee Building Commission, if applicable).
4. Landlord’s review and approval of the Plans shall in no way be deemed to be or constitute a waiver of the requirements set forth in this Exhibit regarding the Tenant Work or a representation or warranty by Landlord that the Plans (or Approved Plans) either are complete or suitable for their intended purpose, can be constructed within the Tenant Budget nor comply with applicable Laws, that any element of the Tenant Improvement Work performed pursuant to the Plans will comply with applicable Laws or that the Tenant Improvement Work can be constructed in accordance with the Plans (or Approved Plans), it being expressly agreed by Tenant that Landlord assumes no responsibility or liability whatsoever to Tenant or to any other person or entity for such completeness, suitability or compliance.
5. After receipt of written approval of the Approved Plans by the requisite parties, Landlord shall, with reasonable speed and diligence, file the Approved Plans with the appropriate governmental authority or authorities, and shall take whatever action shall be reasonably necessary (including modifications approved by Landlord and Tenant of the Approved Plans) to obtain and maintain all governmental certifications, permits, authorizations and approvals which may be required in connection with the Tenant Improvement Work. Tenant shall promptly reimburse Landlord for all filing fees and other costs incurred by Landlord in connection therewith.
6. Tenant shall reimburse Landlord for its costs incurred in performing its obligations under the Paragraph II(5) on a monthly basis within thirty (30) days of submission of any invoice including the obligation to pay an initial invoice for all costs incurred pursuant to the Proposal prior to the date of the Lease.

B. Change Orders.

All changes to the Approved Plans requested by Tenant must be approved by Landlord. Delays caused by Tenant-initiated change orders initiated after the CD Completion Date, including, without limitation, any stoppage of work during the change order review process, shall not result in any change to the Commencement Date.

III. CONSTRUCTION OF THE TENANT IMPROVEMENT WORK

A. Bidding for the Tenant Improvement Work.

1. Upon completion of the Approved Plans, Landlord shall engage, at Tenant’s sole cost and expense, Landlord’s general contractor or another general contractor selected by Landlord (the “**Landlord Contractor**”) to obtain bids for the cost of the Tenant Improvement Work.
2. Within one hundred and twenty (120) days following the CD Completion Date (which may be extended as provided above), Landlord will obtain a gross maximum price bid (the “**Proposed Cost**”) from the Landlord Contractor and will provide the bidding information and the projected construction schedule (including a date for substantial completion of the Tenant Improvement Work, the “**Landlord Contractor Substantial Completion Date for TI Work**”), to Tenant for Tenant’s approval. The bidding information will be “open book” and provide a list of all subcontractors and associated costs along with a breakout of overhead and profit charges from the Landlord Contractor and shall include a construction

management fee equal to five percent (5%) of all Tenant Improvement Costs. If the Proposed Cost is less than the Tenant Budget, Tenant shall be deemed to have approved the bid. If the Proposed Cost is greater than the Tenant Budget, then within ten (10) business days after Landlord's delivery of such bid, Tenant shall elect to either (i) approve the bid, or (ii) disapprove the bid in which case Tenant shall perform the Tenant Improvement Work by engaging its own general contractor reasonably approved by Landlord. If Tenant elects to perform the Tenant Improvement Work with its own general contractor ("**Tenant Contractor**"), the parties shall enter into an amendment to this Exhibit E which shall be prepared by Landlord containing specific provisions relating to the performance of such work, including without limitation, insurance requirements of Tenant Contractor and revised provisions relating to the payment for the Tenant Improvement Work. Further, if Tenant elects to perform the Tenant Improvement Work using Tenant Contractor, the Commencement Date of the Lease shall be modified to be the earlier of (i) the date that is one hundred and twenty (120) days after the Landlord Contractor Substantial Completion Date for TI Work (the "**Tenant Contractor Substantial Completion Date for TI Work**"), or (ii) the date Tenant opens for business in all or any portion of the Leased Premises.

#### B. Construction of the Tenant Improvement Work.

1. If Tenant is deemed to approve or approves the bid from the Landlord Contractor, Landlord shall engage the Landlord Contractor to perform the Tenant Improvement Work, with the costs thereof to be paid by Tenant as set forth below. Landlord shall use good faith efforts to cause the Landlord Contractor to perform the Tenant Improvement Work in a good workmanlike manner and to substantially complete such work by the Landlord Contractor Substantial Completion Date for TI Work, all in accordance with the contract entered into between Landlord and Landlord Contractor for the Tenant Improvement Work. All costs incurred by Landlord under the contract, including, without limitation, to enforce the same, shall be paid for by Tenant as set forth below.
2. Landlord shall give notice to Tenant when: (i) Tenant Improvement Work is substantially completed, and (ii) a certificate of occupancy has been issued by the applicable governmental authority (collectively, the "**Delivery Date Conditions**"). The date on which Landlord actually delivers possession of the Leased Premises to Tenant following the satisfaction of the Delivery Date Conditions shall be referred to in this Lease as the "**Delivery Date**"). If Landlord Contractor is completing the Tenant Improvement Work, and Landlord Contractor fails to substantially complete the Tenant Improvement Work by the Landlord Contractor Substantial Completion Date for TI Work, Landlord shall use commercially reasonable efforts to cause Landlord Contractor to complete the work including utilizing the remedies provided for in the contract between Landlord and Landlord Contractor. Notwithstanding the aforementioned, so long as Landlord is utilizing good faith efforts to cause Landlord Contractor to complete the Tenant Improvement Work, Landlord shall not be subject to any liability for any failure to delivery possession of the Leased Premises to Tenant prior to the Landlord Contractor Substantial Completion Date for TI Work nor shall the validity of this Lease or the obligations of Tenant be in any way affected thereby. If Landlord Contractor fails to substantially complete the Tenant Improvement Work within sixty (60) days following the Landlord Contractor Substantial Completion Date for TI Work (subject to extension following the occurrence of any Force Majeure Event), then Tenant may elect to have Tenant Contractor complete the Tenant Improvement Work by providing written notice of such election to Landlord following the expiration of such sixty (60) day period and in any event no later than the date that is one hundred eighty (180) days following the Landlord Contractor Substantial Completion Date, whereupon Landlord shall terminate its contract with Landlord Contractor and, for the avoidance of doubt, Tenant shall be responsible for payment of all costs under such contract with Landlord Contractor. Within ten (10) business days after the Delivery Date, Tenant shall give Landlord notice of any work Tenant deems incomplete or defective, of any "punch-list" items relating to Landlord's Work, and whether Tenant believes Landlord's Work is not substantially completed. If Tenant fails to deliver such notice within the 10-business day period, Tenant shall be deemed to have waived all claims as to the occurrence of the Delivery Date. Landlord shall use diligent efforts to complete all punch-list items within sixty (60) days after receipt of the notice from Tenant.
3. If Tenant elects to perform the Tenant Improvement Work using Tenant Contractor pursuant to Section III.A.2 above and the Tenant Improvement Work is not complete by the Tenant Contractor Substantial Completion Date for TI Work, then notwithstanding such failure the Commencement Date shall be deemed to be the first day of the calendar month immediately following the Tenant Contractor Substantial Completion Date for TI Work and Tenant shall commence the payment of Rent, including Tenant's Proportionate Share of Operating Expenses, on such date.
4. In the event that the Delivery Date occurs before August 1, 2025, Tenant shall have no obligation to open the Leased Premises for business to the public prior to August 1, 2025; provided, however, if Tenant elects to open the Leased Premises for business to the public prior to such date, then the Commencement Date shall be the date Tenant so opens for business.

#### IV. PAYMENT FOR THE TENANT IMPROVEMENT WORK

1. Tenant shall be responsible for the payment of all costs incurred by Landlord for performing the Tenant Improvement Work ("**Tenant Improvement Costs**") and shall pay all costs necessary to satisfy any mechanic lien claims arising in connection with any such failure to timely make such payments (including, without limitation, all costs to bond over any such mechanic lien in accordance with applicable law). Tenant acknowledges that Landlord shall be paid a construction management fee equal to five percent (5%) of all Tenant Improvement Costs which shall be paid to Landlord with each draw request based on five percent (5%) of such draw. The Tenant Improvement Costs shall include, without limitation, all labor, materials, supplies, insurance expenses, fees, general conditions, permits, inspections and other costs incurred by Landlord in connection with performing the Tenant Improvement Work. The Tenant Improvement Costs shall be paid by Tenant on a monthly basis within thirty (30) days after submittal of a draw request from Landlord (which shall include the underlying draw package received by Landlord from its general contractor).

**Exhibit E-1**  
**DESCRIPTION OF LANDLORD'S BASE BUILDING WORK**

Landlord will provide per the Plans only the following improvements to the structure to be constructed by Landlord, and Landlord may select the manufacturer as to all materials and equipment that Landlord is obligated to supply. Landlord's Base Building Work does not include any improvements or facilities except the following:

1. STOREFRONT: Metal storefront system with tempered glass as required by International or local Building Code. Front entrance door(s) will include one cylinder lock keyed from the outside only. Doors will be per code and per the attached LOD. Will provide weather rated junction box at exterior storefront that will be fed via conduit into tenant space for tenant provided power wiring and final connection of exterior signage.
2. DEMISING WALLS: Demising walls will be framed per the Plans, with metal studs installed from floor to ceiling. Walls will be drywalled and taped.
3. CEILINGS: Exposed concrete ceiling.
4. WATER: Furnish and install a separately sub-metered 1.5" domestic water supply line routed to the rear of the Premises. All related tap, impact, system development, fixture or any similar charges shall be paid for by the Tenant.
5. HVAC: System is a water source heat pump. Landlord will provide 1 ton per 250 sqft of cooling/heating. There is additional capacity for heating/cooling should tenant need to install supplemental heat pumps.  
  
No distribution is provided.  
Providing grease duct risers as part of the Work. One (1) 24"Ø grease duct shall stub from each Restaurant retail space and run vertically to roof where it will be capped for tenant to provide future grease fan. Maximum estimated capacity for grease duct provided is 6,000 CFM at 2,000 FPM. Tenant to install a grease scrubbing hood unit and/or UV hood system to eliminate grease OR reference Landlord's plan for possible black iron shaft space routed to 3<sup>rd</sup> floor roof.
6. ELECTRICAL: Providing a common retail switchboard located within the main electric room on Building 1 with a 200A breaker and two homerunned conduits from the switchboard to each retail space for wire to be pulled by future tenant. Meter CTs to be provided at retail switchboard.
7. GAS: Furnish and install (1) 2" natural gas stub into the rear of the tenant space from utility provided meter at the exterior of the building. Tenant or utility provider to provide own gas meter.
8. SPRINKLER SYSTEM: Standard system (based on no partitions) with coverage based ordinary hazard, Group 2. More stringent systems may be required based on the Tenants usage, and are to be done by Landlord's fire sprinkler contractor at Tenant's expense and in accordance with governmental and Landlord requirements. System to be exposed upright heads.
9. FLOORS: Floor will be concrete slab, unless otherwise requested by tenant before slab is poured.
10. TELEPHONE: Furnish and install a (1) 2" empty conduit stubbed at the rear within the Leased Premises originating from the property's joint telephone point of demarcation.
12. FIRE ALARM SYSTEM: Notification devices as required for shell occupancy are provided within tenant space. All other fire alarm work required for tenant improvement shall be done by tenant. Fire alarm system devices and cabling shall be compatible with building fire alarm system.
13. SEWER & GREASE TRAP: Furnish and install (1) 4" line for sanitary sewer lines, (1) 3" sanitary vent tap, and (1) 4" line for grease interceptor that will be stubbed in at the rear of the premises. Providing dedicated grease interceptor.
14. REAR ACCESS DOOR: One 3'-0" x 7'-0" hollow metal door with a cylinder lock and key.
15. SHAFTS & ENCLOSURES: Kitchen Hoods shall be pollution and odor control units to filter the air before being discharged through the side of the building. This equipment will be provided by tenant if needed. Path for outside/make up air will be stubbed into the tenant space from a future louver by tenant in storefront.
16. TRASH & WASTE: Reference base building plans for retail trash area.

**EXHIBIT F  
TENANT OPERATION IN THE LEASED PREMISES**

Tenant shall:

- (1) use the Leased Premises only for the Permitted Use, and operate its business in the Leased Premises under Tenant's Trade Name(s);
- (2) conduct its business at all times in a reputable manner so as to help establish and maintain a high reputation for the Property;
- (3) use storage and office space only in connection with the business conducted by Tenant in the Leased Premises;
- (4) furnish and install all trade fixtures, which shall at all times be suitable and proper for carrying on Tenant's business;
- (5) open for business and remain open on all days during the entire Term as is customary for the Permitted Use in the general vicinity of the Property, including such evenings and during such hours as shall be customary for the Permitted Use or otherwise reasonably determined by Tenant.
- (6) give Landlord prompt notice of any accident, casualty, damage or other similar occurrence in or to the Leased Premises or on the Property of which Tenant has actual (not imputed) knowledge;
- (7) reasonably protect the Leased Premises from theft, robbery and pilferage;
- (8) ascertain from Landlord the maximum capacity of all utilities serving the Leased Premises and not install any equipment which exceeds that capacity;
- (9) maintain exit lights and battery backup lights in good working condition at all times as required by City code and insurance policies covering the Property;
- (10) roll up or fold back security gates and grills to their minimum size during regular business hours to limit their visibility;
- (11) use the name of the Property and the address of the business conducted on the Leased Premises in advertising or other publicity;
- (12) to the extent permitted by applicable law, prohibit the carrying of concealed firearms on the Leased Premises. If permitted by applicable law, Tenant shall post a sign stating that the carrying of firearms is prohibited, which sign shall comply with applicable law;
- (13) permit Landlord or adjoining tenants to install and maintain pipes, ducts, conduits, wires and structural elements located in the Leased Premises which serve such adjoining tenants or other parts of the Property, provided (a) the installations do not reduce the gross leasable area of the Leased Premises in a material way, and (b) in the case of adjoining tenants, the work is done by a licensed contractor who is insured against all claims, demands or actions made by or on behalf of any person or persons, or entities and arising from, related to or connected with the Leased Premises, for bodily injury to or personal injury to or death of any person, or more than one person, or for damage to property in an amount of not less than \$1 million combined single limit per occurrence/aggregate. In performing work under this paragraph, Landlord shall not unnecessarily or unreasonably interfere with the conduct of Tenant's business in the Leased Premises;
- (14) prohibit its employees and invitees from smoking or vaping tobacco or marijuana products in the Leased Premises; and
- (15) pay any tax on Tenant's personal property imposed by any governmental authority.

Tenant shall not:

- (1) Intentionally Deleted;
- (2) use or permit the use of the Leased Premises (a) for the sale or exhibition of pornographic, "adult," or sexually oriented materials or merchandise or as a dance hall (including any establishment featuring nude or topless or partially clad dancing), (b) for the sale of so-called "mind altering" drugs or drug paraphernalia or as a so-called "head shop", (c) as a flea market, (d) as a video arcade, (e) as a pawn shop, (f) as a wholesale or factory outlet store, (g) as a cooperative store, (h) as a second hand store, (i) as a surplus store, (j) as a tattoo parlor, (k) as an entertainment center, (l) for gambling, (m) for the sale of petroleum products, or (n) as a dry cleaner;
- (3) injure, overload, deface or otherwise harm the Leased Premises;
- (4) commit any nuisance or waste;
- (5) permit any noise, vibrations or noxious odors to unreasonably emanate from the Leased Premises;

- (6) use the Leased Premises for any hazardous purpose or in any manner that will suspend, void or make inoperative any policy of insurance carried on any improvement on the Property or in any manner which will increase the cost of any of Landlord's insurance. If Tenant does any act or uses the Leased Premises in such a manner as will increase the cost of any of Landlord's insurance, then, without prejudice to any other remedy, Tenant shall pay as additional rent, within ten (10) days after Landlord bills Tenant, the amount by which Landlord's insurance premiums are increased as a result of that use, which payment shall be in addition to the payment for Landlord's insurance, as part of Tenant's Proportionate Share of Operating Expenses provided for in Section 4(B)(ii);
- (7) permit inflammables, hazardous or toxic chemicals or wastes or explosives or any other articles which are of an intrinsically dangerous nature in the Leased Premises;
- (8) cause or permit to be caused any electrical or communication interference of any kind to any electrically operated equipment on the Property resulting directly or indirectly from the installation and/or operation of any of Tenant's equipment;
- (9) sell, distribute or give away any product which tends to create a nuisance on or about the Property;
- (10) make any use of the Leased Premises which is improper, offensive or contrary to any law or ordinance or any regulation of any governmental authority, including any environmental, health or safety protection law;
- (11) conduct or permit any going-out-of-business, bankruptcy, fire, or auction sales on the Leased Premises;
- (12) use any advertising medium such as hand bills, flashing lights, searchlights, loudspeakers, sound amplifiers or radio or television receiving equipment on the exterior walls or roof or in a manner to be seen or heard outside the Leased Premises;
- (13) load, unload or park any truck or other delivery vehicle in any area of the Property other than the area designated by Landlord;
- (14) use any handtruck except those equipped with rubber tires and side guards;
- (15) use any sidewalks or walkways on or about the Property for storage or disposal of trash or refuse or keeping or displaying of any merchandise or other object;
- (16) install or use any sign or other advertising device on the exterior of the Leased Premises other than a store identity sign as provided in Section 28;
- (17) use or permit the use of any portion of the Leased Premises as living quarters, sleeping apartments or lodging rooms;
- (18) do any act tending to injure the reputation of the Property;
- (19) locate any fixtures, equipment, displays, goods and/or inventory (a) outside of the store front or store windows, or (b) in the area of the Leased Premises between the store front or windows and the border line between the Leased Premises and the sidewalk (if such front or windows are recessed). Electronic surveillance or other shoplifting devices and security systems shall be incorporated and integrated within Tenant's storefront design;
- (20) operate any coin or token operated vending machine or similar device for the sale of any goods, wares, merchandise, food, beverages, or services, including pay telephones, pay lockers, pay toilets, scales, amusement devices, video games, or machines for the sale of beverages, foods, candy, cigarettes or other commodities;
- (21) install any curtains, drapes, blinds, shutters or any other coverings on the windows or doors of the Leased Premises;
- (22) install any antenna, dish or other equipment for transmission or receipt of radio, microwave or other electronic signals, without the prior consent of Landlord;
- (23) bring or permit to be brought, any animals into the Leased Premises (except service animals for persons with disabilities);
- (24) waste water by tying, wedging or otherwise fastening open any faucets;
- (25) enter upon or permit Tenant's contractors, agents or employees to enter upon the roof of the Building except in strict compliance with the requirements of any roof warranty in effect; or
- (26) cultivate, possess, or sell marijuana plants, or products derived from marijuana plants in the Leased Premises.



**EXHIBIT G  
PLANS**

See attached.

**EXHIBIT H  
COMMON AREAS**

See attached.

**EXHIBIT I  
FORM OF SNDA**

See attached.

**EXHIBIT J  
FORM OF ESTOPPEL CERTIFICATE**

See attached.

**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 Knoxville Southern Station, LLC (the “Landlord”), approximately twenty-eight thousand two hundred twenty-five (28,225) square feet of space (the “Space”) in the former Southern Railway Depot buildings located at 306 and 318 West Depot Avenue, Knoxville, Tennessee the (“Buildings”); and

Whereas, a lack of space is preventing UTK’s College of Architecture and Design (“CoAD”) from expanding its program and, as a result, space is being sought to allow CoAD to grow; and

Whereas, a recent market survey of potential instructional and support space near campus found very few options.

Whereas, the Buildings are 1.8 miles from the UTK main campus, allowing faculty and students to remain engaged with campus life, and

Whereas, the Buildings provide a large amount of space to support the collaborative nature of the CoAD program while allowing architecture and design students to be immersed in both the instructional and development aspects of Knoxville; and

Whereas, the Lease will have an initial five (5) year term with an option to extend for an additional five (5) years; and

Whereas, the base rent (the “Rent”) for the Space will be twenty-five dollars (\$25.00) per square foot, escalating annually by three per cent (3%), including during the option term, if exercised; and

Whereas, UT will pay all separately metered utilities and provide its own janitorial services for the Space, pay one hundred dollars (\$100) per month per space for sixty-five (65) parking spaces and also pay the Landlord’s operating costs, which include Landlord’s cost of maintenance of the complex, the leased premises, the landscaping, driveways and parking areas, real property taxes, Landlord’s insurance, and pest control, all of which is estimated to be an average of seven dollars and twenty-eight cents (\$7.28) per square foot per year during the initial five (5) year Lease term; and

Whereas, the average annual Rent cost for the initial five year Lease term will be seven hundred forty-nine thousand three hundred seventy-three dollars and seventy--five cents (\$749,373.75) and the total average effective cost (including operating costs) for the initial five year Lease term will be one million two hundred two thousand three hundred eighty-five dollars and no cents (\$1,202, 285.00); and

Whereas, under the Lease, the Landlord will provide a tenant improvement allowance of ninety-two dollars and fifty-six cents (\$92.56) per square foot which will fund a portion of the Landlord’s work on the tenant build-out but UT will be responsible for the cost of the tenant build-out in excess of the tenant improvement allowance, including furnishings and equipment, which UT build-out cost is projected to be two million seven hundred thousand dollars and no cents (\$2,700,000.00);

Whereas, UT may terminate the Lease for convenience upon 120 days’ notice, however, UT will be required to reimburse the Landlord for the then unamortized tenant improvement allowance; and

Whereas, funding for the Lease payments will be provided by UTK through Plant Funds (Auxiliary) (A).

**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 August 19, 2024.

Adopted by the Authority at its meeting on August 19, 2024.

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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. 2023-06-002

• **Proposed Lease:**

- **Location:**                   University of Tennessee-Knoxville (UTK)  
Knox County- 306 and 318 West Depot Ave, Knoxville, TN
- **Landlord:**                   Knoxville Southern Station, LLC
- **Term:**                         5 years with one (1) 5-year option to extend
- **Area / Costs:**               28,225 square feet

First Year Contract Rent	\$ 455,625.00	\$25.00/sf
Average Annual Contract Rent	\$ 749,373.75	\$26.55/sf
Estimated Utility Cost	\$ 49,393.75	\$ 1.75/sf
Estimated Janitorial Cost	\$ 31,047.50	\$ 1.10/sf
First Year Est. Triple Net Expenses	<u>\$ 453,011.25</u>	<u>\$16.05/sf</u>
Total Avg. Annual Effective Cost	\$1,282,826.25	\$45.45/sf

- **Source of Funding:**       Plant Funds (Non-Aux) (A)
- **Procurement Method:**   Negotiated

**Comment:**                       The College of Art and Architecture is seeking additional space to accommodate growth. This lease will be used for additional class, office, and studio space for upper-class Art and Architecture students. The first portion which includes 7,621 square feet commences in January 2025 with the final 20,604 square feet complete in Fall 2025.

Rent will increase by 3% annually in the renewal term, if exercised. If the University terminates for convenience, then the unamortized Tenant Improvement Allowance will be repaid. The lease also provides the University with access to 65 parking spaces at a rate of \$100/month that can be leased by the University and sold to students, faculty and staff.

**Previous Action:**               06/20/2023    Approved waiver of advertisement

## **EXECUTIVE SUMMARY**

### **BACKGROUND:**

The University of Tennessee, Knoxville (UTK) campus is planning to increase its College of Architecture and Design (CoAD) student enrollment, which is currently limited due to a lack of on campus instructional and design space. The lack of space is preventing CoAD from growing at a time when architects and designers are in shortage within the professions. Additionally, there is a strong demand for CoAD majors. Over 1,000 applications were received for only 75 available seats in the undergraduate Architecture program in the latest admissions cycle. CoAD is planning for a 30% enrollment growth that parallels the new UTK Strategic Enrollment Plan. CoAD has determined that having all third-year students assigned to a suitable off-campus satellite location along with additional faculty and supporting staff positions is the best option it has. The goal is to have this additional space ready for CoAD use by Fall 2025.

The former Southern Railway Depot complex located on W Depot Avenue, Knoxville, TN 37917 is 1.8 miles from the main UT Knoxville campus, providing ideal proximity to remain engaged with faculty and students on-campus. This Depot complex offers two (2) buildings located in an urban setting close to campus, providing a large amount of space to support the collaborative nature of UTK's CoAD program. UTK CoAD's "Fab Lab" property at 525 N. Gay Street, which is used as a fabrication and exhibition facility and for use by the Governors Chair Program, is 0.2 miles away, less than a 5 minute walk. In addition, the surrounding area is experiencing new urban development with housing and entertainment options. Thus, this satellite location will allow architecture and design students to be immersed in both the instructional and development aspects of the city.

### **TERMS:**

The University proposes to lease approximately 28,225 square feet situated in two (2) buildings at this location under a five (5) year agreement with an option to extend the term for five (5) years. The base rent will be \$25.00 per square foot, escalating annually by 3%, including during the option term, if exercised. The University will pay all separately metered utilities and provide its own janitorial services for its space. The University will also pay \$100.00 per month per space for up to 65 parking spaces, which is in-line with the going rate in Downtown Knoxville. Additionally, the University will pay Landlord's operating costs, which includes Landlord's cost of maintenance of the complex, the leased premises, the landscaping, driveways and parking areas, real property taxes, Landlord's insurance, and pest control, which is estimated to be an average of \$16.05 per square foot per year during the five (5) year initial term. This figure includes the University's parking costs.

Landlord will provide a tenant improvement allowance of \$92.56 per square foot which will fund the Landlord's work on the tenant build-out. The University will be responsible for the cost of the tenant build-out in excess of the tenant improvement allowance, including furnishings and equipment. The University's portion of the build-out cost is projected at \$2,700,000.00.

The University may terminate the lease for convenience upon 120 days' notice, however, the University will be required to reimburse the Landlord for the then-unamortized tenant improvement allowance.

### **FUNDING:**

Funding for the lease payments will be provided by UTK through Plant Funds (Non-Auxiliary) (A).

### **REQUEST:**

Request for approval of a lease agreement.



UNIVERSITY OF TENNESSEE**Acquisition – Lease (Space)****Requested Action:** Approval of waiver of advertisement**Transaction Description:** Transaction No. 2023-06-002● **Proposed Lease**

- **Location:** University of Tennessee-Knoxville (UTK) – 306 West Depot Ave, Knoxville, Knox County, Tennessee
- **Landlord:** Knoxville Southern Station, LLC
- **Term:** 10 years
- **Area / Costs:** Up to 30,000 square feet

● **Source of Funding:** Plant Funds (Non-Aux) (A)● **Procurement Method:** Negotiated**Comment:**

A lack of space is preventing UTK's College of Architecture and Design (CoAD) program growth. As a result, space is being sought to allow CoAD to grow. A recent market survey of required instructional and support space near campus found very few options. The former Southern Railway Depot located at 306 W Depot Avenue, Knoxville, TN 37917 is 1.8 miles from the main UT Knoxville campus, providing ideal proximity to remain engaged with faculty and students. This is the only building located in an urban setting this close to campus that can offer a large amount of space to support the collaborative nature of UTK's CoAD program within close reach of the main campus. Proximity to campus is critical in supporting the needs of the student collegiate experience. In addition, the surrounding area is experiencing new urban development with housing and entertainment options. This location will allow architecture and design students to be immersed in both the instructional and development aspects of the city.

**Minutes:** 06/20/2023 ESC Approved waiver of advertisement

**CERTIFICATION OF FUNDS**

Please be advised that The University of Tennessee Knoxville has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the Lease with **Knoxville Southern Station, LLC** in the amount of **Eight million five hundred forty-eight thousand seven hundred ten and 39/100 (\$8,548,710.39)**.

*David L. Miller*

July 3, 2024

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

\_\_\_\_\_  
David L. Miller  
Senior Vice President & Chief Financial Officer

# Southern Depot



AGENCY:	
ALLOTMENT CODE:	COST CENTER:

This Instrument Prepared By:  
 University of Tennessee  
 UT Tower, 9<sup>th</sup> Floor  
 505 Summer Place-UTT 990  
 Knoxville, Tennessee 37902

LE NO.
--------

**NOTE:** No hand written 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:  
306 West Depot Avenue ("Terminal Building")  
318 West Depot Avenue ("Baggage Building")  
Knoxville, TN 37917

2. Tenant: **University of Tennessee**

Landlord Name and Address:  
Knoxville Southern Station, LLC  
123 South Gay Street  
Knoxville, TN 37902

3. Leased Premises: Initially, approximately 7,621 SF of space located in the Baggage Building as identified herein and more particularly described on Exhibit B together will all Common Areas, including parking; An additional approximately 20,604 SF of space located in the Terminal Building will become part of the Leased Premises upon substantial completion of certain renovations and preparations for occupancy in the Terminal Building.

4. Rentable Square Feet: **Initially, 7,621 sf; however, will ultimately total 28,225 sf** upon substantial completion of certain renovations and preparations for occupancy of the Terminal Building.

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

Renewal Option: One (1) five (5) year renewal option, subject to 3% per year annual increase

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.

**Monthly Rental Installments Table**

7. Lease Year(s)	Annual Rental	Monthly Rental Installments	Rental Rate Per Rentable Square Foot
1	\$ 705,625.00*	\$ 58,802.08*	\$ 25.00
2	\$ 726,793.75	\$ 60,566.15	\$ 25.75
3	\$ 748,527.00	\$ 62,377.25	\$ 26.52
4	\$ 771,107.00	\$ 64,258.92	\$ 27.32
5	\$ 794,251.50	\$ 66,187.63	\$ 28.14
Option			
6	\$817,960.50	\$68,163.38	\$28.98
7	\$842,516.25	\$70,209.69	\$29.85
8	\$867,636.50	\$72,303.04	\$30.74
9	\$893,885.75	\$74,490.48	\$31.67
10	\$920,699.50	\$76,724.96	\$32.62
* Reduced to	\$190,525.00	\$15,877.08	until the Terminal Building Build-Out is substantially completed and a Certificate of Occupancy is issued for it.

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: \$92.59 per Rentable Square Foot

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

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: KNOXVILLE SOUTHERN STATION, LLC**

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

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

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

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

**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**

University is Tenant

**NOTE:** No hand-written or interlineated changes to this Lease will override the printed text of this lease.

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 vendor set-up and payment terms selection in Tenant's Paymentworks platform via a link to be provided by Tenant. By doing so, Landlord acknowledges and agrees that, once said vendor set-up is completed by Landlord, all payments to Landlord by Tenant, under this or any other contract Landlord has with Tenant, shall be made by Automated Clearing House (ACH) via the Paymentworks platform.

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. [Intentionally Deleted]

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, including ballasts and starters. Tenant reimburses Landlord for prorata share of maintenance expenses over the Base Year as defined in Section 4C.

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 4C.

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 4C.

E. [Intentionally Deleted]

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. Utilities

Tenant shall, at Tenant's expense, furnish all utilities to the Leased Premises, including electrical, gas, water and sewer, in capacities sufficient for the Permitted Use; in addition, Tenant shall be responsible for telephone and data services.

B. Maintenance

The Tenant shall maintain, at its sole and direct cost, the Leased Premises in good condition (except for those items stated above under Section 2B) reasonable wear and tear and damage due to casualty excepted. In addition, Tenant shall be responsible for janitorial, cleaning, trash removal, minor electrical and plumbing repairs. Tenant shall also, at Tenant's expense, furnish and maintain appropriate outside trash and refuse receptacles for the disposal of trash and refuse from the Leased Premises.

C. The Tenant's Base Year for Operating Costs for this Lease is calendar year 2024. Accordingly, beginning in 2025, 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 2024), 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.

- D. 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.
- E. For the term of this Lease, Tenant shall pay, in addition to Rent, \$100.00 per month (subject to an annual 3% escalation) per parking space for up to sixty-five (65) parking spaces made available to Tenant by Landlord. During the term of this Lease, within thirty (30) days of each academic term (which begin in January, June and August), Tenant shall report to Landlord the number of parking permits it has sold to faculty, staff and students for such academic term, and then Tenant shall remit to Landlord monthly the above-described parking charge for the number of parking spaces being utilized by Tenant during that particular academic term.

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: Knoxville Southern Station, LLC 123 South Gay St., Knoxville, TN 37902, and for Tenant to: University of Tennessee, 301 Andy Holt Tower, Knoxville, Tennessee 37996, with a copy to: University of Tennessee, Office of Real Property, 505 Summit Hill Drive, Knoxville, TN 37902

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, ATTORNMEN 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.

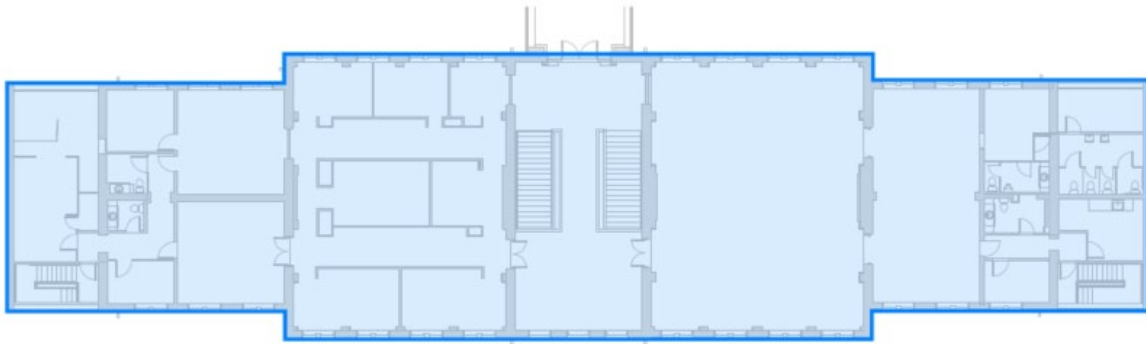
21. IRAN DIVESTMENT ACT. The requirements of Tenn. Code Ann. § 12-12-101 et. seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, are a material provision of this agreement. Landlord hereby certifies, under penalty of perjury, that 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

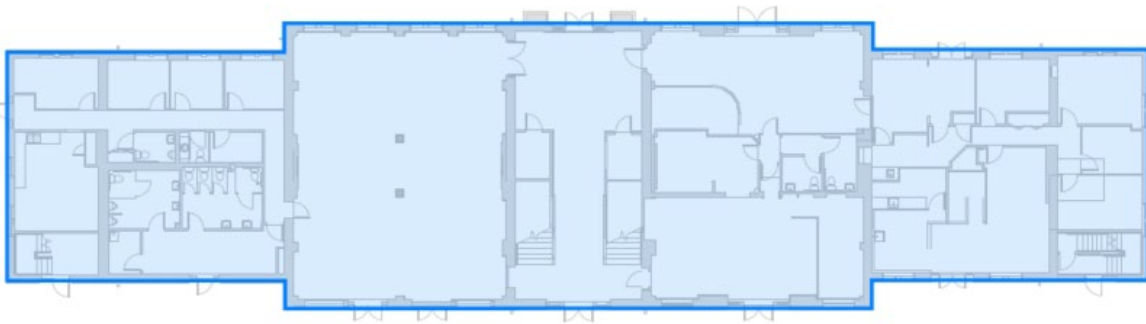
currently engaged in, and will not for the duration of the agreement, engage in a boycott of Israel, as defined by Tenn. Code Ann. § 12-4-119(a)(1).

**EXHIBIT B**  
**FLOOR PLANS**

# TERMINAL BUILDING



2 LEVEL 2  
1/16" = 1'-0"  
0 5 10 32

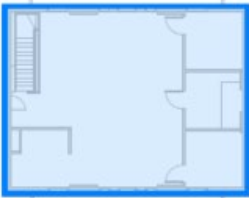


1 LEVEL 1  
1/16" = 1'-0"  
0 5 10 32

lvl 1 - 10,302sf    lvl 2 - 10,302sf    **total gsf - 20,604sf**

Main Station Building | Knoxville, TN

**BAGGAGE BUILDING**



② LEVEL 2  
1/16" = 1'-0"  
0 8 16 32'



① LEVEL 1  
1/16" = 1'-0"  
0 8 16 32'

lvl 1 - 6,265sf      lvl 2 - 1,356sf      total gsf - 7,621sf

Baggage Building | Knoxville, TN



**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

Knoxville Southern Station, LLC

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 thirty (30) days of execution of this Lease.
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 thirty (30) 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 \$ 92.59 per square foot or \$ 2,613,352.75 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 for the Baggage Building to be substantially completed and for occupancy by the earlier of January 10, 2025 or one hundred eighty (180) days after Tenant's approval of the Build Out Plans. Landlord will cause Landlord's Work set forth in the Build Out Plans for the Terminal Building to be substantially completed and for occupancy by the earlier of July 1, 2025 or two hundred seventy (270) days after 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  
AMENDED BORROWING OF MONEY BY ANOTHER  
METHOD BY  
THE UNIVERSITY OF TENNESSEE**

**Recitals**

Whereas, on November 29, 2023, the Tennessee State School Bond Authority (the “Authority”) gave its approval for the University of Tennessee (“UT”), on behalf of its Knoxville campus to enter into lease (the “Lease”) with Magnolia Cherokee Mills LP (the “Landlord”) for eleven thousand eight hundred seventy-two (11,872) square feet of office space (the “Original Space Calculation”) located at 2200 Sutherland Avenue, Knoxville, Tennessee; and

Whereas, the Original Space Calculation was incorrect and should have included an additional one thousand four hundred twenty-four (1,424) square feet of common areas for a total rentable amount of thirteen thousand two hundred ninety-six (13,296) square feet (the “Amended Space Calculation”); and

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

Whereas, the average annual Lease payments under the Amended Space Calculation will be two hundred sixty-nine thousand five hundred nine dollars and ninety-two cents (\$269,509.92), including maintenance, utilities, and janitorial services, which is an average annual increase of twenty eight thousand eight hundred sixty-four dollars and forty-eight cents (\$28,864.48) from the Original Space Calculation of two hundred forty thousand six hundred forty-five dollars and forty-four cents (\$240,645.44); and

Whereas, UT and the Landlord will amend the Lease (the “Amended Lease”) to reflect the Amended Space Calculation and UT will make a one-time payment to the Landlord to catch up on underpayments made pursuant to the Original Space Calculation; and

Whereas, UT may terminate the Amended 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 Amended 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 Authority gives its approval for UT to enter into the Amended Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of August 19, 2024.

Adopted by the Authority at its meeting on August 19, 2024.

---

JASON E. MUMPOWER, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

**Acquisition – Lease Amendment (Space)**

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

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

• **Proposed Amendment:**

• **Area / Costs:**

13,296 Square Feet

First Year Contract Rent	\$199,440.00	\$15.00/sf
Average Annual Contract Rent (including utilities & janitorial)	\$269,509.92	\$20.27/sf
Total Annual Effective Cost	<u>\$269,509.92</u>	<u>\$20.27/sf</u>

• **Current Lease**

• **Location:**

University of Tennessee-Knoxville (UTK)  
Knox County- 2200 Sutherland Avenue, Knoxville, Knox County, Tennessee

• **Landlord:**

Magnolia Cherokee Mills LP

• **Term:**

5 years with one (1) 5-year option to extend

• **Area / Costs:**

11,872 Square Feet

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

• **Source of Funding:**

Plant Funds (Non-Aux) (A)

• **Procurement Method:**

Negotiated

• **FRF Rate:**

\$18.00/sf (for reference only)

**Comment:**

The parties mistakenly referenced the actual usable square footage of Suite 108 as 11,872 in the lease as the rentable square footage, which figure should have included an additional 1,424 square feet of the Cherokee Mills complex attributable to Suite 108, for a total rentable square footage of 13,296. The parties are now seeking to amend the lease to reflect the correct rentable square footage and provide for the reconciliation of the difference in rent paid based on the incorrect rentable square footage since the commencement date of the term.

**Previous Action:**

06/20/2023    Approved waiver of advertisement  
12/14/2023    Approved lease

## **EXECUTIVE SUMMARY**

### **BACKGROUND:**

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. The ESC approved a waiver of advertisement in June 2023 and approved the original lease for Suite 108 in December 2023.

Free parking accommodates faculty/staff working in the building and visitors is included.

### **TERMS:**

The University currently leases a total of 11,872 usable square feet in Suite 108 at the Cherokee Mills under a five (5) year agreement, with an option to extend for an additional five (5) years. The lease rate is \$15.00/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 included in the base rental rate.

The landlord provided a \$20.00/sf tenant improvement (TI) allowance and has built out the space according to Tenant's specifications. The lease may be terminated for convenience with 120-days' notice, but the unamortized balance of the TI allowance must be repaid.

The parties mistakenly referenced the actual usable square footage of Suite 108 of 11,872 in the lease as the rentable square footage. This figure should have included an additional 1,424 square feet of the Cherokee Mills complex attributable to Suite 108, for a total rentable square footage of 13,296. The parties are now seeking to amend the lease to reflect the correct rentable square footage and provide for the true up of the difference in rent paid based on the incorrect rentable square footage since the commencement date of the term.

### **FUNDING:**

Funding for the lease payments will be provided by UTK through Plant Funds (Non-Auxiliary) (A).

### **REQUEST:**

Request for approval of an amendment to this lease.

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:**

<u>11,872 Square Feet</u>		
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:** Plant Funds (Non-Aux) (A)
- **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 (SBC No. 540/009-01-2023) 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.

**Previous Action:** 06/20/2023 Approved waiver of advertisement**Minutes:** 12/14/2023 Approved a lease



UNIVERSITY OF TENNESSEE**Acquisition – Lease (Space)****Requested Action:** Approval of waiver of advertisement**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:** Five years with a five-year option to extend
- **Area / Costs:** Up to 20,000 square feet

● **Source of Funding:** Plant Funds (Non-Aux) (A)● **Procurement Method:** Negotiated

**Comment:** Space is being sought to accommodate relocations related to the new College of Emerging and Collaborative Studies. A recent market survey of office space near campus found few options. The Cherokee Mills office complex is 1.6 miles from campus providing an ideal location and easy access for relocated departments to remain engaged with students and colleagues.

**Minutes:** 06/20/2023 ESC Approved waiver of advertisement

**CERTIFICATION OF FUNDS**

Please be advised that The University of Tennessee Knoxville has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the Lease, as amended, with **Magnolia Cherokee Mills, LP** in the amount of **One million three hundred forty-seven thousand five hundred forty-nine and 60/100 (\$1,347,549.60)**.

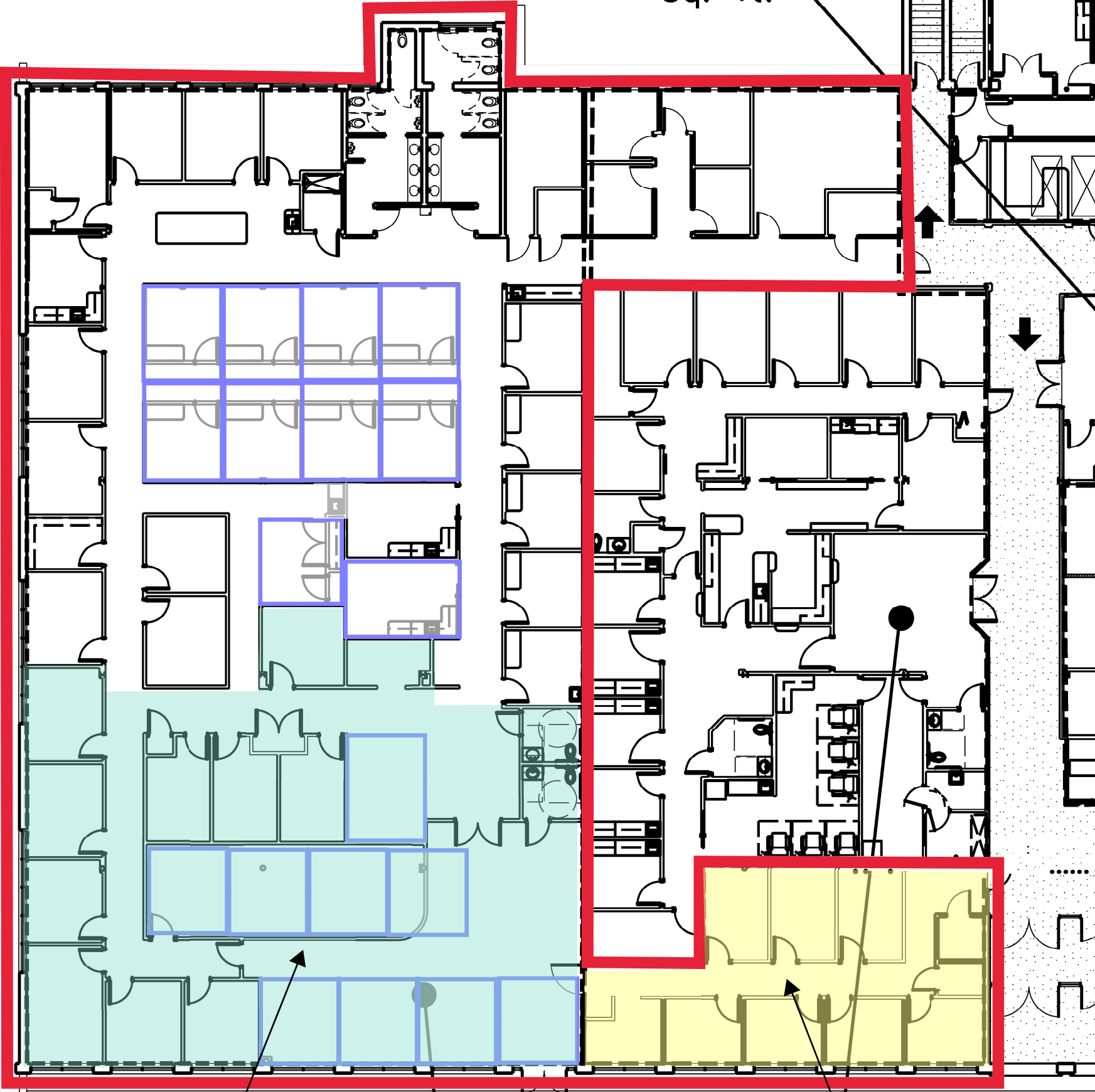
*David L. Miller*

July 3, 2024

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

\_\_\_\_\_  
David L. Miller  
Senior Vice President & Chief Financial Officer

CHEROKEE MILLS - SUITE 108



HCB - DEVELOPMENT

HCB - PR & MARKETING

Usable Square Footage - 11,872

Rentable Square Footage - 13,296

This Instrument Prepared By:  
University of Tennessee  
Office of Real Property  
505 Summer Place – UTT 990  
Knoxville, TN 37902

## FIRST AMENDMENT TO LEASE

This FIRST AMENDMENT TO LEASE (the “Amendment”) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between **Magnolia Cherokee Mills LP** (the “Landlord”) and the **University of Tennessee** (the “Tenant”).

### WITNESSETH:

WHEREAS, Landlord and Tenant entered into a Lease (the “Lease”) dated February 27, 2024; and

WHEREAS, Section 4 of the Lease, the Rentable Square Feet of the Leased Premises incorrectly identified 11,872 as the Rentable Square Feet; and

WHEREAS, 11,872 square feet is the usable square feet of the Leased Premises, while the Rentable Square Feet is 13,296 square feet; and

WHEREAS, the parties now wish to amend the Lease as hereinafter provided; and

WHEREAS, capitalized terms used but not defined herein shall have the same meanings as capitalized terms used in the Lease.

NOW THEREFORE, in consideration of the mutual covenants made herein, the receipt and sufficiency of which are acknowledged, the parties agree to amend the Lease as follows:

1. **Rentable Square Feet.** Section 4 of the Lease is deleted in its entirety and replaced with the following:

Rentable Square Feet: 13,296  
Base Year is 2024  
Proportionate Share is 6.78%

2. **Monthly Rental Installments Table.** Section 7 of the Lease is deleted in its entirety and replaced with the following:

**Monthly Rental Installments Table**

7. Lease Year(s)	Annual Rental	Monthly Rental Installments	Rental Rate Per Rentable Square Foot
1	\$199,440.00	\$16,620.00	\$15.00
2	\$245,976.00	\$20,498.00	\$18.50
3	\$293,309.76	\$24,442.48	\$22.06
4	\$300,622.56	\$25,051.88	\$22.61
5	\$308,201.28	\$25,683.44	\$23.18
6*	\$301,287.36	\$25,107.28	\$22.66
7*	\$310,328.64	\$25,860.72	\$23.34
8*	\$319,635.84	\$26,636.32	\$24.04
9*	\$329,208.96	\$27,434.08	\$24.76
10*	\$339,048.00	\$28,254.00	\$25.50

\*if renewed

3. **Rent Catch-up.** Tenant shall pay to Landlord the difference between the Monthly Rental Installments paid by Tenant based on the incorrect lower Rentable Square Feet figure and the amount Tenant would have paid based on the correct higher Rentable Square Feet figure for the period between the Commencement Date and the effective date of this Amendment (the “Rent Delta”) in a lump sum within thirty (30) days of receipt of Landlord’s invoice detailing the beginning and end dates of the period described in this paragraph above and the amount of the Rent Delta.

4. **Amendments.** Any further amendments to the Lease shall be in writing and executed by the parties or their respective successors in interest.

5. **Partial Invalidity.** If any provision of this Amendment shall be deemed unenforceable, the remainder of this Amendment shall not be affected. Each provision of this Amendment shall be valid and be enforceable to the fullest extent permitted by law.

6. **Successors.** This Amendment shall bind and inure to the benefit of the legal representatives, successors and assigns of each of the parties, except that no assignment or subletting by the Tenant without the written consent of the Landlord shall vest any right in the assignee or sublessee of the Tenant.

7. **Governing Law.** This Amendment shall be governed by the laws of the State of Tennessee.

8. **Conflicts.** If any conflict exists between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall control.

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

**Tenant:**

**The University of Tennessee**

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

Austin Oakes

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

Assoc. Vice President – Capital Projects

**Landlord:**

**Magnolia Cherokee Mills LP**

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

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

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

**As to Form and Legality:**

\_\_\_\_\_  
Jonathan Skrmetti, Attorney General & Reporter

**LANDLORD NOTARY**

STATE OF \_\_\_\_\_  
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 \_\_\_\_\_, \_\_\_\_\_, this the \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
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/herself to be the **Assistant Vice President of Capital Projects** of the University of Tennessee, the within named Tenant, and that he/she as such officer executed the within instrument for the purposes therein contained by signing the name of the entity by himself/herself as such officer.

Witness my hand and seal at office in Knoxville, Tennessee, on this the \_\_\_\_ day \_\_\_\_\_, 2024.

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

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: 2/27/2024

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  
 Base Year is 2024  
 Proportionate Share is 5.25%

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: \_\_\_\_\_ **Tenant has the right to renew this lease for one (1) additional five (5) year period by providing written notice to the Landlord three (3) months in advance of Lease expiration.**

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.

**Monthly Rental Installments Table**

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	\$22,368.83	\$22.61
5	\$275,192.96	\$22,932.75	\$23.18
6*	\$269,019.52	\$22,418.29	\$22.66
7*	\$277,090.11	\$23,090.84	\$23.34
8*	\$285,402.81	\$23,783.57	\$24.04
9*	\$293,964.89	\$24,497.07	\$24.76
10*	\$302,783.84	\$25,231.99	\$25.50

\*if renewed

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 E

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: BEN BANNOR

Title: Auth. Rep.

Date: 2.7.2024

TENANT: UNIVERSITY OF TENNESSEE

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

Date: 2/15/24

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

Date: 2/27/24

(Notary Acknowledgements Attached)



LANDLORD NOTARY

STATE OF TENNESSEE  
COUNTY OF Davidson

Before me, Warren Smith IV, Notary Public in and for the County and State aforesaid, personally appeared Ben Bonner, 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 Nashville, Tennessee, this the 7<sup>th</sup> day of February, 2024

Warren Smith IV  
Notary Public  
My Commission Expires: 1-6-2025



TENANT NOTARY

STATE OF TENNESSEE  
COUNTY OF KNOX

Before me, Austin Da Kes, 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 5<sup>th</sup> day of February, 2024

Tammie Cole  
Notary Public  
My Commission Expires: 4-10-2027

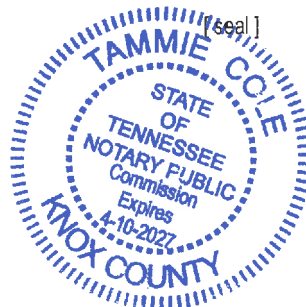


EXHIBIT A

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 janitorial services five days per week, Monday thru Friday, after-hours:

Carpet vacuuming and tile mopping, furniture, desktops, countertops & table dusting, trash removal & wastebasket emptying, restroom surface cleaning and restocking of paper products. Only trash

inside wastebaskets will be emptied. Boxes must be broken down and inside a trashcan or wastebasket and marked "TRASH" and placed beside the trash receptacle if it will not fit.

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 2024. Accordingly, beginning in 2024, 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 2024), 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.

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 Hoit 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, ATTORNMENT 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

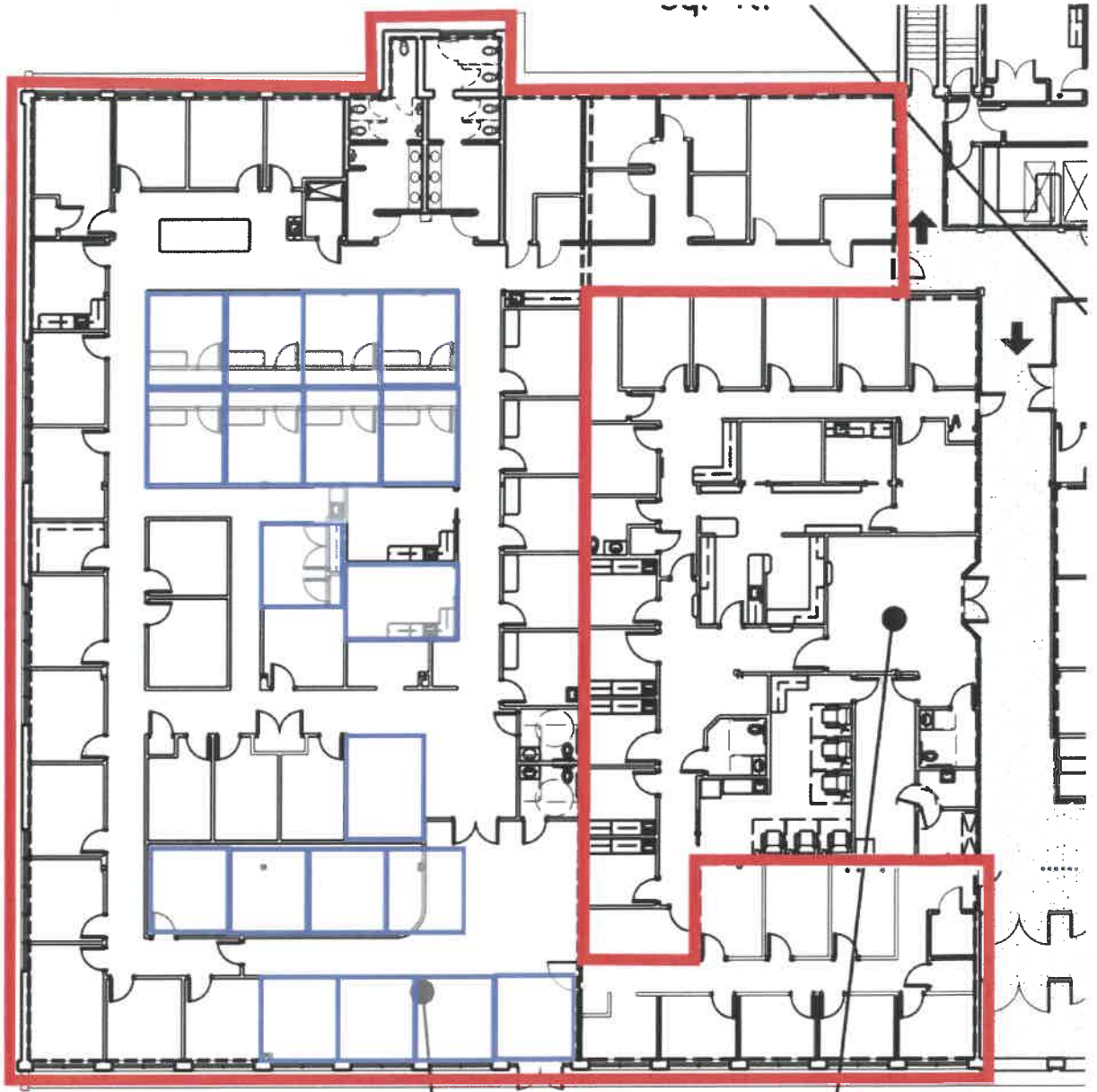


EXHIBIT C  
COMMENCEMENT DATE

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 \_\_\_\_\_, 202\_\_, 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

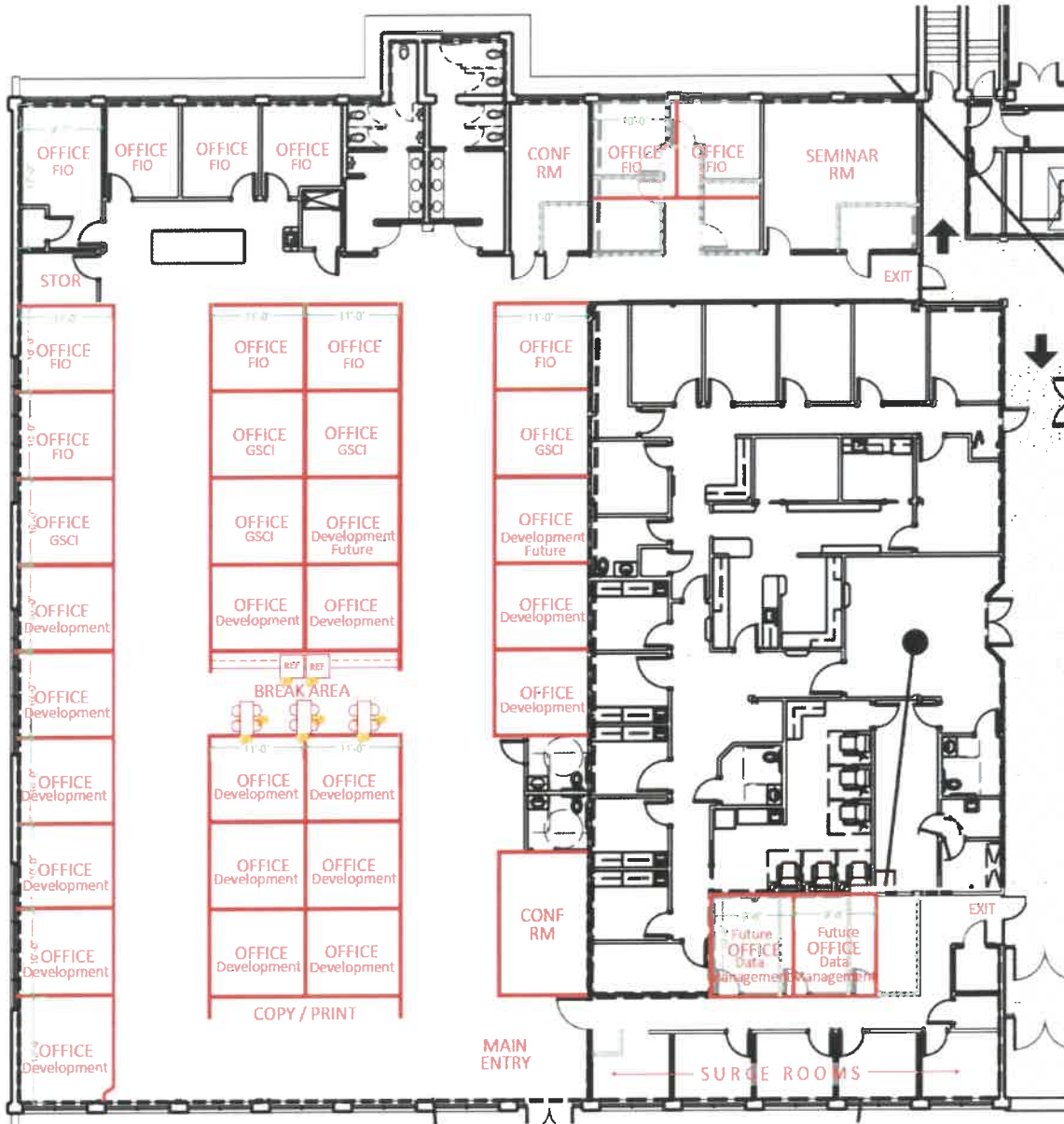
By: \_\_\_\_\_

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 fourteen (14) 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.
3. Landlord shall submit for Tenant's approval the Plans within ninety (90) 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. Landlord will cause Landlord's Work set forth in the Build Out Plans to be substantially completed and for occupancy within Two Hundred and Ten (210) 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.
9. 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.

# CONCEPTUAL RENOVATIONS



**EXHIBIT E  
BUILD OUT PLANS**

[To be attached]

# Tennessee State School Bond Authority Feasibility Study

## TTU - New Tucker Stadium West - Project Number 932

### Individual Project Summary

Revenue Source:	Tickets/Rentals/Concessions/Food Svc.	\$	2,248,000
	Annual Gifts and Contributions	\$	650,000
	Allocation of Existing Student Athletic Fees	\$	440,000
	Allocation of increase in Facilities Develop Fees	\$	607,993
	Allocation of other Auxiliary Commissions	\$	200,000
	<b>Total Revenue Source:</b>		<b>\$4,145,993</b>

Assumptions:		\$42,204,066
	Interest Rate	7.60%
	Tax Status	Taxable
	Term of Financing	20-Years
	Cost of Issuance	\$633,061

Feasibility Test		
	May Principal (No DSRF)	November Principal (no DSRF)
Pledged Revenue	\$4,145,993	\$4,145,993
New Max Annual DS	\$4,233,997	\$4,145,993
<b>Feasible</b>	<b>No</b>	<b>Yes</b>

Prepared on August 12, 2024 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.

**Executive Summary for TSSBA**  
**Tennessee Tech University**  
**New Tucker Stadium West Project**

**July 2, 2024**

**SBC 166/011-01-2022**

A winning university football program can generate tremendous benefits to the campus and local community. It can boost the local economy, strengthen the community/campus relationship, create spirit, and pride in the student body, and generate publicity and visibility that increases student enrollment. The proposed remodel of Tennessee Tech’s West Stadium is critical to Tech’s football success, and it is critical to our community. The value of this project to the community is reflected in the financial commitment the University has received from both the City of Cookeville (\$4,000,000 over 10 years) and Putnam County (\$2,000,000 over 20 years). Additionally, a local business has committed \$5,000,000 over 10 years for this project.

Tech’s current stadium has both an east and west side. We are proposing to replace the west stadium with a modern facility that includes premium seating – suites, club, chairback – that will generate revenues to support this project. The current stadium was built in 1967 with no major upgrades since that date. Richard C. Rinks & Associates conducted a physical facilities survey of the football stadium in 2016. The west side of the stadium was rated at 48.5%. Since that time, the University has closed off approximately one-half of the seating capacity on the west side due to unsafe conditions. The University has removed concession facilities, offices, and equipment storage from the facility due to water leaks from rain and snow. Weather conditions continue to deteriorate this facility.

The new west stadium will provide seating for ~3,700, including premium seating options, enhanced concessions, and open views of Overall Field. The project also includes surrounding site work consistent with the University’s Master Plan and campus goals to create space for an enhanced tailgate experience, pedestrian plaza, and entry plaza. The Overall Field, video scoreboard, and east side of the stadium are to remain in place.

The design development phase is complete and the current budget is as follows:

<b>Bid Target</b>	<b>\$48,325,000</b>
<b>MACC</b>	<b>\$50,741,250</b>
<b>Total Project Cost</b>	<b>\$57,204,000</b>



**TENNESSEE STATE SCHOOL BOND AUTHORITY  
PROJECT APPLICATION**

**DEPARTMENT:** Tennessee Board of Regents

**INSTITUTION/LOCATION:** Tennessee Tech University/Cookeville/Putnam

**PROJECT :** New West Tucker Stadium  Match Project

**SBC PROJECT #:** 166/011-01-2022

**EXECUTIVE SUMMARY:** Include an executive summary of the project to be approved.

**PROJECT BUDGET:**

<u>Funding Sources</u>	<u>Original</u>	<u>Revised</u>	<u>Total</u>
TSSBA	\$ 42,204,066.00		\$ 42,204,066.00
Plant Funds (Aux.)	6,900,000.00		\$ 6,900,000.00
Plant Funds (Non-Aux.)	3,100,000.00		\$ 3,100,000.00
Plant Funds - Gifts	5,000,000.00		\$ 5,000,000.00
Total:	\$ 57,204,066.00	\$ 0.00	\$ 57,204,066.00

**PROJECT LIFE:**

Anticipated Useful Life of Project: 30

Desired Term for Financing (if less than useful life): 20

**ESTIMATED ANNUAL FINANCING CHARGE\*:** \_\_\_\_\_ 

\*To calculate this amount, click on the calculator

**PROJECT REVENUES:** (List the revenue sources and amounts for each revenue source)

<u>Revenue Source:</u>	<u>Original</u>	<u>Revised</u>	<u>Total</u>	<u>Pledged<sup>1</sup></u>
Tickets/Rentals/Concessions/Food Svc.	\$ 2,448,000.00		\$ 2,448,000.00	<input type="checkbox"/>
City & County Grants	300,000.00		\$ 300,000.00	<input type="checkbox"/>
Gifts	350,000.00		\$ 350,000.00	<input type="checkbox"/>
Alloc. Facilities & Athletic Fees	948,742.00		\$ 948,742.00	<input type="checkbox"/>
Total:	\$ 4,046,742.00	\$ 0.00	\$ 4,046,742.00	

<sup>1</sup>Is this source pledged to another TSSBA project?



**PROJECT CASH FLOW ANALYSIS:** Include an annual cash flow analysis of how the revenues are calculated will support the project. [Click here for an example.](#)

**PROJECT APPROVAL DATES:**

SPA BOARD: 10/07/2021  
THEC: 01/28/2022

UT/TBR BOARD: \_\_\_\_\_  
SBC: 07/14/2022

Disclosed in the Governor’s Budget as TSSBA Funding: **Yes** If yes, what year? **22/23**  
If no, please explain:

**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).

The project includes demolition of existing west stadium and replacement of stadium with an updated facility in support of the football program. The current football stadium was built in 1967 with no major upgrades since that date. The project is envisioned to be approximately 87,000 gross square feet with enhanced concessions and open views to Overall Field. Premium seating options will be available on levels, including a suite level with 12 suites, club level to seat 500, concourse and grand stand levels.

**REAL ESTATE:**

Owner of real Property State of Tennessee/Tennessee Tech University

To be acquired \_\_\_\_\_ To be leased or other arrangements \_\_\_\_\_.

\*\*\*\*\*

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.

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.)  
Design development phase is complete. An early demolition package has been approved and is underway.
2. Project completion estimated to be: May 25, 2026
3. Project Owner: State of Tennessee
4. Project Operator (see also item 8 below): Tennessee Tech University

5. Intended Use of the Project:

Football stadium seating, locker rooms, concessions, and other support spaces required for game day activities.

6. Intended Users of the Project (excluding use by the general public):

Students enrolled at TTU.

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.)

If the project includes multiple buildings, fill this section out for each building. [Click for extra copies.](#)

Name and Address of Building:

Gross Square Footage of Building 87,000

A. Vending Machines:

Square Footage 0  
Operator University contracted vendor (Barnes & Noble)

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 500  
Type Bookstore  
Operator University contracted vendor (Barnes & Noble)

C. Laundry Services:

Square Footage 1005  
Operator University

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

D. Cafeteria or other food services areas:

Square Footage 2050  
Operator University contracted vendor (Chartwells)

E. Provision of health care services:

Square Footage 0  
Operator \_\_\_\_\_

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

Square Footage 0

Recipient \_\_\_\_\_

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

Square Footage 0

Occupant \_\_\_\_\_

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

Square Footage 0

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.

None

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.

None

11. Additional information not explained above.

N/A

Completed this 29 day of April, 2024.

DocuSigned by:  
*Dick Tracy*  
DBCE2D56BDB749E...

Facilities Development/Capital Projects  
DocuSigned by:  
*Flora W. Tydings*  
7E040D30A13B498...

Chancellor/President

DocuSigned by:  
*Alisha Fox*  
15B44CDEEAC7429...

Vice Chancellor for Business & Finance/  
Sr. Vice President & Chief Financial Officer

*To be filled out by the Authority*

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

### Football Stadium Replacement Project

*The project includes demolition of existing West Stadium and replacement of stadium with an updated facility		
*The facility will include:		
Suite level with 2 premium suites and 12 regular suites		
Club level to seat 568		
Chairback seating to seat 1750		
Field Level Seats 840		
*Total project cost (including design and other non-construction costs)	\$	57,204,066
*Investment from University reserves	\$	10,000,000
*Major gifts	\$	5,000,000
*Bond financing	\$	42,204,066
	<u>\$</u>	<u>57,204,066</u>
<b>Annual debt service (20 yr bonds@7.5%)</b>	<u>\$</u>	<u><b>4,145,993</b></u>

### Football Stadium - Pro Forma

		<u>Proposed</u>
Rental of premium suite (2)	\$ 120,000	
Rental of suites (12)	\$ 240,000	
Club level seating (568)	\$ 568,000	
Chairback (1750)	\$ 700,000	
Field-level chairback (840)	\$ 420,000	
Concession and catering revenue (game and non-game)	\$ 150,000	
Event rental	<u>\$ 50,000</u>	
Annual revenues from ticket sales, event rentals, concession and catering	\$	2,248,000
Annual gifts and contributions	\$	650,000
Allocation of existing student athletic fees	\$	440,000
Allocation of increase in facilities development fee	\$	607,993
Allocation of other auxiliary commissions	\$	200,000
Gross revenues		<u>\$ 4,145,993</u>
Debt service annually		<u>\$ 4,145,993</u>
<b>Net after debt service</b>		<u><u>\$ -</u></u>

#### Current Operations:

Tennessee Tech plays 5 or 6 home games each season

Sold 8021 tickets in 2023 season

Current pricing for tickets:

Adult Season Ticket	\$	75	
Youth Season Ticket (ages 3-18)	\$	65	
Senior Season Ticket	\$	65	
Tech Employee Season Ticket (Limit 4)	\$	55	
Family Plan Season Tickets (2 adults & 3 youth tickets/game)	\$	175	
Back the Golden Eagles Season Ticket Plan (10 tickets/game)	\$	375	
Individual Game Ticket		\$20 to \$25	Based on opponent
Individual Game Ticket Youth/Senior	\$	17	
Group per ticket price (for groups of 25+)	\$	10	

#### Assumptions:

Tennessee Tech will play 5 or 6 home games each season

Suites and club level area will be available for event rentals when not scheduled for a home game

Each premium suite will rent for \$60,000 per season

Each regular suite will rent for \$20,000 per season

Club level seating will rent for \$1,000 for season tickets or \$167 to \$200 per game

Chairback seating will rent for \$400 for season tickets or \$67 to \$80 per game

Field level chairback will rent for \$500 for season or \$83 to \$100 per game

Concession revenues will increase from better facilities, better options and catering revenues from event rentals

**MINUTES**  
**OF**  
**PUTNAM COUNTY COMMISSION**  
**FEBRUARY 20, 2024**

**Prepared by:**

**Wayne Nabors  
Putnam County Clerk  
121 S Dixie Avenue  
Cookeville, TN 38501**

**STATE OF TENNESSEE**

**COUNTY OF PUTNAM**

**BE IT REMEMBERED:** That on February 20, 2024 there was a regular meeting of the Putnam County Board of Commissioners.

There were present and presiding, the Chairman Ben Rodgers, and the County Clerk, Wayne Nabors.

Chief Deputy Bob Crabtree of the Putnam County Sheriff's Department called the meeting to order.

The Chairman, Ben Rodgers recognized Commissioner Chris Cassetty for the Invocation.

The Chairman, Ben Rodgers recognized Commissioner Adam Johnson to lead the Pledge to the Flag of the United States of America.

The Chairman, Ben Rodgers asked the Commissioners to signify their presence at the meeting and the following were present:

**PRESENT:**

Jonathan A.D. Williams  
Fred Vondra  
Sam Sandlin  
Ron Chaffin  
David Gentry  
Chevin Eldridge  
Theresa Tayes  
Ken Hall  
Vinnie Faccinto  
Junior Phipps  
Chris Cassetty  
Adam Johnson

A J Donadio  
Grover N Bennett Jr.  
Danny Holmes  
Ben Rodgers  
Dale Moss  
Robert Riddle  
Kim Bradford  
Terry Randolph  
Kathy Dunn  
Darren Wilson  
Cathy Reel  
David Andrews

The Clerk announced that twenty-four (24) were present and zero (0) absent. Therefore, the Clerk declared a quorum.

**MOTION RE: APPROVE THE AGENDA**

**Commissioner A J Donadio moved and Commissioner Kathy Dunn seconded the motion to approve the Agenda of the February 20, 2024 Meeting of the Putnam County Board of Commissioners.**

**(SEE ATTACHED)**



**PUTNAM COUNTY**  
**BOARD OF COMMISSIONERS**  
**MEETING WILL BE HELD AT THE COURTHOUSE**

**Regular Monthly Session**  
**Tuesday, February 20, 2024**

**Presiding: Honorable Ben Rodgers**  
**Commission Chairman**

- 1. Call to Order - Sheriff Eddie Farris**
- 2. Invocation** *District 6*
- 3. Pledge to the Flag of the United States of America** *District 6*
- 4. Roll Call - County Clerk Wayne Nabors**
- 5. Approval of the Agenda**
- 6. Approval of the Minutes of Previous Meeting**
- 7. Unfinished Business and Action Thereon by the Board**
  - A. Report of Standing Committees**
    1. Planning Committee
    2. Fiscal Review Committee
    3. Nominating Committee
  - B. Report of Special Committees**
    1. Accept report from the Audit Committee.
  - C. Other Unfinished Business**
- 8. Quarterly Reports and Action Thereon by the Board**
  - A. Road Fund - Randy Jones, Road Supervisor**
  - B. School Funds - Corby King, Director of Schools**
  - C. County General Fund, Debt Service Fund, and Solid Waste Sanitation Fund, Parks and Recreation Fund, and the Self Insurance Fund - Randy Porter, County Mayor.**
- 9. New Business and Action Thereon by the Board**
  - A. Report of Standing Committees**
    - 1. Planning Committee**
      - a. Recommends approval of the following equipment to be transferred from the Highway Department to Putnam County Maintenance as follows:**  
1988 Mack dump truck VIN#1M2P179C8JW002073

- b. Recommends approval of the following equipment to be transferred from the Sheriff's Office to Putnam County Maintenance as follows:  
2018 Betterbuilt 7 TON Traller VIN#4MNDB2521J1000664

**2. Fiscal Review Committee**

- a. Consider approval of the Bonus Policy for the County Clerk's Office and budget amendment as submitted by County Clerk Wayne Nabors.
- b. Recommends approval of budget amendments to the General Purpose School Fund.
- c. Recommends approval of budget amendments to the Road Department Fund.
- d. Recommends approval of a resolution to extend conditional option agreements for acreage at the existing fairgrounds.
- e. Hear from Tennessee Tech President Phillip Oldham.

**3. Nominating Committee**

- a. Recommends the Nominating Committee's appointments to the Awards Committee for 2 year terms to expire February 2026.

Kim Bradford  
Danny Holmes

**B. Report of Special Committees**

**C. Resolutions**

**D. Election of Notaries**

**E. Other New Business**

1. Recognize the Official County Road List and Road Inventory as presented by Road Supervisor Randy Jones.
2. Ratification of County Mayor Randy Porter's selection of the Budget Committee for the 2024- 2025 Budget Year.  
*List to be provided at meeting*
3. Approve Budget Calendar for the 2024-2025 fiscal year.
4. Hear update from Mayor Randy Porter on revenues.

**10. Announcements and Statements**

**11. Adjourn**

The Chairman asked for discussion on the motion. There was discussion.

The Chairman asked the Commissioners to vote on the motion. The Commissioners voted as follows:

FOR:

Jonathan A.D. Williams  
Fred Vondra  
Sam Sandlin  
Ron Chaffin  
David Gentry  
Chevin Eldridge  
Theresa Tayes  
Ken Hall  
Vinnie Faccinto  
Junior Phipps  
Chris Cassetty  
Adam Johnson

A J Donadio  
Grover N Bennett Jr  
Danny Holmes  
Ben Rodgers  
Dale Moss  
Robert Riddle  
Kim Bradford  
Terry Randolph  
Kathy Dunn  
Darren Wilson  
Cathy Reel  
David Andrews

The Clerk announced that twenty-four (24) voted for, zero (0) voted against zero (0) absent. Therefore, the Clerk declared the same to have passed.

**MOTION: COMMISSIONER A J DONADIO MOVED, COMMISSIONER DAVID ANDREWS SECONDED TO GIVE \$200,000 PER YEAR TO TENNESSEE TECH UNIVERSTY FOR THE NEXT 10 YEARS FOR A TOTAL OF \$2,000,000 TOWARD THE NEW CONSTRUCTION OF THE TTU FOOTBALL STADIUM. PROCEEDS WOULD COME FROM PUTNAM COUNTY ECONOMIC DEVELOPMENT TOURISM FUND/ HOTEL & MOTEL TAX.**

Commissioner A J Donadio moved and Commissioner David Andrews seconded the motion.

**AMENDMENT: COMMISSIONER DARREN WILSON MOVED, COMMISSIONER A J DONADIO SECONDED TO AMEND THE ORIGINAL MOTION TO \$100,000 PER YEAR FOR THE NEXT 20 YEARS FOR A TOTAL OF \$2,000,000.**

The Chairman asked for discussion on the amendment. There was discussion.

The Chairman asked the Commissioners to vote on the amendment. The Commissioners voted as follows.

**FOR:**

Jonathna A D Williams  
Fred Vondra  
Sam Sandlin  
Ron Chaffin  
David Gentry  
Ken Hall  
Vinnie Faccinto  
Juinor Phipps  
Chris Cassetty  
Adam Johnson

A J Donadio  
Grover N Bennett Jr  
Danny Holmes  
Ben Rodgers  
Dale Moss  
Darren Wilson  
Kathy Dunn  
Cathy Reel  
David Andrews

**AGAINST:**

Chevin Eldridge  
Theresa Tayes  
Robert Riddle  
Kim Bradford  
Terry Randolph

The Clerk announced that nineteen (19) voted for, five (5) voted against, zero (0) absent Therefore, the Clerk declared the same to have passed.

The Chairman then asked the Commissioners to vote on the original motion as amended. The Commissioners voted as follows:

FOR:

Fred Vondra	A J Donadio
Sam Sandlin	Grover N Bennett Jr
Ron Chaffin	Danny Holmes
David Gentry	Ben Rodgers
Ken Hall	Dale Moss
Vinnie Faccinto	Darren Wilson
Junior Phipps	Kathy Dunn
Chris Cassetty	Cathy Reel
Adam Johnson	David Andrews

AGAINST:

Jonathan A.D. Williams  
Chevin Eldridge  
Theresa Tayes  
Robert Riddle  
Kim Bradford  
Terry Randolph

The Clerk announced that eighteen (18) voted for, six (6) voted against, zero (0) absent. Therefore, the Clerk declared the same to have passed.

**NOMINATING COMMITTEE**

**MOTION RE: NOMINATING COMMITTEE'S APPOINTMENTS TO THE AWARDS COMMITTEE FOR 2 YEAR TERMS TO EXPIRE FEBRUARY 2026**

**KIM BRADFORD  
DANNY HOLMES**

Commissioner Darren Wilson moved and Commissioner Adam Johnson seconded the motion.

## RESOLUTION NUMBER R24-04-08

**A RESOLUTION COMMITTING THE CITY OF COOKEVILLE, TENNESSEE TO PROVIDE AN ADDITIONAL ANNUAL FINANCIAL CONTRIBUTION TO TENNESSEE TECH UNIVERSITY FOR THE CONSTRUCTION OF A NEW FOOTBALL STADIUM**

**RESOLUTION NUMBER: R24-04-08**

**REQUESTED BY: City Manager**

**PREPARED BY: City Manager**

**APPROVED FOR CORRECTNESS:**

  
(City Attorney)

**ADOPTED: 4-4-24**

**MINUTE BOOK \_\_\_\_\_, PAGE \_\_\_\_\_**

**WHEREAS**, Tennessee Tech University intends to construct a new football stadium on the west side of their football field and has requested financial assistance from the City of Cookeville for said construction; and

**WHEREAS**, Tennessee Tech University is a vital part of the City of Cookeville, contributing significantly to the local economy and promoting tourism through various events at the football complex; and

**WHEREAS**, the City of Cookeville receives certain revenue through the hotel/motel occupancy tax, the proceeds of which are to be used for economic development and to promote tourism; and

**WHEREAS**, the City of Cookeville, through Resolution No. R22-07-22 adopted on July 7, 2022, committed to contributing for a five (5) year period, beginning in Fiscal Year 2022-23, \$200,000 annually to Tennessee Tech University to be used toward the construction of a football stadium, for a total contribution of \$1,000,000.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COOKEVILLE, TENNESSEE THAT** for a ten (10) year period, beginning in Fiscal Year 2024-25, the City of Cookeville shall contribute an additional \$300,000 annually to Tennessee Tech University to be used toward the construction of a football stadium, for a combined total contribution of \$4,000,000; and

**BE IT FURTHER RESOLVED, THAT** revenues from the City of Cookeville Hotel/Motel Tax shall be used to meet this additional financial commitment; and

**BE IT FURTHER RESOLVED, THAT** if revenues from the City of Cookeville Hotel/Motel Tax are negatively impacted by legislation of the State Legislature, or by a downturn in the economy, the amount of the additional commitment may, in the sole discretion of the City Council, be adjusted downward, or eliminated entirely;

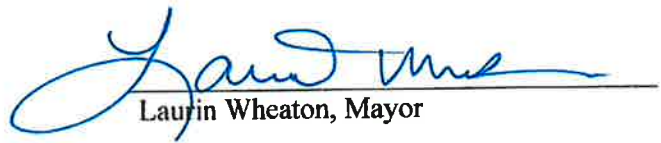
**BE IT FURTHER RESOLVED, THAT** in the event the stadium construction project is cancelled for any reason, this obligation of the City is void, and any money paid by the City toward this project will be returned by Tennessee Tech University; and

**BE IT FURTHER RESOLVED, THAT** in the event the contract to construct the new stadium is not executed prior to November 1, 2024 the obligation of the City to provide this funding is void, and any money paid by the City toward this project will be returned by Tennessee Tech University; and

**BE IT FURTHER RESOLVED, THAT** in the event the stadium construction project is not completed by November 1, 2026 the obligation of the City to provide any funding beyond that which has been paid by that date is void.

**ADOPTED AND EFFECTIVE THIS 4<sup>th</sup> DAY OF APRIL 2024.**

THE CITY OF COOKEVILLE, TENNESSEE

  
Laurin Wheaton, Mayor

ATTEST:

  
Darian Coons, City Clerk

Van Wagner

VW  
VICTUS  
ADVISORS



# SCOPE OF SERVICES

Tennessee Technological University: Stadium Assessment and Consultation Proposal | November 9, 2021

## ENGAGEMENT SUMMARY

Van Wagner and Victus Advisors will provide Tennessee Technological University (“the University”) the expertise of two industry-leading companies to assist the University in developing an accurate financial plan and a path for revenue maximization for its football stadium development (“the Stadium”). Van Wagner and Victus Advisors are two independent, yet complementary companies, that are established stadium development and feasibility partners, working together seamlessly to provide our clients with both analytical expertise and tangible market experience. The proposal is detailed in two separate options: Option I) a quick-turnaround, comparables-based premium seating analysis, and Option II) an in-depth, survey-based premium seating pricing and demand study, and a fair-market naming rights analysis and revenue optimization plan.

1. **Option I:** Preliminary financial analysis market report to help prepare the University for the internal stadium development process (4 weeks)
  - a. Preliminary Market/Financial Analysis Research Study
2. **Option II (Inclusive of Option I Elements):** Market-based, naming rights valuation and demand study to best position the University project for revenue maximization and long term sustainability (12-16 weeks)
  - a. Preliminary Market/Financial Analysis Research Study from Option 1 (delivered in 4 weeks)
  - b. Key Donor & Corporate Partner Focus Groups
  - c. Premium Seating Market Demand Surveys & Update Pricing/Financial Analysis
  - d. Fair-Market Naming Rights Valuation
  - e. Stadium Development Consultation

## VAN WAGNER, LLC

Van Wagner is a world leader in maximizing revenue opportunities in new venues, having been party to nearly \$2B in naming rights transactions since 2005. Current and past clients include Liberty University, Pepperdine University, Georgia State University, the New York Yankees, the Los Angeles Lakers, the Calgary Flames, the Pittsburgh Steelers, and the Cincinnati Reds. Van Wagner is a wholly-owned subsidiary of Van Wagner Group, LLC, whose experience includes over 40 years of out-of-home advertising, creating some of the most memorable advertising in the world, including the transformation of New York’s Times Square.

## VICTUS ADVISORS

Victus Advisors, led by its founder Brian Connolly, has over a decade of experience providing market demand and valuation analysis on over 100 projects for athletic departments, sports franchises, and municipal venues. Current and past clients include the University of North Florida, the University of Texas at San Antonio, the University of Kansas, and the University of Kentucky.

## PROJECT TEAM

The project team will include representatives from Van Wagner and Victus Advisors:

- **Kyle Folts**, Vice President and Head of Van Wagner Insights
- **Brian Connolly**, Founder & Managing Principal, Victus Advisors
- **Chester Maxson**, Manager, Van Wagner Team Advisory/Insights

## DETAIL BY PHASE

### Option I: Short-Term Initial Analysis

- a. **Information Request** – A historical information request to Tennessee Tech, including past football and basketball ticket pricing and locations, overall athletics donor levels and historical contributions, proposed seating additions and pricing, and other such relevant data.
- b. **Historical & Comparable Pricing Analysis** – Conduct the following research to help develop a recommended range of pricing levels for various premium seating amenities at the Stadium. Recommended price ranges (high/medium/low) based on the following three (3) tasks:
  - i. *Historical Analysis* – The existing baseline established by historical donor levels and pricing levels for Tennessee Tech Athletics and Tennessee Tech Football.
  - ii. *Comparative Stadium Benchmarking* – Future pricing opportunities analyzed based upon pricing and donation levels at comparable football programs. We typically focus on the football program’s conference as primary comparables, however in this case most OVC football programs may not have premium seating amenities, therefore we will supplement the comparative set with other comparable football programs such as East Tennessee State, Jacksonville State, Chattanooga, etc.
  - iii. *Market Penetration Analysis* – Measure of how much of a product or service is being sold relative to the size of the available market for that product or service, that is then compared to the premium pricing and revenue that is being generated at each stadium to various market sizing metrics, such as football attendance, living alumni, and total businesses in the market area. We will then apply these market penetration metrics for premium seating at comparable stadiums to Tennessee Tech’s football attendance, living alumni base, and total businesses in the market area, in order to identify conservative ranges for potential premium seat pricing at the Stadium.
- c. **Financial Analysis** – Estimation of both the incremental revenue streams and incremental operating expenses that could be generated by additional premium seating amenities, paying special attention to the potential impacts (including any possible donation cannibalization) that could occur from the implementation of a new premium seating sales/donation campaign.
  - i. The result of this analysis will be an estimate of the net annual incremental income that could be generated on an ongoing basis. We will build out these projections in our model over 25+ years and factor the time value of money in order to show the potential long-term impacts on the athletic department’s operating budget.
  - ii. In addition, based upon our estimate of the net annual incremental operating income; as well as information regarding the University’s bonding capacity, cost of capital, and debt coverage requirements; we will develop estimates regarding the total amount of capital project expenditures that could be funded by these incremental revenues. Assuming that the University would make fixed annual debt payments, we would also calculate the year-by-year net income after debt service that new premium seating could generate for the athletic department as seat prices increase over time.
- d. **Final Report** – Based on the results of our market and financial analysis, Victus Advisors will prepare and present a final report that includes the following information:
  - i. Summary of Historical & Comparable Pricing Analysis
  - ii. Premium Seating Price Recommendations (High/Medium/Low) by Seating Type and Location
  - iii. Projected Incremental Revenue (Net) at Various Price Levels
  - iv. Analysis of Debt Service Potential

## **Option II: In-Depth Revenue Optimization Study & Consultation (In Addition to Option I Elements)**

- a. **Key Donor & Corporate Partner Focus Groups** – We will conduct a series of focus groups, including up to 12 key athletic department donors and/or corporate partners per group. Based upon past experience with similar projects, it is recommended that we conduct at least three (3) focus groups of approximately 90 minutes each.
  - i. The purpose of these focus groups would be to engage key donors and sponsors in a more intimate setting, where they can be shown specific examples of new premium seating concepts at peer institutions (and/or concept developed specifically for Tennessee Tech) to gauge their opinions and preferences in more detail. When combined with the results of the market surveys (described below), the focus groups should help paint a more detailed picture of the potential demand that exists for new premium seating amenities.
  - ii. These focus groups can be scheduled according to the University’s preferences. For instance, the groups could be conducted in conjunction with a major donor event, or held in two separate locations on different days in order to cater to the varying schedules/locations of the donors/partners. It is assumed that University staff would help with selecting and booking locations, as well as inviting attendees.
  
- b. **Premium Seating Market Demand Surveys & Update Pricing/Financial Analysis**
  - i. We will conduct online surveys with potential season ticket and premium seat buyers at the Stadium. In order to properly extrapolate the survey results to estimate market demand, it is important to identify a comprehensive set of potential buyers. As such, it is expected that these surveys should be conducted with the following groups:
    1. Golden Eagle Club donors
    2. Non-donor season ticket and single ticket buyers
    3. Athletics alumni club members
    4. Local/Regional Chamber of Commerce (if possible)
  
  - ii. We will design the survey instruments and prepare the URLs for distribution. It will be the University’s responsibility to distribute the survey URL to their relevant databases. These online surveys will be designed to gather a wide variety of information, potentially including:
    1. Feedback on the current fan experience at Tucker Stadium
    2. Identify potential areas for venue upgrade/improvement
    3. Test interest in various season ticket packages
    4. Test interest in various premium amenities, concepts and locations
    5. Test sensitivity to various price points and lease terms
    6. Assess the potential impact of sharing of suites/boxes on levels of demand
    7. Assess the potential impact of new premium seating on current athletic donation levels
    8. Willingness to support various potential fundraising methods
  
  - iii. The survey results will be extrapolated to the overall population of potential premium seating buyers in order to quantify specific demand estimates (including type, inventory, location and pricing) for new premium seating amenities and season ticket packages. These quantifiable survey results will serve as the basis for developing a recommended premium seating and pricing program that is specific to the Stadium, as well as for more accurately estimating the incremental annual revenues and debt service capacity that could be generated.
  
- c. **Fair-Market Naming Rights Valuation** – We will complete a fair-market naming rights valuation for the University’s football stadium, designed to prepare for the potential of selling naming rights and to accurately set internal expectations.

- i. A confidential analysis of the open-market value of naming rights for the Stadium using our proprietary approach and metrics. Our valuation strategy relies on market insight and comparable deals to set category-variant benchmarks for value as opposed to relying solely on impressions-based analysis more commonly used in the industry. The resulting data is a more realistic and useful in setting expectations and preparing for potential negotiations with an interested party. The document will be provided to the University confidentially in both written and presented format, allowing questions and clarifications to the document. The base methodologies used within the valuation include:
  1. *Cost Per Attendee (CPA)* – Designed to compare naming rights deals across different venues equitably by dividing the annual naming rights fee paid, by the number of annual visitors to the venue. Resulting in the amount paid per year, by the naming rights partner, for each person in attendance
  2. *Fee Per Fan (FPF)* – Designed to compare naming rights deals across different venues equitably by dividing the annual naming rights fee paid, by the team’s worldwide fan base.
  3. *Media Value Methodology* – Compares the media value received by the sponsors of the most recently completed naming rights deals to the fee paid by the brand. This comparison creates a ratio that is applied to the media value delivered by the venue being evaluated.
- d. **Stadium Development Consultation** – We will use our considerable experience in maximizing revenue from venue projects to assist the University in their engagements with architects and builders to maximize the revenue opportunity in the capital investment.
  - i. **Peer Review of Project Plans** – We will meet with, review plans, and discuss strategies with the University’s architect and other engaged parties to provide recommendations with regard to revenue driving elements of the project, including:
    1. Signage placement, size, and media
    2. Partner activation areas inside and outside the Stadium
    3. Entitlement opportunities (Gates, Clubs, Levels, Field, etc.)
    4. Premium Ticketing Spaces (Clubs, Suites, etc.)
    5. Premium Ticketing Strategy (Market Timing, Pricing, Approach)

## PROJECT TIMING

### 1. Project Timing

- a. **Option I:** Four (4) weeks from engagement, assuming Tennessee Tech’s response to requested historical information and operating data within seventy-two (72) hours.
- b. **Option II:** 12-16 weeks from engagement
  - i. Preliminary Market/Financial Analysis Research Study from Option 1 (delivered in 4 weeks)
  - ii. Key Donor & Corporate Partner Focus Groups
  - iii. Premium Seating Market Demand Surveys & Update Pricing/Financial Analysis
  - iv. Fair-Market Naming Rights Valuation
  - v. Stadium Development Consultation

## **PROJECT FEE**

**Option I:** The project fee would be a flat fee retainer of \$40,000 paid in two equal installments (once upon engaging, and the second on completion).

**Option II:** Inclusive of all elements in Option I and Option II, a total project fee of \$75,000 paid in two installments (\$40,000 upon engaging, and \$35,000 on March 1, 2022).

- i. The second payment of \$35,000 will not be owed to Van Wagner should the University, and its internal stakeholders, decide not to move forward with the Stadium development by December 10, 2021, resulting in a total fee paid to Van Wagner of \$40,000.

In addition to the project fees above, Van Wagner will be reimbursed by the University for all approved expenses incurred on the project's behalf, including but not limited to travel, printing, and delivery.

*Note on extenuating circumstances:* Due to the global COVID-19 pandemic, at the time of this proposal, Van Wagner is unsure of what travel restrictions, if any, will be present at time of engagement. While Van Wagner has made site visits in similar engagements, this proposal can be executed as written through the use of remote connectivity with the University team if needed.



MARKET AND FINANCIAL ANALYSIS FOR RENOVATION  
AND EXPANSION OF TUCKER STADIUM

Draft v1 - Subject to Change // December 1, 2021





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*Please Note: This report relies on a variety of information and assumptions to develop market and financial estimates. Sources of information and assumptions include, but may not be limited to, information provided by Tennessee Tech University, comparable universities and stadiums, Victus Advisors' industry experience and previous studies, and publicly available data from various industry sources. Any information collected by Victus Advisors has not been audited or otherwise verified and has been assumed to be correct. There will be differences between actual events and the estimates contained herein, and we express no assurances of any kind related to any estimates or projected information. Differences between estimates and actual events may be material.*

In November 2021, **Tennessee Tech University** (“Tennessee Tech” or the “University”) engaged **Victus Advisors** (or “Victus”) and **Van Wagner Sports & Entertainment** (“Van Wagner”) to conduct a preliminary market and financial analysis for renovation and expansion of **Tucker Stadium** (or the “Stadium”). According to Tennessee Tech, Tucker Stadium will add the following seating amenities in a new structure on the stadium’s west side (concept shown below), with 3,680 new seats as follows:

### Premium Seats with Club Access

- 500 Club Seats
- 12 Private Suites: 20-person capacity per suite
- 2 Party Suites: 45-person capacity (one of the party suites will be purchased by President’s Office)

### Additional Donor Seats

- 1,850 Chairback Seats
- 1,000 Berm Seats







## HISTORICAL ANALYSIS



- Opened: 1966
- Owner/Operator: Tennessee Tech University
- Seating Capacity: 16,500
- Typical Annual Operations:
  - 5-6 Tech football games
  - Tech Track & Field events
  - High school state championships (football)

*Current Stadium*



*Renovation Concept*



Source: WBA Architecture



# GOLDEN EAGLE CLUB



Club Level	Donation	Golden Eagle Club Car Decal	Priority Football & Basketball Parking	Invitation to Special Athletic Events	Golden Eagle Club Eagles Nest Access	Golden Eagle Club Football President's Box Invitation	Invitation to Director's SkyBox for One Home Basketball Game	Priority to Purchase Tickets for Post-Season Events	Official TTU Athletics Apparel Item	Travel with Team to an Away Game	Dinner with Athletic Director & Head Coaches
Champion	\$10,000 or >	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
All-Conference	\$5,000-\$9,999	✓	✓	✓	✓	✓	✓	✓	✓		
Captain	\$2,500-\$4,999	✓	✓	✓	✓	✓	✓	✓			
Varsity	\$1,000-\$2,499	✓	✓	✓	✓	✓					
Talon	\$500-\$999	✓	✓	✓							
Gold	\$250-\$499	✓									
Purple	\$100-\$249	✓									

Source: Tennessee Tech University

The Golden Eagle Club is a non-profit booster organization for Tennessee Tech University Athletics. Donors receive different benefits depending on their annual donation level, as shown above, such as invitation to special events, parking privileges, and other such benefits.

Club Level	Annual Donors					
	2016	2017	2018	2019	2020	2021
Champion	7	6	11	11	8	16
All-Conference	14	5	10	10	11	11
Captain	22	14	20	17	21	18
Varsity	69	73	64	69	74	64
Talon	33	30	32	45	55	52
Gold	54	60	65	59	65	66
Purple	170	189	218	207	202	138
<b>Totals</b>	<b>369</b>	<b>377</b>	<b>420</b>	<b>418</b>	<b>436</b>	<b>365</b>

Annual Golden Eagle Club donors has varied over the last six (6) years. 2020 had the highest number of total donors.

Source: Tennessee Tech University



# ATHLETICS FUNDRAISING



<b>Sport</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Football	\$63,792	\$64,730	\$107,222
Baseball	\$119,979	\$61,415	\$74,767
Women's Basketball	\$49,455	\$62,086	\$56,590
Men's & Women's Golf	\$31,360	\$28,739	\$33,194
Men's Basketball	\$65,574	\$56,469	\$28,854
Women's Cross Country	\$595	\$19,585	\$14,421
Softball	\$4,069	\$32,338	\$8,916
Men's Cross Country	\$275	\$6,338	\$4,796
Women's Track	\$1,400	\$588	\$4,475
Volleyball	\$3,013	\$2,485	\$4,359
Soccer	\$3,299	\$3,825	\$4,131
Men's Tennis	\$593	\$4,939	\$3,074
<b>Totals</b>	<b>\$343,404</b>	<b>\$343,537</b>	<b>\$344,799</b>

*Source: Tennessee Tech University*

*Note: Sorted by FY 2021 in descending order*

Over the last three (3) years, total annual giving at Tennessee Tech has remained about the same. However, Football received the highest amount of donations in fiscal year 2021 at just over \$100,000.



# FOOTBALL SEASON TICKETS



<u>Season Ticket Category</u>	<u>Price</u>
Adult	\$36
Youth or Senior Citizen	\$25
Tech Employee	\$20
Family Plan (2 Adults/3 Children)	\$75
Back the Golden Eagles Football Plan (10 Tickets)	\$200

Source: Tennessee Tech University

As shown above, reserved seat season tickets for Tennessee Tech football range between \$15 and \$36 per person depending on the season ticket category. The prices above are current since the 2017 football season.

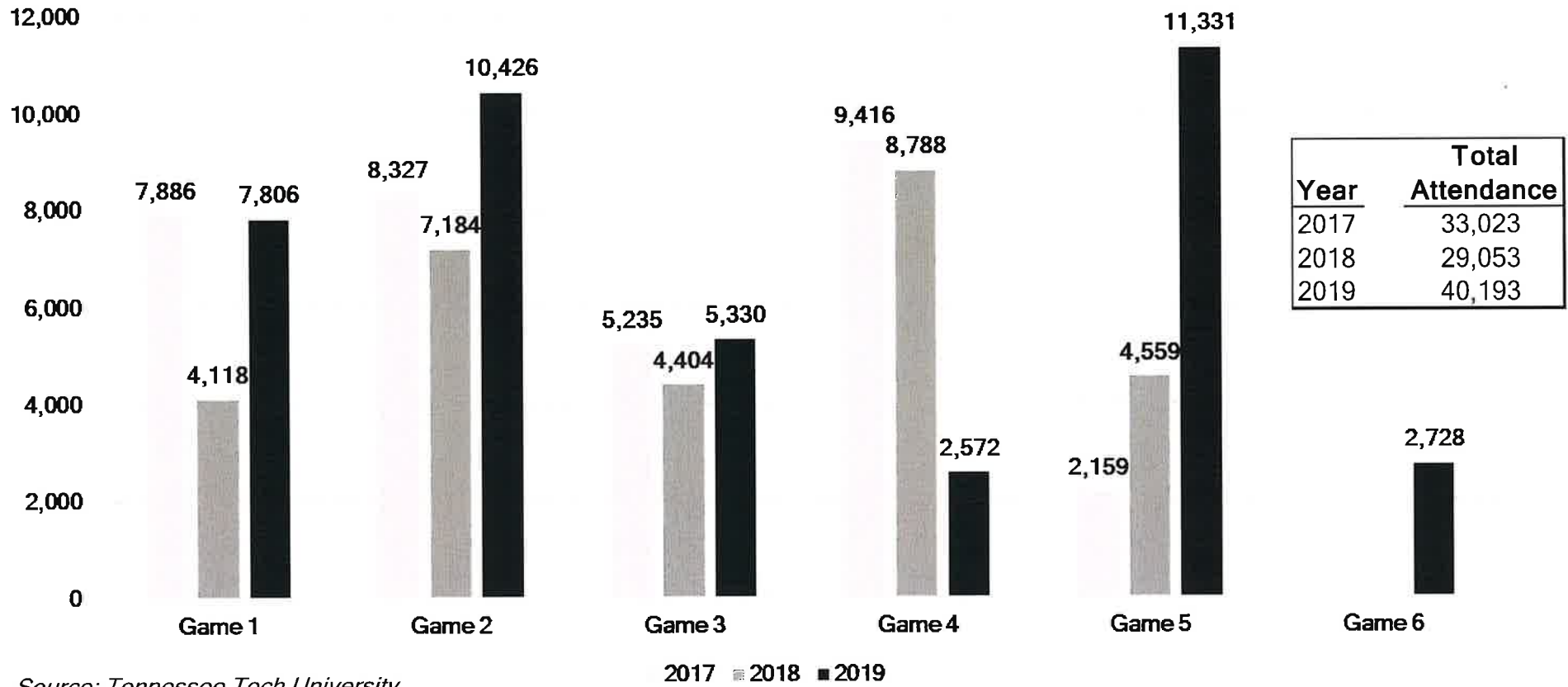
<u>Season Ticket Category</u>	<u>2017 Tickets Sold</u>	<u>2018 Tickets Sold</u>	<u>2019 Tickets Sold</u>	<u>2020 Tickets Sold</u>	<u>2021 Tickets Sold</u>
Back the Golden Eagles Football Plan (10 Tickets)	600	750	720	360	570
Youth or Senior Citizen	217	217	215	121	200
Family Plan (2 Adults/3 Children)	180	170	185	40	170
Adult	90	121	104	78	135
Tech Employee	130	125	125	41	97
Student Spouse	1	2	6	0	3
<b>Totals</b>	<b>1,218</b>	<b>1,385</b>	<b>1,355</b>	<b>640</b>	<b>1,175</b>

Source: Tennessee Tech University

With the exception of the 2020 season (COVID-19 Pandemic), season ticket sales have remained fairly consistent since 2017.



# FOOTBALL ATTENDANCE



The highest attended game of the 2019 football season in terms of announced attendance was Game 5 against Jacksonville State. 2019 also marked the highest attended season over the last three (3) years.



# COMPARABLE STADIUM ANALYSIS



# SELECTION CRITERIA



Victus Advisors analyzed comparable football stadiums of schools that compete in the Football Championship Series (FCS) in the Ohio Valley Conference. The Ohio Valley Conference was selected as the primary comparable set for the following reasons:

- Geographically close to Tennessee Tech University
- Similar size of schools

In addition, Victus Advisors also analyzed the premium seating offerings of schools competing in the Atlantic Sun, Big South, Colonial Athletic Association, Missouri Valley, and Southern Conference. Our analysis of these schools only included those stadiums that had premium seating options (suites, club seats, and chairback seats) and excluded those stadiums with no publicly-sold premium seating options.





# OHIO VALLEY CONFERENCE STADIUMS



University	Stadium	Seating Capacity	Built	Most Recent Renovations	Season Ticket Low	Season Ticket High
Murray State	Roy Stewart Stadium	16,800	1973	2007	\$35	\$205
Tennessee Tech	Tucker Stadium	16,500	1997	2015	\$20	\$36
Southeast Missouri	Houck Stadium	11,015	1929	1992	\$59	\$89
Austin Peay	Fortera Stadium	10,000	1946	2015	\$60	\$125
Eastern Illinois	O'Brien Field	10,000	1970	1999	\$25	\$75
UT Martin	Graham Stadium	7,500	1964	2016	\$47	\$85
<b>Average</b>		<b>11,969</b>	<b>1963</b>	<b>2007</b>	<b>\$41</b>	<b>\$103</b>
<b>Median</b>		<b>10,508</b>	<b>1967</b>	<b>2011</b>	<b>\$41</b>	<b>\$87</b>

Source: Victus research

Notes: (1) Sorted by Seating Capacity in descending order (2) Tennessee State was omitted from this slide, because the football team plays at Nissan Stadium which is a National Football League stadium and thus not comparable to other Ohio Valley Conference schools.

The Ohio Valley Conference stadiums (excluding Nissan Stadium) have an average stadium capacity of just under 12,000, with stadium capacities ranging from 7,500 to 16,800.

Season ticket prices tend to reflect the recent competitiveness of the football program at the FCS level, with highly competitive programs having the ability to charge a higher price for tickets.

Tennessee Tech's current football season ticket pricing is among the lowest in the OVC.



# OHIO VALLEY CONFERENCE: FOOTBALL ATTENDANCE



University	Stadium	Seating Capacity	Average Attendance			2019 % Capacity
			2017	2018	2019	
Tennessee State	Nissan Stadium	69,143	12,080	10,422	8,787	13%
Murray State	Roy Stewart Stadium	16,800	5,040	6,189	7,234	43%
Austin Peay	Fortera Stadium	10,000	8,342	7,561	6,780	68%
Tennessee Tech	Tucker Stadium	16,500	6,605	5,811	6,701	41%
Eastern Illinois	O'Brien Field	10,000	4,950	5,343	4,883	49%
Southeast Missouri	Houck Stadium	11,015	3,864	4,498	4,323	39%
UT Martin	Graham Stadium	7,500	3,276	2,886	3,114	42%
<b>Conference Average</b>		<b>20,137</b>	<b>6,308</b>	<b>6,101</b>	<b>5,975</b>	<b>42%</b>
<b>Conference Median</b>		<b>11,015</b>	<b>5,040</b>	<b>5,811</b>	<b>6,701</b>	<b>42%</b>
<b>FCS Average</b>		<b>n/a</b>	<b>7,798</b>	<b>7,330</b>	<b>7,281</b>	<b>n/a</b>

Source: Victus research, NCAA

Notes: Sorted by 2019 Average Attendance in descending order. Big Sky average and median exclude DSU.

Average reported 2019 attendance in the Ohio Valley Conference ranged from 3,114 to 8,787 per game. Tennessee Tech's attendance represented the median.



# MARKET POPULATION DEFINITIONS



Each university that was profiled in this report is located within a metropolitan or micropolitan statistical area. The U.S. Office of Management of Budget defines these two types of market areas:

## **METROPOLITAN STATISTICAL AREA (MSA)**

An MSA is defined by the U.S. Office of Management & Budget as a county or adjacent counties with a high degree of social and economic integration with an urban core of 50,000 people or more.

## **MICROPOLITAN STATISTICAL AREA ( $\mu$ SA)**

$\mu$ SA's are defined by U.S. Office of Management & Budget as one or more adjacent counties or county equivalents that have at least one urban core area of at least 10,000 population but less than 50,000, plus adjacent territory that has a high degree of social and economic integration.

For purposes of this report, the term "market" will be used to represent metropolitan/micropolitan statistical areas.



# OHIO VALLEY CONFERENCE: MARKET POPULATIONS



<u>University</u>	<u>Location</u>	<u>Market</u>	<u>Population</u>
Tennessee State	Nashville, TN	Nashville	2,020,111
Austin Peay	Clarksville, TN	Clarksville	319,769
Tennessee Tech	Cookeville, TN	Cookeville	117,267
Southeast Missouri	Cape Girardeau, MO	Cape Girardeau	98,768
Eastern Illinois	Charleston, IL	Charleston	61,591
Murray State	Murray, KY	Murray	37,965
UT Martin	Martin, TN	Martin	33,844
<b>AVERAGE</b>			<b>384,188</b>
<b>MEDIAN</b>			<b>98,768</b>

Source: Esri

Notes: (1) Sorted by MSA Population in descending order (2) Only Ohio Valley Conference schools that sponsor football were included in this analysis

The Cookeville market ranks third when compared to markets within the Ohio Valley Conference (football-only schools). The average market population is skewed due to the presence of the Nashville market, however the Cookeville market is above the median. A larger market population can often be helpful to a university's ability to sell sports event tickets.



# OHIO VALLEY CONFERENCE: TOTAL BUSINESSES



<u>Market</u>	<u>Total Businesses</u>
Nashville	65,492
Clarksville	7,599
Cape Girardeau	3,658
Cookeville	3,580
Charleston	2,583
Murray	1,416
Martin	918
<b>AVERAGE</b>	<b>12,178</b>
<b>MEDIAN</b>	<b>3,580</b>

*Source: Esri*

*Notes: (1) Sorted by Total Businesses in descending order*

*(2) Only Ohio Valley Conference schools that sponsor football were included in this analysis*

Compared to the Ohio Valley Conference (football-only schools), the Cookeville market ranks fourth in terms of business inventory, which can be a potential indicator for premium seating and corporate sponsorship demand for university sports facilities.



# OHIO VALLEY CONFERENCE: LIVING ALUMNI



<b>University</b>	<b>Living Alumni</b>
Austin Peay	120,000
Eastern Illinois	118,000
Murray State	80,000
Tennessee Tech	77,000
Southeast Missouri	75,000
Tennessee State	60,000
UT Martin	47,000
<b>Average</b>	<b>82,429</b>
<b>Median</b>	<b>77,000</b>

*Source: Victus research*

*Note: Sorted by Living Alumni in descending order*

Living alumni can reflect a school's opportunity for donations and support for athletics. Tennessee Tech's living alumni ranks fourth (or the median) when compared to football schools competing in the Ohio Valley Conference.



# OHIO VALLEY CONFERENCE: PREMIUM SEATING AMENITIES & PRICING



University	Stadium	Seating Capacity	Suites		Club Seats		Chairback Seats	
			Suite Inventory	Annual Price per Suite	Club Inventory	Annual Price per Seat	Seat Inventory	Annual Price per Seat
Austin Peay	Fortera Stadium	10,000	18	\$10,235 *	375	\$350	-	-
Eastern Illinois	O'Brien Field	10,000	-	-	-	-	-	-
Murray State	Roy Stewart Stadium	16,800	5	\$13,000	-	-	-	-
Southeast Missouri	Houck Stadium	11,015	-	-	792	\$1,680 *	-	-
Tennessee Tech	Tucker Stadium	16,500	-	-	-	-	-	-
UT Martin	Graham Stadium	7,500	-	-	-	-	725	\$400
<b>AVERAGE</b>		<b>11,969</b>	<b>12</b>	<b>\$11,618</b>	<b>584</b>	<b>\$1,015</b>	<b>725</b>	<b>\$400</b>
<b>MEDIAN</b>		<b>10,508</b>	<b>12</b>	<b>\$11,618</b>	<b>584</b>	<b>\$1,015</b>	<b>725</b>	<b>\$400</b>

Source: Victus research,

Notes: (1) Sorted by University in alphabetical order. (2) Annual prices represent the total annual price per suite, per individual club seat, and per individual chairback seat. These prices include donation and ticket prices. (3) Tennessee State was excluded from this analysis.

(\*) Represents the average price of premium inventory

Based on the averages and medians shown above, comparable stadiums in the Ohio Valley Conference on average had 12 suites (with an average annual price of approximately \$11,618). Two stadiums had an average number of club seats of 584 with an average annual price of \$1,015 per seat. Only one stadium sold chairback seats as a premium product, with total seating at 725 seats.



# OTHER COMPARABLE STADIUMS: PREMIUM SEATING AMENITIES & PRICING



University	Stadium	Seating Capacity	Suites		Club Seats	
			Suite Inventory	Annual Price Per Suite	Club Inventory	Annual Price Per Seat
East Tennessee State	William B. Greene Jr. Stadium	7,694	10	\$30,000	567	\$1,250
Jacksonville State	JSU Stadium	24,000	32	\$18,750	1,026	\$500
James Madison	Bridgeforth Stadium	24,877	15	\$33,000	1,000	\$1,550
Kennesaw State	Fifth Third Bank Stadium	8,318	22	\$33,600	400	\$725
Middle Tennessee State	Johnny "Red" Floyd Stadium	30,788	55	\$10,525	550	\$1,190
Southern Illinois	Saluki Stadium	15,000	12	\$16,500	-	-
Tennessee at Chattanooga	Finley Stadium	20,412	30	\$13,500	-	-
<b>AVERAGE</b>		<b>18,727</b>	<b>25</b>	<b>\$22,268</b>	<b>709</b>	<b>\$1,043</b>
<b>MEDIAN</b>		<b>20,412</b>	<b>22</b>	<b>\$18,750</b>	<b>567</b>	<b>\$1,190</b>

Source: Victus research,

Notes: (1) Sorted by University in alphabetical order. (2) Annual prices represent the total annual price per suite, per individual club seat, and per individual chairback seat. These prices include donation and ticket prices. (3) East Tennessee premium seat prices include a one-time capital gift of \$50,000 per suite which can be paid out over five years and a one-time capital gift of \$1,000 which can be paid out over two years. (4) Middle Tennessee State sells 43 "open air" boxes which are treated as suites for this analysis. (4) Kennesaw State sells loge boxes that are treated as club seats for this analysis. (\*) Represents the average price of premium inventory

Of the comparable stadiums from other conferences that offer luxury suites, stadiums averaged 25 suites priced at approximately \$22,268 each. Three of the stadiums also offer club seats which average 709 seats at \$1,043 per seat.





# MARKET PENETRATION ANALYSIS FOR PREMIUM SEATING



# MARKET PENETRATION ANALYSIS



Market penetration analysis is an analytical tool that measures how much of a product or service is being sold relative to the size of the available market for that product or service.

In this section, Victus Advisors will:

- 1) Analyze the comparable stadiums to understand how much potential premium seating revenue is being generated at each stadium.
- 2) Compare the premium revenue at each stadium to various market sizing metrics, such as football attendance, living alumni, and total businesses in the market area.
- 3) Apply the market penetration metrics for premium seating at comparable stadiums to Tech's football attendance, living alumni base, and total businesses in the market area, in order to identify conservative ranges for potential premium seat pricing at Tucker Stadium.

This market penetration analysis section is separated into two product types:

- A) Suites
- B) Club Seats



# MARKET PENETRATION ANALYSIS: A. SUITES



# SUITE REVENUE PER AVERAGE ATTENDANCE



University	Stadium	SEATING CAPACITY	SUITES			3-Year Average Attendance	Potential Suite Revenue per Attendee
		Total Inventory	Suite Inventory	Avg. Annual Price/Suite	Potential Revenue		
Kennesaw State	Fifth Third Bank Stadium	8,318	22	\$33,600	\$739,200	6,133	\$120.53
Tennessee at Chattanooga	Finley Stadium	20,412	30	\$13,500	\$405,000	8,563	\$47.30
Middle Tennessee State	Johnny "Red" Floyd Stadium	30,788	55	\$10,525	\$578,875	15,150	\$38.21
East Tennessee State	William B. Greene Jr. Stadium	7,694	10	\$30,000	\$300,000	8,323	\$36.04
Jacksonville State	JSU Stadium	24,000	32	\$18,750	\$600,000	17,374	\$34.53
Southern Illinois	Saluki Stadium	15,000	12	\$16,500	\$198,000	6,592	\$30.04
James Madison	Bridgeforth Stadium	24,877	15	\$33,000	\$495,000	20,248	\$24.45
Austin Peay	Fortera Stadium	10,000	18	\$10,235	\$184,230	7,561	\$24.37
Murray State	Roy Stewart Stadium	16,800	5	\$13,000	\$65,000	6,154	\$10.56
<b>AVERAGE</b>		<b>17,543</b>	<b>22</b>	<b>\$19,901</b>	<b>\$396,145</b>	<b>10,678</b>	<b>\$40.67</b>
<b>MEDIAN</b>		<b>16,800</b>	<b>18</b>	<b>\$16,500</b>	<b>\$405,000</b>	<b>8,323</b>	<b>\$34.53</b>

Sources: Esri, Victus Research

Note: Sorted by Potential Suite/Box Revenue per Attendee in descending order



## Hypothetical Tech Suite Revenue: Based on Football

	3-Year Average Attendance	Implied Suite & Box Revenue Potential	Proposed Tech Suite Seats*	Implied Price per Seat
<b>Average:</b>	6,372	\$259,146	240	\$1,080
<b>Median:</b>	6,372	\$220,053	240	\$917

\*Does not include party or President's Suite

Based on Tech football attendance relative to comparable schools, it is estimated that suites at Greater Tucker Stadium could be sold for approximately \$917 (median) to \$1,080 (average) per seat.



# SUITE REVENUE PER LIVING ALUMNI



University	Stadium	SUITES			Living Alumni	Potential Suite Revenue per Living Alumni
		Suite Inventory	Avg. Annual Price/Suite	Potential Revenue		
Jacksonville State	JSU Stadium	32	\$18,750	\$600,000	71,000	\$8.45
Kennesaw State	Fifth Third Bank Stadium	22	\$33,600	\$739,200	100,000	\$7.39
Tennessee at Chattanooga	Finley Stadium	30	\$13,500	\$405,000	70,000	\$5.79
Middle Tennessee State	Johnny "Red" Floyd Stadium	55	\$10,525	\$578,875	144,000	\$4.02
James Madison	Bridgeforth Stadium	15	\$33,000	\$495,000	148,000	\$3.34
East Tennessee State	William B. Greene Jr. Stadium	10	\$30,000	\$300,000	90,000	\$3.33
Austin Peay	Fortera Stadium	18	\$10,235	\$184,230	120,000	\$1.54
Southern Illinois	Saluki Stadium	12	\$16,500	\$198,000	175,000	\$1.13
Murray State	Roy Stewart Stadium	5	\$13,000	\$65,000	80,000	\$0.81
<b>AVERAGE</b>		<b>22</b>	<b>\$19,901</b>	<b>\$396,145</b>	<b>110,889</b>	<b>\$3.98</b>
<b>MEDIAN</b>		<b>18</b>	<b>\$16,500</b>	<b>\$405,000</b>	<b>100,000</b>	<b>\$3.34</b>

Sources: Esri, Victus Research

Note: Sorted by Potential Suite Revenue per Living Alumni in descending order



Hypothetical Tech Suite Revenue: Based on Living Alumni				
	Living Alumni	Implied Suite & Box Revenue Potential	Proposed Tech Suite Seats*	Implied Price per Seat
<b>Average:</b>	77,000	\$306,336	240	\$1,276
<b>Median:</b>	77,000	\$257,534	240	\$1,073

\*Does not include party or President's Suite

Based on Tech living alumni relative to comparable schools, it is estimated that suites at Tucker Stadium could be sold for approximately \$1,073 (median) to \$1,276 (average) per seat.



# SUITE REVENUE PER TOTAL BUSINESS



University	Stadium	SUITES			Market	Total Businesses	Potential Suite Revenue per Business
		Suite Inventory	Avg. Annual Price/Suite	Potential Revenue			
Jacksonville State	JSU Stadium	32	\$18,750	\$600,000	Anniston, AL	3,719	\$161.33
James Madison	Bridgeforth Stadium	15	\$33,000	\$495,000	Harrisonburg, VA	4,577	\$108.15
East Tennessee State	William B. Greene Jr. Stadium	10	\$30,000	\$300,000	Johnson City, TN	5,968	\$50.27
Murray State	Roy Stewart Stadium	5	\$13,000	\$65,000	Murray, KY	1,416	\$45.90
Southern Illinois	Saluki Stadium	12	\$16,500	\$198,000	Carbondale, IL	5,013	\$39.50
Austin Peay	Fortera Stadium	18	\$10,235	\$184,230	Clarksville, TN	7,599	\$24.24
Tennessee at Chattanooga	Finley Stadium	30	\$13,500	\$405,000	Chattanooga, TN	18,566	\$21.81
Middle Tennessee State	Johnny "Red" Floyd Stadium	55	\$10,525	\$578,875	Nashville, TN	65,492	\$8.84
Kennesaw State	Fifth Third Bank Stadium	22	\$33,600	\$739,200	Atlanta, GA	207,960	\$3.55
<b>AVERAGE</b>		<b>22</b>	<b>\$19,901</b>	<b>\$396,145</b>		<b>35,590</b>	<b>\$51.51</b>
<b>MEDIAN</b>		<b>18</b>	<b>\$16,500</b>	<b>\$405,000</b>		<b>5,968</b>	<b>\$39.50</b>

Sources: Esri, Victus Research

Note: Sorted by Potential Suite Revenue per Business in descending order



### Hypothetical Tech Suite Revenue: Based on Total Businesses

	Total Businesses in Market Area	Implied Suite & Box Revenue Potential	Proposed Tech Suite Seats*	Implied Price per Seat
<b>Average:</b>	3,580	\$184,411	240	\$768
<b>Median:</b>	3,580	\$141,400	240	\$589

\*Does not include party or President's Suite

Based on the Cookeville market's total businesses relative to the markets of comparable schools, it is estimated that suites at Tucker Stadium could be sold for approximately \$589 (median) to \$768 (average) per seat.



## MARKET PENETRATION ANALYSIS: B. CLUB SEATS



# CLUB SEAT REVENUE PER AVERAGE ATTENDANCE



University	Stadium	CLUB SEATS			3-Year Average Attendance	Potential Club Seat Revenue per Average Attendee
		Seat Inventory	Avg. Annual Price	Potential Revenue		
Southeast Missouri	Houck Stadium	792	\$1,680	\$1,330,560	4,228	\$314.68
East Tennessee State	William B. Greene Jr. Stadium	567	\$1,250	\$708,750	8,323	\$85.16
James Madison	Bridgeforth Stadium	1,000	\$1,550	\$1,550,000	20,248	\$76.55
Kennesaw State	Fifth Third Bank Stadium	400	\$725	\$290,000	4,359	\$66.53
Middle Tennessee State	Johnny "Red" Floyd Stadium	550	\$1,190	\$654,500	15,150	\$43.20
Jacksonville State	JSU Stadium	1,026	\$500	\$513,000	17,374	\$29.53
Austin Peay	Fortera Stadium	375	\$350	\$131,250	7,561	\$17.36
<b>AVERAGE</b>		<b>673</b>	<b>\$1,035</b>	<b>\$739,723</b>	<b>11,035</b>	<b>\$90.43</b>
<b>MEDIAN</b>		<b>567</b>	<b>\$1,190</b>	<b>\$654,500</b>	<b>8,323</b>	<b>\$66.53</b>

Sources: Esri, Victus Research

Note: Sorted by Potential Club Seat Revenue per Average Attendee in descending order



Hypothetical Tech Club Seat Revenue: Based on Football Attendance				
	3-Year Average Attendance	Implied Club Seat Revenue Potential	Proposed Tech Club Seats	Implied Price per Club Seat
<b>Average:</b>	6,372	\$576,242	500	\$1,152
<b>Median:</b>	6,372	\$423,945	500	\$848

Based on Tech's average football attendance relative to comparable schools, it is estimated that club seats at Tucker Stadium could be sold for approximately \$848 (median) to \$1,152 (average) per club seat.





# CLUB SEAT REVENUE PER LIVING ALUMNI



University	Stadium	CLUB SEATS			Living Alumni	Potential Club Seat Revenue per Living Alumni
		Seat Inventory	Avg. Annual Price	Potential Revenue		
Southeast Missouri	Houck Stadium	792	\$1,680	\$1,330,560	75,000	\$17.74
James Madison	Bridgeforth Stadium	1,000	\$1,550	\$1,550,000	148,000	\$10.47
East Tennessee State	William B. Greene Jr. Stadium	567	\$1,250	\$708,750	90,000	\$7.88
Jacksonville State	JSU Stadium	1,026	\$500	\$513,000	71,000	\$7.23
Middle Tennessee State	Johnny "Red" Floyd Stadium	550	\$1,190	\$654,500	144,000	\$4.55
Kennesaw State	Fifth Third Bank Stadium	400	\$725	\$290,000	100,000	\$2.90
Austin Peay	Fortera Stadium	375	\$350	\$131,250	120,000	\$1.09
<b>AVERAGE</b>		<b>673</b>	<b>\$1,035</b>	<b>\$739,723</b>	<b>106,857</b>	<b>\$7.41</b>
<b>MEDIAN</b>		<b>567</b>	<b>\$1,190</b>	<b>\$654,500</b>	<b>100,000</b>	<b>\$7.23</b>

Sources: Esri, Victus Research

Note: Sorted by Potential Club Seat Revenue per Living Alumni in descending order



Hypothetical Tech Club Seat Revenue: Based on Living Alumni				
	Living Alumni	Implied Club Seat Revenue Potential	Proposed Tech Club Seats	Implied Price per Club Seat
Average:	77,000	\$570,383	500	\$1,141
Median:	77,000	\$556,352	500	\$1,113

Based on Tech's living alumni base relative to comparable schools, it is estimated that club seats at Tucker Stadium could be sold for approximately \$1,113 (median) to \$1,141 (average) per seat.



# CLUB SEAT REVENUE PER TOTAL BUSINESS



University	Stadium	CLUB SEATS			Market	Total Businesses	Potential Club Seat Revenue per Business
		Seat Inventory	Avg. Annual Price	Potential Revenue			
Southeast Missouri	Houck Stadium	792	\$1,680	\$1,330,560	Cape Girardeau, MO	3,658	\$363.74
James Madison	Bridgeforth Stadium	1,000	\$1,550	\$1,550,000	Harrisonburg, VA	4,577	\$338.65
Jacksonville State	JSU Stadium	1,026	\$500	\$513,000	Anniston, AL	3,719	\$137.94
East Tennessee State	William B. Greene Jr. Stadium	567	\$1,250	\$708,750	Johnson City, TN	5,968	\$118.76
Austin Peay	Fortera Stadium	375	\$350	\$131,250	Clarksville, TN	7,599	\$17.27
Middle Tennessee State	Johnny "Red" Floyd Stadium	550	\$1,190	\$654,500	Nashville, TN	65,492	\$9.99
Kennesaw State	Fifth Third Bank Stadium	400	\$725	\$290,000	Atlanta, GA	207,960	\$1.39
<b>AVERAGE</b>		<b>673</b>	<b>\$1,035</b>	<b>\$739,723</b>		<b>42,710</b>	<b>\$141.11</b>
<b>MEDIAN</b>		<b>567</b>	<b>\$1,190</b>	<b>\$654,500</b>		<b>5,968</b>	<b>\$118.76</b>

Sources: Esri, Victus Research

Note: Sorted by Potential Club Seat Revenue per Business in descending order



Hypothetical Tech Club Seat Revenue: Based on Total Businesses				
	Total Businesses	Implied Club Seat Revenue Potential	Proposed Tech Club Seats	Implied Price per Club Seat
<b>Average:</b>	3,580	\$505,163	500	\$1,010
<b>Median:</b>	3,580	\$425,155	500	\$850

Based on the Cookeville market's total businesses relative to the markets of comparable schools, it is estimated that club seats at Tucker Stadium could be sold for approximately \$850 (median) to \$1,010 (average) per seat.



# PRICING, REVENUE & FUNDING ANALYSIS



# RESULTS OF COMPARABLE MARKET PENETRATION ANALYSIS



Seating Type: Metric:	Suites (20 Seats)			Club Seats (per Seat)		
	Attendance	Alumni	Businesses	Attendance	Alumni	Businesses
Price Based on Average:	\$21,595	\$25,528	\$15,368	\$1,152	\$1,141	\$1,010
Price Based on Median:	\$18,338	\$21,461	\$11,783	\$848	\$1,113	\$850
<b>Conservative Range:*</b>	<b>\$15,368</b>	<b>to</b>	<b>\$21,595</b>	<b>\$850</b>	<b>to</b>	<b>\$1,141</b>

*\*Note: High and low prices within each product type were excluded from Conservative Range*

The results of the comparable facility review and the market penetration analysis produce the following conservative price ranges for new premium seating at Tucker Stadium:

- Suites (20 seats): \$15,368 to \$21,595 per suite
- Club Seats: \$850 to \$1,141 per club seat

On the following page, Victus Advisors presents our recommended high, medium, and low prices for each type of inventory at Tucker Stadium, with corresponding revenue levels.



# RECOMMENDED PRICE LEVELS: HIGH, MEDIUM & LOW SCENARIOS



Scenario	Suites*			Club Seats			Chairback Seats			Berm			Total Revenue
	# Suites	Price Per Suite	Suite Revenue	# Seats	Price Per Seat	Club Seat Rev.	# Seats	Price Per Seat	Chairback Rev.	# Tickets	Price per Ticket	Berm Rev.	
High	14	\$22,000	\$308,000	500	\$1,200	\$600,000	1,850	\$400	\$740,000	1,000	\$55	\$55,000	\$1,703,000
Medium	14	\$18,500	\$259,000	500	\$1,025	\$512,577	1,850	\$300	\$555,000	1,000	\$45	\$45,000	\$1,371,577
Low	14	\$15,000	\$210,000	500	\$850	\$425,155	1,850	\$200	\$370,000	1,000	\$35	\$35,000	\$1,040,155

\*Note: # Suites includes 2 party suites at per game prices of: High - \$4,400, Medium - \$3,700, Low - \$3,000

Based upon the research and analysis contained herein, as well as Victus Advisors' relevant experience on other NCAA football premium seating projects, we recommend that Tennessee Tech considers the potential price levels shown above for new seating at Tucker Stadium, with total annual revenue (including donations and tickets) ranging from approximately \$1.0 to \$1.7 million, depending on price level.

Typically, we recommend that new premium seating associated with a stadium renovation and expansion should be marketed at the "High" or "Medium" level in order to capitalize on positive buzz and encourage donors to increase their level of support for the football program. We also want to highlight the following recommendations and clarifications:

- To support the stadium renovation/expansion, premium seat leases should be offered on multi-year terms (such as 5, 7, or 9 years for new suites and 3, 5, or 7 years for new club seats).
- Annual price increases should be built into long-term leases to account for inflation. Typically the shortest term will have a 3% annual increase, whereas the middle term might be 2% annually, and the longest term might be 1% annually.
  - Club seats are typically sold in pairs (minimum of 2 seats per purchase).
- The prices shown above include both the seat donation and the cost of tickets. It is also assumed that parking passes would be included (typically 1 per pair of club seats, and 1 per every 3-4 suite seats).
- It is assumed that food/beverage would be an additional cost per game, as premium hospitality is typically an important revenue stream associated with new premium seating amenities.



# INCREMENTAL REVENUE & DEBT SERVICE ANALYSIS



		Estimated Annual Increment	Less: * Estimated Op Ex Increase	Net Incremental Revenue Available for Debt Service
<i>Current Football Donations + Season Ticket Sales:</i>	\$245,772	-	-	-
Projected Revenue at High Prices:	\$1,703,000	\$1,457,228	(\$234,000)	\$1,223,228
Projected Revenue at Medium Prices:	\$1,371,577	\$1,125,805	(\$234,000)	\$891,805
Projected Revenue at Low Prices:	\$1,040,155	\$794,383	(\$234,000)	\$560,383

*\*Assumes \$300 in new operating expenses per suite/club seat*



	Pricing Scenarios		
	High	Medium	Low
Net Incremental Revenue Available for Debt Service	\$1,223,228	\$891,805	\$560,383
Coverage Ratio	1.5	1.5	1.5
Fixed Annual Debt Service	\$815,485	\$594,537	\$373,589
Borrowing Term (Years)	30	30	30
Estimated Borrowing Rate	3%	3%	3%
<b>Estimated Project Funding Capacity</b>	<b>\$15,983,872</b>	<b>\$11,653,188</b>	<b>\$7,322,503</b>

When priced at the High level, it is estimated that incremental revenues generated from new Tucker Stadium seating could fund approximately \$16.0 million in capital project costs. Whereas, if priced at the Medium level, it is estimated that incremental revenues generated from new Tucker Stadium seating could fund approximately \$11.7 million in capital project costs.

Please note, this analysis is intended to be conservative, because it does not include other incremental revenues that could be generated via: a) New naming rights opportunities associated with a renovated and expanded Tucker Stadium; b) Incremental food/beverage revenue generated in new premium seating areas; and c) Premium parking amenities if Tennessee Tech decides to sell parking separately rather than including parking in the premium seating lease (as currently assumed).



# COMPARISON CHART - TOTAL PREMIUM REVENUE



University	Stadium	PREMIUM SEATING PROGRAM				Potential Premium Revenue
		Suite Inventory	Avg. Annual Price/Suite	Club Seat Inventory	Avg. Annual Price/Seat	
James Madison	Bridgeforth Stadium	15	\$33,000	1,000	\$1,550	\$2,045,000
Southeast Missouri	Houck Stadium			792	\$1,680	\$1,330,560
Middle Tennessee State	Johnny "Red" Floyd Stadium	55	\$10,525	550	\$1,190	\$1,233,375
Jacksonville State	JSU Stadium	32	\$18,750	1,026	\$500	\$1,113,000
Kennesaw State	Fifth Third Bank Stadium	22	\$33,600	400	\$725	\$1,029,200
East Tennessee State	William B. Greene Jr. Stadium	10	\$30,000	567	\$1,250	\$1,008,750
<i>Tennessee Tech - High</i>	<i>Tucker Stadium</i>	<i>14</i>	<i>\$22,000</i>	<i>500</i>	<i>\$1,200</i>	<i>\$908,000</i>
<i>Tennessee Tech - Medium</i>	<i>Tucker Stadium</i>	<i>14</i>	<i>\$18,500</i>	<i>500</i>	<i>\$1,025</i>	<i>\$771,577</i>
<i>Tennessee Tech - Low</i>	<i>Tucker Stadium</i>	<i>14</i>	<i>\$15,000</i>	<i>500</i>	<i>\$850</i>	<i>\$635,155</i>
Tennessee at Chattanooga	Finley Stadium	30	\$13,500			\$405,000
Austin Peay	Fortera Stadium	18	\$10,235	375	\$350	\$315,480
Southern Illinois	Saluki Stadium	12	\$16,500			\$198,000
Murray State	Roy Stewart Stadium	5	\$13,000			\$65,000
<b>AVERAGE</b>		<b>22</b>	<b>\$19,901</b>	<b>673</b>	<b>\$1,035</b>	<b>\$874,337</b>
<b>MEDIAN</b>		<b>18</b>	<b>\$16,500</b>	<b>567</b>	<b>\$1,190</b>	<b>\$1,018,975</b>

Notes: (1) Avg. Annual Price/Suite includes Donation + Ticket Price. (2) Tucker Stadium Suites include one party and president's suite. (3) Sorted by Potential Premium Revenue in descending order. (4) Average and Median exclude Tennessee Tech.

The table above shows where Tech's football premium seating program (Suites and Club Seats at the High, Medium, and Low pricing levels) could rank in terms of potential revenue relative to the comparable stadiums.

It should be noted however, that these projections only account for premium suites and club seats at Tucker Stadium. Additional new ticketing options (chairback seats and berm offerings) would provide additional revenue opportunities as previously detailed in this section.



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