

CITY OF KNOXVILLE, TENNESSEE



Amelia Parker

City Council, At-Large, Seat C

Date: August 23, 2022

To: Vice Mayor Andrew Roberto and members of City Council

Re: A TimeOut is Needed on Stadium Financing until the Budget, Schematic Plans, Project Scope, and Stadium Agreements are Finalized and Signed for the MultiPurpose Stadium

This evening, the Knoxville City Council will be asked to approve an amendment to the Interlocal Project Agreement for the MultiPurpose Sports Stadium and an expansion of the TIF district near the stadium in order to capture additional taxpayer dollars to dedicate towards stadium construction debt. I am urging my colleagues on City Council to call a timeout until all information pertinent to this project is made available, in a legally-enforceable written instrument, to members of city council and the public. Had we required the Developer to present a Stadium budget to City Council as part of a fully executed Development Agreement, the Developer would have been required under section 6.5 to cover the cost overruns of stadium construction or under section 5.1.1 to negotiate with the Sports Authority on a plan to either lower the costs of the stadium or present a request to the City/County for an amendment to the Stadium budget. However, we have still yet to be presented with a Stadium budget.

Let's not rush. Let's take our time and get it right this time.

The following are a few of the major concerns that I have with the new proposal for the stadium financing. In addition, attached I have included updates to the Stadium Questions and Concerns document that I produced in preparation for City Council's meeting on November 12, 2021, adding in the Amendments to the Magnolia Redevelopment plan and the First Amendment to the Interlocal Agreement before us this evening.

- 1) In order to secure City Council support, **Boyd promised to cover Cost Overruns**. A joint workshop was held in August 19, 2021 to present the City/County with a new financing plan that accounted for a \$4.5 million dollar steel increase and \$10.725 million to cover a 16.5% inflation increase (up from an anticipated 6% increase). The Developer and all parties involved were perfectly aware that costs are volatile in the construction industry currently, which is why it was important for this project to be governed by a Guaranteed Maximum Price contract and for the Developer to cover cost overruns as required in the Development Agreement.
- 2) A **workshop** on the new proposed financing plan **and a public hearing** on the Magnolia Redevelopment Plan and proposed amendment **are needed and due to the public if additional taxpayer dollars are to be committed to the financing of the stadium** and additional tax incentives and abatements in the area will no longer be decided by their elected representatives. Additional discussion is needed to fully understand how these amendments could impact future development in the area that will also need financing and public infrastructure upgrades including significant, costly utility work that KUB will not be willing to cover.
- 3) **City Council has been given no reason to rush an agreement before final details are revealed**. The budget for the project as well as the various Stadium Agreements will not be finalized until a guaranteed maximum price is set for the construction contract in December/January. Significant support has already been shown towards the project in

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the form of a \$65 million bond issue being authorized and backed by both the City/County. The team owner's company has been selected as the developer and a construction manager, Denark Construction, has been named without protest over the contractors being selected without a competitive bidding process. The actions of the City/County should be and should have been enough for the Developer to do his due diligence towards this project. The stadium construction contract with a guaranteed maximum price and a completion guaranty, as required by section 6.4.2 of the Development Agreement, should have been finalized once the Interlocal Agreement was signed and the Sports Authority gave approval to the Development and Lease Agreements in Feb 2022. We have been rushed while the Team owner and Developer have been allowed to take their time.

- 4) If Boyd shall be reimbursed rather than required to cover cost overruns that exceed \$80.1 million, then RR Land should not maintain control over the budget nor plans for capital improvements for the stadium and instead the **budget, designs, and plans for the Stadium should be required to meet the approval of the public through their elected representatives before further public financing is approved** and all material changes moving forward that would require an amendment to the Stadium budget must come back before those elected bodies.
- 5) A **Community Benefits Agreement is still needed to ensure the verbal commitment of the Developer is upheld to maintain a "Hyper-local focus" of East Knoxville for Stadium hires and ensure livable wages for Stadium jobs.** State law prohibits local governments from entering into agreements with developers that require local hires and set wage requirements. State law also prohibits cities from setting our own minimum wage above the state minimum, which is \$7.25/hour. However, cities have a few tools available to influence worker wages in the city:
 - a. Raising the wages of city employees (which we have done and doing so will not only increase city employee pay but will influence area employers who are competitors to raise theirs as well), and
 - b. Allowing space for legally-enforceable community benefits agreements to be developed between a developer that is receiving significant public financing and a community organization that is able to represent the needs and demands of the community and oversee the adherence of the Developer to the tenets of the CBA in negotiations pertaining to projects receiving significant public financing. CBAs can be used to ensure long-term economic benefits to the very community an economic development project is supposed to benefit.

It is time for Knoxville leadership to use all tools available to us to directly address the alarming rates of poverty in our city and especially in the area where the Stadium will be located.

Thank you all for your attention to this matter and your commitment to residents of Knoxville.

Sincerely,



Amelia

Stadium Agreements:

Questions and Concerns of Councilwoman Amelia Parker

V1. Submitted to City Council and County Commission

Monday, November 15, 2021

V2. Submitted to members of the Sports Authority with revisions

Sunday, January 9, 2022

V3. Comments added for Feb 5, 2022 edition of the Development and Lease Agreements

Sunday, August 21, 2022

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- 1) AMENDMENT OF AREA SUBJECT TO THE PLAN TO EXPAND BY ONE BLOCK 10
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- 2) AMENDMENT TO ALLOW FOR TAX INCREMENT FINANCING FOR THE STADIUM, MIXED-USE PROJECT, AND PUBLIC INFRASTRUCTURE 11

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If the debt service with respect to the tax increment financing is not fully paid by its date of maturity, is the city/county liable for any debt remaining of the \$50 million? 12

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- 1) AMENDMENT TO SECTION 1(E) OF THE INTERLOCAL PROJECT AGREEMENT 12

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- 2) AMENDMENT OF SECTION (1), ADDING SUBSECTION (F) TO THE INTERLOCAL PROJECT AGREEMENT..... 12

Why does this proposed amendment to the Interlocal Agreement indicate KCDC would secure debt to assist with financing the cost of the Stadium but not name Randy Boyd, RR Land, or Boyd Sports as the entity required to provide the funds for the loan? 12

This Agreement must also clearly state that the Developer is responsible for cost overruns that exceed the guaranteed maximum price per section 6.5 of the Development Agreement..... 12

INTERLOCAL PROJECT AGREEMENT (CITY, COUNTY, & SPORTS AUTHORITY) 13

- 1) WHEREAS #9: PLEDGED REVENUES 13

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What other private development has materialized that will contribute towards the \$750,000 in annual pledged revenues for stadium debt from the incremental property taxes produced by private development around the stadium? 13

2) WHEREAS #11: ESTABLISHMENT OF THE DEBT SERVICE AND CAPITAL IMPROVEMENT FUNDS..... 14

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Why not structure the Debt Service Fund similar to the Capital Reserve Fund? 15

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Although this section prevents construction to move forward until MLB approvals are granted, the Developer would still be authorized to enter into contracts, Sports Authority bonds could be issued, and debt could incur before MLB approvals are obtained. This exposes the city and county to unnecessary risks. 16

2) SECTION 3.2.4 PLANS FOR STADIUM IMPROVEMENTS AND STADIUM BUDGET 16

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When will city council be provided the final Stadium Budget and schematic plans for the stadium? 16

3) SECTION 3.2.5 FINANCING DEADLINE 16

This agreement should explicitly state that financing should not be secured until MLB approvals are obtained, or alternatively that no funds should be expended until MLB approvals are obtained. 16

4) SECTION 3.4.3 EFFECT OF TERMINATION 17

5) SECTION 5.1.1 PLANS FOR STADIUM IMPROVEMENTS 17

Language has been added to clarify that only an Authority Representative will be given access to information relating to subcontractors requested to provide bids and the bids received. How will the Sports Authority and the community be able to assess whether the Developer has made a best faith effort in meeting the goals of this agreement if the information will not be made publicly available? 17

When will detailed budget projections be shared, breaking down the \$65 million in construction costs included in the financing plan and including the plans for stadium improvements? 17

6) SECTION 5.1.3 STADIUM BUDGET 17

Since increasing the stadium budget increases the liabilities of all parties, all parties to the Interlocal Agreement should approve the stadium budget and budget amendments..... 17

If the Developer is still responsible for stadium construction over runs (Section 6.5), what would be an occasion for the Sports Authority to approve increases to the stadium budget outside of change orders once a new guaranteed maximum price for stadium construction has been set? 17

How will Pre-Development Expenses be maintained separate from Stadium Costs, which as defined could include costs that originate before the Execution Date, to ensure the Developer remains liable for Pre-Development Expenses? 18

7) SECTION 5.1.4 STADIUM CONSTRUCTION SCHEDULE 18

Moving forward with utility infrastructure work and public infrastructure improvements designed for a stadium project in order to meet the stadium construction schedule, even when the MLB has not even given firm commitment to this project and the Developer has already gone back on his word, is not good stewardship of the taxpayers' money. 18

8) SECTION 5.1.8 SCHEDULED INFRASTRUCTURE IMPROVEMENTS..... 18

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9) SECTION 5.3 FINANCING PROCEEDS AND SECTION 6.6 PRE-DEVELOPMENT EXPENSES 18

10) SECTION 6.5 COST OVERRUNS 18

This section must maintain the requirement that the developer cover cost overruns above the guaranteed maximum price. 19

11) SECTION 6.9 CHANGE ORDERS 19

The Sports Authority should either have the authority to use contingency funds for a change order without the approval of the Developer or the ability of the Developer to be reimbursed from contingency funds should be removed from the Development Agreement so as to prevent a conflict of interest. 19

12) SECTION 9.2 DEVELOPER'S REMEDIAL WORK 19

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13) SECTION 14.1.1 DEVELOPER DEFAULT AND SECTION 14.2.2 AUTHORITY'S REMEDIES 19

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15) SECTION 14.2.4 SELF HELP 19

16) SECTION 15.2. AUTHORITY APPROVAL..... 20

17) SECTION 16.1 UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES 20

18) SECTION 16.3(A) MEASURES TO ENHANCE DBE PARTICIPATION..... 20

The focus of this section should change from "measures to enhance" and instead should be "Measures to Meet DBE Goals" 20

Section 16.3(a)(v) recognizes that prices will not be the sole factor in determining awards; however, section 5.1.1 requires the lowest cost for the construction of the stadium to be the

	<i>determining factor monitored by the Authority. See proposed changes for Section 5.1.1. above.</i>	20
19)	SECTION 16.3(B) SUBCONTRACTORS UNDER PRIME CONTRACTOR	20
	<i>Language in this section was weakened from “requiring subcontractors to use their reasonable best efforts” to contract with DBEs to including a provision in subcontracts that “promotes DBE participation through good faith efforts.”</i>	20
20)	SECTION 16.4 REPORTING REQUIREMENTS	20
	<i>Through this section, proposals from DBEs (awarded and rejected) would be shared with the Authority. If DBE proposals can be shared, then all proposals/bids can be shared with the Authority.</i>	20
21)	SECTION 16.5 NEIGHBORING COMMUNITY	20
	<i>This Agreement should explicitly layout the commitment, partnership, and plan established with the Beck Cultural Exchange Center to create a Stadium Museum</i>	20
22)	SECTION 16.5 NEIGHBORING COMMUNITY	21
	<i>This Agreement should explicitly layout the commitment, partnership, and plan established with the Beck Cultural Exchange Center to create a Stadium Museum</i>	21
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5)	SECTION 4.1 STADIUM EVENTS IN LEASE AGREEMENT	22
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	<i>To avoid defaulting on the Lease and ensure public use of the Stadium, Boyd Sports should be required to demonstrate an ability to deliver an annual schedule of stadium events that generates sufficient revenue to meet Pledged Revenues and still allows for public use of the space</i>	23
	<i>What is the projected annual operating budget of the stadium?</i>	23
	<i>Will Boyd Sports be required to maintain a routine maintenance fund at a certain level?</i>	23
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11)	SECTION 4.5 PROHIBITED USES.....	24
12)	SECTION 4.6 OPERATOR.....	24
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	<i>Will the activities of this section, the execution of the parking strategic plan, come from the Authority's budget, or will expenses be covered jointly by the Tenant and Authority, or by the Developer? How will these priorities be funded?</i>	<i>25</i>
	<i>Would parking improvements be considered stadium improvements and any improvements identified through the strategic plan that are not funded by the Sports Authority could be considered a Default?.....</i>	<i>25</i>
14)	SECTION 6.2 (B) AUTHORITY MAINTENANCE ITEMS	25
	<i>Why would this work not be covered by the Capital Improvements Reserve Fund? What are the projected costs of Authority Maintenance Items over the first term of the Agreement?</i>	<i>25</i>
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17)	SECTION 7.4 APPROVED CAPITAL IMPROVEMENTS.....	26
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18)	SECTION 7.6 IMPROVEMENTS ARBITRATOR.....	26
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Will all public spaces, outside and adjacent to the stadium, be authorized for for-profit activities exclusive to the Tenant? 27

Will the city, county, or sports authority have any oversight over the naming of the stadium to prevent a city that just declared gun violence a public health emergency from establishing Smith and Wesson ballpark? 27

24) SECTION 15.6(E-F) PLASTIC CUP AND BOTTLE POLICY AND USE OF BIODEGRADABLES 27

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30) SECTION 22.3 MEASURES TO ENHANCE DBE PARTICIPATION 28

The focus of this section should change from "measures to enhance" and instead should be "Measures to Meet DBE Goals" 28

31) SECTION 22.3(B) SUBCONTRACTORS UNDER A PRIME CONTRACTOR 28

Language in this section was weakened from requiring the "prime contract includes a provision" requiring "subcontractors to use their reasonable best efforts" to contract with DBEs to including a provision in subcontracts that "promotes DBE participation through good faith efforts." 28

32) SECTION 22.3(B) DIVERSITY COORDINATOR..... 28

The City needs a Director of Contract Compliance to ensure the Developer on this project as well as all future projects funded by the city works in good faith to meet the DBE goals. With the tax revenue projected to come from this project, the city should be willing and able to invest in expanded personnel to ensure the city's civil rights obligations are met and the goals of the stadium project are achieved..... 29

33) SECTION 22.6 INTERNSHIPS 29

More information is needed regarding the compensation interns will receive. 29

34) SECTION 22.7 APPRENTICESHIPS 29

35) SECTION 24.8 NON-APPROPRIATION 29

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Below are the questions and concerns that I have developed after reading through the agreements associated with the proposed multi-use sports and entertainment stadium to be financed and owned by the Knoxville/Knox County Sports Authority (the section pertaining to the Interlocal Agreement was removed December 20, 2021 and readded on August 18, 2022). Questions are highlighted in red. Text in purple was added to this document on Tuesday, November 16, 2021. the day of the City Council vote on the Interlocal Agreement. Text in orange was added to this document on Wednesday, December 20, 2021 and subsequently sent to members of the Sports Authority ahead of their January 12, 2022 workshop. Text in green was added to this document on Sunday, August 21, 2022 (except for text in the first two sections, which are new, so as to not have an entire section in green) and subsequently sent to members of the Sports Authority and City Council ahead of their August 23, 2022 meetings.

Feb 2022: Amendment to the Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan Relating to Tax Increment Financing (City, County, & KCDC)

The purpose of the Amendment to the Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan (hereinafter Magnolia Redevelopment Plan) is to extend the boundaries of the Redevelopment Plan area and allow for TIF financing of the Public Infrastructure Project and the Mix-Use Private Development adjacent to the Stadium.

1) Amendment of Area Subject to the Plan to Expand by One Block

This section identifies the boundaries of an expanded Redevelopment area, expanding the boundaries to one commercial block adjacent to Original Redevelopment area (bounded by Linden Avenue, N. Bertrand Street, McCalla Avenue and Harriet Tubman Street).

2) Amendment to Allow for Tax Increment Financing for Public Infrastructure and Mixed-Use Private Development

This section outlines the tax increment financing to be used for the Redevelopment Project, defined as the Public Infrastructure improvements and a mix-use private development. The estimated cost of the Public Infrastructure Project is approximately \$15,000,000, and the estimated cost of the Mixed-Used Project is approximately \$46,750,000. The entire cost of the Public Infrastructure Project is expected to be initially paid from funds contributed from the City's capital improvement fund, and then such cost will be financed as a redevelopment project by KCDC, with debt service being payable from tax increment revenues from the TIF District. Of the cost of the Mixed-Used Project, only approximately \$4,000,000 to \$8,000,000 is expected to be paid with the proceeds of tax increment financing with the remainder being paid with loans and equity obtained by the private developer of the Mixed-Use Project. The maximum maturity of any tax increment financing will be not later than forty (40) years from the date the financing, including any refinancing, is issued, but in no event shall the allocation of tax revenues with respect to any parcel in the TIF District to pay debt service with respect to the tax increment financing described in this Section exceed thirty

(30) years. The estimated impact of the tax increment financing provisions contained herein is expected to have a financial impact of not in excess of \$23,000,000 on a present value basis.

Aug 2022: Amendment to the Magnolia Redevelopment Plan Relating to Tax Increment Financing (City, County, & KCDC)

The purpose of the Amendment to the Magnolia Redevelopment Plan is to extend the boundaries of the TIF district and to include the Stadium Project in the Redevelopment Project to receive tax increment financing, increasing the estimated costs of the Redevelopment Project to \$275 million with an estimated amount of all debt to be incurred by KCDC for the Redevelopment Project as tax increment financing of \$50 million, of which approximately \$14 million is to be incurred for the cost of Public Infrastructure, \$8 million for redevelopment costs relating to the Mixed-Use Private Development, and \$28 million for costs relating to the Stadium (of which approximately \$8 million is expected to support the financing of the Sports Authority and \$20 million is expected to be initially borrowed from an entity or person affiliated with the Team).

1) Amendment to Increase the Boundary of the TIF District and limit additional TIFs and tax abatements in the Redevelopment area

This section identifies the boundaries of an expanded TIF area. Pursuant to the Stadium Amendment, only the tax increment revenues from an area identified in the Stadium Amendment as the TIF District are to be allocated to KCDC pursuant to the Plan. However, no financial assistance through tax increment financing or tax abatements will be available to any businesses, new or current, looking to establish or grow their business in the newly expanded redevelopment area without sports authority approval.

How will these amendments impact future development in the area that will also need financing and public infrastructure upgrades including significant, costly utility work?

2) Amendment to Allow for Tax Increment Financing for the Stadium, Mixed-Use Project, and Public Infrastructure

The estimated cost of the Redevelopment Project described above, including the Stadium, Mixed-Use Project and Public Infrastructure, is approximately \$275 million. The sources of revenue that are expected to finance the costs of the Redevelopment Project include proceeds of bonds to be issued by The Sports Authority, tax increment financing undertaken by KCDC pursuant to the Plan, as amended, financing incurred and equity contributed by the private developers of the Mixed-Use Project, funds contributed by the owner of the minor league baseball team that is expected to lease the Stadium (the "Team"), and funds contributed by the City of Knoxville and the Knoxville Utilities Board for public infrastructure costs.

The estimated amount of all debt to be incurred by KCDC as tax increment financing is not expected to exceed \$50 million, of which approximately \$14 million is to be incurred for the cost of Public Infrastructure, \$8 million for redevelopment costs relating to the Mixed-Use Project and \$28 million for costs relating to the Stadium (of which approximately \$8 million is

expected to support the financing of the Sports Authority and \$20 million is expected to be initially borrowed from an entity or person affiliated with the Team). It is presently expected that portions of the Mixed-Use Project will be subject to agreements relating to payments in-lieu-of-tax agreements, and if such agreements are not entered into, the amount of debt described in this paragraph could increase.

What language in this agreement or any agreement obligates Randy Body to finance a loan to cover cost overruns pertaining to the construction of the stadium?

If the debt service with respect to the tax increment financing is not fully paid by its date of maturity, is the city/county liable for any debt remaining of the \$50 million?

First Amendment to the Interlocal Project Agreement (City, County, & Sports Authority)

The purpose of the first amendment to the Interlocal Project Agreement is to make two amendments to the Agreement and set the date of the Agreement as November 16, 2021. The first amendment increases the maximum interest costs for the Sports Authority Bonds from 5% per year to 6% per year. The second amendment requires the city and county to prohibit any additional tax abatements or tax increment incentive or financing be granted to any property located in an expanded Magnolia Warehouse District Redevelopment and Urban Renewal Plan area unless approved by the Sports Authority and indicates the incremental property tax revenues in the Tif District will be used by KCDC to secure debt incurred to assist with financing the cost of the Stadium. Read below for my questions and concerns regarding this proposal.

1) Amendment to Section 1(e) of the Interlocal Project Agreement

This section increases the maximum interest costs for the Sports Authority Bonds from 5% per year to 6% per year.

What is the estimated annual debt service at a 6% interest rate? \$3.2 million was the estimated annual debt service based on previous interest rates.

2) Amendment of Section (1), adding subsection (f) to the Interlocal Project Agreement

This section obligates the city and county to prohibit additional tax abatements or tax increment incentive or financing be granted to any property located in an expanded Magnolia Redevelopment Plan area unless approved by the Sports Authority and indicates the incremental property tax revenues in the Tif District will be used by KCDC to secure debt incurred to assist with financing the cost of the Stadium.

Why does this proposed amendment to the Interlocal Agreement indicate KCDC would secure debt to assist with financing the cost of the Stadium but not name Randy Boyd, RR Land, or Boyd Sports as the entity required to provide the funds for the loan?

This Agreement must also clearly state that the Developer is responsible for cost overruns that exceed the guaranteed maximum price per section 6.5 of the Development Agreement.

Interlocal Project Agreement (City, County, & Sports Authority)

The purpose of the Interlocal Agreement is to create an agreement between the three bodies that addresses the issuance of Sports Authority bonds, the payment of debt service, the funding of the Capital Improvements Reserve Fund, and other agreements and rights related thereto.

1) Whereas #9: Pledged Revenues

This section outlines all of the revenue sources for debt payments and included are tax increment revenues that would be generated from a city and county approved PILOT and TIF for the private development to surround the stadium. Since the projects are so interdependent, City Council must be made aware of progress made towards the realization of the private development.

Response (1) from Deputy to the Mayor Stephanie Welch on November 16, 2021: "The parameters of the financing are well enough established at this juncture that the City and County administration are asking the County Commission and City Council to approve the interlocal agreement to demonstrate support for the financing plan. If that support is not available, incurring significant additional costs, through time devoted and actual expenses, over the next few months would not be prudent."

As of Aug 2022, the development agreement for the mixed-used private development has not been finalized and all sources of funding have not been identified for the \$46.75 million dollar project. What is the projected construction schedule for this project?

What other private development has materialized that will contribute towards the \$750,000 in annual pledged revenues for stadium debt from the incremental property taxes produced by private development around the stadium?

Response (2) from Deputy to the Mayor Stephanie Welch on November 16, 2021: "The initial phase of development will involve the construction of three buildings, referenced as Buildings A, B, and C, as has been previously described to City Council and to Planning Commission. The capital expenditure for these buildings is expected to be approximately \$120 million, with a minimum expected commitment of \$100 million. A fourth building, referred to as Building G, is expected to be constructed shortly thereafter. Because Building A is expected to include condos, a tax increment financing will be needed to capture tax increment from that property, and Buildings B and C are expected to be subject to a PILOT transaction. No party wall agreements are expected to be required for private development. A determination as to the term of any tax increment financing and the need for the incentives will be made with the assistance of KCDC consistent with the City's procedures, but, in any event, at least 50% of the incremental taxes are expected to be allocated to the Sports Authority to assist with the payment of debt service."

If the stadium and private development are dependent upon each other, both should be considered at the same time. Stadium development should not be approved separate from private development, when the stadium's financing plan would be guaranteed by the City/County, putting each body's bond rating at risk.

Response (3) from Deputy to the Mayor Stephanie Welch on November 16, 2021: “Given the relative minor expected financial exposure to the City and County, the proposed bond financing is not expected to jeopardize the City's or County's bond rating.”

Credit ratings companies will cut municipal bond ratings when the pledged revenues fail to materialize and the Sports Authority is forced to draw upon the debt service reserve. The City and County must have thorough information, concrete commitments, and see progressive motion occurring regarding the private development proposed so that both bodies may do our due diligence to limit risks to our bond ratings and ensure pledged revenues will be actualized.

Response (4) from Deputy to the Mayor Stephanie Welch on November 16, 2021: “See immediate prior response as to bond ratings.”

2) Whereas #11: Establishment of the Debt Service and Capital Improvement Funds

This section obligates the Sports Authority, through a trustee, to establish a debt service fund and a capital improvements reserve fund. The Interlocal Agreement outlines the funding plan for the reserve fund (1(d)). The Development Agreement identifies surplus Financing Proceeds up to \$1 million as potential seed money for the Capital Reserve fund (Dev Agmt Sec. 5.3). Section 1(e) of the Interlocal Agreement indicates that proceeds, including interest, from Sports Authority Bonds could be used to fund the Debt Service Fund, and other uses, but it does not include an amount that should be contributed as seed money for the Debt Service Fund. \$3.2 million/year is the projected debt service needed on \$65 million of debt at a 5% interest rate or lower.

At the August 19, 2021 joint City/County workshop, the financing plan presented includes \$4.2 million in bond issuance costs and capitalized interest. \$4.2 million would provide enough proceeds to provide initial funding for both the Debt Service Fund (\$3.2 million) and the Capital Improvements Fund (\$1 million).

Response (5) from Deputy to the Mayor Stephanie Welch on November 16, 2021: “Interest on the Sports Authority bonds during construction will be included in the bond issue and will not be funded by the City or County ... Therefore, no seed money will be needed, and the first payments will be timed in a manner so that revenues should be available to pay most if not all of the first debt service payment after the project is completed.”

With the increased 6% interest rate, what is the anticipated bond issuance cost of \$65 million and the projected annual debt service?

3) Whereas #14: In the Event of Pledged Revenues Shortfall

This section obligates the City and County to replenish the Debt Service Fund in any year in the event of a shortfall. The Interlocal Agreement and the plan for this development should clarify with what funds the Sports Authority will use to establish a debt service fund, especially if the proceeds and interest from the Sports Authority Bonds may be used in total to pay for the costs of the Stadium and associated redevelopment costs. What funds will be used to establish a debt service fund and at what amount?

Response (8) from Deputy to the Mayor Stephanie Welch on November 16, 2021: “The revenue sources that are expected to be used to pay debt service have been described at the joint workshops. Those revenues include sales tax revenues from the stadium, lease payments from the team, and the tax increment and PILOT revenues from the adjacent development. These revenues will be deposited in the debt service fund and would be the initial sources of payment of debt service, with any shortfalls being made up by the City and County on a pro rata basis.”

Are taxpayers protected if RR Land or Boyd Sports defaults or the private development does not move forward?

4) Section 1(c) Contributions to Debt Service Fund

As with the reserve fund, the Debt Service Fund should have limitations on the City and County’s funding obligation. As written, the City/County are obligated to replenish the fund whenever it is drawn upon. Presumably, when the debt service fund is not in use it will earn interest as is projected for the capital reserve fund. 1(d)(i)

This section, or another more appropriate section, should state clearly that the Developer is responsible for cost overruns, as outlined in section 6.5 of the Development Agreement. Since the City is not party to the Development Agreement, the Interlocal Agreement must capture the intentions of the City and County to hold the Developer accountable to cost overruns related to the construction of the stadium even if the Development Agreement were to change in the future. Will interest earned on the Debt Service fund become a part of the Debt Service Fund? **Response (9) from Deputy to the Mayor Stephanie Welch on November 16, 2021:** “Yes”

What is the plan for surplus funds remaining in the Debt Service Fund once the Debt Service Obligation is met?

Response (10) from Deputy to the Mayor Stephanie Welch on November 16, 2021: “Any amounts held in the debt service fund that are not needed to pay debt service or provide a reserve therefor will be transferred to the capital improvement reserve fund to mitigate the obligation of the City and County to provide funds for the capital improvement reserve fund.”

Why not structure the Debt Service Fund similar to the Capital Reserve Fund? - where City/County would be required to contribute to the Debt Service Fund no later than August 31 at the conclusion of each fiscal year in which the pledged revenues prove insufficient to pay the principal and/or interest on the Sports Authority Bonds?

Response (11) from Deputy to the Mayor Stephanie Welch on November 16, 2021: “The timing for any required deposits in the debt service fund will not be known until the bonds are priced and the semi-annual payment dates are established. The finance directors of both the City and County will be integrally involved with any timing decisions as to debt service payments so that any required contributions can be included in the City’s and County’s budgets in a manageable manner.”

Development Agreement (RR Land & Sports Authority)

The purpose of the Development Agreement is to create an agreement between the Developer (RR Land) and the Sports Authority that addresses the issuance of Sports Authority bonds, the payment of debt service, the funding of the Capital Improvements Reserve Fund, and other agreements and rights related thereto. According to Deputy to the Mayor Stephanie Welch, the Sports Authority voted on a resolution to approve both the Development and Lease Agreements in February 2022 with the understanding that the agreements will not be executed until the guaranteed maximum price for stadium construction is finalized.

1) Section 3.1.1 MLB Approvals not secured yet for team's move to Knoxville

Section 3.1.1 of the Development Agreement outlines the conditions that must be met before construction can begin. Among those conditions is a requirement that MLB approvals are secured for the team's move to Knoxville.

Although this section prevents construction to move forward until MLB approvals are granted, the Developer would still be authorized to enter into contracts, Sports Authority bonds could be issued, and debt could incur before MLB approvals are obtained. This exposes the city and county to unnecessary risks.

2) Section 3.2.4 Plans for Stadium Improvements and Stadium Budget

The **final** Stadium Budget and the full Plans for Stadium Improvements must be presented to the Sports Authority, City Council, and County Commission before the Development and Lease Agreements are signed. The Stadium Budget and Plans for Stadium Improvements should require the approval of all parties to the Interlocal Agreement. Review of the Stadium Budget and subsequent Plans is critical to being able to ensure the projected budget is sufficient to execute the plans for the Stadium that the community anticipates.

***What is the projected annual budget of the Sports Authority, including expenses and revenues as well as projected assets and liabilities?
When will city council be provided the final Stadium Budget and schematic plans for the stadium?***

3) Section 3.2.5 Financing deadline

As stated above, the Development agreement requires the Sports Authority to secure financing by March 31, 2022; however, the MLB approvals may not be granted until 2024. As of August 18, 2022, financing for the Stadium has not closed and is not available to the Authority.

This agreement should explicitly state that financing should not be secured until MLB approvals are obtained, or alternatively that no funds should be expended until MLB approvals are obtained.

4) Section 3.4.3 Effect of Termination

Upon termination of the Development Agreement pursuant to Article III (conditions for beginning construction), the Parties shall be released from future obligations under the Agreement. However - ***If the termination of the development agreement is due to Developer default or negligence, the Developer should be responsible for all pre-development expenses including a reasonable share of the cost of utility infrastructure work and public infrastructure improvements implemented for the stadium area.***

5) Section 5.1.1 Plans for Stadium Improvements

Requiring the lowest cost/bid for the construction of the stadium conflicts with verbal community commitments to hire locally, pay a living wage, and commitments within the Development Agreement to meet DBE goals. This section must be revised to remove the lowest cost requirements and instead emphasize the DBE goals and the Authority's role in monitoring compliance with the goals and actions to be taken if awarding contracts that meet DBE goals would increase the stadium budget.

Another concern under this section is that "either party may terminate this Agreement" if after negotiation the Developer and Authority are not able to reduce the cost of Stadium Improvements that exceed the Stadium Budget. The Stadium Budget must align with the DBE goals and allow for **strong** wage and workplace safety standards, **as well as environmental and energy conservation standards that must be the standard for public facilities in the city of Knoxville, especially newly-built facilities.**

Language has been added to clarify that only an Authority Representative will be given access to information relating to subcontractors requested to provide bids and the bids received. How will the Sports Authority and the community be able to assess whether the Developer has made a best faith effort in meeting the goals of this agreement if the information will not be made publicly available?

When will detailed budget projections be shared, breaking down the \$65 million in construction costs included in the financing plan and including the plans for stadium improvements?

6) Section 5.1.3 Stadium Budget

Since increasing the stadium budget increases the liabilities of all parties, all parties to the Interlocal Agreement should approve the stadium budget and budget amendments.

If the Developer is still responsible for stadium construction over runs (Section 6.5), what would be an occasion for the Sports Authority to approve increases to the stadium budget outside of change orders once a new guaranteed maximum price for stadium construction has been set?

Another concern is that under Definitions, "stadium costs" as defined includes costs for which the developer is liable, such as demolition, site preparation, fees of the Preliminary Architect, etc.

How will Pre-Development Expenses be maintained separate from Stadium Costs, which as defined could include costs that originate before the Execution Date, to ensure the Developer remains liable for Pre-Development Expenses?

7) Section 5.1.4 Stadium Construction Schedule

This section and others require compliance with the Final Completion Date, originally set as May 1, 2024 (changed to January 1, 2025 and likely to change again).

Moving forward with utility infrastructure work and public infrastructure improvements designed for a stadium project in order to meet the stadium construction schedule, even when the MLB has not even given firm commitment to this project and the Developer has already gone back on his word, is not good stewardship of the taxpayers' money.

8) Section 5.1.8 Scheduled Infrastructure Improvements

This section was updated to require the City and KUB to cause construction of infrastructure improvements in accordance with the schedule provided in the Infrastructure Agreements.

The Utility Infrastructure Agreement has not been finalized. It is clear the Development Agreement will need to be amended to ensure accurate dates and timelines for various milestones.

9) Section 5.3 Financing Proceeds and Section 6.6 Pre-Development Expenses

This section states that in the event any financing proceeds remain after Final Completion of the Stadium and payment of all amounts due to the CM, then such remaining financing proceeds shall be allocated between Developer and Authority (after the first \$1 million goes to the Capital Improvements Fund). However, the ***Developer should not be reimbursed from these funds without first reimbursing the costs incurred by the City, KUB, and KCDC in relation to this project.***

10) Section 6.5 Cost Overruns

This section states that Developer shall be responsible for any Cost Overruns. The term "Cost Overruns" as used in this Agreement shall mean the amount by which Stadium Costs exceed the Stadium Budget; provided, that, Cost Overruns shall not include such excess costs and expenses (a) to the extent such excess arises out of or is attributable to any cost or expense caused by the request, act or omission of Authority, including any requested change order Approved by Authority or (b) for which any Party is expressly liable by a provision of this Agreement, in each case, such excess costs and expenses to be paid by the Party responsible therefor. Developer shall complete the Stadium Improvements Work irrespective of any Cost Overruns and bear the expense of such Cost Overruns, including, if necessary, through making a claim against any payment and performance bonds maintained pursuant to Section 6.4.2 ("Stadium Construction Contract").

This section must maintain the requirement that the developer cover cost overruns above the guaranteed maximum price.

11) Section 6.9 Change Orders

Inappropriate to require Developer approval of Sports Authority-approved change orders that would be paid from available contingency funds, especially when Developer can use contingency funds to pay himself back.

The Sports Authority should either have the authority to use contingency funds for a change order without the approval of the Developer or the ability of the Developer to be reimbursed from contingency funds should be removed from the Development Agreement so as to prevent a conflict of interest.

12) Section 9.2 Developer's Remedial Work

If Developer is responsible for remedial work, clearing and preparing the land, and will transfer property to the Authority before the foundation is dug, is Developer responsible for necessary remedial and corrective actions and related expenses necessary to remedy pre-existing conditions discovered throughout the implementation of Plans for Stadium Improvements?

13) Section 14.1.1 Developer Default and Section 14.2.2 Authority's Remedies

This entire agreement relies upon multiple pledged revenues, including sales tax from sales inside the stadium. If a developer default occurs, ***Developer should be held liable for pledged revenues to the extent legally practicable and necessary to resolve any debts incurred in relation to the stadium development.***

14) Section 14.2(b) Developer's Remedies

If the Authority defaults on the Development agreement, the Developer will be able to recover the Real Property under Section 17.2 and recover Pre-Development Expenses. Section 17.2 is not included in the draft Development Agreement received by the time this document was developed. Therefore, it is unclear whether the recoverable property would include boundaries beyond the original property boundary of the property donated by Developer.

15) Section 14.2.4 Self Help

It is concerning that this section permits the Developer to enter into contracts of any size without Authority oversight. Similar to the process for Approved Capital Improvements in the Lease Agreement (Lease Agmt Sec. 7.4), ***a threshold should be set for the size of contracts the Developer is able to award without Authority approval.*** In the Lease, contracts over \$100,000 for Approved Capital Improvements go before the Authority. Note: the Lease only requires the approval of the Authority Representative; however, these decisions should go before the full Authority for public review and accountability.

16) Section 15.2. Authority Approval

Reading through the Agreement, it seems rare that the Authority, rather than the Authority Representative often by email, is required to approve a decision of the Developer. **What would be some examples of contracts or agreements that the Developer would enter under the terms of this Agreement that would be subject to prior approval of the Authority.**

17) Section 16.1 Utilization of Disadvantaged Business Enterprises

Language has been changed in this section to identify the location of the Stadium and the history of the area as the reason that Disadvantaged Business Enterprises should have an equal opportunity to participate in the development of the Stadium. Disadvantaged businesses should have an equal opportunity to participate in the development of the Stadium because discrimination has no place anywhere, but especially not in the construction of a public amenity.

18) Section 16.3(a) Measures to Enhance DBE Participation

The focus of this section should change from “measures to enhance” and instead should be “Measures to Meet DBE Goals”

Section 16.3(a)(v) recognizes that prices will not be the sole factor in determining awards; however, section 5.1.1 requires the lowest cost for the construction of the stadium to be the determining factor monitored by the Authority. See proposed changes for Section 5.1.1. above.

19) Section 16.3(b) Subcontractors under Prime Contractor

The prime contract with the Tenant must provide a provision requiring the prime contractor to include in subcontracts a provision requiring subcontractors to meet the same annual DBE goals and make adjustments if goals are not met.

Language in this section was weakened from “requiring subcontractors to use their reasonable best efforts” to contract with DBEs to including a provision in subcontracts that “promotes DBE participation through good faith efforts.”

20) Section 16.4 Reporting Requirements

More needs to come before the full Authority for the Authority’s approval rather than simply to inform and update. The full Authority must have the authority to approve large contracts over \$100,000 and approve plans for achieving DBE goals in order to ensure the overall goals of the Stadium project are achieved.

Through this section, proposals from DBEs (awarded and rejected) would be shared with the Authority. If DBE proposals can be shared, then all proposals/bids can be shared with the Authority.

21) Section 16.5 Neighboring Community

This Agreement should explicitly layout the commitment, partnership, and plan established with the Beck Cultural Exchange Center to create a Stadium Museum in/throughout the

facility that honors and memorializes the history of the Knoxville Giants and “The Bottom,” where the stadium will be located, making sure to include both the triumphs and defeats.

22) Section 16.5 Neighboring Community

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23) Section 16.6 Internships

The section develops an internship program for the Development Agreement, which, unlike the internships included in the Lease Agreement, the Development Agreement internships do not offer any compensation. ***Because internships are listed under Community Commitments, the commitment and benefit to the community should go above and beyond normal business practices.***

24) Section 16.7 Apprenticeships

This section is not included in the Development Agreement but it should be! Our residents deserve access to life-changing, wealth-building career paths during the development of the stadium. ***The developer should make a commitment to contract with a certain percentage of contractors with certified apprenticeship programs so that Knoxville residents are able to take advantage of the training and long-term career benefits that these programs can bring to the Knoxville area.***

Lease Agreement (Boyd Sports & Sports Authority)

(with the approval of MLB)

The purpose of the Lease Agreement is to outline the rights and responsibilities of both parties to the agreement: Owner of the Tennessee Smokies (The Tenant) and the Sports Authority. According to Deputy to the Mayor Stephanie Welch, the Sports Authority voted on a resolution to approve both the Development and Lease Agreements in February 2022 with the understanding that the agreements will not be executed until the guaranteed maximum price for stadium construction is finalized.

1) Definition “Public Spaces”

Under Definitions, “Public Spaces” means the property outside and adjacent to the Stadium with no separation by a public street as shown on the Stadium Site Plan. This definition of public spaces runs counter to the promise of this multiuse stadium being not only a public park, but the People's Park. ***At minimum, the concourse should also be included in the definition of public spaces, ensuring that it remains accessible to the public during the limited hours when Stadium events are not occurring.***

2) Definitions “Stadium Standards”

As much as stadium standards are referenced in the Lease Agreement, **Stadium Standards must include the goals of the city that may exceed the PDL Rules and Regulations a Qualified Operator would reasonably be expected to undertake such as maintaining a diverse workplace, meeting DBE goals, requiring a certain percentage of zero waste events, and creating overall sustainability standards for the Stadium that requires the use of recyclable and reusable containers.**

3) Section 3.2 Delivery of Possession

This section has been amended to add language to emphasize the responsibility of the City, KUB, and KCDC to complete infrastructure work in accordance with the schedules in the Development Agreement and language was added to clarify that delays, actions, or omissions of the City, the Authority, KUB, or KCDC that cause a delay in stadium completion will impact when and how much rent is paid by the Tenant.

4) Section 3.6 Fixed Rental

This section establishes the fixed rental fee at \$1 million per year for the duration of the initial term of the agreement, which is 30 years. This section acknowledges that a fixed rental fee was established taking into consideration the use and occupancy of the tenant as well as the costs incurred by the Authority to construct the Stadium. However, the fixed rental releases the Tenant from any obligation to share in the shortfalls of Tenant's own Projected Revenues, upon which the entire financing plan depends.

The fixed rental provision should be conditioned upon the annual realization of projected revenues. If there is a shortfall in projected revenues, Tenant should be required to increase the rent payment, with certain exceptions considered.

5) Section 4.1 Stadium Events in Lease Agreement

The lease agreement states that the Tenant shall be entitled to exclusive and absolute priority use of the stadium for stadium events, which includes much more than “baseball games and practices” as represented in the Summary of Agreements shared at the 11/5/21 joint workshop. The definition of stadium events in the lease agreement includes:

- | | |
|--|--|
| i) All home games of the Team | vi) Community-oriented events |
| ii) Practices of the team | vii) Any other for-profit events |
| iii) Concerts and other entertainments events | viii) Time for event set up/break down, field protection, recovery, and repair |
| iv) Weddings, meetings, and banquets | ix) Routine maintenance and capital improvements |
| v) Soccer, football, lacrosse, baseball (including high school, college, semi-professional and professional) and other sporting events | |

Presumably, the events listed above could fill an entire calendar year. However, limitations must be put on the ability of the Tenant to profit from this public endeavor.

The fixed rental agreement combined with Boyd Sports' absolute priority use of the Stadium for for-profit events allows Boyd Sports to prioritize its profit over the public use of the Stadium. The good faith effort included in section 4.2(b) is insufficient.

On the other hand, if Stadium Events do not fill a calendar and fail to produce sufficient revenue, protections should be in place for the Authority, City, and County that require Boyd Sports to guarantee Pledged Revenues from sales tax revenues pledged to be generated from inside the stadium.

To avoid defaulting on the Lease and ensure public use of the Stadium, Boyd Sports should be required to demonstrate an ability to deliver an annual schedule of stadium events that generates sufficient revenue to meet Pledged Revenues and still allows for public use of the space.

Section 4.4 outlines that Tenant retains all revenues generated from: Stadium Events, ticket sales, Concessions, Merchandise, suite, loge box and club seat rentals, interior and exterior Stadium advertising and signage [including billboards?], sponsorships, any and all naming rights, and other advertising, sales of broadcasting and telecast rights, internet rights, expansion fees and team fundraising, and any other sources of revenue.

According to the CSL Economic Impact Assessment, the revenue retained by the Tenant will amount to:

- 1) Ticket sales, concessions, merchandise = \$12-\$29 million/annually
- 2) Advertising, Naming Rights, and Sponsorship = \$1.9 million/annually

**What is the projected annual operating budget of the stadium?
Will Boyd Sports be required to maintain a routine maintenance fund at a certain level?**

6) Section 4.2(b) Use Agreements

More public scrutiny should be allowed for the selection of other potential regular users of the stadium. **The Sports Authority's review and approval should be required for Use Agreements to ensure culturally diverse programming.**

7) Section 4.2(c) Stadium Event Dates

In addition to providing the Sports Authority with a schedule of events, the Tenant should be required to provide projected sales tax revenue that will be generated from scheduled events to meet the Pledged Revenues promised by Tenant. Also, reports by the Tenant at the Authority board meetings should include updates on projected sales tax revenue from stadium events and potential shortfalls (low attendance trends, etc). Reports could be similar to bus ridership reports presented to the Knoxville Transportation Authority.

The Tenant should be held accountable for the pledged tax revenues in the stadium finance plan that are to be generated from within the stadium? What if the Tenant underperforms?

8) Section 4.2(e) Restricting Access to the Stadium

Outside of Stadium Events, and other private or ticketed event, clear policies must be in place for the occasions upon which someone could be banned from the stadium. The language included in 4.2(e) is too vague. It reads "in the event the public enters areas at the stadium other than the spaces available for public use, Tenant may take measures reasonably required to restrict access to such areas, including but not limited to restricting access to such spaces available for public use other than the main concourse."

To ensure that the Stadium is operated as a public facility as much as reasonably possible, the Sports Authority should oversee any restrictions of access to the Stadium, and an appeal process with an opportunity for secondary review should be implemented.

9) Section 4.3(c) Concessions and Merchandise Agreements

The Tenant should not have the sole option of selling concessions or merchandise at Civic Events. It is a publicly-owned stadium. Civic Events should be able to bring in other vendors for an event if that is what is needed to best serve the residents of our community. ***The Tenant is a for-profit entity that should not be able to ensure their own profit at Civic Events.***

10)Section 4.3(e) Rent-Free Civic Events

How much rent will be charged to the City for an event once the free-rent days have all been claimed?

Will the City use Civic Event days for revenue-generating events, managed through Visit Knoxville or other, or will Civic Event days be used for events that are free to the public?

11)Section 4.5 Prohibited Uses

This section states that the Tenant must seek Authority approval for Stadium uses that are not a Stadium Event. However, as noted above, Stadium Event is defined as any for-profit event as defined in 4.1 (g). As written, it does not appear that any event would be prevented outside the items listed in this section and therefore there would be no need for an event to go before the Authority for approval.

12)Section 4.6 Operator

The Sports Authority should approve and help develop the policies of the stadium, ensuring the values of the City are upheld from inclusivity to sustainability. Any management agreement between the Tenant and a Third-Party Operator must ensure that the values of the City are upheld through the operation and implementation of the policies of the Stadium. ***Section 4.6(i) should read “require the Operator to comply with the terms of this Agreement as to the use, operation, and policies of the Stadium.”***

13)Sections 5.1 and 5.2 Parking

This section clarifies that there is no dedicated parking facility for the Stadium and requires a strategic plan be developed to address parking. This section acknowledges that the City and County are under no obligation to construct additional parking. However, the (not-yet-developed) strategic plan may conclude that additional parking infrastructure is needed. This section also requires the City and County help Tenant negotiate agreements with owners of nearby parking lots for access to parking spaces at reduced rates for Stadium attendees.

A parking plan is needed for the multiuse stadium. The stadium is projected to have around a 7,000 person capacity and according to the Downtown Parking Study (completed before multiple lots have been marked for development) identifies 7,675 available free (1302) and paid (6373) parking options available within ½ mile from the stadium site. Only 1333 of the 7675 spots are within ¼ mile. The current Lease Agreement, which is unsigned as of August 21,

2022, puts few limitations on the leaseholder's use of the space and in fact encourages a robust calendar of activities that will produce the tax revenue needed to pay off stadium debt, potentially resulting in the stadium hosting events during the majority of the calendar year that require all of the available parking within ¼ mile of the stadium and at times almost all of the available parking within ½ a mile. **To prevent any disruption to the public's ability to access their local government and government meetings as well as patron the restaurants, breweries, shops, museums, and other downtown amenities, a proper plan for stadium parking must be put in place.**

Will the activities of this section, the execution of the parking strategic plan, come from the Authority's budget, or will expenses be covered jointly by the Tenant and Authority, or by the Developer? How will these priorities be funded?

Would parking improvements be considered stadium improvements and any improvements identified through the strategic plan that are not funded by the Sports Authority could be considered a Default?

14) Section 6.2 (b) Authority Maintenance Items

This section requires the Authority to agree to a list of maintenance items to be maintained in order to minimize the cost of future Capital Improvements. As of the date of the agreement, the Parties had not agreed on a list of items.

Why would this work not be covered by the Capital Improvements Reserve Fund? What are the projected costs of Authority Maintenance Items over the first term of the Agreement?

How will the Authority pay for Authority Maintenance Items?

15) Section 6.4 Security and Staff

This section states that if the City and/or County determine that an emergency public safety issue exists at any event, the City shall have the right to provide additional police or emergency personnel to staff the Event at the City's expense.

The City should not bear the burden of ensuring the proper security staffing of Stadium Events. **This section should require the Tenant to hire additional security, medical, and emergency staff when a foreseeable public safety issue may arise and the City should be reimbursed for additional personnel needed to staff an Event in an emergency situation.** In emergencies where the City must respond to an incident rather than staff an Event, the Tenant will not be charged.

16) Section 7.3 Capital Improvement Plan

This section requires significant modifications to the five-year capital improvement plan that require more funds than is held in the Reserve Fund to go before City Council and County Commission for approval. However, modifications or updates requested by Major League Baseball are not required to go before the two bodies. This is concerning.

What are the consequences of the City not approving an appropriation for a capital improvement required by the MLB? See section 7.8

17)Section 7.4 Approved Capital Improvements

The lease agreement authorizes the Tenant to use the Capital Improvements Reserve Fund for any amounts under \$100,000 without Sports Authority approval. For amounts over \$100,000 the Tenant is tasked with carrying out a competitive bid process and submitting one recommendation to the Authority Representative for approval, meaning *public deliberation will not be required of the Tenant's use of any Capital Improvement Reserve Funds.*

Portions of this section have been rewritten, as requested, to require the approval of the Sports Authority, rather than just its representative, when approvals or amendments are made to a Capital Improvement Plan.

Although the City and County have a structured payment plan for contributions to the Capital Improvement Reserve Fund, the five-year capital improvements plan presents ongoing opportunities for requests to come from the Authority for additional appropriations to address updates to the plan. The City must ensure the spending of the Capital Reserve Fund is done in a transparent manner that is accountable to the public.

18)Section 7.6 Improvements Arbitrator

Authority should have final say in decisions regarding the Capital Improvements Plan. If a forum for appeal is needed, that forum should be both the City Council and County Commission or a joint committee of representatives, which would be the Sports Authority. Representatives of the people of the City/County should determine the best use of public dollars, not the market or industry leaders, and ***the Improvements Arbitrator would present an additional cost for the Sports Authority to cover which has limited sources of revenue.***

19)Section 7.7 Completion of Approved Capital Improvements

This section provides that in the case that the Tenant does not complete Approved Capital Improvements, the Authority is authorized to complete the improvements themselves. The approach to Capital Improvements in this Lease Agreement, where the Tenant takes the lead but is not obligated to, poses the risk of creating a situation where the Authority will need additional resources to ensure Approved Capital Improvements are completed within the timeframe required by the lease.

20)Section 7.8 Funding of Capital Improvements

This section states that the Tenant may terminate the Agreement with 180 days' notice if any Capital Improvement required by the MLB is not approved by the Authority. ***This section gives the MLB the power to dictate upgrades to a publicly-owned stadium with no financial obligation on their behalf or on behalf of the Team owner.***

21)Section 10.1(c)&(e) Condemnation that results from negligence

These sections protect the Tenant in the case the property is taken by eminent domain, condemned or sold. However, a provision should be included to protect the Authority that

would hold the Tenant liable for Rent Obligations and Pledged Revenues if the reason for condemnation was due to Tenant's own negligence or fault.

Tenant liable for Rent Obligations and Pledged Revenues if the reason for condemnation was due to Tenant's own negligence or fault.

22) Section 11.2(i) Authorities Remedies

Upon the occasion of any Tenant default, the Authority must also be able to recover a portion of the pledged sales tax revenue from sales inside the Stadium. The Tenant's liability could be reduced if Tenant identifies a replacement Tenant capable of producing the pledged tax revenue included in the financing plan for the Stadium.

23) Section 15.2 Naming Rights

The Tenant to the Stadium should not be given the naming rights to the Stadium. Naming rights have too much potential monetary and cultural value to the City to allow them to be among the many sources of revenue that are exclusive to the Tenant.

This section also permits Tenant to install permanent signage related to their naming rights in various areas including pedestrian walkway and concourse areas outside.

Will all public spaces, outside and adjacent to the stadium, be authorized for for-profit activities exclusive to the Tenant?

Will the city, county, or sports authority have any oversight over the naming of the stadium to prevent a city that just declared gun violence a public health emergency from establishing Smith and Wesson ballpark?

24) Section 15.6(e-f) Plastic Cup and Bottle Policy and Use of Biodegradables

The 30-year lease agreement includes a provision allowing plastic cup and bottle use while limiting glass bottle use. The agreement also includes that Tenant shall use biodegradables to the extent practicable. The agreement, however, should hold Tenant to a higher standard, as is the standard at Neyland Stadium where football games aim to be zero waste events, where 90 percent of waste produced on game day is diverted away from landfills and into recycling or compost bins.

Tenant should be required to follow the city's sustainability policies and make adjustments as those policies shift over the next 30 years.

25) Section 16.1(h) MLB License Termination not considered Tenant Default

The Tenant should default on this lease agreement if the MLB lease is revoked, terminated, or not renewed. The City, through the Authority, must be able to decide whether Tenant should be replaced with another team owner or whether the City should invest in a team that continues independent of the MLB.

26) Section 16.2(c) External Agreements that Constitute a Default

If the Tenant defaults on a third-party agreement associated with this project, such as with the Urban League, such default should have consequences for this agreement, including potentially resulting in default.

27) Section 21.1 Remedial Work and Hazardous Materials

This section should clarify that neither the Tenant nor the Authority are responsible for corrective or remedial actions needed to address an Environmental Event originating at, in, on, or under the Stadium that is found to be a pre-existing site condition that is the responsibility of the Developer.

28) Section 22.1 Utilization of Disadvantaged Business Enterprises

Language has been changed in this section to identify the location of the Stadium and the history of the area as the reason that Disadvantaged Business Enterprises should have an equal opportunity to participate in the development of the Stadium. Disadvantaged businesses should have an equal opportunity to participate in the development of the Stadium because discrimination has no place anywhere, but especially not in the construction of a public amenity.

29) Section 22.2 Definitions Related to DBE

It is unfortunate that language was added to this section to emphasize the fact that DBE contracts would not be limited to small, disadvantaged businesses. To ensure the community surrounding the Stadium, which has a high percentage of Black residents and residents living in poverty, is able to share in the economic benefits of the Stadium project the Development Agreement should create targets for minority-owned, women-owned, and veteran-owned business participation in the construction and management of the Stadium rather than set a 15% goal for all groups collectively.

30) Section 22.3 Measures to Enhance DBE Participation

The focus of this section should change from “measures to enhance” and instead should be “Measures to Meet DBE Goals”

31) Section 22.3(b) Subcontractors under a Prime Contractor

The prime contract with the Tenant must provide a provision requiring the prime contractor to include in subcontracts a provision requiring subcontractors to meet the same annual DBE goals and make race and gender-based adjustments if goals are not met.

Language in this section was weakened from requiring the “prime contract includes a provision” requiring “subcontractors to use their reasonable best efforts” to contract with DBEs to including a provision in subcontracts that “promotes DBE participation through good faith efforts.”

32) Section 22.3(b) Diversity Coordinator

This position should not be considered an oversight mechanism for the Authority, City or County. As described, this would be a hire the Team would make to ensure their own

compliance with carrying out a DBE program. As this is a publicly-funded project, maintaining a DBE program and making good faith efforts to reach goals is a requirement.

The City needs a Director of Contract Compliance to ensure the Developer on this project as well as all future projects funded by the city works in good faith to meet the DBE goals. With the tax revenue projected to come from this project, the city should be willing and able to invest in expanded personnel to ensure the city's civil rights obligations are met and the goals of the stadium project are achieved.

33) Section 22.6 Internships

More information is needed regarding the compensation interns will receive.

34) Section 22.7 Apprenticeships

This section is not included in the Lease Agreement but it should be! Our residents deserve access to life-changing, wealth-building career paths during the development and management of the stadium. ***The lease holder should make a commitment to contract with a certain percentage of contractors with certified apprenticeship programs so that Knoxville residents are able to take advantage of the training and long-term career benefits that these programs can bring to the Knoxville area.***

35) Section 24.8 Non-Appropriation

This section states that if the Authority fails to receive adequate Appropriations (from City or County) to undertake or perform any obligation under this agreement, other than Capital Improvements, the Tenant may terminate the agreement with 180 days' notice if the failure to obtain an appropriation would materially interfere with Tenant's use of the Stadium.

How will it be determined whether an unobtained appropriation materially interferes with Tenant's use of the Stadium, warranting a termination of the Agreement?

36) Section 24.10 Review by MLB

If MLB amendments to this lease are not approved, then the Agreement is rescinded. ***This is concerning. If the agreement is rescinded under this Section, would it be considered an Authority Default subject to the land reverting back to RR Land?***

AMENDMENT TO MAGNOLIA AVENUE WAREHOUSE DISTRICT REDEVELOPMENT AND URBAN RENEWAL PLAN RELATING TO TAX INCREMENT FINANCING

Knoxville's Community Development Corporation (“KCDC”) has previously prepared the Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan (the “Plan”) for the Redevelopment Area defined in the Plan (the “Original Redevelopment Area”). After a public hearing held by KCDC, the Plan was approved by the City Council (“City Council”) of the City of Knoxville (the “City”) and the County Commission (“County Commission”) of Knox County, Tennessee (the “County”).

The City, the County and KCDC desire to provide for and/or encourage a transformational redevelopment project within the Original Redevelopment Area and certain adjacent parcels, which project is expected to include a multi-use sports and entertainment stadium, complementary residential, retail and commercial developments and related infrastructure, utilities and other facilities (the “Stadium Project”). In connection with the Stadium Project, it is expected that two different redevelopment projects will require financial assistance through the issuance of tax increment financing by KCDC. The first such redevelopment project is the public infrastructure, including the construction of street improvements and public spaces (the “Public Infrastructure Project”) needed to support the Stadium Project. The second such redevelopment project is a mixed-use project, including residential condominiums, that is expected to be constructed immediately adjacent to the stadium described above (the “Mixed-Use Project”). The Public Infrastructure Project and the Mixed-Use Project are collectively referred to herein as the “Redevelopment Project.”

In connection with evaluating the Original Redevelopment Area in preparing this Amendment, KCDC recommended that the boundaries of the Original Redevelopment Area be adjusted and, at the request of the City, determined that tax increment financing for the Redevelopment Project was appropriate.

1. AMENDMENT OF THE AREA SUBJECT TO THE PLAN

Currently, there is one commercial block adjacent to the Original Redevelopment Area (bounded by Linden Avenue, N. Bertrand Street, McCalla Avenue and Harriet Tubman Street) that was not included in the Original Redevelopment Area subject to the Plan. The City, the County and KCDC desire to add the parcels in such block to the area subject to the Plan. Accordingly, the Plan is hereby amended to provide that such parcels are added to the area subject to the Plan, and Exhibit A to the Plan is hereby replaced with the Exhibit A attached to this Amendment. The term “Redevelopment Area” (as used in the Plan and this Amendment) shall mean the area depicted on Exhibit A attached to this Amendment.

2. AMENDMENT TO PROVIDE FOR TAX INCREMENT FINANCING

The Plan is hereby amended to provide that, subject to the limitations herein:

(a) Property taxes, if any, that were levied by the City and/or the County (the City and the County are hereinafter referred to collectively or sometimes individually, as a “taxing agency”) and payable with respect to the property within the Redevelopment Area (other than any portion of such taxes that is a debt service amount) for the year prior to the date the amendment of this redevelopment plan was approved (“base taxes”) and that portion of property taxes, if any, designated by a taxing agency to pay debt service on the taxing agency's debt (“dedicated taxes”) shall be allocated to and shall be paid to the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which the taxes on any property are less than the base and dedicated taxes, there shall be allocated and paid to the respective taxing agencies only those taxes actually imposed and collected; and

(b) Subject to the specific constraints of applicable law, any excess of taxes levied by a

participating taxing agency, over the base taxes and dedicated taxes, shall be allocated to and shall be paid to KCDC (a “tax increment agency”) for the purpose of paying principal of and interest on bonds, loans or other indebtedness incurred or to be incurred by KCDC to finance or refinance, in whole or in part, the Redevelopment Project or as otherwise provided in applicable law or reserved for purposes permitted by applicable law, provided that a portion of the excess taxes may be allocated for administrative purposes as described below. Notwithstanding the foregoing, any excess taxes beyond amounts necessary to fund or reserve the payment of debt service on tax increment financing authorized herein or to pay administrative expenses shall revert to the City’s and County’s general fund.

Pursuant to applicable law and this redevelopment plan, up to five percent (5%) of incremental tax revenues allocated to KCDC may be set aside for administrative expenses of KCDC, the City or the County as provided by KCDC’s policies.

By approving this Amendment, KCDC, the City and the County confirm that the Uniformity in Tax Increment Financing Act of 2012 (the “Tax Increment Act”) shall apply to any financing authorized by this Amendment. KCDC is hereby authorized to make all calculations of tax increment revenues on the basis of each parcel within in the Redevelopment Area instead of on an aggregate basis as permitted by the Tax Increment Act. If KCDC opts to have such calculations made based upon each parcel, KCDC shall give notice to the City and the County that such methodology will be used prior to the first allocation date of any tax increment revenues. KCDC is also authorized to separately group one (1) or more parcels within the Redevelopment Area for purposes of calculating and allocating the tax increment revenues under this Plan and applicable law, and in such cases, the allocation of tax increment revenues shall be calculated and made based upon each such parcel or group of parcels, and not the entire area subject to the Plan. KCDC shall give notice of any such grouping of parcels to the City and the County. KCDC is also authorized to designate that the allocation of tax increment revenues with respect to a parcel or group of parcels within the Redevelopment Area may begin in subsequent or different years in order to match tax increment revenues with the purposes for which such revenues will be applied as determined by KCDC. KCDC shall give notice of any such designation to the City and the County.

Notwithstanding the foregoing, pursuant to Section 9-23-103(b) of the Tax Increment Act, all tax revenues, including incremental property tax revenues, shall be retained by the City and County as to all parcels within the Redevelopment Area other than the parcels located within the “TIF District” designated in Exhibit B attached hereto unless any additional parcels to be included in the TIF District are approved by City Council and County Commission pursuant to a subsequent amendment. A list of the parcels, and base taxes for each such parcel, within the TIF District is attached here as Exhibit C

Tax Increment Financing to Support the Redevelopment Project

The estimated cost of the Public Infrastructure Project is approximately \$15,000,000, and the estimated cost of the Mixed-Used Project is approximately \$46,750,000. The entire cost of the Public Infrastructure Project is expected to be initially paid from funds contributed from the City’s capital improvement fund, and then such cost will be financed as a redevelopment project by KCDC, with debt service being payable from tax increment revenues from the TIF District. Of the cost of the Mixed-Used Project, only approximately \$4,000,000 to \$8,000,000 is expected to be paid with the proceeds of tax increment financing with the remainder being paid with loans and equity obtained by the private developer of the Mixed-Use Project. The maximum maturity of any tax increment financing will be not later than forty (40) years from the date the financing, including any refinancing, is issued, but in no event shall the allocation of tax revenues with respect to any parcel in the TIF District to pay debt service with respect to the tax increment financing described in this Section exceed thirty (30) years.

The estimated impact of the tax increment financing provisions contained herein is expected to have

a financial impact of not in excess of \$23,000,000 on a present value basis. However, the undertaking of the redevelopment is expected to have a positive financial impact on the City and County. Not only will both entities receive additional sales taxes from economic activity in the TIF District due to the Stadium Project, but as incremental property taxes are created, property taxes that are allocable to paying debt service on the City's and the County's general obligation debt shall be retained by the City and County. These additional taxes, as created, will immediately benefit the City and the County. After the tax increment financing is fully paid, the entire increased property tax revenues will be payable to the City and the County.

EXHIBIT A

Redevelopment Area

The boundary of the Redevelopment Area is depicted below and includes both the existing “Original Boundary” outlined in purple and the new “Expanded Boundary Area” outlined in red.

Original Boundary
Expanded Boundary Area

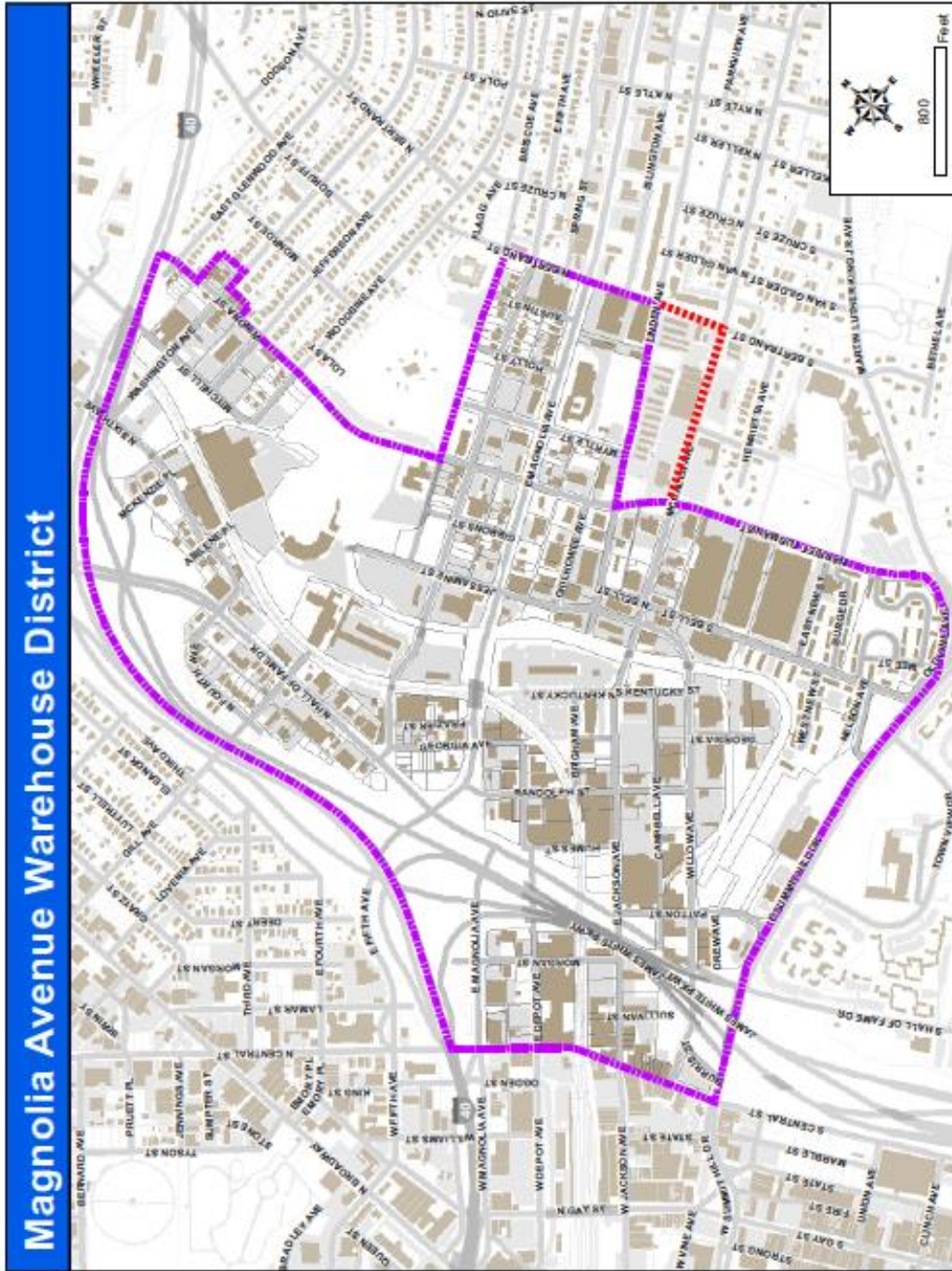


EXHIBIT B

TIF District

The boundary of the TIF District is depicted below and includes the “TIF District” outlined in blue.

MAGNOLIA AVENUE WAREHOUSE DISTRICT REDEVELOPMENT & URBAN RENEWAL PLAN

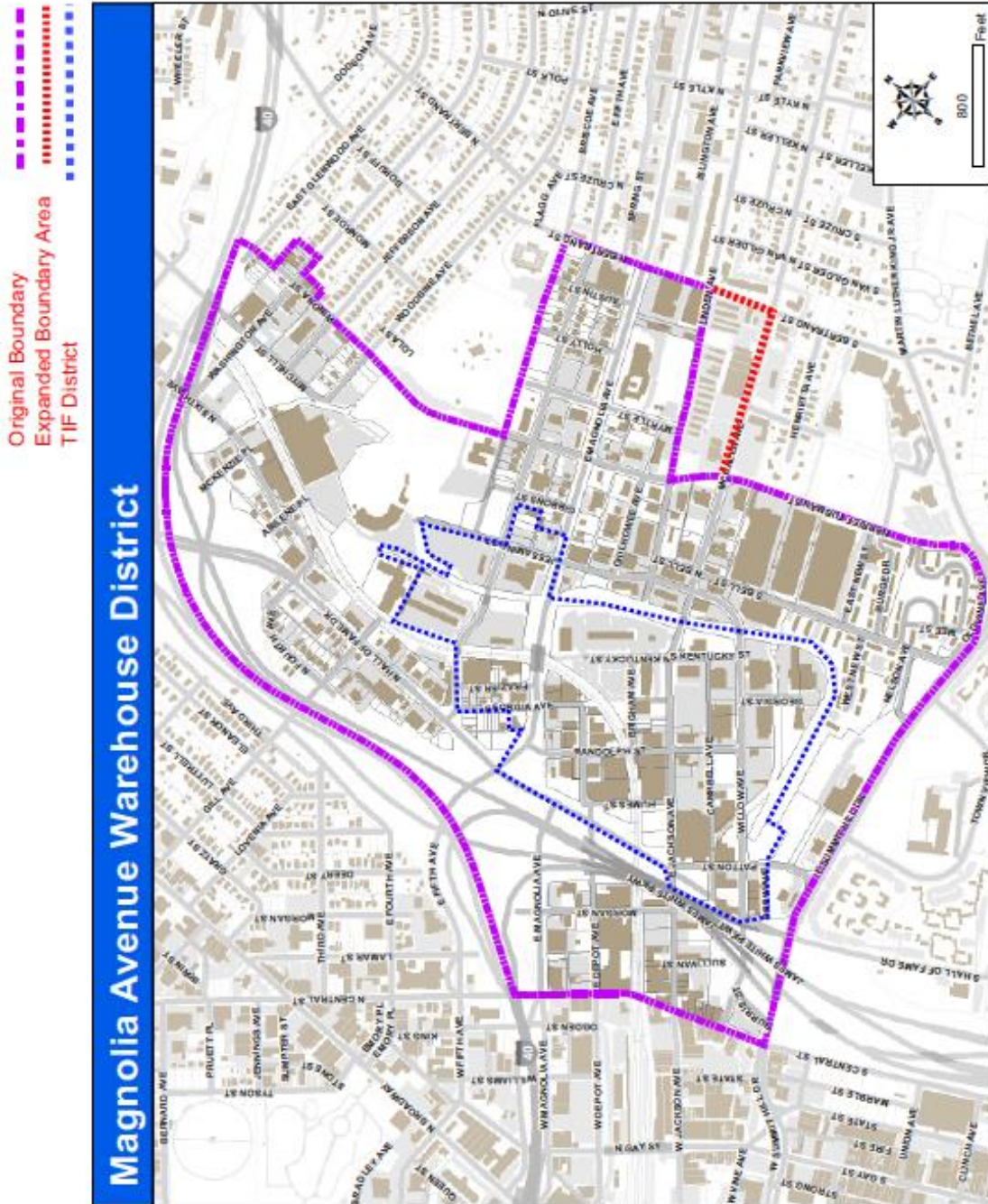


EXHIBIT C

Parcels in TIF District and Base Taxes

Parcel ID	County Tax	City Tax	Total Tax
095HB00801	\$530.00	\$615.95	\$1,145.95
095HC010	\$291.71	\$339.02	\$630.73
095HB005	\$1,014.21	\$1,178.68	\$2,192.89
095HB001	\$67.84	\$78.84	\$146.68
095HB004	\$1,395.81	\$1,622.17	\$3,017.97
095HC012	\$2,968.00	\$3,449.32	\$6,417.32
095HC013	\$3,622.66	\$4,210.14	\$7,832.80
095HC015	\$2,386.27	\$2,773.25	\$5,159.53
095HC016	\$3,721.02	\$4,324.46	\$8,045.49
095HC017	\$2,354.90	\$2,736.79	\$5,091.69
095HC021	\$0.00	\$0.00	\$0.00
095HC018	\$2,991.74	\$3,476.91	\$6,468.66
095AK023	\$2,471.07	\$2,871.81	\$5,342.88
095AK02201	\$2,241.26	\$2,604.73	\$4,845.99
095AK020	\$0.00	\$0.00	\$0.00
095AK019	\$0.00	\$0.00	\$0.00
095AK018	\$0.00	\$0.00	\$0.00
095AK01802	\$0.00	\$0.00	\$0.00
095AK01801	\$3,098.59	\$3,601.09	\$6,699.68
095HB002	\$28,342.70	\$32,939.03	\$61,281.74
095HB003	\$633.46	\$736.18	\$1,369.64
095AM021	\$434.18	\$504.59	\$938.76
095AM018	\$875.14	\$1,017.06	\$1,892.19
095AM017	\$119.57	\$138.96	\$258.53
095AM016	\$3,173.22	\$3,687.82	\$6,861.03
095AM015	\$2,178.51	\$2,531.80	\$4,710.31
095AM010	\$74.62	\$86.73	\$161.35
095AM011	\$2,561.81	\$2,977.26	\$5,539.06
095AM014	\$2,882.67	\$3,350.15	\$6,232.82
095AM012	\$877.68	\$1,020.01	\$1,897.69
095AM013	\$129.74	\$150.78	\$280.53
095AM00402	\$2,941.71	\$3,418.77	\$6,360.48
095AM008	\$613.10	\$712.53	\$1,325.63
095AM00401	\$4,181.49	\$4,859.60	\$9,041.09
095AK008	\$0.00	\$0.00	\$0.00
095AK016	\$72.93	\$84.75	\$157.68
095AK017	\$112.78	\$131.07	\$243.86
095AK003	\$91.58	\$106.44	\$198.02
095AK002	\$251.86	\$292.70	\$544.56
095AK001	\$1,143.10	\$1,328.48	\$2,471.58
095AL010	\$0.00	\$0.00	\$0.00
095AL011	\$2,792.46	\$3,245.32	\$6,037.78
095AL012	\$3,553.12	\$4,129.33	\$7,682.45
095AL014	\$809.84	\$941.17	\$1,751.01
095AL015	\$17.81	\$20.70	\$38.50
095AL016	\$66.14	\$76.87	\$143.01

Parcel ID	County Tax	City Tax	Total Tax
095AL017	\$1,117.66	\$1,298.92	\$2,416.58
095AL004	\$1,528.94	\$1,776.89	\$3,305.84
095AL003	\$702.99	\$817.00	\$1,519.99
095AL018	\$242.53	\$281.86	\$524.39
095AL019	\$1,202.46	\$1,397.47	\$2,599.93
095AL002	\$861.57	\$1,001.29	\$1,862.86
095AL001	\$664.83	\$772.65	\$1,437.48
095AL021	\$2,107.28	\$2,449.02	\$4,556.30
095AL020	\$960.78	\$1,116.59	\$2,077.38
095AB020	\$0.00	\$0.00	\$0.00
095AB021	\$0.00	\$0.00	\$0.00
095AB032	\$0.00	\$0.00	\$0.00
095AB025	\$0.00	\$0.00	\$0.00
095AB031	\$0.00	\$0.00	\$0.00
095AB026	\$0.00	\$0.00	\$0.00
095AB027	\$0.00	\$0.00	\$0.00
095AB030	\$0.00	\$0.00	\$0.00
095AB029	\$0.00	\$0.00	\$0.00
095AB028	\$0.00	\$0.00	\$0.00
095AB035	\$0.00	\$0.00	\$0.00
095AB036	\$0.00	\$0.00	\$0.00
095AB037	\$0.00	\$0.00	\$0.00
095AB038	\$0.00	\$0.00	\$0.00
095AC001	\$0.00	\$0.00	\$0.00
082PD017	\$0.00	\$0.00	\$0.00
095AC003	\$0.00	\$0.00	\$0.00
082PD015	\$0.00	\$0.00	\$0.00
082PD00401	\$0.00	\$0.00	\$0.00
095AC021	\$0.00	\$0.00	\$0.00
095AC004	\$0.00	\$0.00	\$0.00
095AC005	\$0.00	\$0.00	\$0.00
095AC006	\$0.00	\$0.00	\$0.00
095AC007	\$0.00	\$0.00	\$0.00
095AC008	\$0.00	\$0.00	\$0.00
<i>Total</i>	\$97,475.37	\$113,282.94	\$210,758.31

AMENDMENT TO MAGNOLIA AVENUE WAREHOUSE DISTRICT REDEVELOPMENT AND URBAN RENEWAL PLAN RELATING TO TERMS OF TAX INCREMENT FINANCING

In 2011, Knoxville’s Community Development Corporation (“KCDC”) prepared and submitted, and the City Council of the City of Knoxville (the “City”) and the County Commission of Knox County, Tennessee (the “County”) approved, the Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan (the “Plan”). In February, 2022, KCDC prepared and submitted, and the City and the County approved, an Amendment to the Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan (the “Stadium Amendment”) to include certain tax increment financing provisions and to expand the area subject to the Plan. The area subject to the Plan as amended by the Stadium Amendment is referred to in this Amendment as the “Plan Area.” This amendment amends the Plan, as previously amended, to modify certain terms relating to the tax increment financing provisions that have previously been included in the Plan.

As was provided in the Stadium Amendment, the Plan, as amended, is intended to support, in addition to the redevelopment goals stated in the Plan as originally adopted, a transformational redevelopment project within the Plan Area that would include a multi-use sports and entertainment stadium (the “Stadium”), complementary residential, retail and commercial developments (the “Mixed-Use Project”) and related public infrastructure, including street improvements and utilities (the “Public Infrastructure”). The undertaking of the Stadium, the Mixed-Use Project and the Public Infrastructure have been and are hereby recognized as necessary actions to further the goals and objectives articulated in the Plan by serving as a catalyst for the redevelopment of the Plan Area and are collectively a redevelopment project for purposes of applicable law (the “Redevelopment Project”).

AMENDMENT TO INCREASE THE BOUNDARY OF THE TIF DISTRICT

In the Stadium Amendment, the City and the County approved tax increment financing provisions pursuant to which any excess of taxes levied by the City and County over the base taxes and dedicated taxes, as further described in the Stadium Amendment, shall be paid to KCDC for the purpose of paying principal of and interest on bonds, loans, or other indebtedness incurred or to be incurred by KCDC to finance or refinance, in whole or in part, the Redevelopment Project or as otherwise provided in applicable law or reserved for purposes permitted by applicable law, provided that a portion of the excess taxes may be allocated for administrative purposes.

Under applicable law, the City and the County may allocate less of the incremental tax revenues than all tax increment revenues from the entire Plan Area, and pursuant to the Stadium Amendment, only the tax increment revenues from an area identified in the Stadium Amendment as the TIF District are to be allocated to KCDC pursuant to the Plan, as amended by the Stadium Amendment. Pursuant to this Amendment, the City and the County desire to amend the boundaries of the TIF District to expand the size of the TIF District. Accordingly, the Plan, as previously amended by the Stadium Amendment, is hereby amended to provide that TIF District shall include the area marked with a red boundary as shown on Exhibit A to this Amendment. A list of the parcels, and base taxes for each such parcel, within the TIF District, as expanded, is attached here as Exhibit B. As to any parcel in the TIF District that is already subject to a tax increment allocation, the maximum allocation period as to such parcel shall include any prior allocation period.

ADDITIONAL INFORMATION RELATING TO TAX INCREMENT FINANCING

The following information is provided as required by Section 13-20-205 of the Tennessee Code Annotated, with respect to this amendment:

- The estimated cost of the Redevelopment Project described above, including the Stadium, Mixed-Use Project and Public Infrastructure, is approximately \$275 million.
- The sources of revenue that are expected to finance the costs of the Redevelopment Project include proceeds of bonds to be issued by The Sports Authority of the County of Knox and the City of Knoxville, Tennessee (the “Sports Authority”), tax increment financing undertaken by KCDC pursuant to the Plan, as amended, financing incurred and equity contributed by the private developers of the Mixed-Use Project, funds contributed by the owner of the minor-league baseball team that is expected to lease the Stadium (the “Team”), and funds contributed by the City of Knoxville and the Knoxville Utilities Board for public infrastructure costs.
- The estimated amount of all debt to be incurred by KCDC as tax increment financing is not expected to exceed \$50 million, of which approximately \$14 million is to be incurred for the cost of Public Infrastructure, \$8 million for redevelopment costs relating to the Mixed-Use Project and \$28 million for costs relating to the Stadium (of which approximately \$8 million is expected to support the financing of the Sports Authority and \$20 million is expected to be initially borrowed from an entity or person affiliated with the Team). It is presently expected that portions of the Mixed-Use Project will be subject to agreements relating to payments-in-lieu-of-tax agreements, and if such agreements are not entered into, the amount of debt described in this paragraph could increase.
- The estimated impact on the City and the County, on a present value basis, is the estimated amount of the debt described above, with approximately 60% of such impact being borne by the City and approximately 40% of such impact being borne by the County based upon current tax rates. This impact will be offset, to a large extent, by additional tax revenues, including local sales tax revenues and hotel tax revenues, to be realized from the redevelopment of the Plan Area, as well as additional property taxes available to pay debt service on debt of the City and the County.

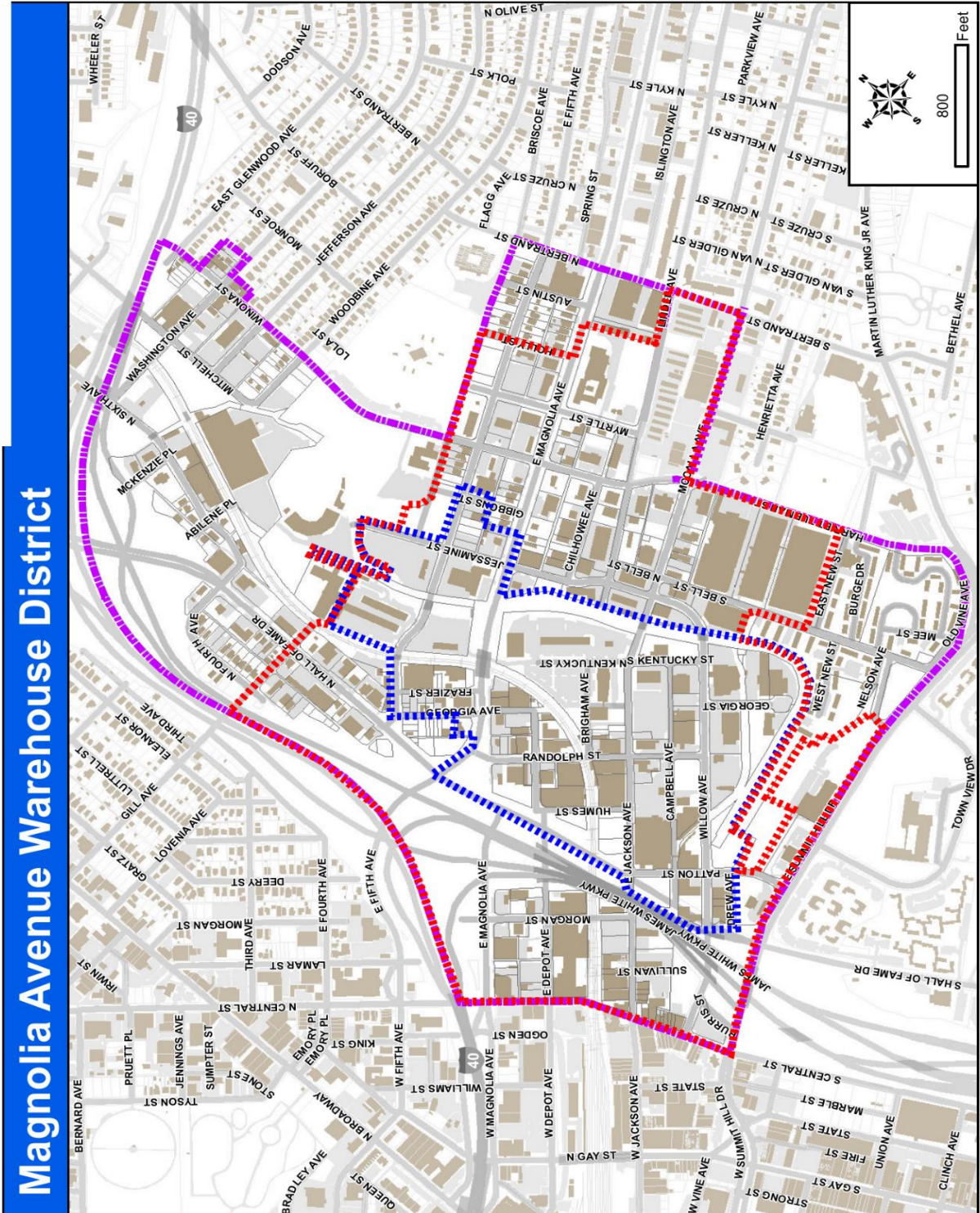
EXHIBIT A TIF District

The boundary of the TIF District is depicted below and includes the “Original TIF District Boundary” outlined in blue and the “Expanded TIF District Boundary” outlined in red.

EXHIBIT A: SITE MAP – PROJECT AREA

MAGNOLIA AVENUE WAREHOUSE DISTRICT REDEVELOPMENT & URBAN RENEWAL PLAN

- Plan Boundary
- Expanded TIF District Boundary
- Original TIF District Boundary



Magnolia Avenue Warehouse District

EXHIBIT B
Parcels in TIF District and Base Taxes

Magnolia Avenue TIF District - 2021 Tax Summary

Parcel	Appraisal '21	Assessment '21	County Tax	City Tax	Total Tax
095HB00801	\$62,500	\$25,000	\$530.00	\$615.95	\$1,145.95
095HC010	\$34,400	\$13,760	\$291.71	\$339.02	\$630.73
095HB005	\$119,600	\$47,840	\$1,014.21	\$1,178.68	\$2,192.89
095HB001	\$8,000	\$3,200	\$67.84	\$78.84	\$146.68
095HB004	\$164,600	\$65,840	\$1,395.81	\$1,622.17	\$3,017.97
095HC012	\$350,000	\$140,000	\$2,968.00	\$3,449.32	\$6,417.32
095HC013	\$427,200	\$170,880	\$3,622.66	\$4,210.14	\$7,832.80
095HC015	\$281,400	\$112,560	\$2,386.27	\$2,773.25	\$5,159.53
095HC016	\$438,800	\$175,520	\$3,721.02	\$4,324.46	\$8,045.49
095HC017	\$277,700	\$111,080	\$2,354.90	\$2,736.79	\$5,091.69
095HC021	\$0	\$0	\$0.00	\$0.00	\$0.00
095HC018	\$352,800	\$141,120	\$2,991.74	\$3,476.91	\$6,468.66
095AK023	\$291,400	\$116,560	\$2,471.07	\$2,871.81	\$5,342.88
095AK02201	\$264,900	\$105,720	\$2,241.26	\$2,604.73	\$4,845.99
095AK020	\$0	\$0	\$0.00	\$0.00	\$0.00
095AK019	\$0	\$0	\$0.00	\$0.00	\$0.00
095AK018	\$0	\$0	\$0.00	\$0.00	\$0.00
095AK01802	\$0	\$0	\$0.00	\$0.00	\$0.00
095AK01801	\$365,400	\$146,160	\$3,098.59	\$3,601.09	\$6,699.68
095HB002	\$3,342,300	\$1,336,920	\$28,342.70	\$32,939.03	\$61,281.74
095HB003	\$74,700	\$29,880	\$633.46	\$736.18	\$1,369.64
095AM021	\$51,200	\$20,480	\$434.18	\$504.59	\$938.76
095AM018	\$103,200	\$41,280	\$875.14	\$1,017.06	\$1,892.19
095AM017	\$14,100	\$5,640	\$119.57	\$138.96	\$258.53
095AM016	\$374,200	\$149,680	\$3,173.22	\$3,687.82	\$6,861.03
095AM015	\$256,900	\$102,760	\$2,178.51	\$2,531.80	\$4,710.31
095AM010	\$8,800	\$3,520	\$74.62	\$86.73	\$161.35
095AM011	\$302,100	\$120,840	\$2,561.81	\$2,977.26	\$5,539.06
095AM014	\$342,900	\$135,975	\$2,882.67	\$3,350.15	\$6,232.82
095AM012	\$103,500	\$41,400	\$877.68	\$1,020.01	\$1,897.69
095AM013	\$15,300	\$6,120	\$129.74	\$150.78	\$280.53
095AM00402	\$346,900	\$138,760	\$2,941.71	\$3,418.77	\$6,360.48
095AM008	\$72,300	\$28,920	\$613.10	\$712.53	\$1,325.63
095AM00401	\$493,100	\$197,240	\$4,181.49	\$4,859.60	\$9,041.09
095AK008	\$0	\$0	\$0.00	\$0.00	\$0.00
095AK016	\$8,600	\$3,440	\$72.93	\$84.75	\$157.68
095AK017	\$13,300	\$5,320	\$112.78	\$131.07	\$243.86
095AK003	\$10,800	\$4,320	\$91.58	\$106.44	\$198.02
095AK002	\$29,700	\$11,880	\$251.86	\$292.70	\$544.56
095AK001	\$134,800	\$53,920	\$1,143.10	\$1,328.48	\$2,471.58
095AL010	\$0	\$0	\$0.00	\$0.00	\$0.00
095AL011	\$329,300	\$131,720	\$2,792.42	\$3,245.32	\$6,037.78
095AL012	\$419,000	\$167,600	\$3,553.12	\$4,129.33	\$7,682.45
095AL014	\$95,500	\$38,200	\$809.84	\$941.17	\$1,751.01
095AL015	\$2,100	\$840	\$17.81	\$20.70	\$38.50
095AL016	\$7,800	\$3,120	\$66.14	\$76.87	\$143.01
095AL017	\$131,800	\$52,720	\$1,117.66	\$1,298.92	\$2,416.58
095AL004	\$180,300	\$72,120	\$1,528.94	\$1,776.89	\$3,305.84
095AL003	\$82,900	\$33,160	\$702.99	\$817.00	\$1,519.99
095AL018	\$28,600	\$11,440	\$242.53	\$281.86	\$524.39
095AL019	\$141,800	\$56,720	\$1,202.46	\$1,397.47	\$2,599.93
095AL002	\$101,600	\$40,640	\$861.57	\$1,001.29	\$1,862.86
095AL001	\$78,400	\$31,360	\$664.83	\$772.65	\$1,437.48
095AL021	\$248,500	\$99,400	\$2,107.28	\$2,449.02	\$4,556.30
095AL020	\$113,300	\$45,320	\$960.78	\$1,116.59	\$2,077.38
095AB020	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB021	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB032	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB025	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB031	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB026	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB027	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB030	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB029	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB028	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB035	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB036	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB037	\$0	\$0	\$0.00	\$0.00	\$0.00
095AB038	\$0	\$0	\$0.00	\$0.00	\$0.00
095AC001	\$0	\$0	\$0.00	\$0.00	\$0.00
082PD017	\$0	\$0	\$0.00	\$0.00	\$0.00
095AC003	\$0	\$0	\$0.00	\$0.00	\$0.00
082PD015	\$0	\$0	\$0.00	\$0.00	\$0.00
082PD00401	\$0	\$0	\$0.00	\$0.00	\$0.00
095AC021	\$0	\$0	\$0.00	\$0.00	\$0.00

095AC004	\$0	\$0	\$0.00	\$0.00	\$0.00
095AC005	\$0	\$0	\$0.00	\$0.00	\$0.00
095AC006	\$0	\$0	\$0.00	\$0.00	\$0.00
095AC007	\$0	\$0	\$0.00	\$0.00	\$0.00
095AC008	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF001	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF002	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF003	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF004	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF005	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF006	\$648,500	\$259,400	\$5,499.28	\$6,391.10	\$11,890.38
095AF020	\$54,500	\$21,800	\$462.16	\$537.11	\$999.27
095AF022	\$371,500	\$148,600	\$3,150.32	\$3,661.21	\$6,811.53
095AF02201	\$140,700	\$56,280	\$1,193.14	\$1,386.63	\$2,579.76
095AF033	\$76,500	\$30,600	\$648.72	\$753.92	\$1,402.64
095AF035	\$39,800	\$15,920	\$337.50	\$392.24	\$729.74
095AF036	\$23,000	\$8,270	\$175.32	\$203.76	\$379.08
095AF037	\$16,500	\$6,600	\$139.92	\$162.61	\$302.53
095AF038	\$19,800	\$7,920	\$167.90	\$195.13	\$363.04
095AF039	\$16,500	\$6,600	\$139.92	\$162.61	\$302.53
095AF040	\$1,082,000	\$432,800	\$9,175.36	\$10,663.33	\$19,838.69
095AF050	\$50,300	\$20,120	\$426.54	\$495.72	\$922.26
095AF051	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF052	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF053	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF054	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF055	\$0	\$0	\$0.00	\$0.00	\$0.00
095AF056	\$0	\$0	\$0.00	\$0.00	\$0.00
095AH002	\$89,300	\$35,720	\$757.26	\$880.07	\$1,637.33
095AH007	\$0	\$0	\$0.00	\$0.00	\$0.00
095AH008	\$0	\$0	\$0.00	\$0.00	\$0.00
095AH010	\$556,700	\$222,680	\$4,720.82	\$5,486.39	\$10,207.21
095AH01401	\$148,900	\$59,560	\$1,262.67	\$1,467.44	\$2,730.11
095AH01402	\$0	\$0	\$0.00	\$0.00	\$0.00
095AH015	\$266,500	\$106,600	\$2,259.92	\$2,626.41	\$4,886.33
095AH016	\$18,100	\$7,240	\$153.49	\$178.38	\$331.87
095AH017	\$169,900	\$67,960	\$1,440.75	\$1,674.40	\$3,115.15
095AH018	\$70,700	\$28,280	\$599.54	\$696.76	\$1,296.30
095AH019	\$370,700	\$148,280	\$3,143.54	\$3,653.32	\$6,796.86
095AH020	\$306,700	\$122,680	\$2,600.82	\$3,022.59	\$5,623.41
095AH023	\$0	\$0	\$0.00	\$0.00	\$0.00
095AH024	\$1,232,600	\$493,040	\$10,452.45	\$12,147.52	\$22,599.97
095AH02401	\$979,000	\$391,600	\$8,301.92	\$9,648.24	\$17,950.16
095AJ001	\$216,500	\$86,600	\$1,835.92	\$2,133.65	\$3,969.57
095AJ002	\$224,500	\$89,800	\$1,903.76	\$2,212.49	\$4,116.25
095AJ003	\$0	\$0	\$0.00	\$0.00	\$0.00
095AJ004	\$239,000	\$95,600	\$2,026.72	\$2,355.39	\$4,382.11
095AJ005	\$91,800	\$36,720	\$778.46	\$904.71	\$1,683.17
095AJ006	\$700,200	\$280,080	\$5,937.70	\$6,900.61	\$12,838.31
095AB005	\$43,500	\$17,400	\$368.88	\$428.70	\$797.58
095AB006	\$28,000	\$11,200	\$237.44	\$275.95	\$513.39
095AB009	\$1,100	\$440	\$9.33	\$10.84	\$20.17
095AB010	\$4,300	\$1,720	\$36.46	\$42.38	\$78.84
095AB011	\$9,600	\$3,840	\$81.41	\$94.61	\$176.02
095AB012	\$8,600	\$3,440	\$72.93	\$84.75	\$157.68
095AB013	\$9,000	\$3,600	\$76.32	\$88.70	\$165.02
095AB014	\$9,600	\$3,840	\$81.41	\$94.61	\$176.02
095AB015	\$3,600	\$1,440	\$30.53	\$35.48	\$66.01
095AB016	\$4,900	\$1,960	\$41.55	\$48.29	\$89.84
095AB017	\$4,900	\$1,960	\$41.55	\$48.29	\$89.84
095AB018	\$3,800	\$1,520	\$32.22	\$37.45	\$69.67
095AB019	\$47,900	\$19,160	\$406.19	\$472.06	\$878.26
095AA001	\$126,400	\$50,560	\$1,071.87	\$1,245.70	\$2,317.57
095AA002	\$670,100	\$268,040	\$5,682.45	\$6,603.97	\$12,286.42
095AA004	\$111,800	\$44,720	\$948.06	\$1,101.81	\$2,049.88
095AA005	\$224,600	\$89,840	\$1,904.61	\$2,213.48	\$4,118.09
095AA008	\$433,900	\$173,560	\$3,679.47	\$4,276.17	\$7,955.64
095AA009	\$203,000	\$81,200	\$1,721.44	\$2,000.61	\$3,722.05
095AA010	\$493,900	\$197,560	\$4,188.27	\$4,867.48	\$9,055.76
095AA016	\$269,700	\$67,425	\$1,429.41	\$1,661.22	\$3,090.63
095AA017	\$146,800	\$36,700	\$778.04	\$904.21	\$1,682.25
095AA018	\$799,700	\$319,880	\$6,781.46	\$7,881.20	\$14,662.66
095AA019	\$108,200	\$43,280	\$917.54	\$1,066.33	\$1,983.87
095AA020	\$31,500	\$12,600	\$267.12	\$310.44	\$577.56
095AA023	\$7,400	\$2,960	\$62.75	\$72.93	\$135.68
095AA030	\$2,300	\$575	\$12.19	\$14.17	\$26.36
095AA031	\$8,300	\$3,320	\$70.38	\$81.80	\$152.18

095AA032	\$9,400	\$3,760	\$79.71	\$92.64	\$172.35
095AA033	\$7,300	\$1,825	\$38.69	\$44.96	\$83.65
095AA03501	\$70,500	\$28,200	\$597.84	\$694.79	\$1,292.63
095AA037	\$131,400	\$52,560	\$1,114.27	\$1,294.97	\$2,409.25
095AA039	\$300	\$120	\$2.54	\$2.96	\$5.50
094DG009	\$29,700	\$11,880	\$251.86	\$292.70	\$544.56
094EE001	\$0	\$0	\$0.00	\$0.00	\$0.00
094EE002	\$46,300	\$18,520	\$392.62	\$456.30	\$848.92
094EE003	\$70,100	\$28,040	\$594.45	\$690.85	\$1,285.30
094EE004	\$342,200	\$136,880	\$2,901.86	\$3,372.45	\$6,274.31
094EE005	\$128,000	\$51,200	\$1,085.44	\$1,261.47	\$2,346.91
094EE006	\$310,400	\$124,160	\$2,632.19	\$3,059.05	\$5,691.25
094EE007	\$158,000	\$42,620	\$903.54	\$1,050.07	\$1,953.62
094EE008	\$200,600	\$80,240	\$1,701.09	\$1,976.95	\$3,678.04
094EE009	\$109,400	\$43,760	\$927.71	\$1,078.16	\$2,005.87
094EE010	\$93,700	\$37,480	\$794.58	\$923.43	\$1,718.01
094EE01101	\$0	\$0	\$0.00	\$0.00	\$0.00
094EE01102	\$395,400	\$158,160	\$3,352.99	\$3,896.75	\$7,249.74
094EE012	\$260,200	\$104,080	\$2,206.50	\$2,564.32	\$4,770.82
094EE013	\$148,500	\$59,400	\$1,259.28	\$1,463.50	\$2,722.78
094EE014	\$17,100	\$6,840	\$145.01	\$168.52	\$313.53
094EE01401	\$132,000	\$52,800	\$1,119.36	\$1,300.89	\$2,420.25
094EE015	\$135,900	\$54,360	\$1,152.43	\$1,339.32	\$2,491.75
095HA001	\$156,700	\$62,680	\$1,328.82	\$1,544.31	\$2,873.13
095HA002	\$0	\$0	\$0.00	\$0.00	\$0.00
095HA00401	\$0	\$0	\$0.00	\$0.00	\$0.00
095HA00401A	\$402,600	\$100,650	\$2,133.78	\$2,479.81	\$4,613.59
095HA00401B	\$405,200	\$101,300	\$2,147.56	\$2,495.83	\$4,643.39
095HA00401C	\$250,800	\$62,700	\$1,329.24	\$1,544.80	\$2,874.04
095HA00401D	\$402,600	\$100,650	\$2,133.78	\$2,479.81	\$4,613.59
095HA00401E	\$402,600	\$100,650	\$2,133.78	\$2,479.81	\$4,613.59
095HA00401F	\$747,100	\$186,775	\$3,959.63	\$4,601.76	\$8,561.39
095HA00401G	\$394,500	\$98,625	\$2,090.85	\$2,429.92	\$4,520.77
095HA00401H	\$417,500	\$104,375	\$2,212.75	\$2,571.59	\$4,784.34
095HA00401J	\$417,500	\$104,375	\$2,212.75	\$2,571.59	\$4,784.34
095HA00401K	\$433,300	\$108,325	\$2,296.49	\$2,668.91	\$4,965.40
095HA00401L	\$405,200	\$101,300	\$2,147.56	\$2,495.83	\$4,643.39
095HA00401M	\$410,200	\$102,550	\$2,174.06	\$2,526.63	\$4,700.69
095HA00401N	\$419,200	\$104,800	\$2,221.76	\$2,582.06	\$4,803.82
095HA00401P	\$250,800	\$62,700	\$1,329.24	\$1,544.80	\$2,874.04
095HA00401Q	\$273,100	\$68,275	\$1,447.43	\$1,682.16	\$3,129.59
095HA00401R	\$273,100	\$68,275	\$1,447.43	\$1,682.16	\$3,129.59
095HA00401S	\$424,500	\$106,125	\$2,249.85	\$2,614.71	\$4,864.56
095HA00401T	\$419,200	\$104,800	\$2,221.76	\$2,582.06	\$4,803.82
095HA00401U	\$419,200	\$104,800	\$2,221.76	\$2,582.06	\$4,803.82
095HA00401V	\$185,300	\$74,120	\$1,571.34	\$1,826.17	\$3,397.51
095HA00401W	\$85,300	\$34,120	\$723.34	\$840.65	\$1,563.99
095HA00401X	\$268,200	\$107,280	\$2,274.34	\$2,643.16	\$4,917.50
095HA00401Y	\$376,300	\$150,520	\$3,191.02	\$3,708.51	\$6,899.54
095HA00401Z	\$595,100	\$238,040	\$5,046.45	\$5,864.83	\$10,911.28
095HA007	\$845,600	\$338,240	\$7,170.69	\$8,333.56	\$15,504.25
095HA00701	\$227,900	\$91,160	\$1,932.59	\$2,246.00	\$4,178.59
095HA00701A	\$214,500	\$85,800	\$1,818.96	\$2,113.94	\$3,932.90
095HA00701B	\$214,500	\$85,800	\$1,818.96	\$2,113.94	\$3,932.90
095HA008	\$254,000	\$101,600	\$2,153.92	\$2,503.22	\$4,657.14
095HA009	\$926,100	\$370,440	\$7,853.33	\$9,126.90	\$16,980.23
095HA010	\$403,100	\$161,240	\$3,418.29	\$3,972.63	\$7,390.92
095HA011	\$78,800	\$30,950	\$656.14	\$762.55	\$1,418.69
095HA012	\$168,400	\$67,360	\$1,428.03	\$1,659.62	\$3,087.65
095HA013	\$426,500	\$170,600	\$3,616.72	\$4,203.24	\$7,819.96
095HA014	\$288,000	\$115,200	\$2,442.24	\$2,838.30	\$5,280.54
095HA01401	\$788,300	\$315,320	\$6,684.78	\$7,768.85	\$14,453.64
095HA016	\$1,537,600	\$615,040	\$13,038.85	\$15,153.36	\$28,192.20
095HA019	\$246,600	\$98,640	\$2,091.17	\$2,430.29	\$4,521.46
095HA020	\$27,000	\$10,800	\$228.96	\$266.09	\$495.05
095HA021	\$531,300	\$212,520	\$4,505.42	\$5,236.07	\$9,741.49
095HA022	\$636,800	\$254,720	\$5,400.06	\$6,275.79	\$11,675.86
095HA023	\$0	\$0	\$0.00	\$0.00	\$0.00
095HA02300A	\$294,400	\$117,760	\$2,496.51	\$2,901.37	\$5,397.88
095HA02300B	\$175,100	\$70,040	\$1,484.85	\$1,725.65	\$3,210.49
095HA02300C	\$121,700	\$48,680	\$1,032.02	\$1,199.38	\$2,231.39
095HA02300D	\$188,000	\$75,200	\$1,594.24	\$1,852.78	\$3,447.02
095HA02300E	\$204,900	\$81,960	\$1,737.55	\$2,019.33	\$3,756.88
095HA02300F	\$245,400	\$98,160	\$2,080.99	\$2,418.47	\$4,499.46
095HA02300G	\$141,300	\$56,520	\$1,198.22	\$1,392.54	\$2,590.76
095HA02300H	\$12,900	\$5,160	\$109.39	\$127.13	\$236.52
095HA024	\$1,903,500	\$761,400	\$16,141.68	\$18,759.37	\$34,901.05

095HA025	\$813,200	\$325,280	\$6,895.94	\$8,014.25	\$14,910.18
095HA026	\$2,677,900	\$1,071,160	\$22,708.59	\$26,391.24	\$49,099.83
095HA027	\$1,515,500	\$606,200	\$12,851.44	\$14,935.56	\$27,787.00
095HB012	\$445,100	\$178,040	\$3,774.45	\$4,386.55	\$8,161.00
095HC00801	\$0	\$0	\$0.00	\$0.00	\$0.00
095HC00803	\$839,000	\$335,600	\$7,114.72	\$8,268.51	\$15,383.23
082PD005	\$149,700	\$59,880	\$1,269.46	\$1,475.32	\$2,744.78
082PD006	\$210,400	\$84,160	\$1,784.19	\$2,073.53	\$3,857.73
082PD007	\$105,500	\$42,200	\$894.64	\$1,039.72	\$1,934.36
082PD008	\$246,900	\$98,175	\$2,081.31	\$2,418.84	\$4,500.15
082PD009	\$0	\$0	\$0.00	\$0.00	\$0.00
082PD010	\$0	\$0	\$0.00	\$0.00	\$0.00
082PD011	\$0	\$0	\$0.00	\$0.00	\$0.00
082PD013	\$0	\$0	\$0.00	\$0.00	\$0.00
082PK034	\$0	\$0	\$0.00	\$0.00	\$0.00
082PK035	\$0	\$0	\$0.00	\$0.00	\$0.00
082PK038	\$0	\$0	\$0.00	\$0.00	\$0.00
082PK039	\$0	\$0	\$0.00	\$0.00	\$0.00
082PL001	\$48,100	\$19,240	\$407.89	\$474.04	\$881.92
082PL002	\$0	\$0	\$0.00	\$0.00	\$0.00
082PL003	\$0	\$0	\$0.00	\$0.00	\$0.00
082PL005	\$134,100	\$53,640	\$1,137.17	\$1,321.58	\$2,458.75
082PL018	\$240,500	\$96,200	\$2,039.44	\$2,370.18	\$4,409.62
082PL020	\$0	\$0	\$0.00	\$0.00	\$0.00
082PL021	\$0	\$0	\$0.00	\$0.00	\$0.00
082PL022	\$379,000	\$151,600	\$3,213.92	\$3,735.12	\$6,949.04
095AC012	\$0	\$0	\$0.00	\$0.00	\$0.00
095AC014	\$364,000	\$145,600	\$3,086.72	\$3,587.29	\$6,674.01
095AC015	\$142,200	\$56,880	\$1,205.86	\$1,401.41	\$2,607.27
095AC016	\$90,900	\$36,360	\$770.83	\$895.84	\$1,666.67
095AC017	\$67,300	\$26,920	\$570.70	\$663.25	\$1,233.96
095AC018	\$105,700	\$42,280	\$896.34	\$1,041.69	\$1,938.03
095AC019	\$149,500	\$59,800	\$1,267.76	\$1,473.35	\$2,741.11
095AC020	\$55,500	\$22,200	\$470.64	\$546.96	\$1,017.60
095AC009	\$0	\$0	\$0.00	\$0.00	\$0.00
095AD001	\$154,300	\$61,720	\$1,308.46	\$1,520.66	\$2,829.12
095AD002	\$232,500	\$93,000	\$1,971.60	\$2,291.33	\$4,262.93
095AD003	\$58,800	\$23,520	\$498.62	\$579.49	\$1,078.11
095AD004	\$75,800	\$30,320	\$642.78	\$747.02	\$1,389.81
095AD005	\$87,700	\$35,080	\$743.70	\$864.30	\$1,608.00
095AD00502	\$0	\$0	\$0.00	\$0.00	\$0.00
095AD006	\$266,800	\$106,720	\$2,262.46	\$2,629.37	\$4,891.83
095AD007	\$89,900	\$35,960	\$762.35	\$885.98	\$1,648.33
095AD008	\$196,100	\$78,440	\$1,662.93	\$1,932.60	\$3,595.53
095AD010	\$194,000	\$77,600	\$1,645.12	\$1,911.91	\$3,557.03
095AD013	\$172,500	\$69,000	\$1,462.80	\$1,700.02	\$3,162.82
095AD014	\$62,200	\$24,880	\$527.46	\$612.99	\$1,140.45
095AD015	\$13,200	\$5,280	\$111.94	\$130.09	\$242.02
095AD016	\$106,800	\$42,720	\$905.66	\$1,052.54	\$1,958.20
095AD017	\$88,700	\$35,480	\$752.18	\$874.16	\$1,626.33
095AD018	\$21,800	\$8,720	\$184.86	\$214.84	\$399.71
095AD019	\$21,200	\$8,480	\$179.78	\$208.93	\$388.71
095AD020	\$172,800	\$69,120	\$1,465.34	\$1,702.98	\$3,168.32
095AD021	\$141,100	\$56,440	\$1,196.53	\$1,390.57	\$2,587.10
095AD02101	\$444,100	\$177,640	\$3,765.97	\$4,376.69	\$8,142.66
095AD027	\$127,300	\$50,920	\$1,079.50	\$1,254.57	\$2,334.07
095AD028	\$190,700	\$76,280	\$1,617.14	\$1,879.39	\$3,496.52
095AE001	\$80,200	\$32,080	\$680.10	\$790.39	\$1,470.48
095AE002	\$78,400	\$31,360	\$664.83	\$772.65	\$1,437.48
095AE003	\$10,600	\$4,240	\$89.89	\$104.47	\$194.35
095AE004	\$13,200	\$5,280	\$111.94	\$130.09	\$242.02
095AE005	\$87,900	\$35,160	\$745.39	\$866.27	\$1,611.66
095AE006	\$0	\$0	\$0.00	\$0.00	\$0.00
095AE01001	\$213,000	\$85,200	\$1,806.24	\$2,099.16	\$3,905.40
095AE01002	\$0	\$0	\$0.00	\$0.00	\$0.00
095AE011	\$1,280,900	\$512,360	\$10,862.03	\$12,623.53	\$23,485.56
095AE017	\$0	\$0	\$0.00	\$0.00	\$0.00
095AE018	\$0	\$0	\$0.00	\$0.00	\$0.00
095AE01801	\$0	\$0	\$0.00	\$0.00	\$0.00
Total	\$60,131,600.00	\$22,829,405.00	\$483,983.39	\$562,470.88	\$1,046,454.27

MAGNOLIA AVENUE WAREHOUSE DISTRICT

REDEVELOPMENT AND URBAN RENEWAL PLAN



MAY 2011



KNOXVILLE CITY GOVERNMENT



MAYOR - HONORABLE DANIEL T. BROWN

COUNCIL:

Vice-Mayor – Joe Bailey

Councilman – Chris Woodhull

Councilwoman – Marilyn Roddy

Councilman – Nick Pavlis

Councilman – Duane Grieve

Councilwoman – Brenda Palmer

Councilman – Nick Della Volpe

Councilman – Charles Thomas

*Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan
Knoxville, Tennessee
May 2011*



BOARD OF COMMISSIONERS

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INTRODUCTION

The City of Knoxville (the “City”) has identified the Redevelopment Area (as defined in the Section of this Plan entitled “Project Area and Boundary Existing Conditions”) as an ideal area for redevelopment. The Redevelopment Area is the western portion of the Magnolia Avenue Corridor (the “Corridor”), which runs from the Old City to Burlington, and is considered a vital portion of the neighborhoods known as the “Heart of Knoxville” that could be further revitalized.

The Redevelopment Area, which includes the eastern portion of the Old City and is north and south of present day Magnolia Avenue, was first settled and developed because of its farmland, proximity to downtown, and access to First Creek. The relatively flat geography of the creek bed areas allowed trade routes to be established here and in due time rail lines followed a similar pattern. The Corridor grew into an industrial, commercial and residential area by the late 1850’s and the East Tennessee & Georgia and East Tennessee & Virginia railroad lines that connected in Knoxville brought more manufacturing personnel and laborers to the community. However, the combination of flat lands and First Creek, while good for travel, also presented flooding challenges and portions of this area were nicknamed “the Bottom” because of the flooding problems.

In the 1870’s, the owner of a dairy farm in the Corridor carved a 64 acre tract out of his farm and created Chilhowee Park which currently sits well east of the Redevelopment Area and is still a popular attraction as it is the home of the Tennessee Valley Fair. Shortly after the park’s completion, an electric streetcar line was installed to facilitate access to the park from downtown. As the trolley use increased all along the Corridor, trolley suburbs were developed increasing the residential uses in the area. Interestingly, Magnolia Avenue was named not for the southern magnolia trees that once lined the street, but it was named in honor of Mayor H. Bryan Branner’s (City of Knoxville, 1880-1881) mother, Mrs. Magnolia Branner.

During the 1880’s, several enterprises were developed in the Corridor including the Knoxville City Mills complex, better known as White Lily Mills, which was in continuous production until 2008 and now sits vacant. Other industrial uses in this section of the Corridor consisted of Lays Packing Plant, Keller Iron Works, and the Standard Knitting Mills. Many of these industrial uses have since moved out of the area and have left vacant buildings.

Additionally, the overall character of the Corridor changed from residential to commercial with the advent of widespread automobile use. Following World War II, the conversion of single-family residences for commercial uses became commonplace along the Corridor as Magnolia

Avenue became a federal highway leading to North Carolina and Virginia. Many commercial establishments were created to serve the motoring public including gas stations, repair shops, motels and restaurants. Eventually, the Corridor was split into two distinct parts by the construction of Interstate 40. The Redevelopment Area is the portion of the Corridor that is south and east of I-40. Today, many buildings in the area that were once vibrant are dilapidated and in need of revitalization and therefore compose the Redevelopment Area.

Several significant historic buildings remain in the Redevelopment Area. One of those buildings as previously mentioned is the Knoxville City Mills complex, which was built in 1882 and used continuously until 2008. A second, and equally significant building, is the Standard Knitting Mills located at the north end of the Redevelopment Area. The mill was constructed in 1910 and expanded mid-century. At its peak, the mill employed more than 3,000 people. Some of the buildings that composed the mill, though marginally altered, are worthy of historic preservation.

While many organizations, including the Knoxville-Knox Metropolitan Planning Commission (“MPC”), the East Tennessee Chapter of the American Institute of Architects (the “AIA”), have been held various public meetings for the purpose of creating a vision of the revitalization of the Redevelopment Area, KCDC, as the redevelopment authority of the City, has been asked by the City to assist with this redevelopment effort. On January 27, 2009, the City Council adopted a resolution requesting KCDC to develop a redevelopment and urban renewal plan for an area comprising the Redevelopment Area. Responding to that request, KCDC has prepared this plan (the “Plan”) and has submitted it as both a redevelopment plan under §13-20-203(B) of the Tennessee Code Annotated and an urban renewal plan under § 13-20-211 of the Tennessee Code Annotated.

PROJECT AREA BOUNDARY AND EXISTING CONDITIONS

The proposed redevelopment and urban renewal area (the "Redevelopment Area") is generally bounded by Hall of Fame Drive, Washington Avenue, Winona Street, N. Bertrand Street, Harriet Tubman Street, E. Summit Hill Drive and E. Magnolia Avenue, and is depicted on Exhibit A attached hereto (the "Redevelopment Area").

The Redevelopment Area presently consists of primarily commercial and income-producing uses, such as office, warehousing, transportation/communication and industrial uses. The Redevelopment Area also contains a significant number of vacant properties. The current uses and existing conditions in the Redevelopment Area are described in more detail in Magnolia Avenue Corridor Plan dated May 2009 created by MPC and attached hereto as Exhibit B (the "MPC Plan").

This Redevelopment Area clearly contains significant components of blight, within in the meaning of Tennessee Code Annotated §13-20-201. While parts of the Redevelopment Area are used productively, based upon the MPC Plan and visual inspections by KCDC, a number of properties in the area are dilapidated. A number of property uses within the redevelopment area are also obsolete, as described in the MPC Plan, and the land uses of certain properties in the Redevelopment Area are deleterious to the growth of the City. Much of the land use in the area is also deleterious because of vacant buildings, vacant lots or inappropriate land uses. Because of these elements of blight, the Redevelopment Area is the proper subject of a redevelopment plan, and the improvements to be undertaken pursuant to this plan constitute an eligible redevelopment project under Tennessee Code Annotated § 13-20-201. The redevelopment area also clearly qualifies as an urban renewal project within the meaning of Section 13-20-212(a) of the Tennessee Code Annotated because the area, based upon the MPC Plan and physical inspection by KCDC, when considered as a whole, is blighted, deteriorated and deteriorating.

REDEVELOPMENT PLAN OBJECTIVES

The MPC Plan sets forth primary objectives to be accomplished through the redevelopment of the Redevelopment Area. Without limiting the objectives set forth in the MPC Plan, this Plan is intended to support those objectives and accomplish the following:

- a. Establish standards and guidelines for the redevelopment and continued use of the area which will assure adequate light, air, open-space, off-street parking, and the future stability of the entire area through adequate development.
- b. Eliminate conditions of blight and blighting influences, incompatible and inappropriate land uses, and assist in beautifying the area.
- c. Encourage effective and desirable uses of land in accordance with the MPC Plan, including, but not limited to maintaining current industrial and warehouse uses.
- d. Facilitate opportunities for more intense, mixed-use development, including a vertical mix of retail, housing and office uses.
- e. Encourage conservation, restoration and reuse of historic resources.
- f. Facilitate improvements to the sidewalk, bicycle and street systems, including standards for on-and off-street parking, fostering greater intensity in development and providing improved access to existing businesses. Such public improvements may also include improved lighting and improved access to existing public improvements.
- g. Facilitate improvements to parks and open spaces, including, but not limited to, new squares, day-to-day access to the First Creek Greenway and other pedestrian passageways.

RELATIONSHIP TO LOCAL OBJECTIVES

Appropriate Land Uses

As described in more detail in the MPC Plan, a wider range of land uses should be encouraged in the Redevelopment Area. Office, wholesale and retail commercial, warehousing, light manufacturing and residential development are all appropriate land uses within the Redevelopment Area.

Improved Traffic and Public Transportation

As described in the MPC Plan, substantial improvements need to be made to the traffic system in the Redevelopment Area to support the redevelopment and growth anticipated by the Plan. Further, the primary gateway streets into the Redevelopment Area, including Gay, Williams and Central Streets, Hall of Fame Drive and Magnolia Avenue should be improved to be more pedestrian-friendly and more attractive. Such improvements would include landscaping, improved signage and on-street parking. Additionally, the MPC Plan suggests that a new street referred to as Sullivan Street in the MPC Plan be constructed for the purpose of connecting Jackson Avenue and Willow Avenue. The new street would be instrumental in improving pedestrian circulation around the Old City.

Public Utilities

The Redevelopment Area is presently served by all major public utilities. It is likely, however, that some utility improvements may be required in order to meet the demands of newly renovated or developed structures.

Recreational and Community Facilities

The proposed First Creek Greenway, which runs through the Redevelopment Area, would link the Park Ridge and Old North Knoxville neighborhoods to Caswell Park and beyond to downtown. A portion of the proposed First Creek Greenway could be realized through the rails to trails program. The greenway will be an important asset to the Redevelopment Area and surrounding neighborhoods.

REDEVELOPMENT PROCESS

Although the Redevelopment Area as a whole contains blighted areas, several buildings in the Redevelopment Area contain active businesses, and numerous sound residential structures comprise established neighborhoods that should be preserved. The Plan's intent is to avoid public intervention with respect to any existing uses of properties that continue to comply with City regulations, and to achieve plan objectives related to land use change and property redevelopment.

Blighted properties include any properties that meet the definition of "blighted areas" within the meaning of Section 13-20-201 of the Tennessee Code Annotated. "Blighted areas" are areas with buildings or improvements, which by reason of dilapidation, obsolescence, overcrowding, lack of ventilation, light and sanitary facilities, deleterious land use, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community.

If KCDC identifies a specific property as "blighted" within the Redevelopment Area, KCDC anticipates issuing a request for a corrective action plan from the existing owner of that property within 60 days from the date the determination has been made. KCDC will request the existing owner of a blighted property to submit to KCDC a corrective action plan specifying the intentions of such owner for redevelopment of that owner's property. Each plan should include, in detail, descriptions of the intended use of the property, the improvements to be made to the property, a proposed budget for the cost of improvements, and a timetable for construction. In addition, each owner must demonstrate in its plan its financial ability to complete any proposed redevelopment project, including evidence of the availability of funds to complete the project. A plan from a property owner must be submitted within 90 days from the date a plan is requested from that property owner.

An advisory board will be established to be comprised of persons representing, to the extent practicable, the interests described in Section 13-20-208 of the Tennessee Code Annotated. The advisory board members will be appointed within 90 days of the date of the adoption of this Redevelopment Plan by the Chairman of the KCDC Board of Commissioners. The advisory board will examine the plans of owners of blighted properties and will advise KCDC in determining whether a plan is consistent with this Plan, whether the plan is feasible and whether the intended use of the blighted property is compatible with the land uses recommended in this Plan and/or by MPC and applicable City regulations. However, the final approval of any corrective action plan will

be by KCDC. The advisory board may discuss a property owner's corrective action plan with the property owner in whatever fashion the advisory board deems appropriate, and the property owner may resubmit a corrective action plan to KCDC based on such discussions.

If a property owner whose property has been identified as blighted by KCDC does not agree with such determination, that property owner may ask the advisory board to consider whether the property is blighted. In such a case, the advisory board will be asked to make a recommendation to the KCDC Board of Commissioners as to whether the subject property is blighted. The KCDC Board of Commissioners will then make a final determination as to whether the property is blighted, and the property owner will have 90 days from such determination to submit a corrective action plan if such property owner's property is determined to be blighted by the KCDC Board of Commissioners.

If an owner's plan to renovate its property is approved by KCDC, KCDC and the owner will enter into a development agreement under which the owner will agree to develop its property as described in its plan as approved by KCDC. In the event that any such owner fails to renovate its property in accordance with its development agreement, KCDC may elect to acquire such property, subject to the limitations below, and make it available for redevelopment.

If an owner submits a corrective action plan, and KCDC does not approve the corrective action plan, KCDC shall notify the owner in writing, specifying the reason or reasons why KCDC did not approve the corrective action plan. The owner shall have 60 days from receipt of the notification to submit a revised corrective action plan responding to the reasons specified in the notification.

If an owner of a blighted property fails to submit a corrective action plan, fails to receive approval of its corrective action plan or fails to redevelop its property in compliance with its plan, KCDC intends to acquire such property, subject to the limitations below, and to solicit proposals to redevelop such owner's property from third parties. Responses to such proposals shall also be submitted to the advisory board for its review and will be submitted to KCDC for approval of the most favorable proposal. KCDC will enter into a development agreement with any person whose proposal is approved by KCDC to ensure compliance with the redevelopment proposal.

If KCDC determines that it is necessary to acquire any property as provided in this Section, KCDC shall first attempt to negotiate a voluntary sale of the property with the owner(s) thereof. If a negotiated purchase of property is not achieved, KCDC will not exercise its eminent domain authority to acquire any property pursuant to this Plan, except as described below, unless such

action is approved by KCDC's Board of Commissioners and the City Council of the City, provided that City Council approval shall only be required if the property owner requests KCDC to submit the issue to City Council within thirty (30) days of when KCDC's Board of Commissioners approves the acquisition by eminent domain. Upon receipt of a request from a property owner to submit an acquisition to City Council, KCDC will request that the City Council consider the matter at its next regularly scheduled meeting. City Council's approval may be by resolution adopted in such manner as City Council typically considers resolutions. Nothing in this paragraph or elsewhere in this plan shall be construed to limit KCDC's authority to acquire property, including acquisitions by eminent domain if necessary; if the property will be used for public improvements, such as roads, parks or utilities.

RELOCATION OF RESIDENCES AND BUSINESSES

KCDC's Relocation Policy, prepared in accordance with state and local laws, serves as a guideline to be consistently followed and implemented throughout the relocation phase of this Plan. Any redevelopment project pursued in connection with this Plan, if solely financed through local sources, will be subject to the City's Relocation Ordinance. Further, if the project, or any part thereof, should receive federal funding, all applicable federal regulations shall apply.

The relocation activities for the Downtown East Redevelopment and Urban Renewal Plan shall be carried out in such a manner:

- ◆ To insure, to the maximum extent possible, the prompt and equitable relocation and re-establishment of persons, businesses and non-profit organizations displaced as a result of project activities;
- ◆ To provide relocation assistance without regard to race, creed, color, sex or national origin;
- ◆ To provide relocation assistance in a fair manner so that no displacee shall suffer disproportionate injuries as a result of the project.

In order to formulate this relocation plan and to establish the feasibility of assisting all who may be displaced by redevelopment projects carried out in connection with this Plan, an initial survey of project occupants and possible resources has been conducted by KCDC. That survey indicates that adequate resources are, and will be available to meet the needs of all displacees.

Upon approval of the Plan, a KCDC representative will personally contact each business to be displaced and will explain the relocation program and will discuss and determine any special needs of the displacee. The assigned staff representative will assist businesses in finding a suitable and acceptable replacement location and will follow through on any special needs or assistance determined necessary or helpful. Every effort will be made to minimize the hardships of relocation and re-establishment of businesses. Under local policy, actual reasonable moving expenses will be paid for the relocation of all movable items according to the adopted policy. KCDC staff will assist the displacee in filing the required claims and in obtaining documentation necessary to the payment of claims.

All businesses that are displaced from property as a direct result of the acquisition of that property may be eligible for relocation assistance and payments. Eligibility is established if the business

lawfully occupies the property to be acquired at the time negotiations begin for the purchase of the property; however, if a business begins occupancy of the property after negotiations have begun for its purchase, that occupant will not be eligible for assistance or payments. Property owners and tenants will be so advised in the "Notice of Intent to Acquire" which will be delivered prior to the initiation of negotiations for acquisition. A "Notice to Vacate", if required, will be given to all occupants following acquisition of property.

As mentioned earlier in this Plan, if special project funding is received which requires implementation of other than local policies, KCDC shall comply with applicable regulations relative to all relocation matters.

KCDC is mindful of the needs of the present occupants within the Redevelopment Area who may be displaced, and will make every effort to minimize the hardships to those displacees. Accordingly, the purchase of properties and the displacement of occupants will be scheduled and coordinated in such a manner to accommodate, to the maximum extent possible, those special needs which may require extraordinary assistance.

No owner-occupant or tenant lawfully occupying real property shall be required to move without notification in writing from KCDC at least thirty (30) days prior to the date on which possession will be required. The owner-occupant or tenant shall further be advised of all property management policies which relate to their occupancy.

Real property acquisition activities shall be coordinated with relocation activities to ensure that those persons displaced shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole.

NOTE: In the event that federal funding should be received for the benefit of the project, or any part thereof, KCDC shall comply with all applicable regulations, procedures and actions as required by such grants or funding as it relates to acquisition and relocation activities.

LAND ACQUISITION POLICY

The Land Acquisition Policy, as approved by the Board of Commissioners of Knoxville's Community Development Corporation sets forth procedures which are followed in all locally financed projects administered by KCDC. KCDC will:

- ◆ Make every reasonable effort to acquire real property expeditiously through negotiated agreements;
- ◆ Pay just compensation for all property interests acquired and conduct acquisition activities in a manner which minimizes hardship to owners and tenants and which promotes public confidence in the land acquisition practices;
- ◆ Assure consistent and fair treatment to all owners and tenants.

To that end, KCDC shall:

- a. Provide the owner and tenant of property to be acquired with an official written notice of its intent to acquire the real property. Such notice shall be given as soon as feasible after the approval to acquire the property, but prior to the date on which negotiations to acquire the property are initiated. The Notice of Intent to Acquire shall include (or be accompanied by) a statement of explanation of the acquisition procedures, including condemnation, and shall explain the principal rights and options of the owner and/or tenant.
- b. All property interests to be acquired shall be appraised independently by a competent professional appraiser in private practice, which appraisals shall then be reviewed by a competent KCDC staff appraisal reviewer. No appraiser shall have any interest, financial or otherwise, in the property to be acquired.
- c. The appraiser shall make an on-site inspection of the property to be acquired and shall give the owner or their designated representative an opportunity to accompany him during the inspection of the property. The name (s) of the individual (s) who accompanied the appraiser shall be denoted on each appraisal report.
- d. The staff review appraiser shall determine the acceptability and adequacy of the appraisal reports and shall require any corrections or further documentation as may be deemed necessary.

- e. After the staff review appraiser finds the appraisal reports acceptable and proper, he shall present to KCDC his report indicating opinion of the fair market value for the property to be acquired. Said value shall not be lower than the lowest appraisal or higher than the highest appraisal. The number of appraisals shall be determined by the complexity of the acquisition. "Fair market value" shall be defined, in general, as "what a willing buyer is willing to pay, but is under no compulsion to do so, and what a willing seller is willing to sell for, but is under no compulsion to sell."
- f. Following acceptance of the staff review appraiser's recommendation, KCDC shall verify that the appraisers and the staff review appraiser have performed in a competent manner in accordance with applicable law, and shall then establish a fair market value (just compensation) for each identified property interest to be acquired.
- g. Initiation of negotiations for the acquisition of property shall be commenced with each owner of a separately held compensable interest as soon as practicable after the fair market value of interest has been established.
- h. The basic negotiation procedures which shall be followed are:
 - 1. A written offer to the owner to acquire his property, delivered person; or if the owner (or his representative) is not available, may be mailed by certified or registered mail.
 - 2. The offer shall include the full purchase price and a statement explaining the basis for the amount established as just compensation for all interests in the property. It shall properly identify the property and shall include any other necessary information pertinent to the offer and to the acquisition of the property.
 - 3. The owner shall be advised that the normal closing costs, including title search and preparation of the deed, will be paid by KCDC. The owner shall also be advised that they are not required to pay a sales commission; however, all loans, liens, and outstanding taxes on the property must be satisfied prior to or at the time of settlement.
 - 4. KCDC shall make every reasonable effort to discuss the purchase offer with the owner, to explain the procedures fully, and shall give the owner a reasonable length of time to respond to the offer.

5. If the owner presents evidence indicating the need of further review or revision in the fair market value as established, KCDC shall require the appraiser to update their appraisal or shall obtain a new appraisal.
- f. Before instituting a condemnation proceeding, KCDC shall make a diligent, conscientious effort to induce the owner to accept the established fair market value for their property. A final offer to acquire the property shall be made in writing to the owner or their representative, and reasonable time allowed for acceptance.
- g. No owner-occupant or tenant lawfully occupying real property shall be required to move without notification in writing from KCDC at least thirty days prior to the date on which possession will be required. The owner-occupant or tenant shall further be advised of all property management policies which relate to their occupancy.
- h. Real property acquisition activities shall be coordinated with relocation activities to ensure that those persons displaced shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole.

NOTE: In the event that federal funding should be received for the benefit of the project, or any part thereof, KCDC shall comply with all applicable federal regulations, procedures and actions as required by such grants or funding as it relates to acquisition and relocation activities.

LAND DISPOSITION PLAN

Acquired land will be conveyed to developers by a Special Warranty Deed that contains restrictive covenants and a reversionary right to insure redevelopment and prevent speculation. Accordingly, developers must complete the development described in the redevelopment plan approved by the KCDC Board of Commissioners. Further, undeveloped land and/or buildings shall not be sold for a profit.

After proper submission, review and approval of an accepted Redevelopment Plan as determined to be in the best interest of the community, various parcels may be replatted, so as to allow maximum usage and conform to existing building codes, thereby facilitating speedy acquisition and development within the Redevelopment Area. Specific site development shall be accomplished by the sale of acquired properties to private developers, individuals and/or community groups or other entities that will develop the land within the scope of the stated Redevelopment Plan. Public improvements may be accomplished by the City of Knoxville in conjunction with individual private developments.

INTERIM USE OF ACQUIRED PROPERTIES

It shall be the intent of this Redevelopment Plan to continue current uses until such time as a development proposal materializes, and/or until the need for development is imminent. If, however, a property owner wishes to sell, or an occupant wishes to relocate prior to the scheduled need, KCDC may purchase the property and provide for an appropriate interim use.

PROPERTY MANAGEMENT

In accordance with redevelopment and construction schedules, it is anticipated that certain properties may be under management at various times in the Redevelopment Area. Although the primary objectives of the property management activity will be to minimize the length of occupancy of property after acquisition and to relocate occupants as quickly and efficiently as possible into appropriate accommodations in accordance with the Relocation Plan, relocation and demolition activities will be staged in a manner determined most beneficial to the project and as demanded by proposed redevelopment schedules. Only such maintenance as may be required for the health and safety of persons lawfully remaining in occupancy will be undertaken.

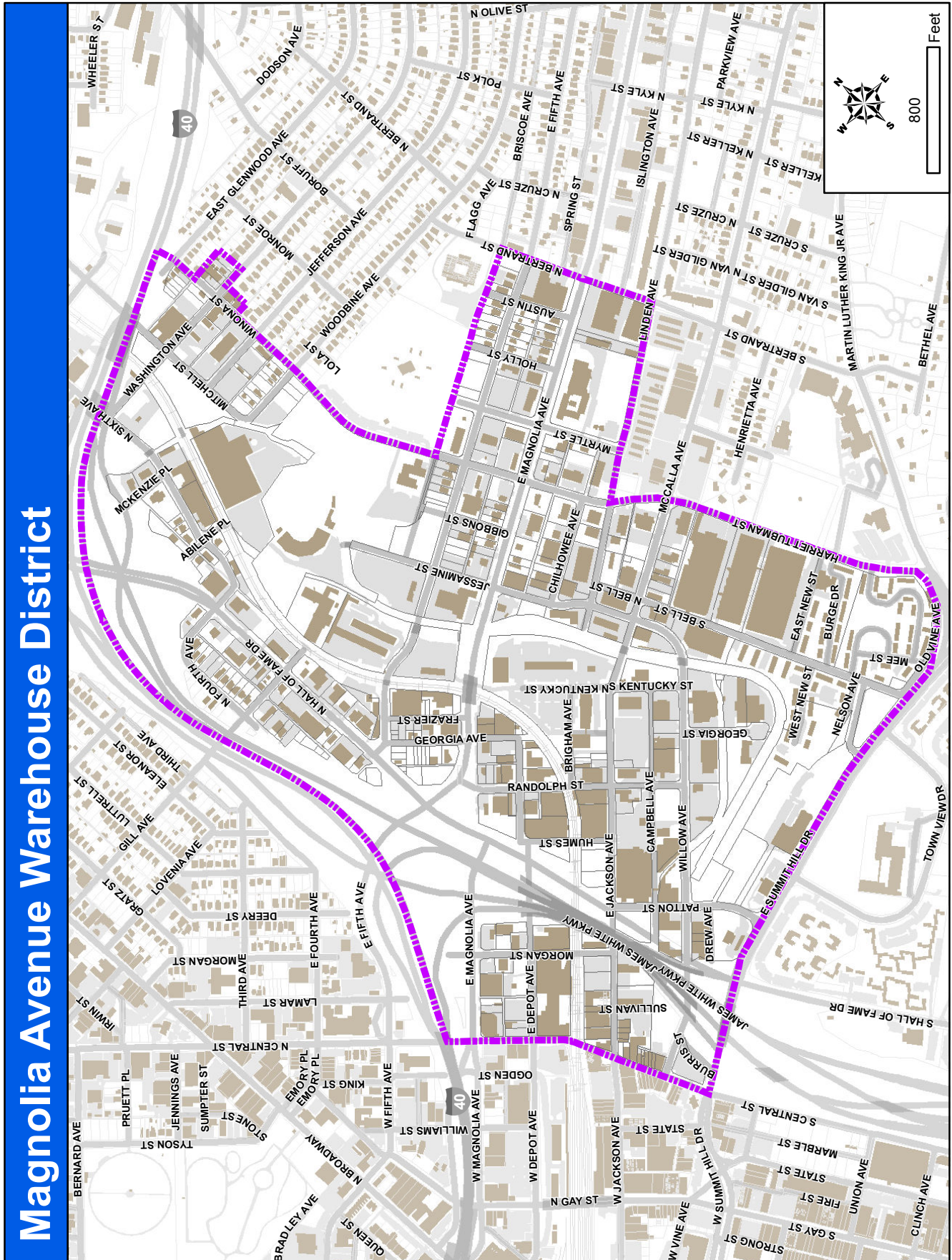
KCDC does not anticipate that it will be necessary to employ security personnel to ensure protection of the site property. The property manager will make frequent tours of the acquired properties in order to keep himself informed of the condition of such properties. A rent schedule will be established for property which is to be temporarily occupied after acquisition.

PLAN AMENDMENTS

In the course of implementing this Plan, amendments to this plan may be warranted. Any amendments to this Plan will only be adopted by City Council after a public hearing is conducted in the same manner as the hearing was conducted prior to the adoption of this plan and, where applicable, in compliance with the requirements of Section 13-20-205 of the Tennessee Code Annotated. Notice of any proposed amendments will be given to all property owners within the project area pursuant to the requirements of state law. If County Commission's approval of any amendment is required by state law, such approval will also be requested.

EXHIBIT A: SITE MAP – PROJECT AREA

MAGNOLIA AVENUE WAREHOUSE DISTRICT REDEVELOPMENT & URBAN RENEWAL PLAN



RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE APPROVING THE MAGNOLIA AVENUE WAREHOUSE DISTRICT REDEVELOPMENT AND URBAN RENEWAL PLAN PREPARED BY KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION.

RESOLUTION NO: R-154-2011

REQUESTED BY: Policy & Communications
PREPARED BY: Law Department

APPROVED: 05-31-2011

APPROVED AS AN EMERGENCY MEASURE: _____

MINUTE BOOK: 75 **PAGE** _____

WHEREAS, in 2009 the Council of the City of Knoxville requested Knoxville's Community Development Corporation ("KCDC") to study and prepare a Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan (the "Plan"), to be based upon information developed by MPC in establishing the Magnolia Avenue Corridor Plan (the "MPC Plan"); and

WHEREAS, after reviewing the MPC Plan, City of Knoxville and KCDC staff determined that study areas 1B, 2A, 2B, and 2C of the MPC Plan should be included in the proposed redevelopment area which is generally bounded by Interstate 40, Winona Street, N. Bertrand Street, Harriet Tubman Street, E. Summit Hill Drive, and S. Central Street and is bisected from east to west by Magnolia Avenue; and

WHEREAS, KCDC hosted a meeting of the property owners in the area on March 3, 2011 and comments were received and incorporated into the Plan as appropriate; and

WHEREAS, on March 31, 2011, a combined meeting of property owners and the general public was held to provide information on the Plan, as revised; and

WHEREAS, on April 25, 2011, KCDC conducted a public hearing as required by Tennessee Code Annotated §§ 13-20-203(b) and 13-20-205(c) to determine the necessity for the adoption of the Plan; and

WHEREAS, the proposed Plan has been submitted by KCDC to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan prepared by KCDC and presented to the City, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved.

SECTION 2: The City Recorder is hereby directed to file a copy of said Plan with the minutes of this meeting of the Council of the City of Knoxville.

SECTION 3: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.


Recorder

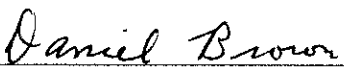

Presiding Officer of the Council

EXHIBIT B: MAGNOLIA AVENUE CORRIDOR PLAN



Magnolia Avenue Corridor Plan

May 2009

Prepared by the Knoxville-Knox County Metropolitan Planning Commission



Magnolia Avenue Corridor Plan

May 2009

Adopted by:
the Knoxville-Knox County Metropolitan Planning Commission on July 9, 2009
and
the Knoxville City Council on August 25, 2009

Credits

The concepts and analyses that are contained in this plan are the result of collaborative effort, involving the following departments and organizations.

Knoxville-Knox County Metropolitan Planning Commission

Planning Staff

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Interns

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Nathan Oliver (landscape design and building condition research)
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Chapter 1: Introduction

The Knoxville-Knox County Metropolitan Planning Commission, in partnership with the East Tennessee Chapter of the American Institute of Architects and the City's Community Development staff, has prepared this Magnolia Avenue Corridor Plan. This corridor is a gateway to downtown and serves as a series of commercial, residential and institutional districts for central and east Knoxville. Following plans to improve the Knoxville South Waterfront, Cumberland Avenue, Fort Sanders and Downtown North, this corridor, which runs from the Old City to Burlington, is seen as the last major wedge of land and transportation systems that could be further revitalized within the neighborhoods known as the "Heart of Knoxville."

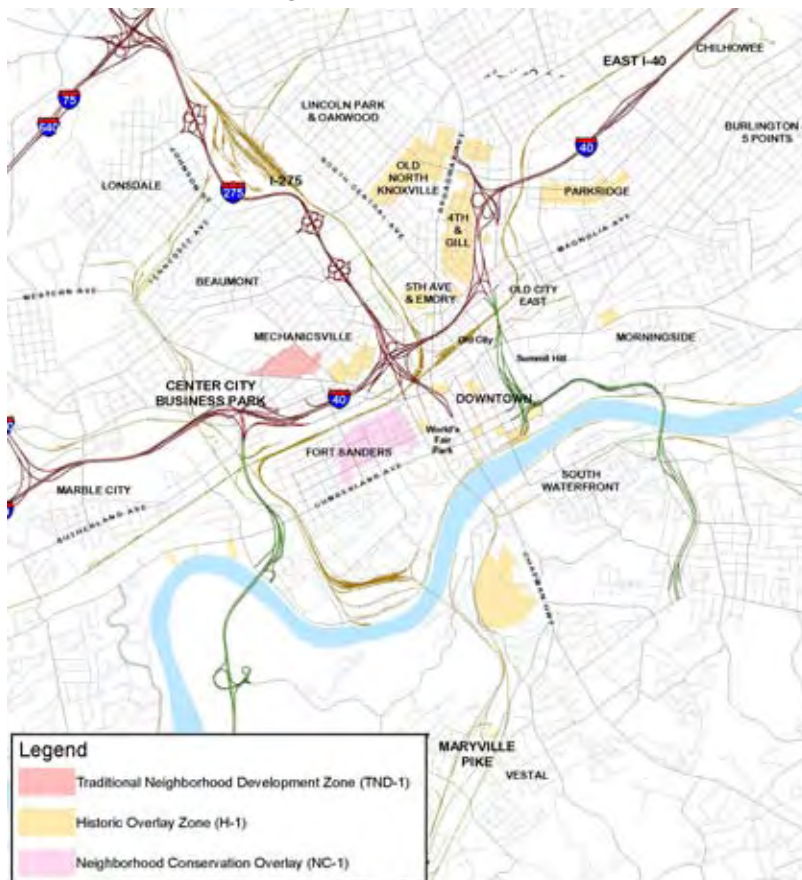
The purpose of this plan is to create opportunities to enhance development along the Magnolia Avenue corridor, including the north end of downtown, the Hall of Fame-Caswell Park area, Burlington and the areas in between. This plan is focused on the physical environment and outlines:

- opportunities for more intense, mixed-use development, including a vertical mix of retail, housing and office uses

- conservation, restoration and reuse of historic resources
- improvements to the sidewalk, bicycle and street systems, including standards for on- and off-street parking, fostering greater intensity in development
- improvements to parks and open spaces, including new squares, day-to-day access to Chilhowee Park and completion of the First Creek Greenway.

In the course of public meetings, various socio-economic concerns came to light as an issue affecting the corridor. These included homeless populations, crime (particularly arson, prostitution and drug sales), under-educated work force and a lack of opportunities for business expansion and development. These issues are of such importance that they should be addressed on a comprehensive, on-going basis. One of the key recommendations is to create a task force to create a strategic program that would involve merchant and neighborhood interests as well as government and economic development officials.

Heart of Knoxville Map



During the past two years the city, MPC, AIA and the Magnolia Area Merchants' Association hosted several workshops that were well attended, generally having between 40 and 100 persons participating. Early on, a vision was created for what the corridor would be like in the year 2020 to serve as an overall goal for the area, it follows on the next page.

To implement the vision as outline above this planning document has been created through public input and will be used to guide future development in the area. This plan contains five additional chapters, which are outlined below:

- Existing Conditions: an overview of land use and development trends
- History and Historic Resources: history and preservation of historic buildings
- A Plan for Complete Streets and Landscaping: providing for pedestrian, bike and transit facilities
- Land Use and Urban Design Plans: including proposals for a mix of land uses
- Implementation Measures: recommended programs and steps.

Vision: Magnolia Avenue in 2020

Magnolia Avenue is a vibrant corridor with a mix of strong businesses, a variety of good housing, and well designed parks and civic spaces. Historic preservation and redevelopment have been sensitive to the adjoining neighborhood needs. It is an active corridor - accessible by bus, bike and trolley. Sidewalks are enhanced by decorative lights and attractive furnishings. Residents and visitors walk safely along the avenue's sidewalks, separated from the passing traffic and shaded under a canopy of trees.

The vacant land and underutilized buildings just north of Depot Street have been used for residential, office and commercial purposes. Downtown workers live there above shops and restaurants and walk to work. A revitalized Burlington, with new shopping and housing opportunities, add vitality to the east end of the corridor. The historic architecture of Barber and others has been preserved and is used as a model for new apartments, townhouses and public buildings.

A community newspaper promotes the area's assets, including the Knoxville Zoo, the botanical gardens, Caswell and Chilhowee Parks, churches, YMCA, senior center and other community serving institutions.

Partnerships between the University of Tennessee, Pellissippi State, Knox County Schools, the City of Knoxville and local non-profits have resulted in programs that have strengthened the neighborhoods and businesses. Police and firemen enjoy a walk down Woodbine Avenue after the annual BBQ, which serves as a reminder that better relationships are a key to realizing successful growth.

Magnolia Avenue has become an address for successful enterprise, attractive housing and some of the finest places to enjoy recreation in Knoxville.



An architect's rendering of the potential for the Magnolia Avenue-Winona Street area

Chapter 2: Existing Conditions

Land Use and Vacant Buildings

The Magnolia Avenue corridor is predominantly characterized by commercial and other income-producing uses, such as office, warehousing, transportation/communication and industrial uses: these represent slightly more than 50 percent of the overall properties. The corridor has a significant amount of vacant property. Vacant land and lots with vacant buildings represent about 115 acres of the 390 acres in the corridor (see pages 9 and 10).

MPC and Community Development Department staff examined the corridor to ascertain the extent of vacant lots, vacant buildings and structures with obvious problems (for example, fire-damage or roof deficiencies). In summary, the findings are:

Vacant land

There are about 130 vacant lots in the corridor. Many of these vacant lots are the result of demolition of older buildings that had fallen into disrepair or were places where arson

occurred. Many of these lots are overgrown; some are used as parking areas. All have potential for economic or residential development purposes.

Vacant buildings

There are more than 180 vacant buildings in the entire corridor, sitting on about 78 acres (20 percent of all the land in the corridor). Vacancies often become targets for arson and other crime-related activities causing major problems for the area.

Vacant historic buildings are particular concerns, primarily because of the potential for losing resources to arson. An additional concern is occupied historic houses that appear to be in substandard condition (for example, roof problems and boarded up or missing windows). Such properties are already being subjected to “demolition by neglect”; in other words, owners are not maintaining the building to the point that become substandard, possibly leading to condemnation. The historic preservation objectives (see Chapter 3) address these concerns.



*Top: A typical series of vacant lots where buildings were torn down
Bottom: Many vacant buildings once housed small commercial enterprises.*



This vacant Four Square House is part of the potential Harrison Street to Hembree Street historic district.

Existing plans and studies with implications for the corridor

The Magnolia Avenue Corridor is part of the Central City and East City Sectors. The sector plans contain several concepts, which are linked to this plan. In these plans, Magnolia Avenue was proposed as a:

- a priority for streetscape, sidewalk and related pedestrian improvements
- a mixed use corridor, allowing retail, office and residential uses along the western end of the avenue
- an area where a stronger economy should be built, particularly in the rail corridor between Old City and I-40

Since the adoption of the Sector plans, several steps have been taken to address more specific improvements. These are summarized below.

Broadway-Central-Emory Place Small Area Plan

The Broadway-Central-Emory Place Small Area Plan provides recommendations and guidance for the redevelopment and development of this area as part of an effort to expand Downtown to the north. The plan includes the rehabilitation of the North Central Street Corridor and Broadway by creating a more pedestrian friendly streetscape, enhancing neighborhood stability, establishing a sense of place for “Downtown North”, and improving non-motorized transportation systems and alleys. This plan also proposes mixed use development to follow a design code, specifically, a form code that focuses more on building mass and relationship to the street than the land uses. The proposals in this document should be considered when planning for the Downtown section of the Magnolia Avenue Corridor.

I-275/North Central Street Corridor Study, 2007

The purposes of this study are to foster economic development and to reverse the environmental degradation in the I-275 corridor. The western edge of the Magnolia



The facade improvement program has been vital to Broadway/ North Central Street restoration and has been extended to the Magnolia corridor.

Avenue Corridor is the transition between Downtown and the proposed redevelopment and preservation in Downtown North and in the I-275 corridor.

Downtown North- I-275 Redevelopment Plan

The principles and proposals of the preceding small area plan and corridor study (see above) were incorporated into this redevelopment plan, which strives to eliminate blight and provides tax increment financing for private property improvements.

Downtown Knoxville Design Guidelines

The goals of these guidelines are to define expectations and allow flexibility, while fostering high-quality design. The guidelines were created to respect the existing downtown qualities, community desires and the need for reasonable provisions for both public and private improvements. The plan deals with the public realm (for example, sidewalks, plazas and streets), the private realm (buildings and their massing and form) and historic building and districts. The zoning overlay that is used to implement the guidelines offer a means, with expansion of the district, to provide guidance for renovation and new future development in the “SOMAG” area, that is, the district south of Magnolia near Downtown (see Chapter 4).

Martin Luther King, Jr. Avenue (MLK) Corridor Plan

This plan was developed in 2006. The purpose of the plan is to serve as a tool for the continued revitalization of the MLK Corridor. The study dealt with the physical environment of areas along MLK and the neighborhoods directly adjacent to the corridor from Harriet Tubman Street to



The renovation of Crown and Goose was completed via the Downtown Design Guidelines.

Magnolia Avenue Corridor Plan: Existing Land Use Map

Land Use	Acres	Percent
Vacant Land*	25.06	6.41%
Commercial	102.48	26.20%
Industrial (Manufacturing)	16.21	4.14%
Multifamily Residential	20.18	5.16%
Office	44.32	11.33%
Private Recreation	1.72	0.44%
Public Parks	22.61	5.78%
Public/Quasi Public Land	66.06	16.89%
Right of Way/Open Space	0.00	0.00%
Single Family Residential	45.34	11.59%
Transportation/Communications/Utilities	21.06	5.38%
Under Construction/Other Uses	10.70	2.74%
Wholesale	15.40	3.94%
Total for Corridor	391.15	

* Vacant Lots are classified by Existing Land Use and do not represent land affected by the SmartFIX40 project.



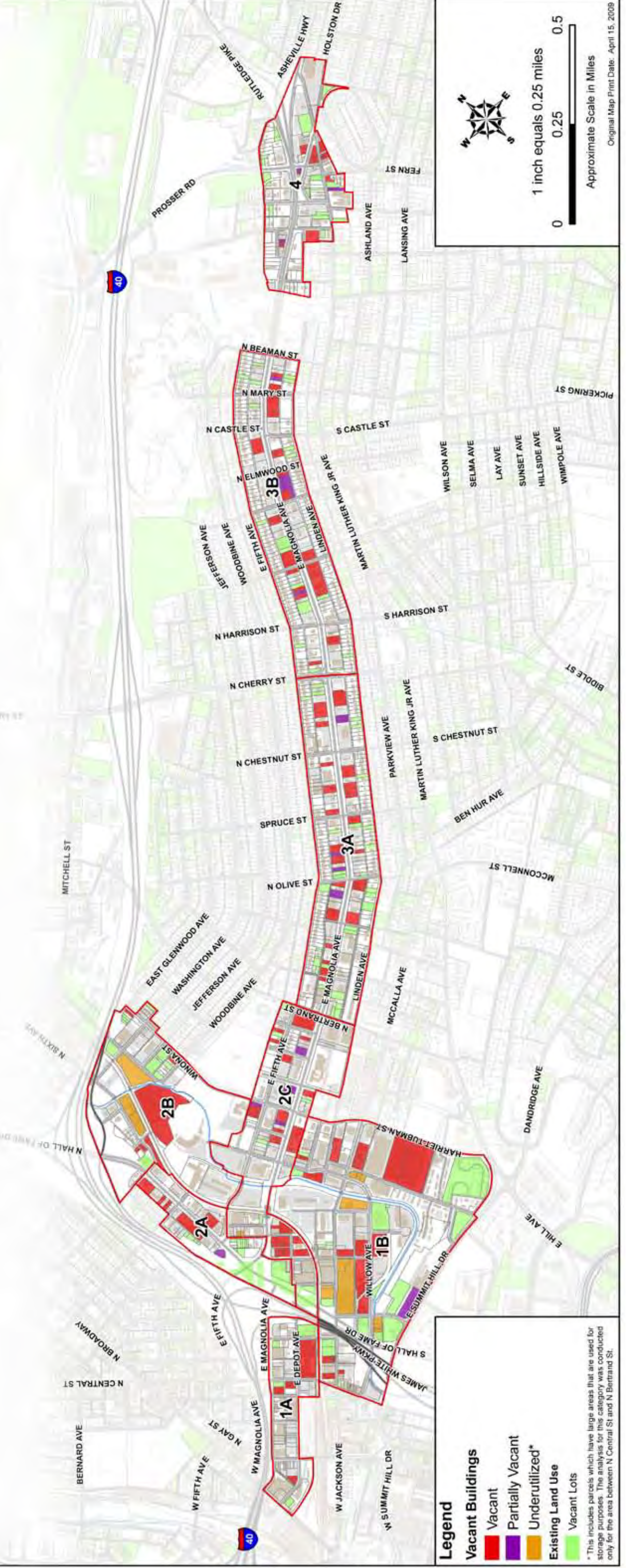
Magnolia Avenue Corridor Plan: Vacant Buildings and Lots Map



	Parcels	Acres	Vacant Buildings*	Vacant Buildings Acres*	Percent Vacant Building Acres*	Vacant Lots**	Percent Vacant Lots**
1A	61	18.88	6	3.54	18.75%	4	7.68%
1B	109	104.02	32	25.28	24.30%	19	15.35%
2A	46	13.00	14	3.73	28.66%	19	39.86%
2B	54	52.63	10	11.44	21.74%	11	5.60%
2C	110	46.49	47	12.72	27.36%	8	4.50%
3A	247	62.89	29	9.40	14.95%	30	8.76%
3B	226	58.00	27	9.26	15.96%	19	7.05%
4	123	33.78	19	2.41	7.13%	19	10.81%
Total for Corridor	976	389.69	184	77.76	19.96%	129	10.49%

* Vacant buildings are summarized by their parcel for analysis. This includes parcels which have large areas that are used for storage purposes. Multiple buildings on a single parcel are counted only as one parcel.

** Vacant Lots are classified by Existing Land Use and by analysis from the SmartFix40 project.



Legend

- Vacant Buildings**
 - Vacant (Red)
 - Partially Vacant (Purple)
 - Underutilized* (Orange)
- Existing Land Use**
 - Vacant Lots (Green)

* This includes parcels which have large areas that are used for storage purposes. The analysis for this category was conducted only for the area between N Central St and N Bertrand St.

1 inch equals 0.25 miles

0 0.25 0.5

Approximate Scale in Miles

Original Map Print Date: April 15, 2008

Downtown Burlington. The plan contains several policies and recommendations that are pertinent to Magnolia Avenue:

- Burlington's commercial area: recommendations include forming a redevelopment area, implementing the façade program, developing a form-based zoning district, improving the sidewalk system, planting street trees and creating a new park.
- Linden Avenue and Parkview Avenue residential areas: recommendations include creating a Neighborhood Conservation or Infill Housing Overlay and rezoning the area from its medium density (R-2) zone to a low density (R-1A) zone or a new zone based on the smaller lot widths and sizes that are traditional in this area.
- Park and open space recommendations: included adding a park in Burlington and designing Chilhowee Park to accommodate festivals and serve as a day-to-day neighborhood park and open space.

Old City Master Plan

This plan was adopted in the late-1990s. Several of its proposals have been realized: standards for restoration and infill development (through the Downtown Design Overlay District), lower Gay Street pedestrian improvements and several parking and public safety recommendations such as better lighting and parking under the viaducts.

Another concept that is important to this Magnolia Avenue Corridor Plan is a proposal to develop the vacant lots near Barley's Taproom and Pizzeria by re-opening Sullivan Street and developing a new street and buildings along that street.

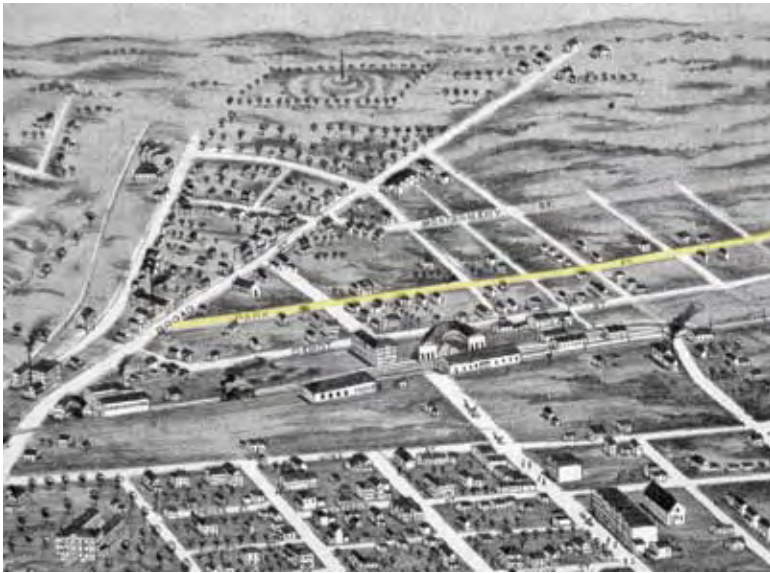


Compatible infill housing, one of the programs derived from the Martin Luther King Corridor Plan, has been a positive addition to Magnolia area neighborhoods.

Chapter 3: History and Historic Resources

A fitting introduction to Magnolia Avenue's history is to dispel the notion that it was named for the rows of Magnolia trees that once lined the street. The truth is that the mayor of Knoxville from 1880 to 1881, H. Bryan Branner, renamed Park Street in honor of his mother, Mrs. Magnolia Branner.¹

The area's history can be traced back several decades before the 1880s.



Knoxville in 1871. Park Street was to become Magnolia Avenue.

In the 19th century, the north-east valley roads east of First Creek included a route that later became McCalla Avenue. Beyond Burlington that road became known as Rutledge Pike and served as a trade route to upper East Tennessee and Virginia. Farmland largely surrounded the pike as one traveled east of First Creek.

In 1855, the East Tennessee & Virginia and East Tennessee & Georgia railroads formed a connection point in Knoxville, and the consequent industrial activity brought more manufacturing personnel and laborers to the community, including craftsmen, meatpackers, and textile and mill workers. The northward expansion of Knoxville began during this era. One of the streets, Craig Street (later renamed Park Street) ran from Broadway to a point east of First Creek and would become the spine of Magnolia Avenue.

¹ Park Street was also referred to as Park Avenue in some references. This street was also called Craig Street early on. It was depicted in an 1871 bird's eye illustration as Park Street.

Another early expansion was Shieldstown, carved from the farm of John Shields in the 1850s. It included a six-block area south of Craig Street, between First Creek and Bertrand Street. During the Civil War, Shieldstown and neighboring ridges were occasionally occupied by Union and Confederate forces because of Knoxville's strategic location along the two major rail systems. Fort Hill, along Summit Hill Drive, was one of these points of occupation.

The Heiskell School was founded during the Civil War. Named for the mayor, S.G. Heiskell, it was Knoxville's first new school for black children. One impact of the Heiskell School creation was that the area became more segregated: whites to the east of First Creek, blacks to the west. The area east of Central Street and west of the creek became known as the "the Bottom" because of First Creek flooding. This area was where the typically poorer neighborhoods were located and they have largely been redeveloped through industrial expansion, urban renewal and road projects.

The Mabry farm, created by Confederate General Joseph A. Mabry II, formed the eastern edge of Knoxville. His house still stands along Dandridge Avenue, and is known as the Mabry-Hazen House today. Mabry, a railroad lobbyist and president of the Knoxville and Kentucky Railroad, helped to fuel further industrialization with the creation of the post-war, north-bound railroad line. He sold much of his farm in the late-1860s and development increased east of First Creek as mostly working and middle class families, both white and black, began to settle there.

In 1869, Charles McClung McGhee orchestrated the merger of the first two railroads to form the East Tennessee, Virginia and Georgia Railroad. This further established Knoxville as a hub of industry and wholesaling; portions of his McClung warehouses were lost in a 2007 fire. The blocks at this northern border of Knoxville were annexed into the city in 1869. It is likely that this annexation marks the name change of "Craig Street" to "Park Avenue," so that the Shieldstown stretch would match its counterpart on the west side of First Creek. The most significant reminder of the industrialization is the Knoxville City Mills complex, better known as White Lily Mills, which was built in 1882 and used continuously in the flour business until 2008.

The 1870s saw the growth of additional suburban communities as well as new churches and schools. One of these schools, Peabody School (now the American Federation of Labor offices), still stands along Morgan Street.

In 1875, Fernando Cortes Beaman, a New York teacher, purchased 1,100 acres of property further east of First Creek, an area which now encompasses Park Ridge. He built a dairy farm, and within a decade carved out a 64-acre park whose large spring-fed pool became a destination for swimming, canoeing and fishing – earning its moniker, “Lake Ottossee” (as in, you “ought to see” it). This resource would latter be named Chilhowee Park.

The impetus for the development of the avenue and its nearby neighborhoods can be attributed to Beaman and William Gibbs McAdoo, a Chattanooga lawyer. In 1889, they collaborated to extend an electric streetcar line to the park. Opening on May 1, 1890, this Knoxville

Street Railway Company line offered round-trip service from Gay Street. The company also extended lines along McCalla Avenue to Burlington and converted the horse-drawn line along Washington Avenue to electric streetcar use. These improvements enabled the development of the trolley suburbs, which originally included the previously incorporated jurisdiction, Park City.

With the streetcar opening, Chilhowee Park became a venue for concerts, fairs, exhibitions and seasonal amusements such as roller coaster rides and bowling. The baseball and football fields in the Elmwood section of the park, south of Magnolia, hosted football games (including the 1907 Kentucky – Tennessee game), the Knoxville Reds baseball team and various high school sporting events. This portion of the park has been fenced and used for parking for large events over the last several years and no longer serves a daily recreation function. This plan calls for the reopening that space for day-to-day park use.



Thompson Collection



McClung Historical Collection

Top left: McAdoo's Knoxville Street Railway enabled Park City development. Top Right: Chilhowee Park pictured in its heyday of the early 20th Century. Bottom: Swan's Bakery was one of the few commercial structures along the avenue in the early 20th century.



McClung Historical Collection

Following two successful regional expositions, the Appalachian Exposition was held at Chilhowee Park in 1910, under the direction of the Knoxville Commercial Club. A beautiful Classical Revival exhibition hall designed by Knoxville architect John R. Graf provided over 80,000 square feet of exhibition space. This building was eventually lost to fire and replaced by the Jacob building. The marble Chilhowee Park Bandstand is a remnant of the fairs as is the Poultry Building, tucked into the hillside north of the Jacob's Building.

Magnolia Avenue was largely lined with residences in its earliest days. The renowned Knoxville architect, George F. Barber, contributed to the house designs of Park City, including Magnolia Avenue. Barber had established a nationally recognized "mail-order architecture" business by selling Victorian-era home plans. Park City became his virtual showcase community. The residential architecture includes the Dutch Colonial, Spanish Eclectic, Four Square and Tudor Revival styles.

The early 1900s saw the continued success of industry and the foundation of more schools, churches and other public facilities in the area. Park City Junior High School (1925), Magnolia Avenue Methodist Church (1925) and Standard Knitting Mills (1910) are among the most prominent structures left from this era.

Park City was annexed into Knoxville in 1917. In the 1920s, streetcar service patronage reached a peak, with the Magnolia line running service every 10 minutes. Several attractive apartment complexes appeared in this trolley era, such as the Aston (2736 E Magnolia) and the Lakewood (2730 E Magnolia).



McClung Historical Collection

The Aston Apartments during the trolley era

The community identity changed with widespread automobile use. Following World War II, the conversion and demolition of single-family residences for commercial uses became commonplace along the corridor as Magnolia became a federal highway, the major artery leading to Asheville and Virginia. Motels, gas stations, repair shops and restaurants emerged. Several post-war period, auto-oriented businesses such as the Pizza Palace Drive-In (3132 E. Magnolia) and Bus Terminal (100 E. Magnolia) remain today. Much of the development, however, detracted from the early pedestrian-friendly, transit-oriented setting. Garish signs, too little landscaping and helter-skelter building patterns are typical remnants of the automobile age.

The construction of I-40 split the neighborhoods between Central and Randolph Streets, and created social displacement and isolation. The majority of area homes by this time were 40 to 80 years old and experiencing some deterioration. Since the 1960s, commercial business has struggled along large portions of the automobile-scaled avenue. Today, many lots and buildings are vacant or dilapidated, awaiting revitalization and redevelopment of a once vibrant neighborhood corridor.

Historic Resources

A team of preservation interests, including MPC staff, Knox Heritage and AIA, examined the architecture of the corridor. In assessing the corridor's "streetscape," several factors were considered, including architectural styles, architects who designed various buildings and historic persons associated with the resources. The types of resources that were identified include individual buildings and structures, and potential districts.



McClung Historical Collection

The Magnolia Motel, created after federal highway designation

Two categories were identified:

- buildings and structures which are relatively unchanged; in other words, most of their original fabric is intact, and
- buildings which have been modified substantially though additions or remodeling in a latter era.

The map on the next page identifies the resources by those two categories, and outlines the potential historic districts.

Highlights of the evaluation include:

The Depot Street/Magnolia Avenue District

This district would join the Southern terminal District that is immediately to the south. The buildings that are significant include:

- the Gay Street block and the Depot Avenue/Central Street corner slot-commercial buildings, which are representative of early 20th Century commercial architecture
- the former Peabody School, 1870s (now used as a labor union hall), which stands as Knoxville's oldest local educational building and has ties to the philanthropic history associated with the Peabody family
- Knox Rail Salvage: a sturdy, early-20th century Commercial Vernacular building, representing the warehousing and industrial function that characterized the area for the better part of the 20th century
- The Greyhound Bus Station, with its flat roof and streamlined rounded corner, a good example of the post-World War II Art Moderne style.



Thompson Collection

Greyhound Terminal, 1950s

The 5th Avenue District

Although not along Magnolia Avenue, this avenue will be the major conduit of future traffic from Magnolia and Hall of Fame Boulevard; its historic resources include the First Christian Church, the row houses and apartment buildings, the nearby block that includes the Beaman Building and the post-war, International-style Mac Auto Loans building. Some of these resources are significant as historic assets and as forms to guide infill development in the future.

The Standard Knitting Mills

The extensive textile mill was first built in 1910 and expanded at mid-century. It is one of the few remaining structures from the era of Knoxville's textile industry. The mill employed more than 3,000 at its peak. On the other side of the tracks are the former offices of the mill, large portions of which are now part of Cabinet Craft Company. The mill buildings and offices, although marginally altered, are worthy historic preservation candidates.

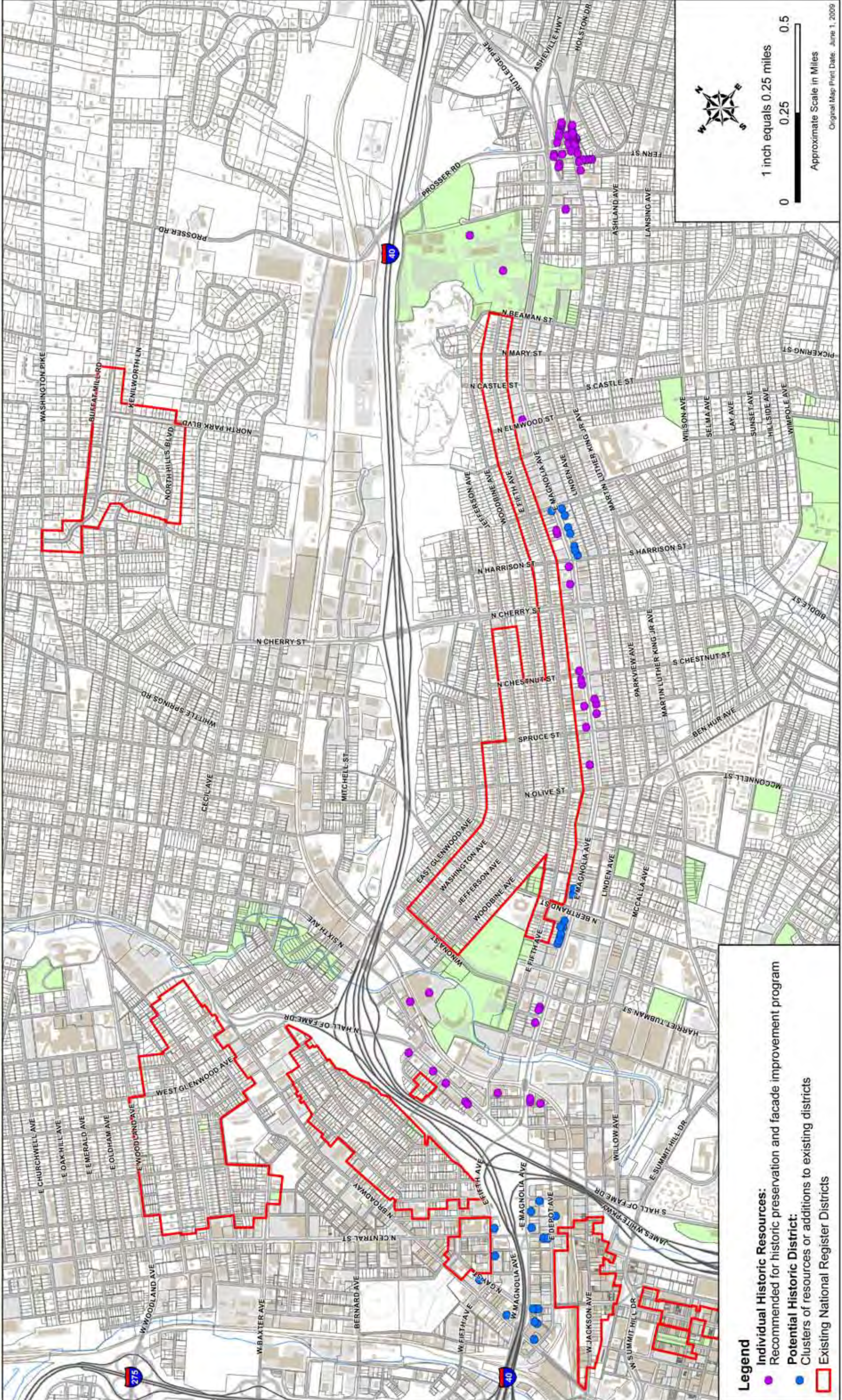
Holly Street to Bertrand Street district

Across from Pellissippi State Technical Community College, most of the buildings in these blocks developed in the 1920s. They form an intact collection of Craftsman, Mediterranean-style and Commercial Vernacular-style architecture. While the styles vary, the consistent front yard space, height and brick construction unify the residential and commercial architecture. The structures form an outstanding collection of the compatible, mix of uses that were created in the heyday of the trolley era.



Mac Auto Loans building

Magnolia Avenue Corridor Plan: Historic Resources Map



- Legend**
- Individual Historic Resources:**
 - Recommended for historic preservation and facade improvement program
 - Potential Historic District:**
 - Clusters of resources or additions to existing districts
 - Existing National Register Districts



1 inch equals 0.25 miles
 0 0.25 0.5
 Approximate Scale in Miles

Harrison Street to Hembree Street district

The “bookends” of this block are the Magnolia Avenue Methodist Church, a Gothic-Revival edifice dating from the 1925, and the Mediterranean-style apartment buildings. In between were residential structure such as the eclectic “Mediterranean-Four Square residence” (currently abandoned and in need of stabilization). This block has significant ties to Park City history, with the church being a foremost religious institution and the Aston Apartments, being developed by C. F. Beaman, who created Park City and Chilhowee Park. (As retold to Michael Carberry, MPC staff, by Beaman’s granddaughter during a 2007 workshop.)

The Burlington District

As noted in the history section, Burlington was created at the crossroads that led out to the countryside (Rutledge Pike and Holston Road, leading to Grainger and Jefferson Counties). The advent of its development was the arrival of the street car. The district became a commercial and civic center. Its churches, fire station and slot commercial buildings remain as evidence of its once prominent position on Knoxville’s landscape. This was the place to buy groceries, get a hair cut and go to the

movies. The abandoned gas station is a good example of early automobile-era architecture. After Asheville Highway was created in the 1950s, Burlington businesses were largely bypassed, resulting in loss of drive by traffic and therefore vitality.

Chilhowee Park

Just a few features remain from its original use as an exposition site and fairgrounds. In addition to the lake itself (now much reduced in size), the limestone bandstand is the prominent structure remaining from the early 1900s. The Poultry Shed is a good example of the early fairground era and the Jacob’s Building, constructed in 1941 after the Exposition-era Liberal Arts Building was lost to fire, are other noteworthy structures.

Individual and small clusters of buildings: Historically, almost all of Magnolia Avenue was lined with residential architecture. Today, the remaining historic fabric along the corridor are houses, occasional commercial structures and civic buildings. Highlights of the patterns follow:

- Residences: The architectural styles span the breadth of the late 19th and 20th centuries. A Queen Ann-style



McClung Historical Collection

Magnolia Avenue Methodist Church



McClung Historical Collection

Chilhowee Park and its bandstand, early 1900s



Looking west along the Harrison-Hembree block.

house at 1405 Magnolia may likely be attributed to the work of nationally renowned Knoxville architect George Barber. The Audigier residence at 2651 Magnolia is a fine example of the Spanish Eclectic Style, nationally popularized between 1920 and 1940 but rare in Knoxville. Various examples of Craftsman, Dutch Colonial Revival and Classical Revival styles are also represented in many blocks.

- Apartments: Several individual apartments, dating from the 1920s and usually designed in Mediterranean-style, reflect the mix of uses that was inherent when trolleys served the avenue.
- Civic buildings: The Park City Library (2501 Magnolia), now an office building, is among the most significant.



McClung Historical Collection

Audigier Residence



McClung Historical Collection

Park City Library, now an office building

- Pre-world War II commercial buildings: Prior to the widespread use of the automobile, many commercial structures were built close or next to sidewalks. Along Magnolia, these structures were almost always one-story, brick buildings. The C & S Dry Cleaners and the Hartman Beverage building at the corner of Bertrand Street are examples.
- Automobile-era commercial buildings: Most of the latter era architecture is of a standard franchise design. A few noteworthy exceptions include the small auto-oriented “kiosk” at the corner of Alice Street and Magnolia, the marble-faced Commercial Building at 1211 Magnolia and the International-style Home Federal Bank.

Recommendations:

1. Nominations to the National Register of Historic Places should be prepared, potentially placing many buildings on the Register, which would enable tax credits for restoration projects.
2. Historic overlays may be appropriate for several of the districts, offering protection and appropriate restoration and infill development.
3. Knox Heritage’s programs to acquire, restore and place properties back into active use should be pursued.
4. Modified buildings could be eligible for façade restoration and similar programs under Empowerment Zone and other funding of the Community Development Department.



McClung Historical Collection

Hartman Beverage Company

Chapter 4: A Plan for a Complete Street and Landscaping

“Complete streets are designed and operated to enable safe access for all users. Pedestrians, bicyclists, motorists and transit riders of all ages and abilities must be able to safely move along and across a complete street.”² This is not a new idea for Magnolia Avenue. Historically, with its sidewalks and trolley system, Magnolia was a “complete street”. The aesthetic values of the original streetscape were also pronounced: utility lines were predominately located along the alleys, not as overhead power and telephone lines, which has important implications for tree planting and related landscape improvements.

Citizens who were involved in creating this plan want to build upon the theme of creating a more pedestrian-friendly Magnolia Avenue. This vision embraces the elements of the complete street, and landscaping and urban design that enhances the setting.

The Complete Street Design

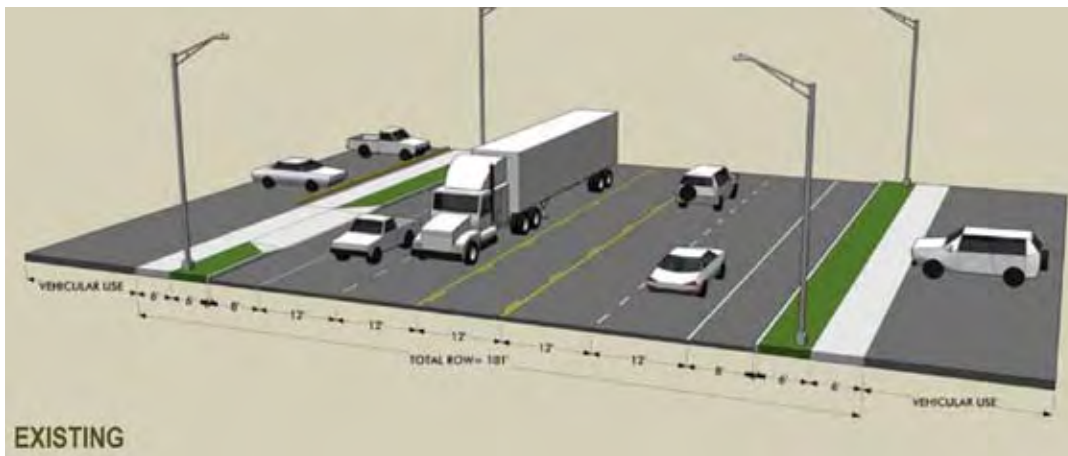
A complete street for Magnolia Avenue would not have to be that different from the infrastructure that is already in place:

- sidewalks would be enhanced
- the bike lanes would be made more functional (wider and resurfaced to eliminate concrete seams)
- on-street parking would be identified more clearly
- street trees and landscaping, including landscaped medians, would offer traffic calming and define the sidewalk system

The existing and projected traffic are important considerations. The traffic is much heavier eastward from Cherry Street because the Cherry Street/I-40 interchange is a major point of access to the corridor.³ The road profiles that are illustrated in this chapter will undoubtedly be refined with implementation plans. Such traffic engineering issues as the number of travel

lanes will have to be addressed in terms of new traffic patterns (following SmartFIX40) and a projection of trip generation in relation to the land uses of a form code.

<< *An example of a local complete street proposal*



EXISTING



PROPOSED

²The national organization, Complete the Streets, provides this definition; see www.completestreets.org. Additionally, the Transportation Planning Organization's Regional Complete Streets Study is full of ideas for converting existing streets into Complete Streets. That study is on the TPO's website: www.knoxtrans.org.

³The average daily traffic is approximately 15,579 west of Cherry Street; 24,215 east of Cherry Street, 2008; TPO website.

Complete Streets are important for a number of reasons:

Public health: Americans do not get enough physical activity. Active transportation—walking and bicycling rather than driving—is one way for people to build more physical activity into their lives. Those activities are important in reducing cardiovascular disease, diabetes, osteoporosis, obesity, dementia, clinical depression, and some cancers.⁴

Transportation Equality: Not everyone drives. Walking, cycling and taking public transportation are choices for some. For others, they are necessities. Here in the Knoxville Region, 19 percent of the population is under 16 years of age, the legal driving age. School-age children in places with complete streets are given the opportunity to walk or bike to school, to the park or to the store. Additionally, there are other groups who benefit from the choices afforded by complete streets including low income citizens, senior citizens and citizens with disabilities.

Public safety: Streets that are well designed for bicyclists and pedestrians are safer for those users. Sidewalks reduce the likelihood of a pedestrian being hit while walking along the street by 88 percent. Also, designing intersections with pedestrian travel in mind can reduce pedestrians' exposure to traffic by 28 percent.⁵

Complete streets are usually designed with means to calm or slow traffic down. Small differences in a driver's speed mean big improvements in pedestrian safety. A pedestrian hit by a car that's going 20 mph has a 5 percent chance of being killed. The fatality rate jumps to 45 percent if the car is going 30 mph, and to 85 percent if the car is going 40 mph.⁶

Air quality: Vehicle emissions are a major contributor to the region's air quality problems. If every household in Knoxville replaced one half-mile-long driving trip per week with a walking trip, emissions of compounds that cause ozone pollution would be reduced by more than 12,000 pounds per year. Emissions of carbon

dioxide, the most common greenhouse gas, would be reduced by nearly 1,000 tons per year.⁷ Complete streets can make a big contribution to cleaning up our air.

Travel Options: Recent opinion polls found that 52 percent of Americans want to bicycle more, and 55 percent would prefer to drive less and walk more.⁸ This information suggests that complete streets would be well received by many people.

Two complete street cross sections are proposed (illustrations on page 23):

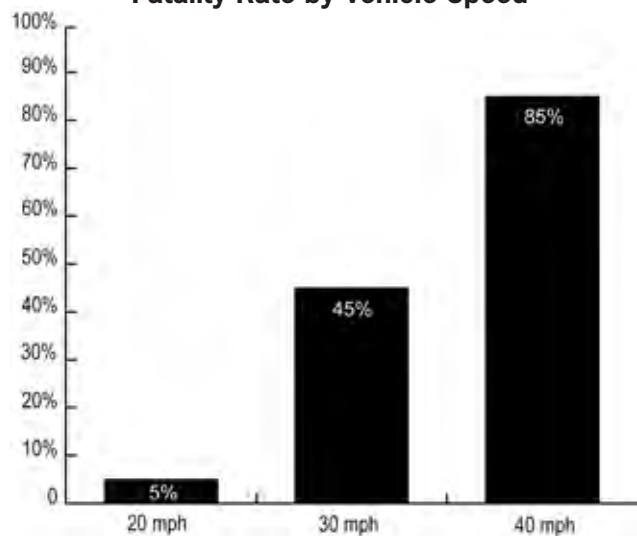
1. A road diet from Pellissippi State Technical Community College to Hall of Fame Drive, where the lower levels of traffic currently exist, and are not anticipated to increase significantly.
2. A four lane boulevard design for the area, east of Cherry Street.

Transit

While the trolley system that once enabled the development of Park City and Burlington was lost in 1947, bus transportation has evolved. As the intensity and mix of uses develops the need for greater transit frequency may increase.

Other improvements that are warranted include new shelters and long-term locations for transit shelters that meet the needs of the greatest number of passengers and the most desired destinations. Bus stops and shelters should be located within a reasonable walking distance, generally within 250 to 400 yards of most riders. Considerations for

Fatality Rate by Vehicle Speed



⁴Morbidity and Mortality Weekly Report 50 (09), March 9, 2001.

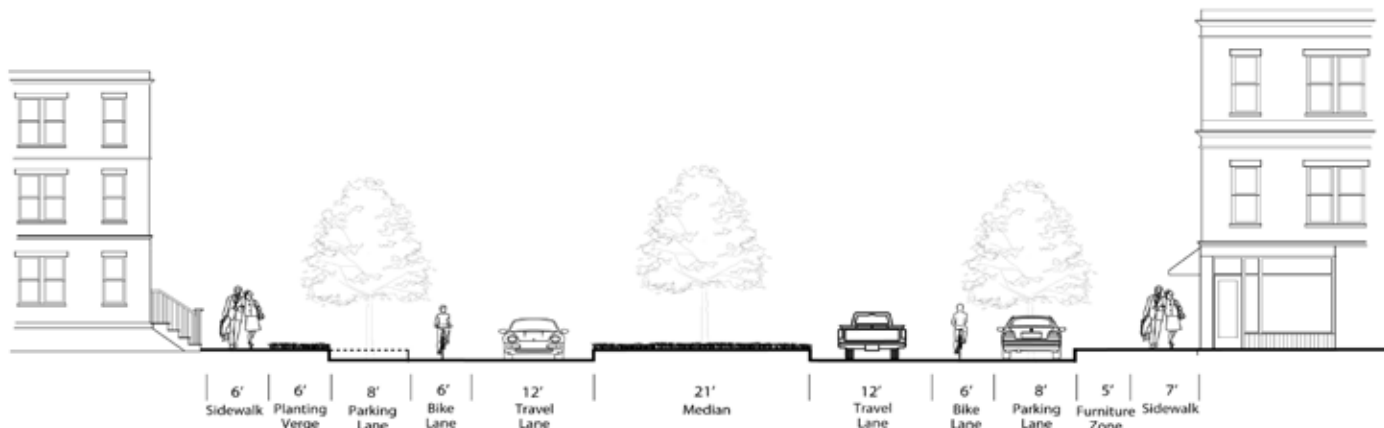
⁵Transportation Research Board 2003 Paper 03-3135.

⁶"Killing Speed and Saving Lives," U.K. Department of Transportation.

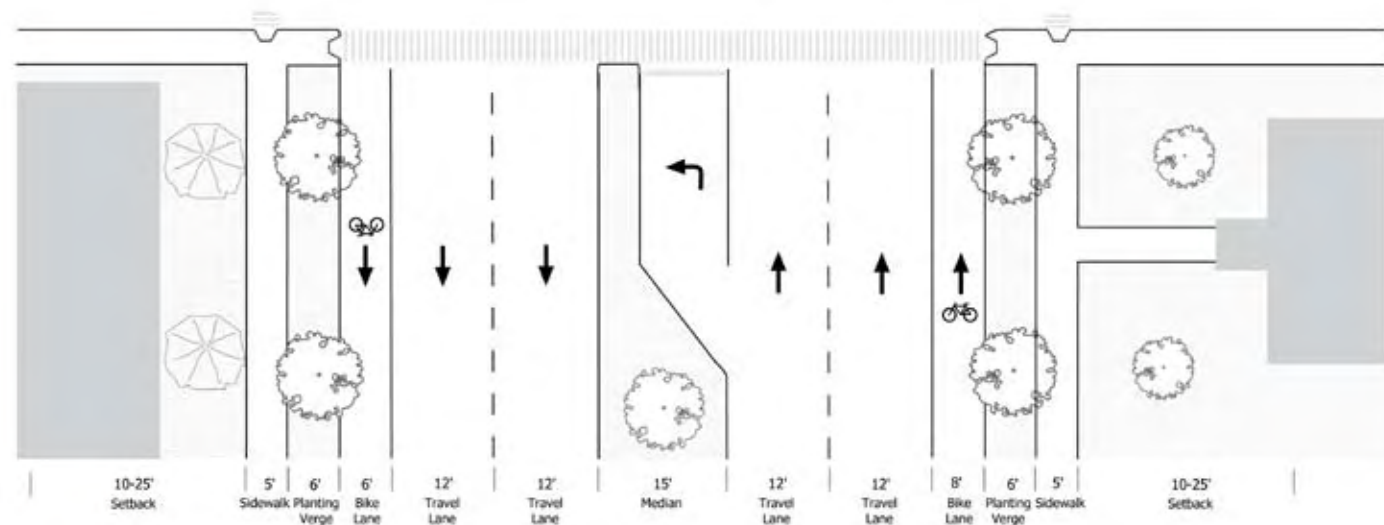
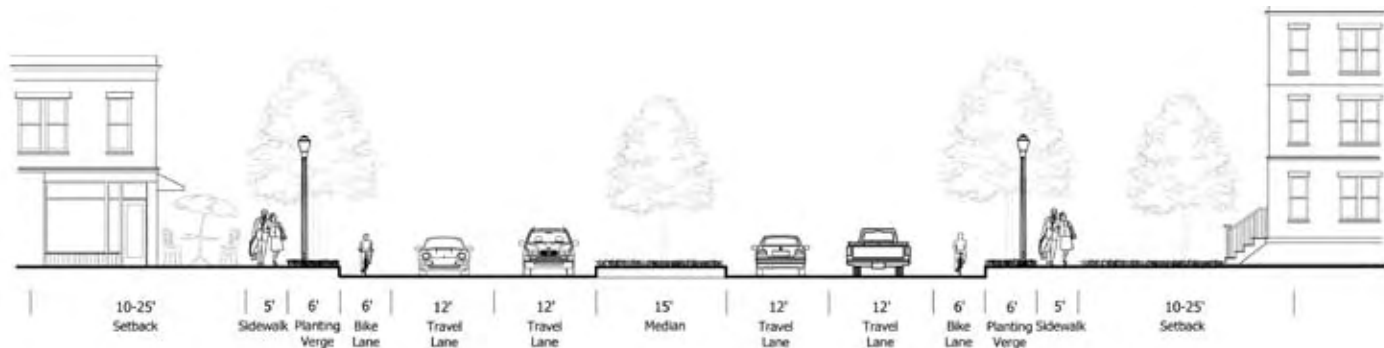
⁷The Transportation Planning Organization's Regional Complete Streets Study: www.knoxtrans.org.

⁸Ibid.

1. Magnolia Avenue-Hall of fame to Myrtle Street



2. Four-lane boulevard, east of Cherry Street



locations include: concentrations of higher intensity uses (like the 5th Avenue connection through the Downtown North area), higher density residential, the community college and such recreation destinations as Chilhowee Park and the Knoxville Zoo. Transit shelters that are open and located in places that are well lit and have high traffic volumes tend to be safer.

AIA has created various transit shelter designs in conjunction with KAT. Magnolia Avenue could be a place where the art of transit shelter design is celebrated, offering distinctive well illuminated spaces.

Landscape and Streetscape Plan

Care must be taken to choose the right tree for the right spot; the lists in the adopted *Knoxville Street Plan* and the *Knoxville-Knox County Tree Conservation and Planting Plan* should be used in selecting trees along the corridor. The City staff and its Tree Board should create a design plan for making Magnolia Avenue a greener corridor. The following are the general recommendations for a streetscape plan.

Street trees: The planting strips and bulb-outs that are proposed in the cross sections should be places for street trees. In general, the avenue should be lined with deciduous, native street trees, roughly 40 feet on center.

Yard spaces: In the boulevard district, yards should be places for a variety of evergreens, including magnolia trees and small to medium maturing native trees.



One of AIA's transit shelter proposals

Medians: A combination of deciduous trees and shrubs are proposed. Trees should be “limbed up” (that is, the lower limbs should be pruned so that drivers can see under the branches). Where sight distance does not present problems, evergreens (including magnolias), may be appropriate.

A landscape and tree planting plan is recommended with the street improvement programs to select appropriately sized landscape materials. This plan should address pruning techniques and mature tree dimensions to maintain sight distances and avoid collision hazards, while realizing beautification and reinvestment goals.



An example of the landscaping and complete street design that is proposed for the blocks near the community college

Chapter 5: Land Use and Urban Design Plans

This land use and urban design chapter is divided into four sections, corresponding to four proposed districts (see the following map):

- “SOMAG”: the Downtown area, south of Magnolia Avenue
- Hall of Fame and Magnolia Gateways
- North Bertrand Street to Chilhowee Park Area
- Burlington

Flour and Lay’s Packing Company (now Knox Rail Salvage). Shops and saloons, such as Sullivan’s, catered to rail travelers and the area’s work force. With the advent of trucking, most businesses switched to tractor-trailer access. Post-1950 zoning changed the face of the area, resulting in suburban-style setbacks for commercial and industrial uses. The vacancy rates are high (see page 9). As of spring 2009, there are approximately 60 vacant lots and buildings in “SOMAG.”

Land Use and Urban Design Districts



The discussion under each of those sections includes: the proposed land use, which contains the framework for creating more pedestrian friendly, mixed use districts. With the adoption of this plan, amendments will also be made to the Central and East City Sector Plans. The plan is a basis for re-zonings, including the creation of form codes to implement the mix of proposed land uses. Additionally, more detailed plans are outlined for street and park improvements, historic preservation and the types and forms of development.

“SOMAG”: the Downtown area, south of Magnolia Avenue

This area, which includes portions of the Old City and warehouse district, was the once the hub of railroad activity. The area also includes Summit Hill Drive. Wholesale and industrial enterprises formed much of the 19th and 20th century land uses, such as White Lily

Several highway projects changed the edges of the district, including Summit Hill Drive, I-40 and James White Parkway. While I-40 provided immediate access to the Central Business District, it severed downtown from the neighborhoods. The recent SmartFIX40 and James White Parkway projects have



been viewed as opportunities to improve connectivity while providing public parking under their viaducts.

Land Use Plan: SOMAG

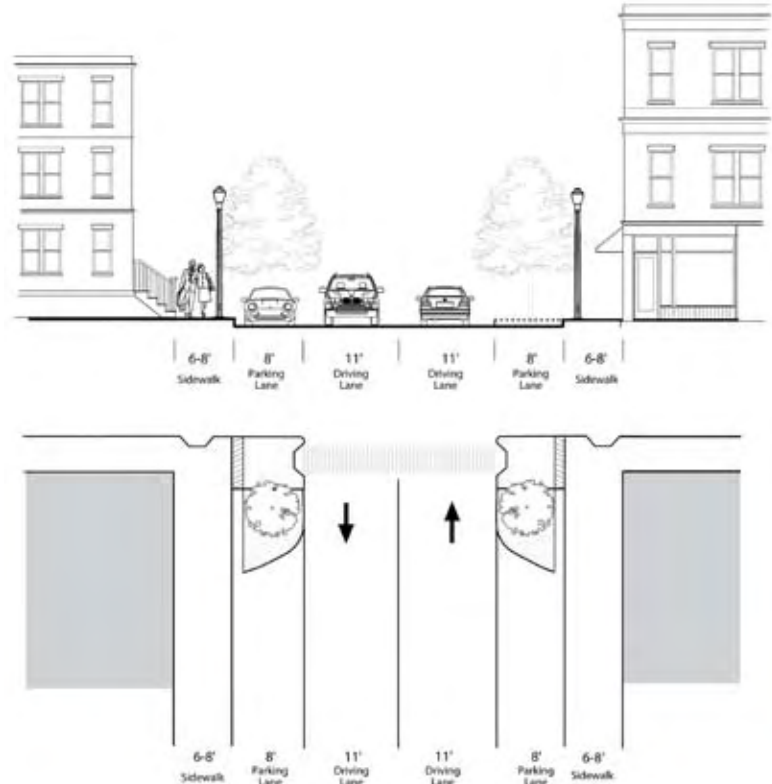
This district includes the northern edge of Downtown and the Summit Hill Drive area. (see the MU CC 3 area on the land use plan) *Note: MU CC 3 stands for a Special Mixed Use District, number 3 in the Central City; this nomenclature is used on the Knoxville-Knox County composite sector plan map so that there is a specific reference back to the information in this chapter.*

A greater mix of land use should be permitted. Office, wholesale and retail commercial, warehousing and light manufacturing, and residential development are appropriate. Rather than forcing the suburban-style setbacks of current zoning, a form code should be implemented. This code would allow continued use of storage facilities and opportunities for direct access from garage bays to most streets. The proposed code would also be compatible with historic architectural features, including many of the buildings along Jackson Avenue and Central Street.

Office, medium to high density residential and institution uses are appropriate for the Summit Hill Drive area. Vertical mixed use is possible. The recommended form code is based on limited yard space in front of and beside multi-story structures.

Basis for a Future Form Code

The following illustrations are examples of the types of forms that are proposed for most of the SOMAG area, particularly Old City and the warehouse district.



The type of street and potential building locations.



An architectural rendering of potential Jackson Avenue reuse and infill development, east of the Hall of Fame Drive viaduct.

SOMAG

Provisions for development and historic preservation

Development/redevelopment

Future projects can be composed of mixed uses, including vertical mixed use buildings (such as lofts above office or commercial space). Multi-level structures, including office, institutional and residential buildings are appropriate, particularly in such areas as Summit Hill Drive.

Location/orientation of uses

The historic forms of the original Old City with buildings that have their front doors next to the sidewalk are appropriate. Buildings should be setback along Summit Hill Drive.

Parking

The space under the viaducts will provide the opportunity for several hundred parking spaces. Additional on-street parking should be marked and provided throughout the area. Willow Avenue, for example, which is already being used by employees for on-street parking, could be striped for diagonal parking.

In the Summit Hill area, underground parking and parking structures should be considered for larger users to take advantage of the topography, reduce run-off and potentially increase intensity of future uses. Off-street surface parking should be located to the side or behind buildings in the future.



Vertical mixed use: apartments above a shop

Historic Preservation

This area is already framed by two historic districts, the Southern Terminal and Warehouse District to the south and the Emory Place District to the north. Two additional districts should be considered:

- Depot Street-Magnolia District including the 300 block of Gay Street, the slot commercial buildings along the west side of Central Street and the Greyhound Terminal and the Art Deco-styled BellSouth/AT&T buildings. Altered buildings that should also be considered include the Regas Restaurant, Knox Rail Salvage, the AFL-CIO Building/Peabody School building and the slot commercial building at 208 Magnolia.
- East 5th Avenue District including the church and apartment buildings (although this area is just north of the corridor, it was considered in this plan because of its position as a gateway to the Downtown/Magnolia area).



The historic forms and uses, such as commercial retail and wholesale, are to be encouraged.



Knox Rail Salvage is one of the buildings whose historic form and use is appropriate to the mixed use area.

Parks and Greenways

The First Creek Greenway is the foremost park improvement.

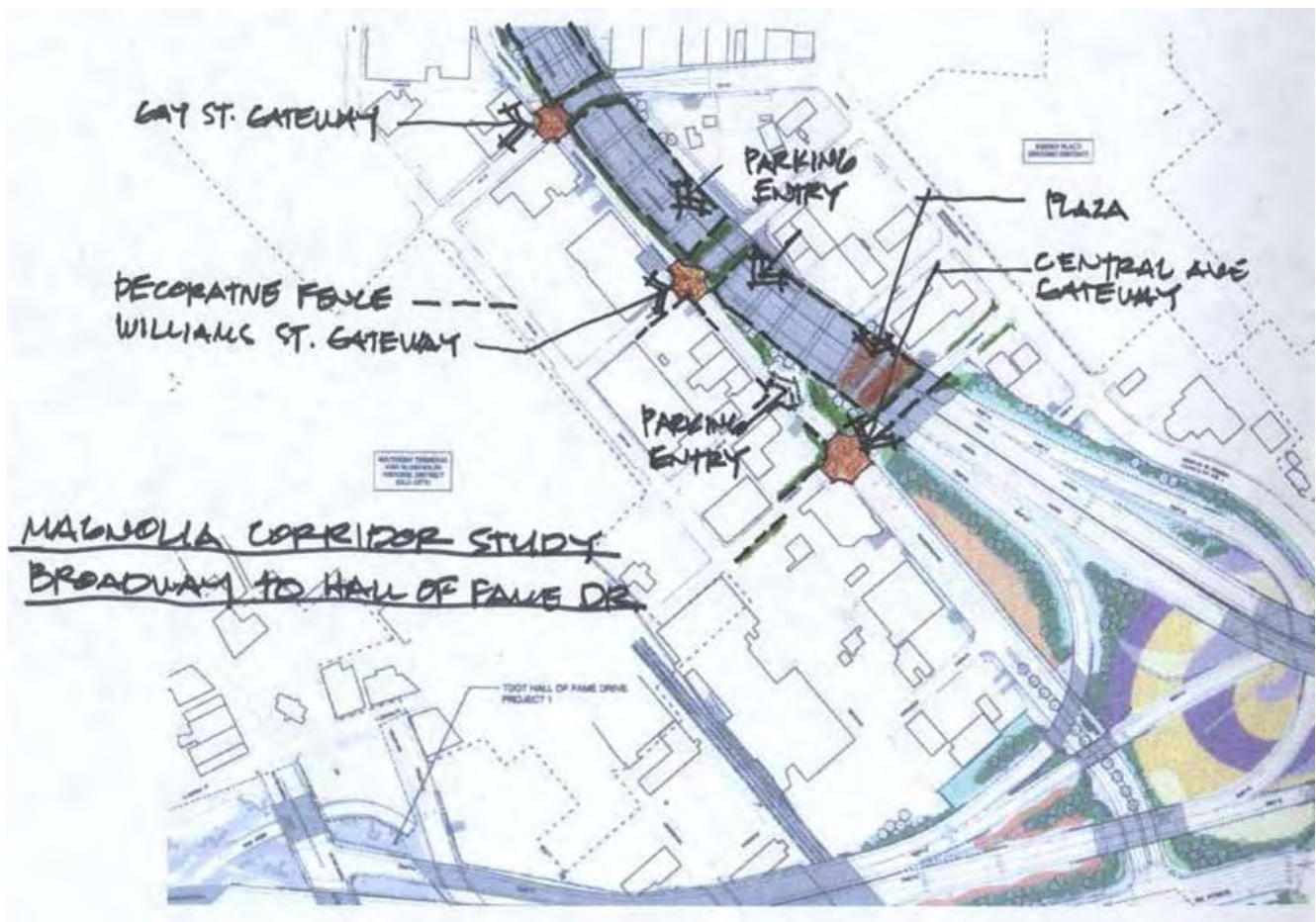
Recommendations for SOMAG:

1. Central, Williams and Gay Streets should be transformed into attractive gateways, with street trees, other landscaping and new pedestrian-scaled lighting to link the neighborhoods with downtown.
2. Supplemental zoning regulations should be amended to allow a district parking program with shared parking under I-40, James White Parkway and Hall of Fame Drive viaducts and on-street parking; the intent is that the district parking plan would be recognized by MPC and City Council as the program serving existing and

- future development in the Downtown North/Old City area, and reduce the need for required off-street parking.
3. First Creek Greenway should be created on the abandoned rail line.
4. Facade improvement programs should be used to improve the area's historic buildings.
5. Tax Increment Financing programs should be considered to assist private renovation and redevelopment in the area.



The area under James White Parkway and Hall of Fame Drive is recommended for public parking, serving both day and night time visitors to the Old City and adjacent area interests.



The gateways to Downtown and future parking area.

SOMAG Special Emphasis: The Gateway Projects

The City has worked with the Tennessee Department of Transportation on improving the Gay, Williams and Central Street gateways to provide security and enhance the aesthetics under I-40. Landscaping, lighting and signs should be part of this program and should be compatible from one block to another. Street trees should be planted in bulb-outs that define and protect on-street parking areas.



AIA captured the potential for the Williams Street gateway.

SOMAG Special Emphasis: First Creek Greenway

The First Creek Greenway forms the eastern edge of the SOMAG focus area. A significant portion of the greenway will be realized by the SmartFIX40 improvements. The greenway will be a recreational and transportation asset to this gateway and nearby neighborhoods. AIA provided a vision of the greenway and potential redevelopment along the creek (see drawing).



The abandoned railroad along First Creek, north of Willow Avenue

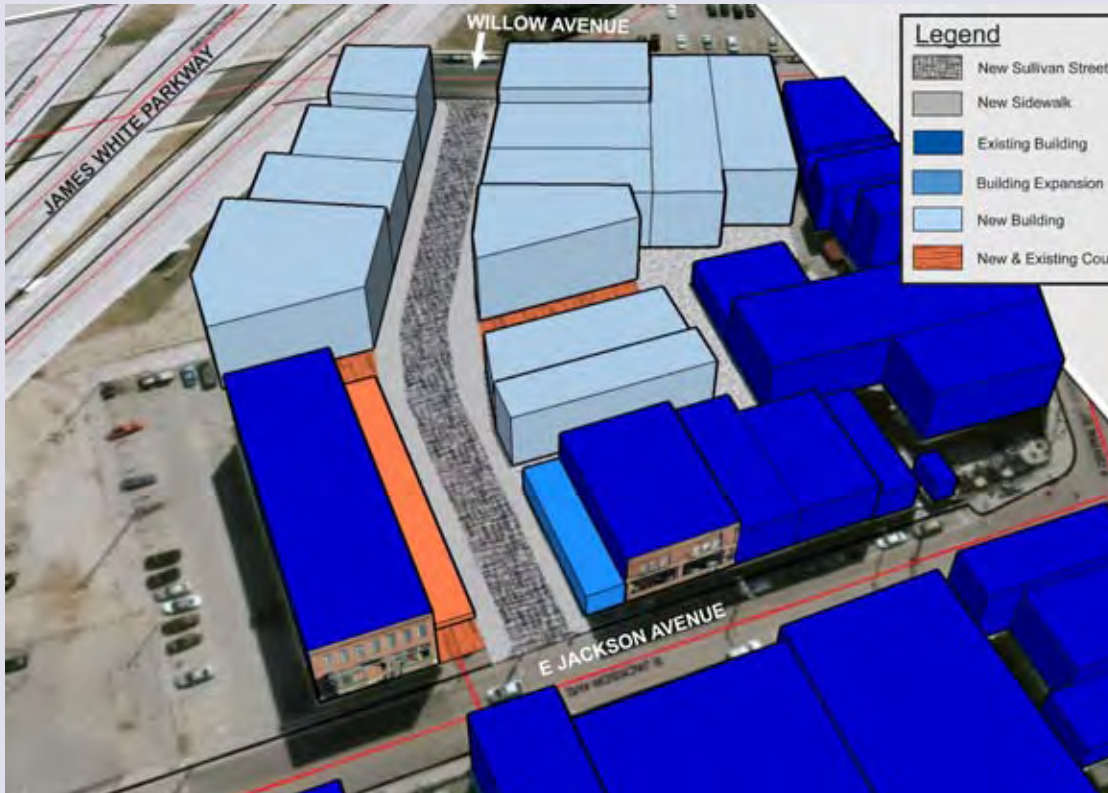


Potential greenway and future mixed use development at Willow Avenue

SOMAG Special Emphasis: New Sullivan Street

The concept for the re-creation of Sullivan Street, was proposed a decade ago, when the area's merchants worked with the City to adopt the Old City Master Plan. There would be several advantages in making a street connection between Jackson Avenue and Willow Avenue: foremost would be new development opportunities, which would line the street with a mix of commercial and residential uses. Perhaps equally important is the creation of better pedestrian flow around the Old City, enabling people to walk along a new block without going through neglected, largely empty spaces. Cooperation with adjacent merchants and the Southern Railroad, which once used the parcel along Willow Avenue as a rail siding,

will be key to re-development. The new parking under the viaducts can reasonably meet many of the parking demands for new development in this area.



<< Concept plan for New Sullivan Street



Design concept for New Sullivan Street.

1. Preserved buildings
2. Patio to be extended
3. New cobble-like street
4. Sidewalks and bollards
5. New buildings lining the street
6. Potential expansion or outdoor eating

A similar redevelopment in Rochester, New York >>



Hall of Fame and Magnolia Gateways

Both Hall of Fame Drive and the first portion of Magnolia Avenue are significant gateways to Downtown Knoxville. This portion of the plan is directed to a series of enhancements within the area. Historical development plays an important role in forming the proposals:



Hall of Fame Drive

It has only been a few years since the section of Hall of Fame Drive included in this plan was widened, using the old Mulvaney Street right-of-way. It was once lined with large Victorian-era houses and a collection of one-story commercial buildings. With the I-40 improvement program, the character changed considerably as North 5th Avenue was reconfigured to form a direct connection from Summit Hill Drive to the new I-40 interchange and Broadway. New overpasses, landscaping, sidewalks and bike lanes have been positive improvements.

The area west of First Creek

This area contains manufacturing, retail and wholesale commercial, and a few shotgun houses. It was an extension of the grid streets that began to be formed along the rail lines in the mid-1800s.



Magnolia Avenue/Park City area

Some of the oldest development along Magnolia Avenue stood and, partially, still stands along the blocks between Jessamine Street and Bertrand Street. While it was once almost entirely residential, it is now a mix of uses.

The First Creek railroad corridor

Large scale rail-oriented industrial and utility uses dominated development in this area. Standard Knitting Mills was the centerpiece of the area's industrialization. The Knoxville Area Transit site was originally the home base of Knoxville's trolley system.

Caswell Park

This was among the best facilities in Knoxville's park and recreation system in the early 20th century and was restored a few years ago. The park was largely surrounded by the Park City neighborhood and the Park Junior High School (now residential).

Washington Avenue/Jefferson Avenue area

This was the eastern edge of Park City. A small commercial hub near the Washington Avenue-Winona Street intersection provided day-to-day goods for workers and residents.

Hall of Fame and Magnolia Gateways Special District Land Use Plan

(see the MU CC 4 area on the proposed land use map)

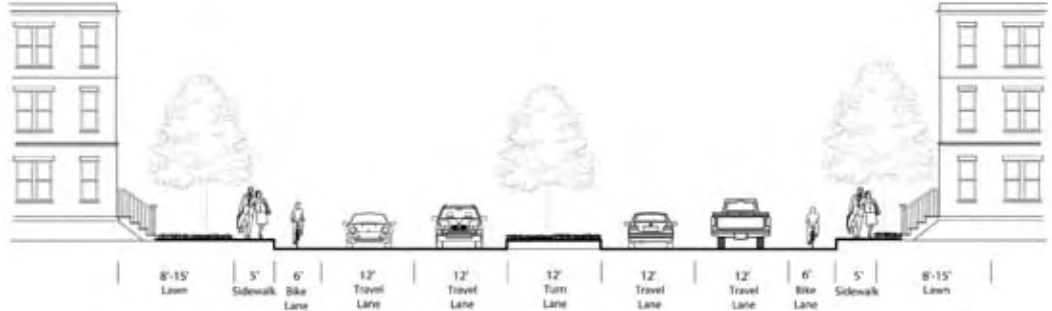
Because of the complex patterns of historical development, several sub-areas should be considered.

Hall of Fame Drive Area: A mix of uses should be allowed in this corridor, including office, commercial, institutional and residential development. Current zoning should be replaced with a form code. The scale of the Victorian-era houses is appropriate for future development.

the former knitting mills – form a derelict edge between the Hall of Fame gateway and the Park Ridge neighborhood. A mix of higher density residential, wholesale commercial/distribution and utility uses should be fostered. The First Creek greenway can be a catalyst for reuse and redevelopment. The mixed use proposal will allow reuse of Standard Mills for residential use, which should be sought.

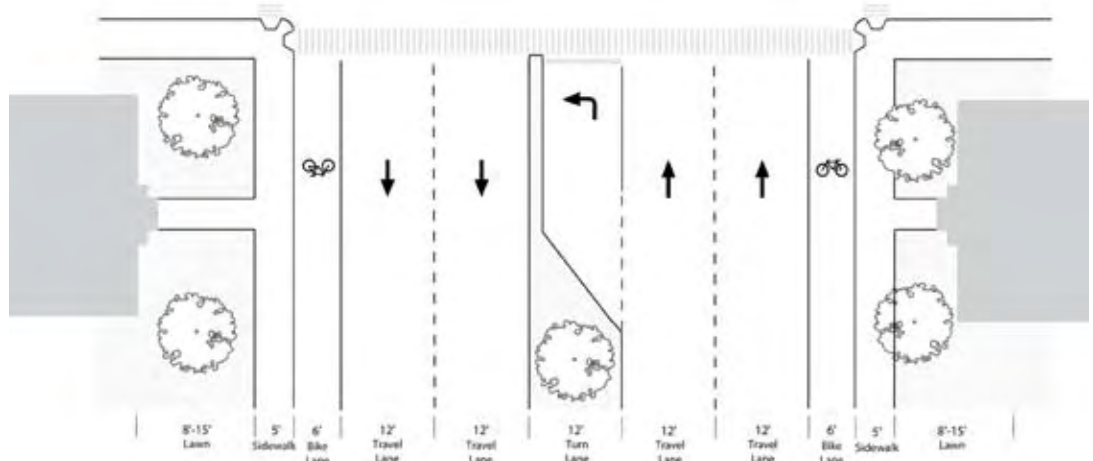
Magnolia Avenue and Washington Avenue Area: The same mix of uses should be allowed as in the SOMAG district.

The pedestrian-friendly, landscaped boulevard should be the setting for higher intensity uses, including commercial, office and apartment development.



Caswell Park Residential-Office Area:

with the park is a centerpiece, higher intensity uses should be fostered along East Fifth Avenue and Woodbine Avenue, taking advantage of this recreation asset.



The Rail Corridor: After nearly a century of railroad-oriented uses, this area has changed. Vacant and underutilized resources – particularly

Illustrations representing the proposed street designs and their relationships to future buildings



An example of the type of housing that could be created overlooking Caswell Park.



An architect's rendering of what the gateway could be like.

HALL OF FAME AND MAGNOLIA GATEWAYS

Provisions for development historic preservation

Future development/redevelopment

A mix of uses are proposed in each of the sub-areas (see above). Along the gateways, vertical mixed use buildings (such as offices or residential above retail) should be permissible; multi-level structures, including apartment buildings, offices, institutional buildings and hotels are also appropriate.

Connectivity/circulation

Continuity in the streets, sidewalks and greenway trails are necessary to the success of revitalization. Opportunities for redesign, like a landscaped median, are possible.

Location/orientation of uses

The historic forms of buildings, such as the houses along Hall of Fame Drive and multi-story structures across from the Pellissippi State Technical Community College, are appropriate along the gateways and around Caswell Park. Limited yard space and front door orientation to the street are basic goals.

Urban forms of development, such as the type of commercial structures in downtown should be allowed between Georgia Avenue and Bertrand Street and around the Washington Avenue/Winona Street intersection.

Parking

On-street parking, which is another measure in fostering safety for pedestrians, should be encouraged, especially along Magnolia Avenue and side streets. Off-street surface parking should be located under, to the side or behind buildings in the future.

Other design elements

Landscaping, lighting and signs should be compatible from one block to another. Street trees should be planted within medians, sidewalk planting strips and bulb-outs.

Historic Preservation

The variety of historic resources in this area is remarkable because of manufacturing along the rail line and its association with Fourth and Gill and Park City history. The following should be preserved:

- Holly Street to Bertrand Street historic district: This collection of craftsman-style houses, Mediterranean-style apartment buildings and Swan's Bakery building are part of the original fabric of the corridor. A nomination for listing on the National Register of Historic Place and the creation of a local (H-1) historic zoning overlay are recommended as are facade improvement programs.
- The Standard Knitting Mill complex: A National Register nomination is recommended, potentially allowing tax credit programs for restoration and reuse.
- Washington Avenue/Winona Street commercial buildings: These structures are appropriate candidates for facade improvement programs.
- The turn-of-the-last century houses along Hall of Fame Drive, which include examples of Four-square, East Lake and Colonial Revival architectural styles. They were once part of the residential area, nick-named "Fourth and Gill." The form code would complement the setting of these houses.

Parks and Greenways

The creation of the First Creek Greenway trail, reusing the abandoned rail line, is essential to the revitalization process. That open space and trail is necessary to link Park Ridge and Old North Knoxville neighborhoods to Caswell Park and beyond to downtown. The trail should be routed under Magnolia Avenue via the edge of the Knoxville Utility Board properties. Additionally, the Caswell Park walking loop should be extended and a connection should be made across the railroad to the Fourth and Gill neighborhood.



An example of the types of urban structures that would be appropriate in the Winona Street area.

HALL OF FAME AND MAGNOLIA GATEWAYS Special Emphasis: The Winona Street and Caswell Park area revitalization.

The improvements to Caswell Park have been significant, including a walking path, a new playground and additions to the O'Conner center. The First Creek trail will be extended through the area. The land use plan and form code proposals would allow office uses and a variety of residences, such as the infill housing and apartments northwest of the park. Reuse of the Standard Knitting Mills, depicted here to show a residential renovation, is also a foremost concern.



HALL OF FAME AND MAGNOLIA GATEWAYS Special Emphasis: The northeast corner of the Magnolia Avenue-Hall of Fame Drive intersection.

This is the signature block for redevelopment. This School Board-owned area rises on a knoll above the streets. The views of the site and of the skyline would be dramatic. The changes in topography can be used for more intensive development, particularly with underground parking.



Hall of Fame Drive today



This AIA drawing captures the potential for this area.

Recommendations for the Hall of Fame and Magnolia Gateways

1. Work with the Knox County School Board and other property owners in the area west of First Creek to redevelop the Hall of Fame/Magnolia corner, the “signature site” on these gateways.
2. Create a bike and trail connection from the Fourth and Gill neighborhood to Caswell Park.
3. Start the first section of the “complete street” program between the Hall of Fame intersection and Pellissippi State’s Division Street campus.
4. Develop form codes for the sub-areas to foster a wider range of pedestrian-oriented uses, higher intensity development and expansion of investment.
5. Continue aesthetic improvements, including tree-lined streets and landscaped medians.
6. Complete First Creek Greenway with a rails-to-trails connection to downtown.
7. Develop improvement programs, such as tax increment financing, to foster reuse and redevelopment.
8. Extend façade improvement program, particularly focusing on the historic commercial properties in this area.

North Bertrand Street to Chilhowee Park Area

Early development east of First Creek was primarily residential, with pockets of small commercial structures around major intersections. The residential styles included Victorian-era houses and Craftsman houses. There were also Mediterranean-style apartments, often two-story but, on occasion, three-story designs like the Aston. Many residential

structures remain, often expanded or converted to office or commercial use.

In the post-World War II era, when Magnolia Avenue was designated a federal highway route, the avenue became an attractive location for commercial development. Following I-40 construction, the corridor changed again: traffic volumes dropped significantly as it no longer served as a major road for travelers heading through Knoxville and the types of investment changed with more fast food and strip centers being created.



One of several early 20th Century houses that have been converted into commercial property.

North Bertrand Street to Chilhowee Park Special District: Land Use Plan

A mix of uses should be allowed along Magnolia Avenue. Current zoning, largely the C-3 general commercial district, should be replaced with a form code similar to the proposed



Hall of Fame and Magnolia Gateways code. This would allow continued use of existing residential, office and retail commercial structures that are historic to the area and the renovation of other existing structures that are transformed to comply with the proposed form code.

In the interim before new zoning is adopted, a temporary overlay is advised, which could create the front yard landscaping, reduce parking requirements and begin to establish the building settings that would be fulfilled under a form code.

A two step process is proposed. First, start with improvements that set the landscaping and design standards.



An example of improved landscaping

Secondly, allow higher intensity such as apartments and mixed use projects.



New apartments, like this, and mixed use buildings would be permitted under a form code.

Recommendations for the North Bertrand Street to Chilhowee Park Area

1. Extend façade improvement programs for use in upgrading buildings in the area, especially pre-1940 buildings.
2. Consider a tax increment financing program to assist private renovation and redevelopment in the area.
3. Transform Magnolia Avenue into a complete street: create better defined bike lanes, continue street tree



This AIA drawing captures the long range intent for historic preservation, infill development and road improvements in the Harrison Street area.

NORTH BERTRAND STREET TO CHILHOWEE PARK AREA: Provisions for future development and historic preservation:

Future development/redevelopment

Mixed uses, including vertical mixed use buildings (such as residential above commercial space) and multi-story office and residential buildings are appropriate.

Location/orientation of uses

Considerations for a form code in this district should be heavily influenced by the locations of the historic buildings, especially the residential structures and their front yards. New structures should have entrances that are oriented toward Magnolia Avenue.



The basis for the long term redevelopment pattern

Parking

Off-street surface parking should be located to the side or behind buildings in the future, and never sited on street corners. Shared parking (for example, a church and an office building utilizing a single parking lot) and parking space credits (for on-street parking and transit connections) should be encouraged.

Other Design Elements

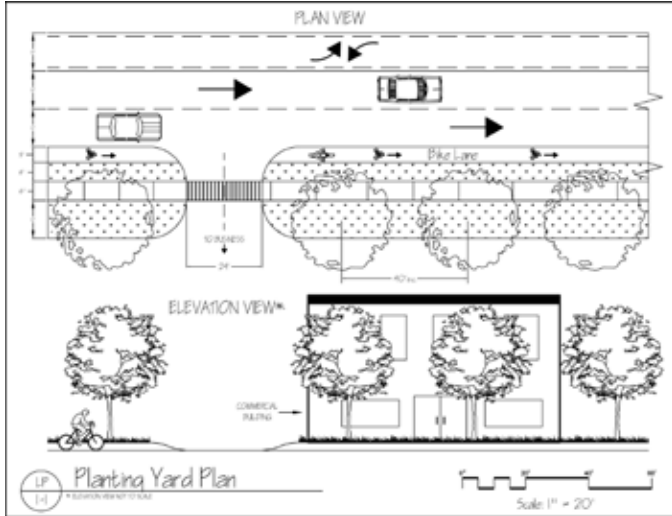
In its current configuration, Magnolia Avenue (west of Cherry Street) has excess capacity. A reduction in travel lanes, known as a “road diet,” should be considered. The excess pavement within the existing curbs should be used for on-street parking, bike lanes and other improvements, including landscaping, pedestrian-scaled lighting and bulb-outs that define on-street parking and transit stops.

Historic Preservation

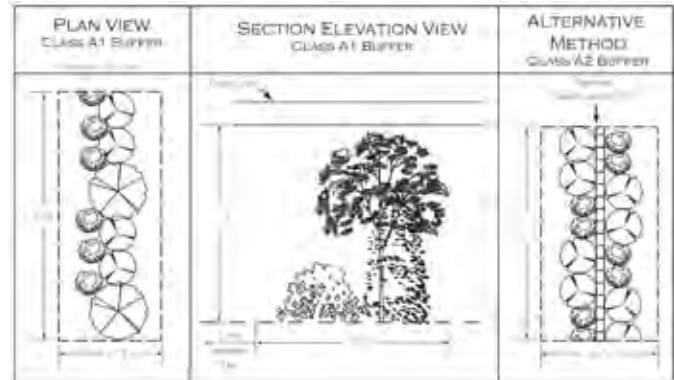
This area is encompassed by the formerly incorporated municipality, Park City. The Harrison to Hembree block, containing the Park City Methodist Church and the 1920-era apartment buildings (such as the Aston), is a potential National Register district. Other individual historically significant properties, that are worthy of preservation include the Audigier residence, the former Hartman Beverage Company and other commercial structures near the intersection of North Bertrand Street. Various residential structures that have been converted to commercial or office uses should be considered as priorities for the facade improvement program.

- planting, define on-street parking and consider landscaped and a “road diet” west of Cherry Street.
4. Develop a form code that allows compatible development to the area’s pre-1950 historic resources. Because of the extensive post-1950 strip commercial development, an interim zoning overlay district should

5. Encourage redevelopment of low intensity, auto-oriented uses to meet the intentions of this plan.
6. Create standards for landscaped yards and locations for future development to achieve the beautification that is associated with the future development.
7. Create standards for buffers between commercial property and adjoining residential properties.



North Bertrand Street to Chilhowee Park area proposed landscaping



A proposed alley buffer standard

NORTH BERTRAND STREET TO CHILHOWEE PARK AREA Special Emphasis: Cherry Street Square

Cherry Street is a connector to I-40 and a gateway to Magnolia Avenue. When it was widened to support additional travel demands, it was envisioned that Cherry Street would be extended southward and the right-of-way was purchased for this connector. That project is no longer being considered.

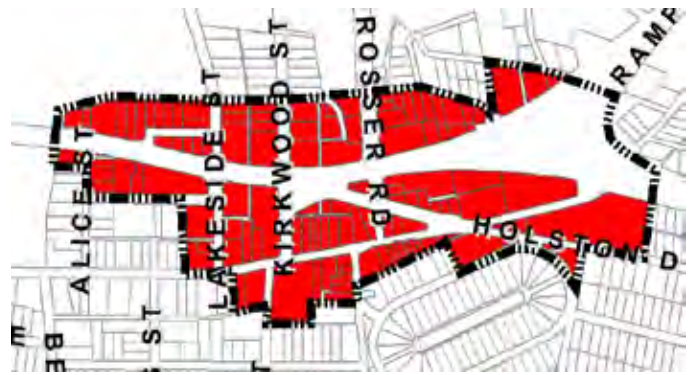
The wide right-of-way currently has underutilized travel and turn lanes, which could be reclaimed as public open space. As envisioned in the AIA drawings, this area could be converted to a public square with buildings facing the square. A monument or similar feature should be a centerpiece of this square.



Burlington Area

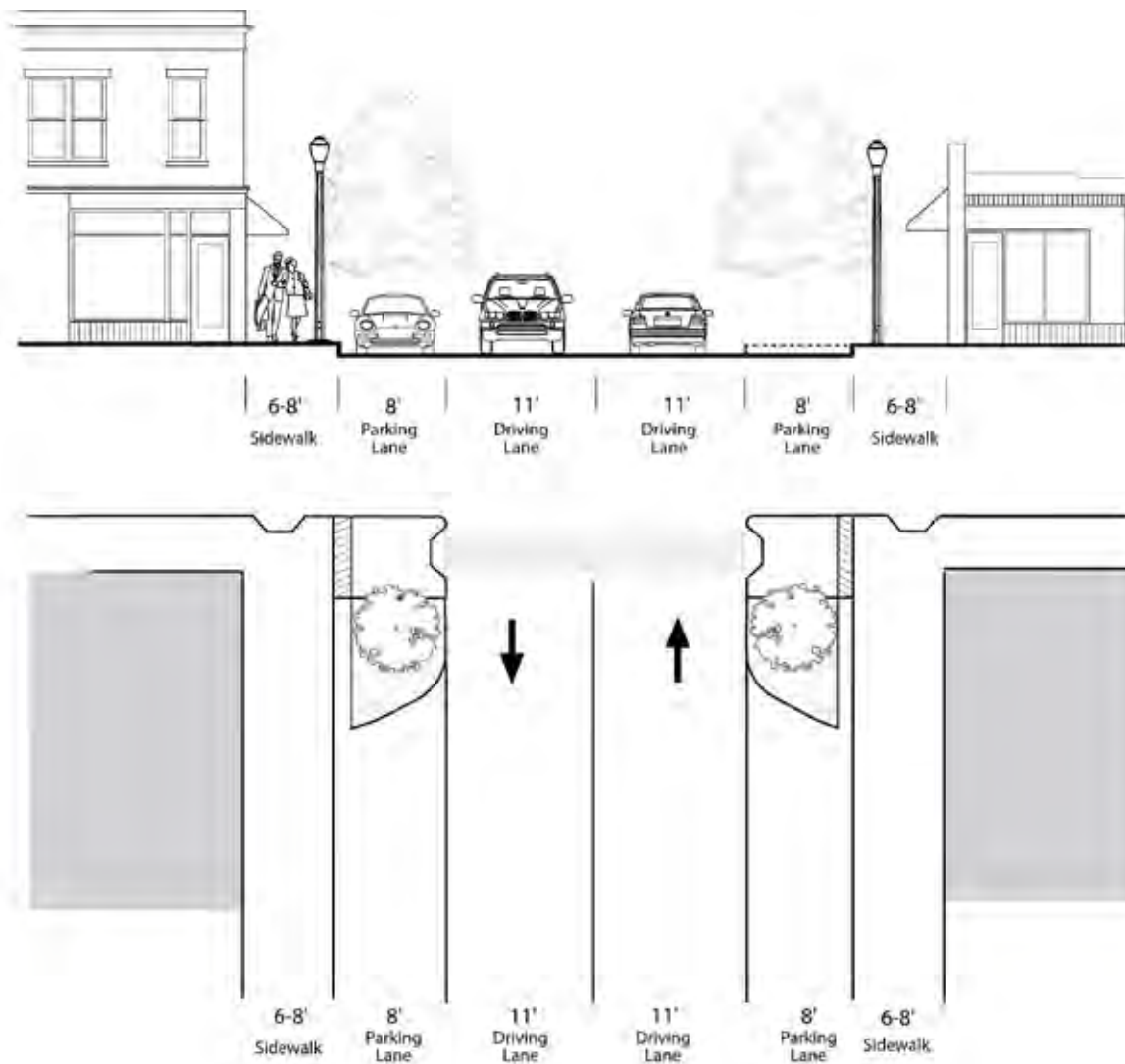
In 1890, street car lines were created along Park Street and McCalla Avenue, enabling Burlington and adjacent neighborhood development. Prior to the creation of the streetcar, this area was open countryside, dotted with farms that lined Rutledge Pike (later renamed McCalla Avenue and finally Martin Luther King, Jr. Avenue) and Armstrong Ferry Pike (now Holston Drive). Those two pikes split where the enclave of businesses was created. This was also the point at the end of the trolley line.

Burlington was bypassed when Asheville Highway was connected to Magnolia Avenue. Automobile-oriented uses were created along that federal highway and Burlington changed markedly.



Burlington Special District Land Use Plan (MU EC 2)

Downtown Burlington: A mix of uses should be allowed along Magnolia Avenue and within historic Downtown Burlington, including residential, office and retail commercial



The proposed form code would allow infill development that complements historic buildings and provides a credit for on-street parking, making compliance with zoning regulations more reasonable.

development. Current C-3 zoning should be replaced with form code zoning that calls for mixed-use, buildings forms that are more urban, designed to accommodate and enhance the pedestrian experience.

Magnolia Auto-oriented Commercial: Many of the buildings between Asheville Highway and Chilhowee Park were built later after the C-3 general commercial zoning was in place, resulting in 25-foot frontyard setbacks with front yard parking and minimal landscaping. The land use plan calls for a form code district, using the same provisions as the area between Bertrand Street and Chilhowee Park (see page 33). This code would not limit existing uses, but would control the form and location of future buildings.

Recommendations for Burlington

1. Maintain the façade improvement program in Downtown Burlington, using Secretary of Interior

Standards in designing the renovations to ensure that the historic character of the area is not jeopardized.

2. Develop a form code for Downtown Burlington that is based on the setbacks, window and door patterns, and scale of historic buildings.
3. Create a parking code to reduce required off-street parking, enabling shared parking and maximizing on-street parking to serve older businesses.
4. Develop a street improvement plan for Burlington area streets that includes formalized on-street parking with tree-planted bulb-outs, marked cross walks and pedestrian-scaled lighting.
5. Explore a Downtown Burlington redevelopment program, emphasizing street improvements, reuse of the major vacant parcels such as the flea market site and the AMVETS thrift store block and potential reconfiguration of the block system to maximize development opportunities.



Potential restoration and infill development under the proposed form code

BURLINGTON AREA: Provisions for development and historic preservation

Development/redevelopment

Future projects can be composed of mixed uses, including vertical mixed use buildings (such as apartments above office space). Multi-level structures, including office, institutional and residential buildings are appropriate. One-story buildings are also appropriate in Downtown Burlington.

Location/orientation of uses

The historic forms of Burlington's buildings (one and two story commercial structures) with their front doors near or next to the sidewalk are appropriate. Magnolia Avenue buildings should be oriented to the street and have consistent landscaped yard space.



Concept plan: historic orientation to the sidewalks would be a feature

Parking

Additional on-street parking should be marked and provided throughout the area. A shared parking plan is needed. Off-street surface parking should be located to the side or behind buildings throughout the area in the future.

Historic Preservation

Downtown Burlington retains many historic buildings due to a lack of reinvestment. It is important to retain the character of the area. A historic overlay should be considered.

BURLINGTON AREA Special Emphasis: Burlington Square

A public plaza or square should be created to celebrate historic Burlington. The space should be created for day-to-day use and festivals. Potential locations include a portion of the vacant lot that is used for flea markets (see below) or a space in the center of the area (see the image to the right).



One of the potential concepts for the square >>



Some vacant lots are covered with gravel. This one, which several citizens looked upon as a potential plaza or park site, has been used as a flea market site, which some merchants feel hurt their legitimate businesses. >>

BURLINGTON AREA Special Emphasis: an Asheville Highway Roundabout

As a long-term transportation project, a roundabout should be considered at the junction of Asheville Highway and Rutledge Pike. There are several benefits: better traffic flow in all directions (for example, when pulling out of parts of Burlington one cannot head west without going onto Asheville Highway and making a U-turn) and opportunities for redevelopment (the excessive right-of-way and underutilized land around the existing highways contains as much as 15 acres).



The concept for an Asheville Highway roundabout.

Chapter 6: Implementation Measures

Fostering Opportunities for Mixed Use, Pedestrian-oriented Improvements and Historic Preservation

Development and adoption of the Magnolia Avenue Form Codes

The land use and urban design plan (Chapter 4) contains the basic proposals to foster pedestrian-friendly, mixed use development. With the adoption of this plan, the Central and East City Sector Plans will be amended. The One Year Plan will be changed in the quarter following plan adoption.

Zoning changes will be needed to realize the mixed use districts that are proposed. It is recommended that this rezoning process be undertaken according to the outlined focus areas, starting with the SOMAG portion of the corridor. The Hall of Fame and Magnolia Gateways and Burlington ASPrea would be logical subsequent re-zonings.

of this plan, an interim set of recommended zones is outlined for each of the special districts in Appendix A. A temporary overlay zoning district, which would require design review in respect to the principles of Chapter 5, could be considered to realize this plan in the interim before the various form districts and codes are adopted.

Historic Preservation

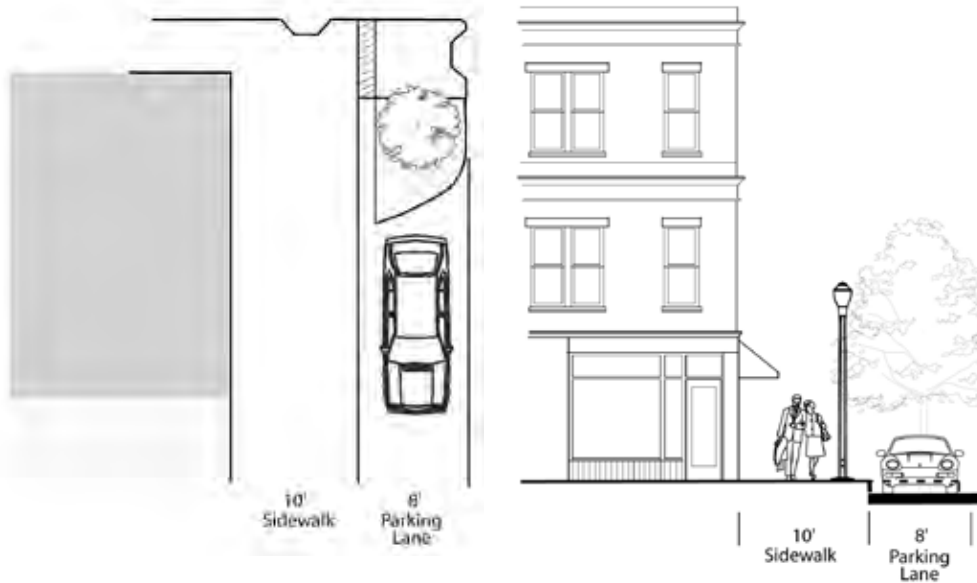
Three steps should be undertaken to realize the protection of historic buildings (see Chapter 3):

1. Nominations to the National Register of Historic Places should be prepared for various districts, including the Depot Street area, the Holly Street/Bertrand Street area and the Harrison/Hembree Street block. Additionally, a nomination for the Standard Knitting Mill should be prepared. These efforts require research, and ultimately evaluation and approval at the

both the state and federal level. Placement on or the declaration of eligibility for the National Register will enable tax credit advantages for restoration projects.

2. Local H-1 (Historic District) overlays should also be considered for these districts, offering protection while allowing the variety of mixed uses under a form code.

3. Knoxville's Community Development Department has begun to target historic resources, such as Burlington, for façade improvement grants. Such programs should be extended to other portions of the corridor.



The Magnolia Avenue-North Central Street area is recommended for the initial phase of rezoning to create a form code. Building designs, like those that have historically lined these streets, are proposed.

As evidenced in the Knoxville South Waterfront and Cumberland Avenue form codes, the rezoning process must be undertaken in consultation with all stakeholders. The rezoning dialogue for each focus area will take, at a minimum, several months. In order to foster development that is in keeping with the intent of the land use and design proposals

Developing Pedestrian-oriented, Complete Streets and Urban Parking Standards

Public investment in Magnolia Avenue and its side streets can spur private investment by creating a more functional, more beautiful setting for pedestrians, bicyclists, transit and drivers (see Chapter 4: Complete Streets). Like the streets

in Knoxville South Waterfront and Downtown North, investment in Magnolia Avenue street improvements can be a catalyst for renovation and infill development. Further traffic engineering work will be necessary to implement the complete streets program. The avenue's wide right-of-way is an asset capable of realizing several design alternatives (for example, two travel lanes or four travel lanes east of Hall of Fame Drive; both with landscaped medians). One potential funding source for complete streets is the federal Transportation Enhancement Program. Other sources of funding for transportation improvements include Redevelopment Area programs (see below).

Parking in Urban Areas

In order for urban areas to develop efficiently, parking requirements in the zoning code should be flexible to allow standards to be tailored to designated areas as needed. Such approaches could be to have reduced parking standards, allow adjacent on-street parking to count toward off-street parking requirements, allow shared parking agreements between uses with different demand cycles (for example, a church and an office building). Another component of this code should be a district parking approach where all parking within a designated boundary is actively managed to optimize a minimum amount of parking for maximum utilization. This works well in historic areas where there are few available off-street parking opportunities, such as Burlington and Old City, or areas with plentiful public parking like the parking under the I-40 and James White Parkway/Hall of Fame Drive overpasses

Expanding Investment Opportunities and Eliminating Blight

Facade Improvement Program

The City of Knoxville Department administers the Facade Improvement Program, which provides financial incentives to businesses for facade improvements along Magnolia Avenue. The program's goals are to better the appearance of building façades and to improve the economic viability of Magnolia Avenue. Better aesthetics increase property values, improve the marketability of space within the buildings and draw business and residents to the area. More information be found by visiting the city's web site or by calling the Community Development Department at 865-215-2120

Empowerment Zone Business Expansion Loan Program

The City of Knoxville Community Development Department administers an Empowerment Zone (EZ) program. The

purpose of the program is to foster business expansion and relocation of businesses within the EZ. Funds will be made available as loans for the purpose of providing gap financing that will make projects feasible. More information be found at by visiting the city's web site or by calling the Community Development Department at 865-215-2120

Empowerment Zone Tax Credit

These incentives encourage businesses to open and expand and to hire local residents. Empowerment Zone (EZ) incentives include employment credits, low-interest loans through EZ facility bonds, reduced taxation on capital gains, and other incentives. More information can be found at U.S. Department of Housing and Urban Development's web site.

Redevelopment Area Designation

One of the implementation measures that can be undertaken to eliminate blighting influences and provide the funds for public or private improvements is a declaration of a redevelopment area. The Jackson Depot and the Downtown North Redevelopment Areas have already been established. These areas are part of or adjoin the Magnolia Corridor. A redevelopment area designation provides a means for the city and Knoxville's Community Development Corporation to address urban blight by solving problems such as improving substandard buildings and derelict vacant properties. In doing so, the overall goals are to protect public health and safety such as fire hazards, and public welfare such as increasing economic values and re-investment. Redevelopment areas can also be used to make public or private improvements via tax increment financing (TIFs). In Tennessee there are two potential programs associated with TIFs. The two programs are outlined below:

1. The traditional TIF is established to finance public infrastructure, land acquisition and utility improvements. These could include water and wastewater projects, sidewalk and road improvements, traffic control, lighting, landscaping and park improvements, environmental remediation and parking facilities.
2. Another component of the redevelopment area program is the potential for private tax increment financing. Under this program, individual property owners are potentially eligible to receive public funds for property improvements. In areas where the streets and other infrastructure are good, like most of the Downtown North-Central Street area, it was found to be more prudent to allow private use of a TIF to

foster vacant land redevelopment, historic building renovations and related private investment.

In creating a redevelopment area, government can use a mix of the two TIF programs to address public improvements or help with the financing of private revitalization. Also, a redevelopment area plan that does not initially provide for TIF financing can be amended for a variety of projects as needs are identified.

State law provides the City, County and KCDC the authority to designate tax increment financing districts. The district can last up to 40 years; however, in Knoxville local government typically permits a more prudent period of 15 years, which generally allows ample time to pay back the bonds issued to fund the improvements. Additionally, the City and County prefer allowing no more than 15 percent of the total development cost to be financed by TIF revenues. Because a TIF involves both City and County taxes in Knoxville, both City Council and County Commission must authorize the use of TIFs. However, either government may use only their tax increment to fund a project; however, this is not usually practical because not enough increment can be generated to fund the improvements.

So what is a tax increment? Simply, it is the difference between the proceeds from current taxes, which are frozen at the existing rate, and future taxes, which are calculated for the improved property, after renovations or re-investments are undertaken. The increment provides the funds to retire the approved amount of debt on the improved property.

Maintaining Strong Neighborhoods and Businesses: a Key to Implementation

Residential Zoning Changes

Reinvestment in the corridor is closely linked to continued preservation, renovation and reinvestment in the adjacent neighborhoods.

In addition to the form code provisions, there is a significant zoning program, identified in the Martin Luther King, Jr. Corridor Plan that should be implemented to enable additional neighborhood reinvestment:

Adoption of an R-1HK (Heart of Knoxville) Zoning District: this new zone has been conceived to allow residential development that is appropriate to the typical 50-foot wide lots that blanket much of the

Central and East City Sectors. It would turn the clock back on the suburban-type zoning (requiring 75-foot frontage) that was put in place in around 1960. This zone primarily focuses on infill single family housing that would complement the Victorian-era, Craftsman and other pre-1940 housing. The R-1HK zone could replace the need for the Infill Housing Overlay. The new zone would enable a wide variety of housing sizes, which can increase affordable housing opportunities while protecting the historic features along each block.

Neighborhoods where this new zone would be particularly important include areas identified as the Linden Avenue/ Parkview Avenue area and the neighborhoods from Five Points to Burlington. These were focus areas identified in the *Martin Luther King, Jr. Avenue Corridor Plan*. Parts of the Park Ridge and Chilhowee Park neighborhoods are also good candidates for this new zoning.

A Magnolia Avenue Business Association

At the onset of this planning process, a business association—Magnolia Area Merchants Association—was being formed to create a vision for improvements and address various concerns: business revitalization; involvement of neighborhood interests; more minority business ownership; historic preservation; business marketing and promotion of the corridor; pedestrian safety; and employment, training and education of teenagers and young adults.

The association began to identify additional interests that should be involved: nonprofit organizations (such as Tribe One and CAC), all businesses (retail merchants and insurance, banking and real estate firms), contractors, educational institutions (Pellissippi State Technical Community College and the University of Tennessee), the Knoxville Chamber Partnership governmental agencies and neighborhood groups.

The vision statement on the first page of this plan was largely the work of the association.

Business leaders should reconstitute the association. A strong association is needed to realize the components of this plan. MPC, Knoxville's Community Development Department and Knoxville Police Department staff began discussing neighborhood/business association programs, based on the focus areas of this plan. The concept, at first glance, may have merit; for instance, a neighborhood/business watch could be created for a separate area or a neighborhood and businesses

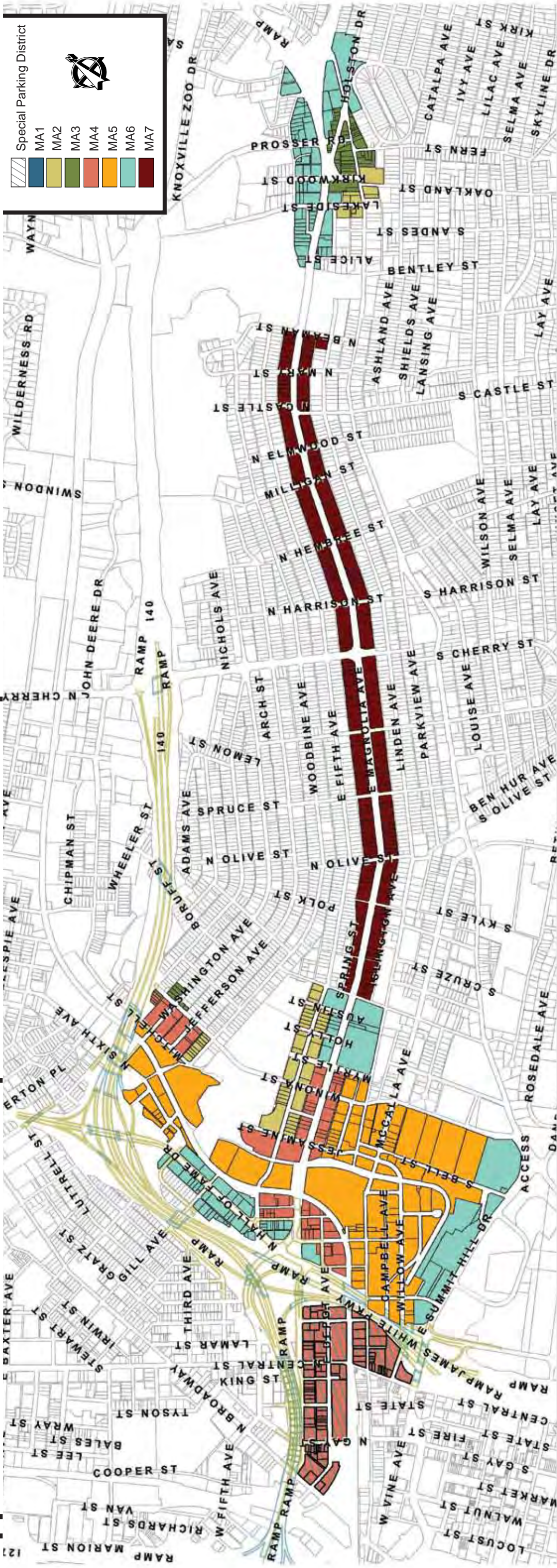
could join together to address housing and business structure improvement programs.

A Magnolia Avenue Task Force

While this plan focuses on what public and private interests can do to improve development, parks and streets, socio-economic issues must also be addressed. Many of these issues were identified by citizens during public meetings, including homeless and panhandling concerns; empty houses and lots; property upkeep and code violations; and education on home improvement programs. The need to “focus on the kids” was clearly expressed with education and preparation for future job opportunities as foremost objectives. Finally, a range of crime issues, including the perception of crime, were noted: arson, safety in parks and along streets, prostitution and drug dealing.

These are types of problems that will not be solved overnight. MPC recommends that the city form a task force to begin to address these concerns on an on-going basis. The types of members that should be on the task force include representatives of businesses, neighborhood associations, Knoxville Area Transit, the Knoxville Chamber Partnership, social service-related organizations, various departments of the local government (Community Development Department, Policy Development, Police Department and Metropolitan Planning Commission), and educational institutions.

Appendix A: Land Use Plan Proposed Form Code Concepts



MA1	MA2	MA3	MA4	MA5	MA6	MA7	Special Parking District
<p>A residential district that allows detached and attached single-family structures. The structures will have setbacks similar to detached single-family structures common in the historic grid areas and a maximum height of 35 feet. Office uses may be allowed by use-on-review and other uses like bed and breakfasts may be allowed.</p> <p>*There are currently no areas planned for this land classification in the corridor.</p>	<p>This is primarily a residential district that allows any MA1 form, but also allows for more intense multi-story mixed use structures. Office and commercial uses will be restricted to the first floor. The front setback will be 5 to 15 feet.</p>	<p>This low intensity mixed use district is primarily intended for historic commercial centers like Downtown Burlington. Buildings will be allowed to be 1 to 3 stories in height and will be required, in most cases, to be located at the front property line (or back edge of sidewalk). The allowed uses will be residential, commercial/retail or office.</p>	<p>This district allows for the most intense development. It requires in most cases that buildings be built to the front property line (or back edge of sidewalk). The minimum height of a structure will be 2 stories, with a maximum height ranging from 3 to 7 stories depending on location. The allowed uses will be residential, commercial/retail, office, warehouse, wholesale and light industrial.</p>	<p>This district is intended for areas where the current land uses are mainly industrial, warehouse and wholesale. The required building form and uses will be essentially the same as the MA4 district except this district will allow one story buildings.</p>	<p>This district is meant for areas of intense development that will have a boulevard setting, like Hall of Fame Drive and parts of Magnolia Avenue. There will be a front setback of 10 to 25 feet. The minimum height of a structure will be 2 stories and the maximum may range from 3 to 7 stories depending on location. The allowed uses will be residential, office and commercial/retail.</p>	<p>This district is intended to be an interim overlay district that continues to allow similar uses that exist on Magnolia Avenue but also requires new structures and extensively renovated structures to create setbacks and orientation of the MA6 district. Also, mixed use buildings that meet the MA6 district standards would be allowed.</p>	<p>The area west of Hall of Fame Drive and south of I-40 currently has many properties that are zoned C-2 which does not require any parking. Also, many public parking spaces will be available under the I-40 and HOF viaducts. Because of the uniqueness of this area as an extension of downtown, no minimum parking should be required and a shared parking program should be developed.</p>

Appendix A:

Recommendations for an Interim Zoning Overlay

Form code zoning districts will be created in conjunction with stakeholders in several sections along the corridor. That process takes time; therefore form districts for the whole corridor cannot reasonably be created at once. An interim zoning overlay is an alternative that is recommended to guide new development and building reuse that are in keeping with the plan’s goals of creating pedestrian-friendly streets and expanding options for the use of land, including vertical mixed use.

The following zones are recommended for each of the subareas while the form code is being developed. It is recommended that the City’s One-Year Plan be amended following adoption of this Magnolia Avenue Corridor Plan to foster the flexibility to achieve the plan’s goals. The map that is entitled “Land Use Plan: Proposals for Form Code Concepts” contains the references to specific areas (for example, MA 2, MA3, etc.)

Magnolia Avenue 2 Area (MA 2)

- O-3 Office Park District
- RP-1 and RP-2 Planned Residential Districts

Magnolia Avenue 3 Area (MA 3)

- C-1 Neighborhood Commercial District

Magnolia Avenue 4 Area (MA 4)

- C-2 Central Business District
- I-2 Restricted Manufacturing and Warehousing District

Magnolia Avenue 5 Area (MA 5)

- C-6 General Commercial Park District
- I-2 Restricted Manufacturing and Warehousing District
- O-3 Office Park District
- RP-1 and RP-2 Planned Residential Districts

Magnolia Avenue 6 Area (MA 6)

- C-3 General Commercial District\
- O-3 Office Park District
- RP-1 and RP-2 Planned Residential Districts

Magnolia Avenue 7 Area (MA 7)

- C-3 General Commercial District
- O-3 Office Park District
- RP-1 and RP-2 Planned Residential Districts

**INTERLOCAL PROJECT AGREEMENT
(MULTI-USE STADIUM PROJECT)**

This Interlocal Project Agreement (Multi-Use Stadium Project) (this "Agreement") is made and entered into as of the 17 day of November, 2021, by and between Knox County, Tennessee (the "County"), the City of Knoxville, Tennessee (the "City"), and The Sports Authority of the County of Knox and the City of Knoxville, Tennessee (the "Authority").

WITNESSETH:

WHEREAS, the Commission of the County ("County Commission") and the Council of the City ("City Council") have determined that the construction of a multi-use sports and entertainment stadium (the "Stadium") and related facilities in downtown Knoxville on certain parcels of land located on and around 400 E. Jackson Avenue, including all or portions of Parcel No. 095HB002, 095HB003, 095HB004, 095HB005, 095HC010, 095HC011, and 095HC012 (collectively, the "Site"), will be in the public interest of the citizens of the City and County and will encourage and foster economic development and prosperity for the City and the County; and

WHEREAS, pursuant to Chapter 67, Title 7, Tennessee Code Annotated (the "Act"), the County Commission and the City Council have created the Authority for the purpose of exercising all powers granted to a sports authority by the Act, including, without limitation, the financing, constructing and operating of the Stadium; and

WHEREAS, the Site for construction of the Stadium has been or will be donated to the Authority by RR Land LLC (the "Developer"); and

WHEREAS, the Authority and the Developer have entered or will enter into a Stadium Development Agreement (the "Development Agreement") with RR Land LLC (the "Developer") providing for the construction and development of the Stadium and setting forth the rights and responsibilities of the Authority and the Developer with respect thereto; and

WHEREAS, the Authority and Boyd Sports, LLC (the "Team") have entered or will enter into a Lease Agreement (the "Stadium Lease") providing for the Authority's lease of the Stadium, once completed, to the Team, and further providing for the payment of rent by the Team to the Authority ("Stadium Lease Payments") and for the use, occupancy, operation, maintenance and repair of the Stadium and certain other matters collateral thereto; and

WHEREAS, pursuant to the Act, the County Commission and the City Council are authorized to aid or otherwise provide assistance to the Authority, for such term or terms and upon such conditions as may be determined by resolution of the County Commission and City Council, by granting, contributing or pledging certain revenues of the City and the County to or for the benefit of the Authority; and

WHEREAS, the County Commission and the City Council each desire to facilitate the Authority's financing of the acquisition and construction of the Stadium; and

WHEREAS, the Authority intends to issue of up to \$65,000,000 in principal amount of its Public Facility Revenue Bonds (the "Sports Authority Bonds"), which may be issued in one or more series and which may be tax-exempt or taxable obligations, for the purposes described herein (collectively, the "Permitted Uses"); and

WHEREAS, the Sports Authority Bonds will be payable from the following revenue sources (collectively, the "Pledged Revenues"): (1) the allocation of sales tax revenues to the Authority derived from sales at the Stadium, which allocation is pursuant to Tennessee Code Annotated Sections 67-6-103(d)(1)(A)(iii) (the "Stadium Sales Tax Revenues"); (2) the Stadium Lease Payments; and (3) certain incremental property tax revenues and/or payments in lieu of taxes payable to the Authority by Knoxville's Community Development Corporation and/or The Industrial Development Board of the City of Knoxville, relating to private development that will occur adjacent to the Site and as may be approved by the City Council and County Commission (the "Tax Increment Revenues"); and

WHEREAS, the Sports Authority Bonds will be issued pursuant to the authority of Chapter 21, Title 9 of the Tennessee Code Annotated (the "LGPOA") and the terms of an Indenture of Trust (the "Indenture") to be entered into between the Authority and a trustee designated therein (the "Trustee"); and

WHEREAS, the Indenture will provide for the establishment of certain funds, including (i) a fund or funds required to be held to pay debt service on the Sports Authority Bonds or to serve as a reserve therefor (collectively, the "Debt Service Fund"), and (ii) a fund required to be held as a reserve to pay for future capital expenditures with respect to the Stadium (a "Capital Improvements Reserve Fund"), with certain minimum amounts to be contributed thereto on a periodic basis (the "Capital Improvements Reserve Fund Requirement"); and

WHEREAS, under the Act, the City and the County are authorized to aid or otherwise provide assistance to the Authority, which assistance may include, among other things, granting contributions and/or pledging revenues of the City and the County to or for the benefit of the Authority derived from any source other than revenues derived from ad valorem property taxes; and

WHEREAS, the County and the City wish to enhance the marketability of the Sports Authority Bonds and thereby reduce the interest costs thereon; and

WHEREAS, to the extent the Pledged Revenues produce a shortfall in the amounts required to pay debt service on the Sports Authority Bonds in any year and a Debt Service Fund is drawn upon to cover the shortfall, the City and the County have agreed to replenish such Debt Service Fund from legally available non-ad valorem revenue sources on a proportional basis; and

WHEREAS, the City and the County have further agreed to fund, subject to the limitations contained herein, a Capital Improvements Reserve Fund on a proportional basis in the amounts, and upon the terms and conditions, set forth in this Agreement and Exhibit A hereto; and

WHEREAS, it is deemed necessary and desirable by the County Commission, the City Council, and the Board of Directors of the Authority that the parties enter into an agreement addressing the issuance of the Sports Authority Bonds, the payment of debt service related thereto, the funds required to fund a reasonable Capital Improvements Reserve Fund and certain other agreements and rights of the parties related thereto;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties agree as follows:

I. Agreements, Covenants and Duties of the City and the County.

(a) Pledge of Revenues other than Property Tax Revenues. The City and the County, respectively and not jointly, each hereby pledge, pursuant to Section 7-67-116 of the Act, to the Authority for the benefit of the holders of the Sports Authority Bonds all revenues of the City and the County, respectively, other than revenues derived from ad valorem property taxes and any other revenues of the City or County that may not be legally used for such purposes, to secure the respective obligations of the City and the County to make payments pursuant to this Section 1 of this Agreement. The revenues pledged pursuant to this subsection are referred to herein as the "City/County Pledged Revenues."

(b) Stadium Sales Tax Revenues. The City and the County hereby acknowledge and agree that under current Tennessee law, the Stadium Sales Tax Revenues are required to be transferred directly to the Authority for the benefit of the holders of the Sports Authority Bonds.

(c) Contribution to Debt Service Fund.

(i) *Agreement to Contribute.* Subject to Section 1(c)(ii) hereof, the City and the County hereby agree that in the event that the Pledged Revenues shall prove to be insufficient to pay principal and/or interest on the Sports Authority Bonds on any payment date relating to the Sports Authority Bonds or if any Debt Service Fund that serves as a reserve for such payment is drawn upon to make any such payments of principal and interest, the City and the County, pursuant to the provisions of Section 7-67-116 of the Tennessee Code Annotated, each hereby covenant to contribute at such times as are provided in the Indenture from legally City/County Pledged Revenues, sufficient moneys to make such payments and/or replenish such reserve ("Debt Service Obligation"). For purposes of this Agreement, the term "Fiscal Year" shall refer to the City and the County's fiscal year beginning July 1 and ending June 30.

(ii) *Apportionment of Replenishment Obligation.* The Debt Service Obligation shall be apportioned on the following basis: 50% to the County and 50% City, and shall not be joint but shall be several. For avoidance of doubt, in no event shall the County be liable for the portion of the Debt Service Obligation apportioned to the City; and in no event shall the City be liable for the portion of the Debt Service Obligation apportioned to the County.

(d) Funding of Capital Improvements Reserve Fund.

(i) *Agreement to Fund.* Subject to Section 1(d)(ii) and (iii) hereof, and beginning with the second full Fiscal Year after the date on which the Stadium has been placed in service, the City and the County hereby agree to timely appropriate from City/County Pledged Revenues, not later than August 31 after the conclusion of each Fiscal Year, sufficient moneys to fund the Capital Improvements Reserve Fund in the amounts set forth on Exhibit A hereto (the "Capital Improvements Reserve Fund Obligation"). All interest earned on the Capital Improvements Reserve Fund shall become a part of the Capital Improvements Reserve Fund.

(ii) *Limitations on Funding Obligation.* Notwithstanding the provisions of Section 1(d)(i) hereof, the following limitations shall apply with respect to the Capital Repair and Replacement Obligation of the City and the County.

(A) To the extent any proceeds of the Sports Authority Bonds remain after the completion of the Stadium and are deposited to the Capital Improvements Reserve Fund pursuant to the Development Agreement, the amount so deposited shall be applied as a credit toward the Capital Improvements Reserve Fund Obligations of the City and the County, with such credit apportioned

50% to the City and 50% to the County. Said credit shall be applied against the Capital Improvements Reserve Fund Obligations of the City and the County year after year until the cumulative amount of the Capital Improvements Reserve Fund Obligations surpasses the total amount of the credit.

(B) For any Fiscal Year as to which the City and the County have a Capital Improvements Reserve Fund Obligation pursuant to Section 1(d)(i) hereof, the aggregate amount of such Capital Improvements Reserve Fund Obligation shall be reduced by the amount that the Pledged Revenues received by the Authority during that Fiscal Year exceeded the amount required for debt service on the Sports Authority Bonds during that Fiscal Year and are transferred to the Capital Improvements Reserve Fund pursuant to the Indenture.

(C) In no event shall the City or the County be required to fund any amount to the Capital Improvements Reserve Fund that, for any Fiscal Year, will cause the aggregate amount of funding contributed to the Capital Improvements Reserve Fund from all sources to exceed the Capital Improvements Reserve Fund Requirement for that Fiscal Year.

(iii) *Apportionment of Funding Obligation.* The annual Capital Improvements Reserve Fund Obligation, as limited by Section 1(d)(ii) hereof, shall be apportioned on the following basis: 50% to the County and 50% to the City, and shall not be joint but shall be several.

(e) Approval of the Sports Authority Bonds. Pursuant to the requirements of Section 7-67-109(15) of the Tennessee Code Annotated, the City and the County hereby approve the issuance of the Sports Authority Bonds, subject to the requirements that the Sports Authority Bonds shall be issued in an amount not to exceed the stated principal amount of \$65,000,000, at a true interest cost not to exceed 5.0% per annum, for a term not to exceed the period from the date of issue through the conclusion of the thirtieth (30th) full Fiscal Year following the date on which the Stadium is placed in service. At the discretion of the Authority, the Bonds may be insured with municipal bond insurance or otherwise secured with credit enhancement. Subject to the limitations above, the City and the County hereby approve the issuance of the Sports Authority Bonds on such terms as are determined by the Sports Authority, including with such original issue premium or discount as is determined appropriate by the Sports Authority, and using such method of sale as is determined to be most prudent by the Sports Authority in consultation with its financial advisers. The proceeds (including any interest income thereon) of the Sports Authority Bonds are authorized to be applied (i) to pay costs of the Stadium (including related redevelopment costs), (ii) to fund any Debt Service Fund to be used for a debt service reserve, (iii) to the Capital Improvements Reserve Fund as is described above, (iv) to pay interest on the Sports Authority Bonds to the extent permitted by the Act and (v) to pay costs of issuance and related costs in connection with the issuance of the Sports Authority Bonds.

2. Agreements, Covenants, and Duties of the Authority.

(a) The Authority will cause the Sports Authority Bonds to be issued and sold pursuant to the LGPOA and the Indenture in a manner consistent with this Agreement. The Authority will cause the proceeds of the Sports Authority Bonds to be deposited as required by the Indenture and used solely for the Permitted Uses.

(b) The Authority will cause the completion of the construction of the Stadium with the proceeds of the Sports Authority Bonds, the funds granted by the State of Tennessee to the Authority to pay costs relating to the Stadium, and such other funding sources, including any funds contributed by the Team or the Developer, as may be received by the Authority.

(c) The Authority agrees that it will adopt an annual budget for the Stadium indicating all operating expenses, revenues and capital improvements. The Authority agrees to (i) promptly provide the Directors of Finance for the City and County all budget information and proposals, as and when prepared by the Authority, and any other statements, reports and information relating to the Stadium as such Directors of Finance may request from time to time; (ii) consult with the Directors of Finance for the City and County in connection with the adoption of its annual budget for the Stadium and (iii) present the budget so adopted to the City and the County no later than March 1 of each Fiscal Year in the manner prescribed by the Directors of Finance of the City and County and in compliance with any requirements of the budget process of the City and the County. The Authority shall additionally submit to the City Council and County Commission the annual audit and report of its business affairs and transactions in compliance with the requirements of the Act.

3. Term.

(a) The duties and responsibilities of the parties hereunder shall commence as of the date hereof and shall continue until the Sports Authority Bonds and any refunding bonds issued under the Indenture are paid in full.

(b) Notwithstanding anything to the contrary herein, termination of this Agreement shall not be permitted if such termination would impair in any way the ability or capacity of any of the parties hereto to fully and timely fulfill its obligations under any contract or agreement with any third party, including the holder or owner of any bonds or other indebtedness described herein.

4. Default. In the event any of the parties hereto shall fail to perform any of its obligations hereunder or shall become unable to perform by reason of bankruptcy, insolvency, receivership or other similar event, then the non-defaulting party, so long as said party is not itself in default hereunder, may seek specific performance, mandamus or other extraordinary relief to compel the defaulting party to perform hereunder.

5. Establishment of Funds. The Authority, the City, and the County agree to establish such funds and accounts that may be required by the Indenture with respect to the matters set forth herein and such further funds and accounts as shall be determined necessary and advisable by the Directors of Finance of the City and County and the Chairman of the Authority to account for and manage the revenues and receipts described herein and provide for the payment of the costs of operating, maintaining and repairing the Stadium and paying the principal of and interest on the Sports Authority Bonds.

6. No Payment From Ad Valorem Revenues. Anything in this Agreement to the contrary notwithstanding, no recourse shall be had for the payment of the obligation of the City and the County hereunder against the ad valorem tax funds of the City and the County, nor is the full faith and credit or taxing power of the County or the City pledged to the payment of the Sports Authority Bonds. The obligations of the City and the County hereunder shall be paid solely from legally available non-ad valorem revenues.

7. Consent to Collateral Assignment. The County, City and the Authority hereby consent to the assignment of this Agreement to the Trustee for the benefit of the holders of the Sports Authority Bonds.

8. Refunding of the Sports Authority Bonds. All references to the Sports Authority Bonds in this Agreement shall be deemed to include bonds which refund such Sports Authority Bonds.

9. Severability. If a court of competent jurisdiction determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The Chancery Court and/or the Circuit Court of Knox County, Tennessee shall have exclusive and concurrent jurisdiction of any disputes which arise hereunder.

11. Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein. Notwithstanding the foregoing, to the extent this Agreement or any of the terms hereof shall conflict with the terms of any of the other documents or agreements referenced herein, the terms of said documents or agreements shall control.

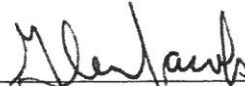
12. Headings. The paragraph headings are inserted only as a matter of convenience and for references and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

13. Authorized Representatives. Any action required of or permitted to be taken pursuant to this Agreement by any of the parties hereto may be performed by an authorized representative of the respective party without further action by the governing body of such party, except as may be otherwise required by the Charter or Ordinances of the City or County.

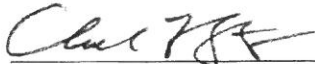
[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officials thereunto duly authorized as of the date first written above.

KNOX COUNTY, TENNESSEE

By: 
Glenn Jacobs, Mayor


APPROVED AS TO FORM:


Law Director's OFFICE

Contract No.: 21-739

Date: 11-5-21

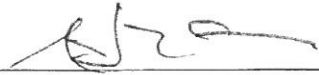
CITY OF KNOXVILLE, TENNESSEE

By: 
Indya Kincannon, Mayor

APPROVED AS TO FORM:


Law Director

THE SPORTS AUTHORITY OF THE
COUNTY OF KNOX AND THE CITY OF
KNOXVILLE, TENNESSEE

By: 
Chairman

Attest: 
Secretary

EXHIBIT A

Schedule of Capital Improvements Reserve Fund Obligations

Full Fiscal Year After Stadium Placed in Service	Aggregate Amount of Capital Improvements Reserve Fund Obligation	City Portion (50%)	County Portion (50%)
1 st	\$0	\$0	\$0
2 nd	\$50,000	\$25,000	\$25,000
3 rd	\$50,000	\$25,000	\$25,000
4 th	\$100,000	\$50,000	\$50,000
5 th	\$100,000	\$50,000	\$50,000
6 th	\$150,000	\$75,000	\$75,000
7 th	\$150,000	\$75,000	\$75,000
8 th	\$200,000	\$100,000	\$100,000
9 th	\$200,000	\$100,000	\$100,000
10 th	\$200,000	\$100,000	\$100,000
11 th	\$300,000	\$150,000	\$150,000
12 th	\$300,000	\$150,000	\$150,000
13 th	\$300,000	\$150,000	\$150,000
14 th	\$300,000	\$150,000	\$150,000
15 th	\$300,000	\$150,000	\$150,000
16 th	\$400,000	\$200,000	\$200,000
17 th	\$400,000	\$200,000	\$200,000
18 th	\$400,000	\$200,000	\$200,000
19 th	\$400,000	\$200,000	\$200,000
20 th	\$400,000	\$200,000	\$200,000
21 st	\$500,000	\$250,000	\$250,000
22 nd	\$500,000	\$250,000	\$250,000
23 rd	\$500,000	\$250,000	\$250,000
24 th	\$500,000	\$250,000	\$250,000
25 th	\$500,000	\$250,000	\$250,000
26 th	\$600,000	\$300,000	\$300,000
27 th	\$600,000	\$300,000	\$300,000
28 th	\$600,000	\$300,000	\$300,000
29 th	\$600,000	\$300,000	\$300,000
30 th	\$600,000	\$300,000	\$300,000

Below are the questions and concerns that I have developed after reading through the agreements associated with the proposed multi-use sports and entertainment stadium to be financed and owned by the Knoxville/Knox County Sports Authority. Questions are highlighted in red.

Interlocal Agreement (City, County, & Sports Authority)

The purpose of the Interlocal Agreement is to create an agreement between the three bodies that addresses the issuance of Sports Authority bonds, the payment of debt service, the funding of the Capital Improvements Reserve Fund, and other agreements and rights related thereto.

1) Timeline Concerns

a) Whereas #9: Pledged Revenues

This section outlines all of the revenue sources for debt payments and included are tax increment revenues that would be generated if both the city and county approve a PILOT or TIF for the private development to surround the stadium. Members of city council/commission should not be asked to approve an Interlocal agreement for a stadium which has a financing plan dependent on a private development PILOT or TIF that has yet to be approved or even considered. If the projects are so interdependent, they should come before the City at the same time. ①

What is the plan for the private development? Is the private development projected to have any shared or adjoined structures to the stadium? Will party wall agreements be needed between the Authority and private development that could increase the risks to the Stadium? Will the private development provide the public benefit necessary to qualify for a PILOT/TIF? Are funding sources for the project so limited that such financial support is warranted? ②

If the stadium and private development are dependent upon each other, both should be considered at the same time. Stadium development should not be approved separate from private development, when the stadium's financing plan would be guaranteed by the City/County, putting each body's bond rating at risk. ③

Credit ratings companies will cut municipal bond ratings when the pledged revenues fail to materialize and the Sports Authority is forced to draw upon the debt service reserve. The City and County must have thorough information, concrete commitments, and see progressive motion occurring regarding the private development proposed so that both bodies may do our due diligence to limit risks to our bond ratings and ensure pledged revenues will be actualized. ④

2) Concerns re: Risks to the City

a) Whereas #11: Establishment of the Debt Service and Capital Improvement Funds

This section obligates the Sports Authority, through a trustee, to establish a debt service fund and a capital improvements reserve fund. The Interlocal Agreement outlines the funding plan for the reserve fund (1(d)). The Development Agreement identifies surplus Financing

Proceeds up to \$1 million as potential seed money for the Capital Reserve fund (Dev Agmt Sec. 5.3). Section 1(e) of the Interlocal Agreement indicates that proceeds, including interest, from Sports Authority Bonds could be used to fund the Debt Service Fund but it does not include an amount that should be contributed as seed money and other uses of the Bond proceeds are also listed. \$3.2 million/year is the projected debt service needed on \$65 million of debt. (5)

Is guaranteed seed money not needed for the Debt Service Fund? (6)

Since no income is projected from this project in FY23, what would be the anticipated payment obligation of the City and County towards debt payments in FY24? (7)

b) Whereas #14: In the Event of Pledged Revenues Shortfall

This section obligates the City and County to replenish the Debt Service Fund in any year in the event of a shortfall. The Interlocal Agreement and the plan for this development should clarify with what funds the Sports Authority will use to establish a debt service fund, especially if the proceeds and interest from the Sports Authority Bonds may be used in total to pay for the costs of the Stadium and associated redevelopment costs.

What funds will be used to establish a debt service fund and at what amount? (8)

c) Section 1(c) Contributions to Debt Service Fund

As with the reserve fund, the Debt Service Fund should have limitations on the City and County's funding obligation. As written, the City/County are obligated to replenish the fund whenever it is drawn upon. Presumably, when the debt service fund is not in use it will earn interest as is projected for the capital reserve fund. 1(d)(i)

This section, or another more appropriate section, should state clearly that the Developer is responsible for cost overruns, as outlined in section 6.5 of the Development Agreement.

Will interest earned on the Debt Service Fund become a part of the Debt Service Fund? (9)

What is the plan for surplus funds remaining in the Debt Service Fund once the Debt Service Obligation is met? (10)

The Debt Service Fund requires the City/County to contribute to the fund "at such times as are provided in the indenture," which does not clearly outline how much notice the City/County would be given when funds are needed. 1(c)(i)

Why not structure the Debt Service Fund similar to the Capital Reserve Fund where City/County would be required to contribute to the Debt Service Fund no later than August 31 at the conclusion of each fiscal year in which the pledged revenues prove insufficient to pay the principal and/or interest on the Sports Authority Bonds? (11)

1. The parameters of the financing are well enough established at this juncture that the City and County administration are asking the County Commission and City Council to approve the interlocal agreement to demonstrate support for the financing plan. If that support is not available, incurring significant additional costs, through time devoted and actual expenses, over the next few months would not be prudent.
2. The initial phase of development will involve the construction of three buildings, referenced as Buildings A, B and C, as has been previously described to City Council and to Planning Commission. The capital expenditure for these buildings is expected to be approximately \$120 million, with a minimum expected commitment of \$100 million. A fourth building, referred to as Building G, is expected to be constructed shortly thereafter. Because Building A is expected to include condos, a tax increment financing will be needed to capture tax increment from that property, and Buildings B and C are expected to be subject to a PILOT transaction. No party wall agreements are expected to be required for the private development. A determination as to the term of any tax increment financing and the need for the incentives will be made with the assistance of KCDC consistent with the City's procedures, but, in any event, at least 50% of the incremental taxes are expected to be allocated to the Sports Authority to assist with the payment of debt service.
3. Given the relative minor expected financial exposure to the City and County, the proposed bond financing is not expected to jeopardize the City's or County's bond rating.
4. See immediate prior response as to bond ratings.
5. Interest on the Sports Authority bonds during construction will be included in the bond issue and will not be funded by the City or County, as has been described in both recent workshops. Therefore, no "seed" money will be needed, and the first payments will be timed in a manner so that revenues should be available to pay most if not all of the first debt service payment after the project is completed.
6. As is discussed in the prior answer, guaranteed seed money is not needed for the debt service fund.
7. As is discussed above, interest during construction is expected to be included in the bond financing, so no payment obligation of the City or County is expected for FY24.
8. The revenues sources that are expected to be used to pay debt service have been described at the joint workshops. Those revenues includes sales tax revenues from the stadium, lease payments from the team and the tax increment and PILOT revenues from the adjacent development. These revenues will be deposited in the debt service fund and would be the initial sources of payment of debt service, with any shortfall being made up by the City and County on a pro rata basis.
9. Yes.
10. Any amounts held in the debt service fund that are not needed to pay debt service or provide a reserve therefor will be transferred to the capital improvement reserve fund to mitigate the obligation of the City and County to provide funds for the capital improvement reserve fund.
11. The timing for any required deposits in the debt service fund will not be known until the bonds are priced and the semi-annual payment dates are established. The finance directors of both the City and County will be integrally involved with any timing decisions as to debt service payments to that any required contributions can be included in the City's and County's budgets in a manageable manner.

**FIRST AMENDMENT TO INTERLOCAL PROJECT AGREEMENT
(MULTI-USE STADIUM PROJECT)**

This First Amendment to Interlocal Project Agreement (Multi-Use Stadium Project) (this "Amendment") is made and entered into as of the __ day of August, 2022, by and between Knox County, Tennessee (the "County"), the City of Knoxville, Tennessee (the "City"), and The Sports Authority of the County of Knox and the City of Knoxville, Tennessee (the "Authority"). The County, the City and the Authority may be collectively referred to herein as the "Parties."

WITNESSETH:

WHEREAS, the County, the City, and the Authority are parties to that certain Interlocal Project Agreement (Multi-Use Stadium Project), which was entered into in November, 2021, but is not dated (the "Agreement");

WHEREAS, the Agreement relates to the construction and financing of a multi-use sports and entertainment stadium;

WHEREAS, the Parties desire to modify certain provisions of the Agreement; and

WHEREAS, the County, the City and the Authority have deemed it necessary and desirable to enter into this Amendment to provide for such modifications.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties agree as follows:

1. Defined Terms; Dated Date. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement. The Parties agree that the date of the Agreement, in order to complete the first paragraph of the Agreement, shall be November 16, 2021, which was the date of the last approval of the Agreement by a Party.

2. Amendment to Section 1(e). Section 1(e) of the Agreement is hereby amended by deleting the reference to 5% per annum as the maximum true interest cost for the Sports Authority Bonds and replacing such reference with 6% per annum as the maximum true interest cost for the Sports Authority Bonds.

3. Amendment to Section 1. The following subsection (f) is hereby added to Section 1 of the Agreement:

(f) Additional Tax Incentives. Neither the City nor the County shall approve, authorize or delegate to any other party the authority to enter into any agreement, transaction or arrangement that would provide any real property tax abatement or tax increment incentive or financing with respect to any property located in the "TIF District" that is identified in the Magnolia Avenue Warehouse District Redevelopment and Urban Renewal Plan as amended unless the City or County, as the case may be, first obtain the consent of the Sports Authority. This subsection shall not apply to any agreement, transaction or arrangement previously approved by the City or County. The purpose of the limitation of this subsection is to avoid the impairment of the receipt of incremental property tax revenues by Knoxville's Community Development Corporation ("KCDC"), which revenues will be pledged by KCDC to secure debt incurred to assist with financing the cost of the Stadium as part of a redevelopment project.

4. No Other Amendments. Except as expressly set forth herein, the Agreement remains in full force and effect in accordance with its terms and nothing contained herein shall be deemed to be a waiver, amendment, modification or other change of any term, condition or provision of the Agreement (or a consent to any such waiver, amendment, modification or other change). All references in this Amendment shall be deemed to be references to the Agreement after giving effect to this Amendment.

5. Severability. In case any provision contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

6. Counterparts. This Amendment may be executed in any number of separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same Amendment. Executed signature pages to this Amendment may be delivered by facsimile or other electronic means and will be deemed as sufficient as if original signature pages had been delivered.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed and delivered by their respective officials thereunto duly authorized as of the date first written above.

KNOX COUNTY, TENNESSEE

By: _____
Glenn Jacobs, Mayor

APPROVED AS TO FORM:

Law Director
Contract No.: _____

Date: _____

CITY OF KNOXVILLE, TENNESSEE

By: _____
Indya Kincannon, Mayor

APPROVED AS TO FORM:

Charles W. Swanson
Law Director

Boyce H. Evans
Finance Director

THE SPORTS AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE,
TENNESSEE

By: _____
Chairman

Attest: _____
Secretary

33413826.3

STADIUM DEVELOPMENT AGREEMENT

by and between

**THE SPORTS AUTHORITY OF THE COUNTY OF KNOX AND THE CITY OF
KNOXVILLE, TENNESSEE**

and

RR LAND LLC

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<u>Exhibit C</u>	Schematic Plans

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “**Agreement**”) is made and entered into effective as of _____, 202_ (the “**Execution Date**”) by and between The Sports Authority of the County of Knox and the City of Knoxville, Tennessee, a public nonprofit corporation (“**Authority**”) which was organized by permission granted by the Council of the City of Knoxville (the “**City**”) and the Commission of Knox County, Tennessee (the “**County**”), and RR Land LLC, a Tennessee limited liability company (“**Developer**”).

RECITALS

WHEREAS, Authority is a public, nonprofit corporation formed pursuant to Chapter 67, Title 7, Tennessee Code Annotated, as amended (the “Act”);

WHEREAS, Boyd Sports, LLC, a Tennessee limited liability company (“**Tenant**”) is an affiliate of Developer and is the owner of a Minor League Baseball team (sometimes referred to as the “**Club**”) which operates pursuant to a license granted by Major League Baseball (“**MLB**”);

WHEREAS City and County recognize the presence of Club and the playing of the home games of Club in Knoxville, especially in its downtown area, provides a unique value to City and County, including generating new jobs, additional revenue sources and economic development and increased tourism for City and County;

WHEREAS, the MLB has required that a new ballpark be constructed as a condition to Club’s re-location of Club to Knoxville, and Authority has agreed to finance and own and, through the engagement of Developer, to design, develop and construct a new, first-class, state-of-the-art, natural or artificial turf, open-air Stadium and related facilities that will serve as the home of the Club and will also host concerts, other sporting events and community-oriented events (the “**Stadium**”);

WHEREAS, Developer or an affiliate has contemporaneously herewith granted and conveyed to Authority title to the real property described on Exhibit A attached hereto and incorporated herein by reference (the “**Real Property**”);

WHEREAS, concurrently with the execution of this Agreement, Authority and Tenant entered into that certain Stadium Lease Agreement (the “**Lease**”), whereby Authority has agreed to lease to Tenant and Tenant has agreed to lease from Authority, the Stadium; and

WHEREAS, the Parties desire to enter into an agreement that establishes the process and schedule for the design, development and construction of the Stadium.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the respective covenants and agreements of the Parties herein set forth, and other good and valuable consideration, the receipt and

sufficiency of which are hereby acknowledged, the Parties, each intending to be legally bound, do hereby agree as follows:

ARTICLE I. GENERAL TERMS

1.1 Definitions and Usage. Unless the context shall otherwise expressly require, capitalized terms used in this Agreement shall have the meanings assigned to them in the Glossary of Defined Terms attached hereto at Appendix A and incorporated herein by reference, which also contains rules as to usage that shall be applicable herein. Terms used but not defined herein shall have the meaning ascribed to such terms in the Lease.

ARTICLE II. REPRESENTATIVES

2.1 Authority Representative. Authority shall designate one or more Persons to be the representative(s) of Authority (the “**Authority Representative**” for purposes of this Agreement), and Authority shall have the right, from time to time, to change the Person(s) who is the Authority Representative by giving at least five (5) Business Days prior written notice to Developer thereof. The only functions under this Agreement of Authority Representative shall be as expressly specified in this Agreement. If Authority appoints more than one Authority Representative, Authority shall specify to Developer the matters as to which each Authority Representative shall have the authority to Act. The authority of each Authority Representative to bind Authority in those instances in which this Agreement specifically provides for the Approval, decision, confirmation or determination of Authority Representative shall be set forth in resolution(s) adopted by the board of directors of Authority (and provided to Developer); *provided, however,* that notwithstanding anything in this Agreement to the contrary, Authority Representative shall not have any right to modify, amend or terminate this Agreement.

2.2 Developer Representative. Developer has designated Partners and Associates, Inc., d/b/a Partners Associates to be the representative of Developer (the “**Developer Representative**”), who shall be authorized to act on behalf of Developer under this Agreement. Developer shall have the right, from time to time, to change the Person who is the Developer Representative by giving at least five (5) Business Days prior written notice to Authority thereof. Any written Approval, decision, confirmation or determination hereunder by the Developer Representative shall be binding on Developer; *provided, however,* that notwithstanding anything in this Agreement to the contrary, the Developer Representative shall not have any right to modify, amend or terminate this Agreement. The Developer’s Representative will act as the lead point of contact to coordinate all scheduling, budget, design and construction matters related to the Stadium. The costs and expenses of the Developer’s Representative in performing its services shall be included as part of the Stadium Budget and paid as part of the Stadium Costs.

2.3 Collaborative and Cooperative Process. The Parties intend that the design, development, construction and furnishing of the Stadium Improvements shall be a cooperative process. The Parties agree that, subject to reasonable limitations and exceptions relating to trade secrets and proprietary information (which such limitations and exceptions shall not apply if

Authority Representative has agreed to a mutually acceptable confidentiality and non-disclosure agreement), each Representative will have full access to any information available from the Developer Representative, the CM, the Project Architect and all other contractors, subcontractors, consultants and other Persons retained in connection with the design, development, construction and furnishing of the Stadium Improvements. For purposes of participating in the process of managing construction costs and continuing to be involved and informed during the design and construction of the Stadium Improvements, the Developer shall deliver to the Authority Representation periodically (but no less frequently than monthly) reports of the progress of construction of the Stadium Improvements, including, but not limited to draw requests submitted by the CM, construction observation reports, budget updates and copies of all change order requests (the “Periodic Stadium Reports”). In addition, the Developer Representative will meet with the Authority Representative periodically (but no less frequently than monthly) to review the Periodic Stadium Reports and the progress of the Stadium Improvements (the “Periodic Status Meetings”) and, upon the request, will provide periodic construction updates to the governing body of Authority or any designated committee thereof.

**ARTICLE III.
CONDITIONS TO AUTHORITY OBLIGATIONS AND COMMENCEMENT OF
CONSTRUCTION**

3.1 Conditions to Authority Obligations. This Agreement shall not be effective with respect to any Authority obligation hereunder and Authority shall not be obligated to move forward with any of the terms of this Agreement until the conditions in Section 3.1.1 through Section 3.1.4 (the “**Conditions to Authority Obligations**”) are satisfied. Authority shall provide written notice to Developer when the Conditions to Authority Obligations are satisfied.

3.1.1 MLB Approvals. Club shall have obtained any required approvals or consents required from MLB authorizing the location of the Club in Knoxville, Tennessee and the Club’s use of the Stadium as its home park by no later than 2024.

3.1.2 Lease Execution. Authority and Tenant shall have entered into the Lease.

3.1.3 Receipt of Documents. Authority shall have received executed copies of Developer’s Agreements with the Project Architect, the CM, and the Developer’s Representative.

3.1.4 Additional Conditions. The conditions to commencement of the Stadium Improvements Work set forth in Section 3.2 shall have been met.

3.2 Conditions to Commencement of Construction. Developer shall not commence the Stadium Improvements Work until the conditions in Section 3.2.1 through Section 3.2.6 (the “**Conditions to Commencement**”) are satisfied or waived, such conditions to be satisfied on or before the respective dates set forth below. Authority shall provide written notice to Developer when the Conditions to Commencement are satisfied and specify such date as the “Construction Commencement Date.” Authority and Developer acknowledge and agree that the timeframes within which each of the Conditions to Commencement are to be satisfied shall be implemented in a manner that assures, to the extent commercially reasonable and in accordance with Applicable

Law, that Developer achieves Substantial Completion of the Stadium Improvements Work on or before the Substantial Completion Deadline (as the same may be extended by an Excusable Developer Delay Period).

3.2.1 Public Infrastructure Agreement. Authority and the City have entered into an agreement, in a form satisfactory to Developer, pursuant to which the City agrees, for the benefit of Authority, to construct the Public Infrastructure Improvements in accordance with the Public Infrastructure Plans.

3.2.2 Utility Infrastructure Agreement. Authority and KUB have entered into an agreement, in a form satisfactory to Developer, pursuant to which the City agrees, for the benefit of Authority, to construct the Utility Infrastructure Improvements in accordance with the Public Infrastructure Plans.

3.2.3 Redevelopment Agreement. Authority and KCDC have entered into the Redevelopment Agreement, in a form satisfactory to Developer, which, among other items, shall include provisions to make improvements to the culvert that is located on the boundary of KCDC's property and the property on which the Stadium will be located.

3.2.4 Plans for Stadium Improvements and Stadium Budget. The Plans for Stadium Improvements and a final Stadium Budget shall have been Approved by each of the Parties pursuant to Section 5.1.1 hereof. Any subsequent changes to such Infrastructure Plans shall be governed by Section 8.1.

3.2.5 Financing. By March 31, 2022, or as soon thereafter as commercially reasonable and in accordance with all Applicable Laws, the Financing shall have closed and the proceeds thereof shall be available to Authority to pay the costs of issuance thereof (which are not a part of Stadium Costs) and the Stadium Costs.

3.2.6 Governmental Authorizations. As soon as commercially reasonable after the completion and delivery to Authority of the Project Plans and in accordance with all Applicable Laws, Developer shall have obtained all Governmental Authorizations necessary to permit commencement of construction of the Stadium Improvements, including building permits and engineering and land use approvals necessary for the commencement of development and construction of the Stadium Improvements.

3.3 Agreement to Consult and Assist. Prior to the Construction Commencement Date, the Representatives shall meet and consult with each other and reasonably assist each other with respect to satisfaction of the Conditions to Commencement.

3.4 Termination for Failure of Conditions to be Satisfied.

3.4.1 Conditions to Authority Obligations Not Satisfied. If for any reason all of the Conditions to Authority Obligations have not been fully satisfied (or waived in writing as specifically authorized by the Parties) by June 1, 2022, as the same may be extended by an

Excusable Development Delay Period, then in such event, Authority may, by written notice to Developer, elect to terminate this Agreement.

3.4.2 Conditions to Commencement Not Satisfied. If for any reason all of the Conditions to Commencement have not been fully satisfied (or waived in writing by Developer Representative or Authority Representative as applicable) by **June 1, 2022**, as the same may be extended by an Excusable Authority Delay Period or an Excusable Development Delay Period, as applicable and in accordance with this Agreement, then such failure shall not be construed to be an Event of Default under this Agreement, but in such event, either Developer or Authority may, by written notice to the other Parties, elect to terminate this Agreement.

3.4.3 Effect of Termination. Upon any termination of this Agreement pursuant to this **ARTICLE III**, the Lease shall also terminate and the Parties shall have no further rights, obligations or liabilities under such agreements (except pursuant to the provisions of such agreements which expressly survive termination) and the Parties automatically shall be released from any future obligations under this Agreement or the Lease that arise after the date of termination but shall not be released from any obligations which arise or relate to occurrences prior to the date of termination.

ARTICLE IV. TERM

4.1 Term. The term under this Agreement (the “**Term**”) shall commence at 12:00 a.m. on the day immediately following the Execution Date and shall end on 11:59 p.m. on the date Final Completion occurs as required in **Section 5.1.6** hereof.

4.2 Commencement of Construction. The date on which all Conditions to Commencement are satisfied is the “**Construction Commencement Date**”.

ARTICLE V. CERTAIN DEADLINES AND DELIVERABLES

5.1 Deadlines Subsequent to Commencement of Term. Subject to extension as a result of an Excusable Developer Delay Period or an Excusable Authority Delay Period, as appropriate, in accordance with the terms of this Agreement and after the Construction Commencement Date, the Parties shall meet the following deadlines in connection with the following matters:

5.1.1 Plans for Stadium Improvements. Developer shall cause the Plans for Stadium Improvements to be completed within sixty (60) days following the Execution Date, which Plans for Stadium Improvements shall be subject to the Approval of the **Authority Representative** and shall be consistent in all material respects with the Schematic Plans for the Stadium. Promptly following the completion and Approval of the Plans for Stadium Improvements, the CM, in consultation with the Developer Representative and Authority Representative, shall obtain bids from appropriately licensed subcontractors for each component of the construction of the Stadium Improvements that will be undertaken by a subcontractor. In

connection with such bidding process, the Authority Representative (subject to the terms of the confidentiality and non-disclosure agreement) shall be entitled to receive full access to information relating to the subcontractors requested to provide bids, the bids received and such other information as the Authority Representative may reasonably request in order to determine that Authority is receiving the lowest cost for the construction of the Stadium. After completion of this process, the Stadium Budget shall be revised to reflect the results of the bidding process, and such revised Stadium Budget shall be substituted as Exhibit B, for the Exhibit B originally attached to this Agreement. If the cost to construct the Stadium Improvements would exceed the original total Stadium Budget following the undertaking of such bidding process, Developer and Authority, in consultation with the CM, the Developer Representative and the Authority Representatives will use reasonable efforts to negotiate and agree upon such changes to the Plans for Stadium Improvements so that the cost of the Stadium Improvements does not exceed the original total Stadium Budget and shall complete or terminate such negotiation process within forty-five (45) days. If Developer and Authority are not able to successfully reduce the cost of the Stadium Improvements in a manner that is acceptable to both parties after such negotiation period, either party may terminate this Agreement, and the parties shall have no further obligations hereunder. Alternative, Authority and Developer may agree to increase the original total cost of the Stadium Budget, but such increase shall only be permitted if such increase is also approved the governing bodies of the City and the County.

5.1.2 Scheduled Stadium Improvements Start Date Milestone. Developer shall cause the construction (which includes demolition and excavation and other site preparation to the extent not completed prior to the Execution Date) of the Stadium Improvements to commence on or before the day that is thirty (30) days after the Construction Commencement Date.

5.1.3 Stadium Budget. Except to take into account any changes to the Stadium Budget pursuant to Section 5.1.1 and change orders entered into pursuant to Section 6.8 hereof, Developer shall not modify the Stadium Budget in any material respect without the prior Approval of the Authority Representative, such approval not to be unreasonably withheld, conditioned or denied; provided, however, that Authority shall have the sole discretion to elect not to approve any modification to the Stadium Budget if Authority reasonably believes that such modification will materially increase the costs or liabilities of the Authority relating to the construction of the Stadium. Developer will promptly provide Authority Representative with written notice of any proposed material change to the Stadium Budget for Authority's Approval, such Approval not to be unreasonably withheld, conditioned or denied.

5.1.4 Stadium Construction Schedule. Developer will provide Authority Representative with notice of any material change to the Stadium Construction Schedule for Authority Representative's Approval, such Approval not to be unreasonably withheld, conditioned or denied provided such change would not result in the Final Completion Date occurring after January 1, 2025.

5.1.5 Substantial Completion. Developer shall cause Substantial Completion of the Stadium Improvements Work to occur on or before the Substantial Completion Deadline. On or before the date which is six (6) months prior to the Substantial Completion Deadline, Developer

Representative shall provide written notice to Authority as to whether **Developer** Representative believes (to the best of **Developer Representative's knowledge** after reasonable inquiry) that the Substantial Completion Deadline will be met.

5.1.6 Punch-list Items. Upon Substantial Completion, Developer shall provide notice thereof to Authority. Authority Representative and Developer Representative shall schedule a time to meet within ten (10) Business Days thereafter to inspect the Stadium and for Developer to prepare a "punch-list" of items that are reasonably required to be completed or repaired prior to Final Completion of the Stadium. The CM shall complete, or cause to be completed, all reasonable punch-list items within sixty (60) days after the inspection or as soon as is reasonably practicable in light of the work to be performed.

5.1.7 Final Completion. On or before the date which is ninety (90) days after the Substantial Completion Date, Developer shall cause Final Completion of the Stadium Improvements Work to occur (using its commercially reasonable efforts to not unreasonably interfere with Club's business operations at the Stadium).

5.1.8 Scheduled Infrastructure Improvements Start Date Milestone. Authority shall require the City and KUB, as applicable, to cause the construction of the Public Infrastructure Improvements and Utility Infrastructure Improvements for which they are responsible to commence so that such construction will be completed **in accordance with the schedule provided in the Infrastructure Agreements, subject to delay caused by or attributable to (but only to the extent of) Force Majeure.**

5.2 Extension of Substantial Completion Deadline. In the event Developer fails to achieve Substantial Completion of the Stadium Improvements Work on or before the Substantial Completion Deadline (as the same may have been extended by any Excusable Developer Delay Period), Developer shall have the continuing right and option to extend the Substantial Completion Deadline, as such Substantial Completion Deadline may be extended pursuant to the terms of this **Section 5.2** so that Developer may cause Substantial Completion of the Stadium Improvements Work to occur, provided Developer must continue to diligently and continuously prosecute the Stadium Improvements Work (subject to Excusable Developer Delay) after the original Substantial Completion Deadline (as the same may have been extended by Excusable Developer Delay or the terms of this **Section 5.2**).

5.3 Financing Proceeds. Developer acknowledges that Authority intends to use Financing Proceeds to pay for a portion of the Stadium Costs. The proceeds of the Financing shall be applied to pay Stadium Costs and shall be disbursed as provide in the documents pursuant to which the Financing is undertaken, which disbursement procedures shall be subject to the Approval of Developer. In no event shall the amount disbursed from the proceeds of the Financing to pay Stadium Costs exceed, \$74,300,000. In the event any Financing Proceeds remain after Final Completion of **the Stadium and payment of all amounts due to the CM,** then such remaining Financing Proceeds shall be allocated between Developer and Authority as follows: The first \$1,000,000 (or such lesser amount if the remaining amount is less than \$1,000,000) will be deposited in the Capital Improvements Reserve Fund. After such deposit, 50% of the remainder shall be paid to Developer (the "**Developer Portion**") and 50% of the remainder shall be to

Authority (the “**Authority Portion**”), in each case to be applied in accordance with the provisions of this Section 5.3. Developer shall apply the Developer Portion to reimburse Developer for costs incurred by Developer in connection with improvements to the Stadium paid by Developer, and the Authority Portion may be used by the Authority for such other purpose(s) as may be permitted by Applicable Laws and the terms of the Financing.

ARTICLE VI. CONSTRUCTION OF STADIUM IMPROVEMENTS; GENERAL WORK REQUIREMENTS

6.1 General Provisions.

6.1.1 Stadium Improvements. Developer shall develop and construct the Stadium Improvements in accordance with the terms and conditions of this Agreement and all Applicable Laws, and shall diligently and continuously adhere to the Stadium Construction Schedule (subject to any Excusable Developer Delay permitted in accordance with the terms of this Agreement) and the Plans for Stadium Improvements.

6.1.2 Quality Standard and Minimum Requirements. Developer and Authority covenant and agree that the scope of design and development specifications for construction, and the construction, of the Stadium Improvements will adhere to the Quality Standard and include the Minimum Requirements.

6.2 Authority’s Access to the Stadium Improvements. At all times during the Term, Authority, its agents and contractors shall have the right of access, for themselves and their authorized representatives, to the Stadium and Real Property and all portions thereof for the purpose of conducting inspections for purposes of determining compliance with this Agreement. Such access shall be during normal construction hours during the construction period, provided Authority and all such agents, contractors, licensees, and concessionaires (i) notify Developer and the Developer Representative in advance of such proposed entry, (ii) do not hinder or interfere with the construction of the Stadium Improvements or the activities of Developer’s contractors (including the CM), (iii) take such reasonable protective precautions or measures as Developer, the Developer Representative, or the contractors (including the CM) may reasonably request, given the stage of the construction of the Stadium Improvements at the time of such entry and (iv) comply with and be subject to the provisions of the Stadium Construction Contract relating to Authority’s rights to access including providing the insurance required by the terms of the Stadium Construction Contract (or, if the CM does not specify the same, then by providing such insurance as Developer may reasonably request).

6.3 Pre-Existing Site Conditions. Prior to the Operating Term Commencement Date, Developer shall be responsible for performing or causing to be performed, and for paying the cost of performing as a part of the Stadium Budget, any and all corrective or remedial actions (including all investigation, monitoring, etc.) required by Applicable Law (including the Antiquities Code) to be performed with respect to any (i) state historical landmarks present at, in, on or under the

Stadium prior to the Construction Commencement Date and (ii) any Pre-Existing Environmental Conditions in accordance with Section 9.2.

6.4 Work Performed.

6.4.1 General Requirements. Developer shall, at its sole cost and expense (except as otherwise provided in this Agreement), perform or cause the performance of the Stadium Improvements Work in accordance with and subject to the terms of this Agreement, and Developer shall promptly and faithfully cause the CM to cause the construction of the Stadium Improvements Work under the Stadium Construction Contract in accordance with the terms and provisions thereof and keep and perform all of the covenants and conditions contained in the Stadium Construction Contract to be kept and performed by Developer; provided, however (i) Developer shall not be in breach of its obligations in this sentence if its failure to so keep and perform is caused by the failure of Authority or its Related Parties to perform their respective obligations under this Agreement and (ii) so long as Developer is using good faith, diligent efforts to achieve Substantial Completion of the Stadium Improvements Work, Developer's liability related to any failure with respect to achieving the Stadium Construction Schedule, including achieving Substantial Completion of the Stadium Improvements Work by the Substantial Completion Deadline or any subsequent date, will be solely as set out in Article XIV.

6.4.2 Stadium Construction Contract. The Stadium Construction Contract shall (a) contain a completion guaranty and guaranteed maximum or fixed price for the Final Completion of the Stadium Improvements Work, (b) cause the CM to obtain, keep and maintain performance and payment bonds from a Qualified Surety in a total amount equal to one hundred percent (100%) of the costs of the Stadium Improvements Work, such performance and payment bonds to be held by and firmly bound unto Developer, and (c) comply with the terms of Section 6.4.5 below.

6.4.3 Record Drawings and Other Documents. Upon Substantial Completion of the Stadium Improvements Work, Developer shall furnish to Authority (i) three (3) copies of the as-built drawings that the CM deliver to Developer under the Stadium Construction Contract; and (ii) three (3) copies of the operating and maintenance data binders supplied by the CM under the Stadium Construction Contract.

6.4.4 Warranty Claims. Developer shall take commercially reasonable efforts to enforce all warranty and similar claims with respect to the Stadium Improvements, and following the Final Completion Date, Developer shall assign all warranties and similar claims to Authority to the extent such warranties are not initially in Authority's name. Authority shall make Developer aware of any defects or warranty issues which come to its attention with respect to the Stadium Improvements. Developer and Authority shall cooperate with each other in prosecuting any and all warranty and similar claims, under any and all contracts or other agreements with third parties for the design or construction of the Stadium. Authority Representative shall have the right to review the terms of all material warranties included in all contracts relating to the construction of the Stadium.

6.4.5 Construction Cooperation. Developer will conduct the Stadium Improvements Work, and require the CM to conduct the Stadium Improvements Work, in accordance with the cooperative process described in Section 2.3, including the following:

(a) instructing the CM or the Project Architect to provide Authority with a duplicate copy of all preliminary drawings or specifications, written notices and other documentation delivered or received by any of them contemporaneously with their delivery to Developer, including advance notice of any meetings to discuss the Periodic Stadium Reports; and

(b) allowing Authority Representative to attend all Periodic Status Meetings.

6.5 Cost Overruns. Developer shall be responsible for any Cost Overruns. The term “**Cost Overruns**” as used in this Agreement shall mean the amount by which Stadium Costs exceed the Stadium Budget; *provided*, that, Cost Overruns shall not include such excess costs and expenses (a) to the extent such excess arises out of or is attributable to any cost or expense caused by the request, act or omission of Authority, including any requested change order Approved by Authority or (b) for which any Party is expressly liable by a provision of this Agreement, in each case, such excess costs and expenses to be paid by the Party responsible therefor. Developer shall complete the Stadium Improvements Work irrespective of any Cost Overruns and bear the expense of such Cost Overruns, including, if necessary, through making a claim against any payment and performance bonds maintained pursuant to Section 6.4.2 hereof.

6.6 Pre-Development Expenses. All Pre-Development Expenses shall be paid by Developer unless reimbursed pursuant Section 5.3.

6.7 Design Fees. All Design Fees, including fees for the Preliminary Architect, shall be included in the Stadium Budget and will be paid as part of the Stadium Costs.

6.8 Reports. Developer shall provide Club Representative and Authority Representative with a monthly report showing amounts funded against the Stadium Budget. At Final Completion, Developer shall provide Club with a final, reconciled report certified by the Developer Representative showing all amounts funded against the Stadium Budget. Authority, at its expense (except as provided below), shall have the right, at any time during the Term of this Agreement to take such action and to receive such information as is reasonably necessary to confirm the accuracy of the monthly reports and the final, reconciled report produced by Developer pursuant to this Section 6.8 to confirm Developer’s compliance with the terms of this Agreement. Any such confirmation will be commenced and conducted with reasonable promptness, after reasonable notice to Developer, and shall be performed by a person or entity whose fee is not calculated on a contingent basis.

6.9 Change Orders. The Parties acknowledge and agree that the Project Plans may need to be supplemented, re-ordered and/or revised from time to time during construction through the use of change orders. Either Developer or Authority may request a construction change order by notifying the other Party in writing of such requested modification and the details and estimated

costs thereof, which costs shall (i) include, but not be limited to, associated architectural, engineering, CM and contractor's fees for the change order and (ii) be the responsibility of the requesting Party to the extent that the requested change order results in an increase in the previously budgeted cost for such item except as is provided below. Accordingly, the Parties agree to cooperate with respect to all proposed modifications. Each change order requested by Developer which (a) increases Stadium Costs by an amount which exceeds the Stadium Budget and will not be paid from contingency funds reserved in the Stadium Budget or by additional amounts paid by the Developer or (b) in the reasonable discretion of the Authority Representative materially affects the design (including but not limited to the layout, seating capacity, structure, exterior appearance, quality, and function) or projected maintenance or replacement of Stadium Improvements shall be subject to the Approval of Authority, which shall not be unreasonably withheld, conditioned or delayed. Each change order requested by Authority shall be subject to the Approval of Developer, which shall not be unreasonably withheld, conditioned or delayed, and each change order requested by Developer shall be subject to the Approval of Authority Representative, which shall not be unreasonably withheld, conditioned or delayed as long as the change order is not a Material Change. If agreed upon by the Developer and Authority Representative, the costs of approved change orders shall be paid from available contingency in the Stadium Budget.

ARTICLE VII. DELAYS AND EFFECT OF DELAYS

7.1 Excusable Authority Delay. Regardless of the existence or absence of references to Excusable Authority Delay elsewhere in this Agreement, any deadline or time period within which Authority, City or KUB, as applicable must fulfill the obligations of Authority elsewhere in this Agreement shall each be adjusted as appropriate to include Excusable Authority Delay Periods unless otherwise expressly provided in this Agreement to the contrary; *provided* that (i) the obligation to pay amounts as when due pursuant to the terms of this Agreement is not subject to adjustment or extension due to Excusable Authority Delay and (ii) Authority complies with the requirements of this ARTICLE VII.

With respect to each occurrence of Excusable Authority Delay, Authority shall, within fifteen (15) Business Days after Authority's knowledge of the occurrence of such event of Excusable Authority Delay, give notice to Developer Representative of the event constituting Excusable Authority Delay, Authority's good faith estimate of the Excusable Authority Delay Period resulting therefrom and the basis therefor, Authority's good faith estimate of any adjustment resulting therefrom that is to be made to the time for performance, together with reasonable documentation supporting the adjustments proposed. If Developer Representative believes that the documentation supplied is not sufficient to justify the delay claimed or adjustments proposed, Developer Representative shall give notice to Authority of the claimed deficiency and Authority shall have a reasonable period of time to more fully document the delay and adjustments claimed. Only one (1) notice from Authority shall be required with respect to a continuing Excusable Authority Delay, except that Authority shall promptly (and in no event less often than every ten (10) Business Days) give notice to Developer Representative of any further changes in the additional time for performance claimed by reason of the continuing delay. Developer Representative shall have the right to challenge Authority's assertion of the occurrence

of an Excusable Authority Delay, or Authority's good faith estimate of the Excusable Authority Delay Period or changes in the additional time for performance claimed by reason of the Excusable Authority Delay if Developer Representative gives notice to Authority within fifteen (15) Business Days after receipt by Developer Representative of such claim of Excusable Authority Delay or notice from Authority of further changes to such dates as a result of such Excusable Authority Delay, as the case may be (which challenge shall be deemed to have been made if Developer Representative gives notice to Authority of any claimed deficiency in documentation as provided for above in this Section 7.1).

7.2 Excusable Developer Delay. Regardless of the existence or absence of references to Excusable Developer Delay elsewhere in this Agreement, any deadline or time period within which Developer must fulfill the obligations of Developer in this Agreement shall each be adjusted as appropriate to include Excusable Developer Delay Periods; *provided* that (i) the obligation to pay amounts when due pursuant to the terms of this Agreement is not subject to adjustment or extension due to Excusable Developer Delay, and (ii) Developer complies with the requirements of this ARTICLE VII.

With respect to each occurrence of Excusable Developer Delay, Developer Representative shall, within fifteen (15) Business Days after Developer's knowledge of the occurrence of such event of Excusable Developer Delay, give notice to Authority of the event constituting Excusable Developer Delay, Developer Representative's good faith estimate of the Excusable Developer Delay Period resulting therefrom and the basis therefor, Developer Representative's good faith estimate of any adjustment resulting therefrom that is to be made in the time for performance, together with reasonable documentation supporting the adjustments proposed. If Authority believes that the documentation supplied is not sufficient to justify the delay claimed or adjustment proposed, Authority shall give notice to Developer Representative of the claimed deficiency and Developer Representative shall have a reasonable period of time to more fully document the delay and adjustments claimed. Only one (1) notice from Developer Representative shall be required with respect to a continuing Excusable Developer Delay, except that Developer Representative shall promptly (and in no event less often than every ten (10) Business Days) give notice to Authority of any further changes in the additional time for performance claimed by reason of the continuing delay. Authority shall have the right to challenge Developer Representative's assertion of the occurrence of an Excusable Developer Delay, or Developer Representative's good faith estimate of the Excusable Developer Delay Period, or changes in the additional time for performance claimed by reason of Excusable Developer Delay if Authority gives notice to Developer Representative within fifteen (15) Business Days after receipt by Authority of such claim of Excusable Developer Delay or notice from Developer Representative of further changes to such dates as a result of such Excusable Developer Delay, as the case may be (which challenge shall be deemed to have been made if Authority gives notice to Developer Representative of any claimed deficiency in documentation as provided for above in this Section 7.2).

7.3 Continued Performance; Exceptions. Upon the occurrence of any Authority Delay or Developer Delay, the Parties shall endeavor to continue to perform their obligations under this Agreement so far as reasonably practicable. Toward that end, Authority and Developer each hereby agrees that it shall make all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of any Authority Delay or Developer Delay occasioned by an Excusable

Authority Delay or Excusable Developer Delay, and shall diligently and continuously use its commercially reasonable efforts to ensure resumption of performance of its obligations under this Agreement after the occurrence of any Excusable Authority Delay or Excusable Developer Delay. The Parties shall use and continue to use all commercially reasonable efforts to prevent, avoid, overcome and minimize any Developer Delay or Authority Delay.

**ARTICLE VIII.
APPROVALS, CONFIRMATIONS AND NOTICES; DISPUTE RESOLUTION**

8.1 Approvals, Confirmations and Notices.

8.1.1 Stadium Improvements Work. Developer shall obtain the prior written Approval of Authority of any Material Change to the Plans for the Stadium Improvements Work which (a) increases Stadium Costs by an amount which exceeds the Stadium Budget and will not be paid from contingency funds reserved in the Stadium Budget or by additional amounts paid by the Developer or (b) in the reasonable discretion of the Authority materially affects the **design (including but not limited to the layout, seating capacity, structure, exterior appearance, quality, and function)** or projected maintenance or replacement of Stadium Improvements prior to the commencement of any Stadium Improvements Work that deviates in a material respect from the Plans for the Stadium Improvements Work, such Approval not to be unreasonably withheld, conditioned or denied.

8.1.2 Construction Manager. Developer shall not subsequently modify or amend in any material respect the Stadium Construction Contract without prior Approval of **Authority Representative**, such Approval not to be unreasonably withheld, conditioned or denied.

8.2 Approvals; Standards.

8.2.1 Review and Approvals or Consent Rights. The provisions of this Section 8.2.1 shall be applicable with respect to all instances in which it is provided under this Agreement that Developer, Developer Representative, Authority or the Authority Representative exercises Review and Approval or Consent Rights (as defined below); *provided, however*, that if the provisions of this Section 8.2.1 specifying time periods for exercise of Review and Approval or Consent Rights shall conflict with other express provisions of this Agreement providing for time periods for exercise of designated Review and Approval or Consent Rights, then the provisions of such other provisions of this Agreement shall control. As used herein, the term “**Review and Approval or Consent Rights**” shall include, without limiting the generality of that term, all instances in which one Party (the “**Submitting Party**”) is permitted or required to submit to the other Party or to the representative of that other Party any document, notice or determination of the Submitting Party and with respect to which the other Party or its representative (the “**Reviewing Party**”) has a right or duty hereunder to review, comment, confirm, Approve, disapprove, dispute or challenge the submission or determination of the Submitting Party.

8.2.2 Standard for Review. Unless this Agreement specifically provides that a Party’s Review and Approval or Consent Rights may be exercised in the sole discretion of the Reviewing Party, then in connection with exercising its Review and Approval or Consent Rights

under any provision of this Agreement, and whether or not specifically provided in any such provision, the Reviewing Party covenants and agrees to act in good faith, with due diligence, and in a fair and commercially reasonable manner in its capacity as Reviewing Party with regard to each and all of its Review and Approval or Consent Rights and to not unreasonably withhold, condition or delay its Approval of, consent to or confirmation of any submission or determination. The Reviewing Party shall review the matter submitted in writing and shall give notice within five (5) Business Days to the Submitting Party of the Reviewing Party's comments including Approval, confirmation, disapproval or failure to confirm, as applicable. Any failure to respond within such five (5) Business Day period shall be deemed to be an approval or confirmation of the matter submitted.

8.2.3 Resubmissions. If the Reviewing Party disapproves or fails to confirm a matter to which this Section 8.2 applies, the Submitting Party shall have the right, within fifteen (15) Business Days after the date the Submitting Party receives notice of such disapproval or failure to confirm, to re-submit the disapproved or not confirmed matter to the Reviewing Party, altered to satisfy the Reviewing Party's basis for disapproval or failure to confirm. Any resubmission made pursuant to this Section 8.2 shall be subject to Review and Approval or Consent by the Reviewing Party in accordance with the procedures described in this Section 8.2, until such matter is Approved by the Reviewing Party.

8.3 Governmental Rule. The Approval by Authority or Authority Representative of any matter submitted to Authority or Authority Representative pursuant to this Agreement, which matter is specifically provided herein to be Approved by Authority or Authority Representative shall not constitute a replacement or substitute for, or otherwise excuse Developer from, such permitting, licensing or approval processes under Applicable Laws; and, conversely, no permit or license so obtained shall constitute a replacement or substitute for, or otherwise excuse Developer from, any requirement hereunder for the Approval of Authority or Authority Representative.

8.4 Dispute Resolution.

8.4.1 Generally. In the event any dispute, controversy or claim between or among the Parties arises under this Agreement or is related in any way to this Agreement or the relationship of the Parties hereunder (a "**Dispute or Controversy**"), including, but not limited to a Dispute or Controversy relating to the effectiveness, validity, interpretation, implementation, termination, cancellation or enforcement of this Agreement, the Parties shall first attempt in good faith to settle and resolve such Dispute or Controversy by mutual agreement in accordance with this Section. In the event a Dispute or Controversy arises, either Representative shall have the right to notify the other Representative that it has elected to implement the following procedures. Within ten (10) Business Days after delivery of any such notice by one Representative to the other Representative regarding a Dispute or Controversy, the Representatives shall meet at a mutually agreed time and place to attempt, with diligence and in good faith, to resolve and settle the Dispute or Controversy. If a mutual resolution and settlement are not obtained at the meeting of the Representatives, then Developer and Authority shall cooperate in a commercially reasonable manner to determine if techniques such as mediation or other techniques of alternate dispute resolution might be useful. If a technique is agreed upon, a specific timetable and completion date for implementation shall also be agreed upon. If such technique, timetable or completion date is

not agreed upon within thirty (30) days after the notice of the Dispute or Controversy was first delivered, or if no resolution is obtained through such alternative technique, or if no meeting between the Representatives takes place within the sixty (60) day period following delivery of the initial notice, then either Party may seek injunctive relief or other relief at any time thereafter from any court of competent jurisdiction in Knox County, Tennessee.

8.4.2 Emergency Relief. Notwithstanding any provision of this Agreement to the contrary, either Party may seek injunctive relief or another form of ancillary relief at any time from any court of competent jurisdiction in Knox County, Tennessee in the event that a Dispute or Controversy requires emergency relief before the matter may be resolved under the dispute resolution procedures outlined in Section 8.4.1 above. Notwithstanding the fact that any court of competent jurisdiction may enter an order providing for injunctive or another form of ancillary relief, the Parties expressly agree that such dispute resolution procedures still will govern the ultimate resolution of any portion of the Dispute or Controversy.

ARTICLE IX. ENVIRONMENTAL PROVISIONS

9.1 No Hazardous Materials. Developer shall not cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of in or about the Stadium; *provided, however* that Developer and its Related Parties may use, store and dispose of reasonable quantities of Hazardous Materials at the Stadium as may be reasonably necessary for Developer to operate from the Stadium pursuant to the terms of this Agreement so long as such Hazardous Materials are commonly used, or permitted to be used, by reasonable and prudent Operators in similar circumstances and are stored and disposed of in accordance with industry standards, but in all events in compliance with Environmental Laws.

9.2 Developer's Remedial Work. Developer shall be responsible for performing or causing to be performed, any and all corrective or remedial actions (including all investigation, monitoring, etc.) required by Applicable Law to be performed with respect to any Pre-Existing Environmental Conditions at, in, on or under the Stadium. Regulated wastes, such as asbestos and industrial wastes shall be properly characterized, manifested and disposed of at an authorized facility.

ARTICLE X. INSURANCE; INDEMNITY

10.1 Policies Required.

10.1.1 Policies Required During Construction of the Stadium Improvements Work. At all times during the Stadium Improvements Work, Developer will cause the CM to keep and maintain the policies of insurance required by the terms and conditions of the Stadium Construction Contract, and Authority shall be named as an additional insured on all such policies. All policies required by this Section 10.1 shall meet the requirements of the Lease with respect to insurance required thereunder.

10.1.2 Builders Risk Insurance. Developer shall also cause CM to maintain additional property insurance written on the so-called “Builder’s Risk Completed Value Non-Reporting Form” during any period in which any Stadium Improvements Work is being performed with no coinsurance requirement, and containing a provision granting the insured permission to complete and adding the Developer as the loss payee for such insurance.

10.2 Indemnity by Developer. Developer shall indemnify, hold harmless and defend Authority and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage, including damage by fire or other casualty) incurred by Authority, Developer or any other person, and from any and all claims, demands and actions in law or equity (including reasonable attorneys’ fees and litigation expenses), arising directly or indirectly out of Developer’s performance under this Agreement.

ARTICLE XI. CONDEMNATION OR CASUALTY

11.1 Condemnation. If all of the Stadium or the use thereof is taken by power of eminent domain, condemned or sold in lieu of condemnation proceedings, this Agreement shall automatically terminate on the earlier to occur of (i) the date on which title to the Stadium vests in the condemning authority; or (ii) the date on which Authority is dispossessed of the Stadium.

11.1.1 Partial or Temporary Condemnation. If a portion of the Stadium or the use thereof is taken by power of eminent domain, condemned or sold in lieu of condemnation proceedings and such taking materially affects the ability of Developer or Tenant to use or otherwise operate and derive revenue from the Stadium, Developer shall have the right to terminate this Agreement effective as of the earlier to occur of (i) the date on which title to the condemned portion of the Stadium vests in the condemning authority; or (ii) the date on which Authority is dispossessed of the portion of the Stadium, by giving written notice to Authority within sixty (60) days after Developer’s receipt of notice of the partial condemnation. If all or a portion of the Stadium or the use thereof is temporarily condemned, this Agreement shall remain in full force and effect. If a portion of the Stadium or the use thereof is taken by power of eminent domain, condemned or sold in lieu of condemnation proceedings and Developer does not terminate this Agreement pursuant to the terms and conditions of this Section 11.1.1, this Agreement shall be deemed terminated with respect to only the condemned portion of the Stadium or use thereof.

11.1.2 Award. Any award as a result of any condemnation of all or any portion of the Stadium or the use thereof shall be applied first to the outstanding balance of the Financing and any remaining award shall be paid to Developer or its successor in interest. Neither Party shall have any rights to any award made to the other.

11.2 Casualty. If the Stadium or any portion thereof is damaged or destroyed by Casualty, then neither Party shall have the right to terminate this Agreement and Developer shall promptly use commercially reasonable efforts to restore, repair and continue construction of the Stadium Improvements and the Substantial Completion Date shall be extended by the period of

restoration and repair. To that end, Developer shall use all insurance proceeds available for such purposes. The restoration and repair details shall be undertaken in the same manner involved in the original construction of the Stadium.

ARTICLE XII. ASSIGNMENT, ASSURANCE OF PERFORMANCE

12.1 Assignment, Subletting or Transfers by Developer. Developer shall not assign, transfer, sublease, license, mortgage, pledge, encumber or otherwise hypothecate (each a “**Transfer**”) any right, title, interest or obligation of Developer under this Agreement, whether voluntarily, involuntarily, by operation of law or otherwise (including by way of merger or consolidation) including a Transfer of Majority Interest, without the prior written Approval of Authority.

12.2 Assurance of Performance. Prior to Commencement of Construction, Developer shall cause to be delivered to Authority assurance of the performance of Developer’s obligations hereunder in a form acceptable to the Authority.

12.3 Transfers by Authority. Authority may assign all of its rights and obligations in and to the Stadium or under this Agreement to a Governmental Authority, a local government corporation formed by City or Authority or a trustee in connection with the Financing; provided that Authority remains liable for Authority’s financial obligations contained herein unless such financial obligations are specifically assumed by any such Governmental Authority.

ARTICLE XIII. REPRESENTATIONS, WARRANTIES AND COVENANTS

13.1 Developer’s Representations and Warranties. As an inducement to Authority to enter into this Agreement, Developer represents and warrants to Authority that notwithstanding anything herein to the contrary and as of the Execution Date:

(a) *Organization.* Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Tennessee. The business which Developer carries on and which it proposes to carry on may be conducted by Developer. Developer is duly authorized to conduct business as a limited liability company in the State of Tennessee and each other jurisdiction in which the nature of its properties or its activities requires such authorization.

(b) *Authority.* The execution, delivery and performance of this Agreement by Developer are within Developer’s powers, respectively, and have been duly authorized by all necessary action of Developer.

(c) *No Conflicts.* Neither the execution and delivery of this Agreement nor the consummation of any of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof will contravene the organizational documents of Developer nor any Applicable Laws to which Developer is subject or any

judgment, decree, license, order or permit applicable to Developer, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of a lien upon any of the property or assets of Developer pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which Developer is a party or by which Developer is bound, or to which Developer is subject.

(d) *No Consent.* No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the execution, delivery and performance by Developer of this Agreement.

(e) *Valid and Binding Obligation.* This Agreement is the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

(f) *No Pending Litigation, Investigation or Inquiry.* There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of Developer, threatened against or affecting Developer, which the management of Developer in good faith believes that the outcome of which would (a) materially and adversely affect the validity or enforceability of, or the authority or ability of Developer under, this Agreement to perform its obligations under this Agreement, or (b) have a material and adverse effect on the consolidated financial condition or results of operations of Developer or on the ability of Developer to conduct its business as presently conducted or as proposed or contemplated to be conducted (including the development and operation of the Stadium).

(g) *Conflict of Interest.* None of Authority or any Affiliate of Developer nor any of their officers, employees or agents are officials or employees of City, County or Authority.

(h) *Legal Representation.* Developer has been represented by independent legal counsel and have had an adequate opportunity to seek advice with respect to all matters of Tennessee law and ordinances and regulations adopted by the City concerning, land use, development projects on Authority-owned land, leasing of property by Authority to private businesses and other matters relating to City and Authority procurement and contracting procedures.

(g) *Requisite Skill and Ability.* Developer has the requisite skill, financial ability and expertise to perform its duties and obligations under this Agreement.

13.2 Authority's Representations and Warranties. As an inducement to Developer to enter into this Agreement, Authority represents and warrants to Developer that notwithstanding anything herein to the contrary and as of the Execution Date:

(a) *Organization.* Authority is a public nonprofit corporation and validly existing under the laws of the State of Tennessee, with all necessary power and authority to enter into this Agreement and to consummate the transactions herein contemplated.

(b) *Authority.* The execution, delivery and performance of this Agreement by Authority is within Authority's powers, respectively, and have been duly authorized by all necessary action of Authority.

(c) *No Conflicts.* Neither the execution and delivery of this Agreement nor the consummation of any of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof will contravene any Applicable Laws to which Authority is subject or any judgment, decree, license, order or permit applicable to Authority.

(d) *No Consent.* Upon the execution of this Agreement by Authority, Authority will have caused all governmental proceedings required to be taken by or on behalf of Authority to authorize Authority to make and deliver this Agreement and to perform the covenants, obligations and agreements of Authority hereunder.

(e) *Valid and Binding Obligation.* This Agreement is the legal, valid and binding obligation of Authority, enforceable against Authority in accordance with its terms, except as limited by applicable relief, sovereign immunity, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

(f) *No Pending Litigation, Investigation or Inquiry.* Except as previously disclosed to Developer in writing, there is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of Authority, threatened against or affecting Authority, which Authority in good faith believes that the outcome of which would (a) materially and adversely affect the validity or enforceability of, or the authority or ability of Authority under, this Agreement to perform its obligations under this Agreement, or (b) have a material and adverse effect on the consolidated financial condition or results of operations of Authority or on the ability of Authority to conduct its business as presently conducted or as proposed or contemplated to be conducted.

(g) *Financing.* Authority has the legal authority to proceed with the Financing and expects to close the Financing but cannot guaranty that the Financing will occur if market conditions change.

**ARTICLE XIV.
DEFAULTS AND REMEDIES**

14.1 Events of Default.

14.1.1 Developer Default. The occurrence of any of the following shall be an “**Event of Default**” by Developer or a “**Developer Default**”:

- (a) the failure of Developer to keep, observe or perform any of the terms, covenants or agreements contained in this Agreement on Developer’s part to be kept, performed or observed if: (1) such failure is not remedied by Developer within thirty (30) days after notice from Authority of such default or (2) in the case of any such default which cannot with due diligence and good faith be cured within thirty (30) days, Developer fails to commence to cure such default within thirty (30) days after such default, or Developer fails to prosecute diligently the cure of such default to completion within such additional period as may be reasonably required to cure such default with diligence and in good faith; it being intended that, in connection with any such default which is not susceptible of being cured with due diligence and in good faith within thirty (30) days but is otherwise reasonably susceptible of cure, the time within which Developer is required to cure such default shall be extended for such additional period as may be necessary for the curing thereof with due diligence and in good faith; *provided, however*, that if such default is not cured within one hundred eighty (180) days after notice from Authority of such default, (notwithstanding Developer’s diligent prosecution of curative efforts), then such failure shall constitute an Event of Default under this Agreement;
- (b) the occurrence of an Insolvency Event with respect to Developer; or
- (c) a “Tenant Default” as defined in the Lease shall have occurred and remain uncured.

14.1.2 Authority Default. The occurrence of the following shall be an “**Event of Default**” by Authority or a “**Authority Default**”:

- (a) the failure of Authority to perform or observe any of the obligations, covenants or agreements to be performed or observed by Authority under this Agreement within thirty (30) days (or such longer period as may be permitted in this Agreement) after notice from Developer of such failure, but if such performance or observance cannot reasonably be accomplished within such thirty (30) day period (or such longer period as may be permitted in this Agreement), then no Event of Default shall occur unless Authority fails to commence such performance or observance within such thirty (30) day period (or such longer period as may be permitted in this Agreement) and fails to diligently prosecute such performance or observance to conclusion thereafter; *provided, however*, that if such performance or observance has not been accomplished within one hundred eighty (180) days after notice from Developer to Authority of such failure (notwithstanding Authority’s diligent prosecution of its curative efforts), then such failure shall constitute an Event of Default hereunder; or

(b) the occurrence of an Insolvency Event with respect to Authority.

(c) a “Authority Default” as defined in the Lease shall have occurred and remain uncured.

(d) the failure of City or KUB, as applicable to complete the Public Infrastructure Work or the Utility Infrastructure Work in accordance with the terms of the Public Infrastructure Agreement or the Utility Infrastructure Agreement, if such failure interferes in any material respect with the use of the Stadium, subject to such excusable delay provisions as are contained in such agreements..

14.2 Remedies. Subject to the provisions of this ARTICLE XIV:

14.2.1 Developer’s Remedies. Subject to this ARTICLE XIV, upon the occurrence of any Authority Default, Developer may, in its sole discretion, pursue any one or more of the following remedies, without any notice or demand whatsoever, other than any notice (including Final Notice) expressly provided in this Agreement:

(a) Developer may (but under no circumstance shall be obligated to) terminate this Agreement pursuant to Section 14.2.3.

(b) Developer may exercise any and all other remedies available to Developer at law or in equity or otherwise provided in this Agreement, including, but not limited to, the right to acquire the Real Property under Section 17.2 and to recover Pre-Development Expenses.;

provided that notwithstanding the foregoing or anything else herein to the contrary, Developer’s rights under this Section 14.2 shall be subject to the terms and provisions of Section 14.3.

14.2.2 Authority’s Remedies. Subject to this ARTICLE XIV, upon the occurrence of any Developer Default, Authority may, at its sole discretion, pursue any one or more of the following remedies without any notice or demand whatsoever, other than any notice (including Final Notice) expressly provided in this Agreement:

(a) Authority may (but under no circumstance shall be obligated to) terminate this Agreement pursuant to Section 14.2.3.

(b) Authority may enforce the provisions of this Agreement by legal proceedings for the specific performance of any covenant or agreement contained herein or for the enforcement of any other appropriate legal or equitable remedy and recover damages caused by any breach by Developer of the provisions of this Agreement, including court costs, reasonable attorneys’ fees and other expenses incurred in the enforcement of the obligations of Developer hereunder.

(c) Authority may exercise any and all other remedies available to Authority at law or in equity or otherwise provided in this Agreement.

(d) Authority may undertake Developer's obligations hereunder and may exercise its rights, to the extent it deems appropriate, under Section 14.2.4.

provided that notwithstanding the foregoing or anything else herein to the contrary, Authority's rights under this Section 14.2 shall be subject to the terms and provisions of Section 14.3.

14.2.3 Right to Terminate. Upon the occurrence of a Developer Default or an Authority Default, the non-defaulting Party, in addition to its other remedies at law or in equity, shall have the right to give the defaulting Party notice (a "**Final Notice**") of the non-defaulting Party's intention to terminate this Agreement after the expiration of a period of thirty (30) days from the date such Final Notice is delivered unless the Event of Default is cured, and upon expiration of such thirty (30) day period, if the Event of Default is not cured, this Agreement shall terminate without liability to the non-defaulting Party. If, however, within such thirty (30) day period the defaulting Party cures such Event of Default, then this Agreement shall not terminate by reason of such Final Notice. Notwithstanding the foregoing, in the event there is an Action or Proceeding pending or commenced between the Parties with respect to the particular Event of Default covered by such Final Notice, the foregoing thirty (30) day period shall be tolled until a final non-appealable judgment or award, as the case may be, is entered with respect to such Action or Proceeding.

14.2.4 Self Help. Authority and Developer acknowledge and agree that Developer may enter into certain contracts in connection with the design, development and construction of the Stadium, including but not limited to the Stadium Construction Contract, contracts with the Preliminary Architect and the Project Architect, contracts with other design and/or construction professionals, and contracts with engineers (collectively, the "**Project Contracts**"). Developer may also obtain certain approvals and permits in connection with the design, construction and operation of the Project (the "**Project Permits**", and, together with the Project Contracts and any and all other contracts, agreements, plans, licenses, permits, leases or other items, whether now or hereafter executed, granted, received, acquired or issued to or by Developer in connection with the design, development and/or construction of the Stadium, and all proceeds and products thereof, and all accounts, contract rights and general intangibles related to the foregoing, the "**Project Documents**"). Developer hereby assigns and transfers to Authority all of Developer's right, title and interest in and to (but not the obligations under) the Project Documents. This assignment shall be effective only upon the occurrence of a Developer Default. Developer hereby covenants with Authority that Developer shall (a) perform and observe all covenants and agreements to be performed and observed by Developer under the Project Documents; (b) enforce, short of termination, the performance and observance of all covenants and agreements to be performed or observed by the contracting parties under the Project Documents; (c) appear in and defend any action or proceeding arising out of or in connection with any of the Project Documents; and (d) promptly give Authority copies of any notices of default given or received by Developer under any of the Project Documents. Developer further covenants with Authority that Developer will not (a) assign, transfer, mortgage, pledge or otherwise encumber, or permit to accrue or suffer to exist any lien or other encumbrance on or in, any of the right, title and interest of Developer in, to

and under the Project Documents; (b) without **Authority Representative's** prior written consent, amend or modify any of the terms of the Project Documents, except pursuant to change orders executed in compliance with this Agreement; (c) terminate any Project Document or without **Authority Representative's** prior written consent, give or join in any material waiver, consent or approval with respect to any Project Document; (d) without **Authority Representative's** prior written consent, settle or compromise any material claim against any contracting party to any of the Project Documents; (e) without **Authority Representative's** prior written consent, waive any default under or material breach of any of the Project Documents; or (f) take any other action in connection with any of the Project Documents which would materially impair the value of the rights or interests of Assignor or Assignee thereunder or therein. Developer hereby irrevocably directs the contracting party to, or the grantor of, any Project Document, whether specifically described herein or otherwise, to the extent not prohibited by applicable law, upon request of Authority following a Developer Default to recognize and accept Authority as the holder of such Project Document for any and all purposes. Developer does hereby irrevocably constitute and appoint Authority, for so long as this Assignment remains in effect, as its true and lawful attorney-in-fact, coupled with an interest, after the occurrence of and during the existence of a Developer Default, to demand and enforce compliance with the terms and conditions of the Project Documents and all benefits thereunder. Developer shall require all parties to the Project Documents to consent to the terms of this Section 14.2.4 and to execute such consents and estoppels as Authority may reasonably request evidencing same.

14.2.5 Cumulative Remedies. Subject to the provisions of this ARTICLE XIV, each right or remedy of Authority and Developer provided for in this Agreement shall be cumulative of and shall be in addition to every other right or remedy of Authority or Developer provided for in this Agreement, and the exercise or the beginning of the exercise by Authority or Developer of any one or more of the rights or remedies provided for in this Agreement shall not preclude the simultaneous or later exercise by Authority or Developer of any or all other rights or remedies provided for in this Agreement or hereafter existing at law or in equity, by statute or otherwise.

14.3 No Indirect Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER ANY PROVISION OF THIS AGREEMENT OR OTHERWISE FOR LOST PROFITS, INCLUDING LOST OR PROSPECTIVE PROFITS, OR FOR ANY OTHER SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, IN CONTRACT, TORT OR OTHERWISE, WHETHER OR NOT CAUSED BY OR RESULTING FROM SUCH PARTY'S OWN, SOLE OR CONCURRENT NEGLIGENCE OR THE NEGLIGENCE OF ANY OF ITS AFFILIATES OR RELATED PARTIES; PROVIDED THAT WITHOUT LIMITING THE FOREGOING, THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS OF EACH PARTY ARISING OUT OF THIRD PARTY CLAIMS FOR ANY OF THE FOREGOING.

14.4 Right to Injunction. In addition to the remedies set forth in this ARTICLE XIV, the Parties shall be entitled to seek injunctive relief prohibiting or mandating action by the other Party in connection with an Event of Default and to seek declaratory relief with respect to any matter under this Agreement for which such remedy is available hereunder, at law or in equity. In connection with any such action by a Party, each Party (a) recognizes that the parties have

contributed significant capital costs to the construction of the Stadium Improvements and related infrastructure, in material part in reliance on the agreements of the other Party contained in this Agreement, and (b) acknowledges and agrees that monetary damages could not be calculated to compensate the other Party for any violation by such Party, its Affiliates or any Related Party of such Party of the covenants, duties and obligations contained in this Agreement. Accordingly, each Party agrees that (i) the other Party may restrain or enjoin any violation as provided above in this Agreement or threatened violation of any covenant, duty or obligation contained in this Agreement without the necessity of posting a bond or other security and without any further showing of irreparable harm, balance of harms, consideration of the public interest or the inadequacy of monetary damages as a remedy, (ii) the administration of an order for injunctive relief would not be impracticable and, in the event of any violation of any covenant, duty or obligation contained in this Agreement the balance of hardships would weigh in favor of entry of injunctive relief, (iii) the other Party may enforce any such covenant, duty or obligation contained in this Agreement through specific performance, and (iv) the other Party may seek injunctive or other form of relief from a court of competent jurisdiction in order to maintain the status quo and enforce the terms of this Agreement on an interim basis pending the outcome of the applicable Dispute or Controversy in connection with this Agreement. Each Party further agrees and irrevocably stipulates that the rights of the other Party to injunctive relief pursuant to this Section 14.4 shall not constitute a “claim” pursuant to Section 101(5) of the United States Bankruptcy Code and shall not be subject to discharge or restraint of any nature in any bankruptcy proceeding involving such Party.

14.5 No Waivers.

14.5.1 General. No failure or delay of any Party, in any one or more instances (i) in exercising any power, right or remedy under this Agreement or (ii) in insisting upon the strict performance by the other Party of such other Party’s covenants, obligations or agreements under this Agreement, shall operate as a waiver, discharge or invalidation thereof, nor shall any single or partial exercise of any such right, power or remedy or insistence on strict performance, or any abandonment or discontinuance of steps to enforce such a right, power or remedy or to enforce strict performance, preclude any other or future exercise thereof or insistence thereupon or the exercise of any other right, power or remedy. The covenants, obligations, and agreements of a defaulting Party and the rights and remedies of the other Party upon a default shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

14.5.2 No Accord and Satisfaction. Without limiting the generality of Section 14.5.1 above, the receipt by Authority of any amounts due under this Agreement with knowledge of a breach by Developer of any covenant, obligation or agreement under this Agreement shall not be deemed or construed to be a waiver of such breach (other than as to the amount received). The payment by Developer of any amount due under this Agreement with knowledge of a breach by Authority of any covenant, obligation or agreement under this Agreement shall not be deemed or construed to be a waiver of such breach. No acceptance by Authority or Developer of a lesser sum than then due shall be deemed to be other than on account of the earliest installment of the amounts due under this Agreement, nor shall any endorsement or statement on any check, or any letter accompanying any check, wire transfer or other payment, be deemed an accord and satisfaction. Authority and Developer may accept a check, wire transfer or other payment without prejudice to

its right to recover the balance of such installment or pursue any other remedy provided in this Agreement.

14.5.3 No Waiver of Termination notice. Without limiting the effect of Section 14.5.1 above, the receipt by a Party of any amount due under this Agreement paid by Developer after the termination in any manner of the Term, or after the giving by such Party of any notice hereunder to effect such termination, shall not, except as otherwise expressly set forth in this Agreement, reinstate, continue or extend the Term, or destroy, or in any manner impair the efficacy of, any such notice of termination as may have been given hereunder by such Party prior to the receipt of any such amount due under this Agreement or other consideration, unless so agreed to in writing and executed by such Party. Neither acceptance of the keys nor any other act or thing done by Authority or by its agents or employees during the Term shall be deemed to be an acceptance of a surrender of the Stadium, excepting only an agreement in writing executed by Authority accepting or agreeing to accept such a surrender.

14.6 Effect of Termination. If Authority or Developer elects to terminate this Agreement, as provided herein (whether such termination occurs pursuant to this ARTICLE XIV or any other provision hereof), this Agreement shall, on the effective date of such termination, terminate with respect to all future rights and obligations of performance hereunder by the Parties (except for the rights and obligations herein that expressly are to survive termination hereof). Termination of this Agreement shall not alter the then existing claims, if any, of either Party for breaches of this Agreement occurring prior to such termination and the obligations of the Parties hereto with respect thereto shall survive termination.

ARTICLE XV. GENERAL PROVISIONS

15.1 No Broker's Fees or Commissions. Each Party hereto hereby represents to the other Party hereto that such Party has not created any liability for any broker's fee, broker's or agent's commission, finder's fee or other fee or commission in connection with this Agreement.

15.2 Authority Approval. Notwithstanding anything to the contrary set forth in this Agreement, Developer recognizes and agrees that any contracts or agreements, or amendments thereto, contemplated to be entered into by Developer under the terms of this Agreement which are entered into after the date of this Agreement may be subject to the prior Approval of Authority, but not Approvals and confirmations expressly permitted in this Agreement to be given by Authority Representative.

15.3 Interest on Overdue Obligations. In the event either Party fails to pay the other Party any amount owed by such Party pursuant to the terms of this Agreement on or before the date which is thirty (30) days after the other Party delivers notice to such Party of such failure, then such amount shall bear interest at the Default Rate from the date due until paid. No breach of a Party's obligation to pay the other Party any amount owed by such Party pursuant to the terms of this Agreement shall have been cured unless and until the interest accrued thereon under this Section 15.4 shall have been paid. All payments shall first be applied to the payment of accrued but unpaid interest.

15.4 Employment of Consultants. Authority shall have the right, at its sole cost and expense unless otherwise expressly provided herein, to employ such consultants as Authority may deem necessary to assist in the review of any and all plans, specifications, reports, agreements, applications, bonds, statements and other documents and information to be supplied to Authority by Developer under this Agreement and to perform any inspection rights on behalf of Authority. Developer covenants and agrees to reasonably cooperate with such consultants in the same manner as Developer is required to cooperate with Authority pursuant to the terms of this Agreement. Developer shall have the right, at its sole cost and expense unless otherwise expressly provided herein, to employ such consultants as Developer may deem necessary to assist in the review of any and all plans, specifications, reports, agreements, applications, bonds, statements and other documents and information to be supplied to Developer by Authority under this Agreement and to perform and inspections on behalf of Developer. Authority covenants and agrees to reasonably cooperate with such consultants in the same manner as Authority is required to cooperate with Developer pursuant to the terms of this Agreement.

15.5 Public Records Disclosure. Disclosure of the terms of this Agreement and all matters relating thereto are governed by the Tennessee Open Records Act.

15.6 Anti-Discrimination. In accordance with Applicable Laws, the Parties, in performing their respective obligations hereunder will not discriminate based on religion, national origin, alienage, color, race, sex, gender identity or expression, sexual orientation, blindness or physical disability.

15.7 Accounting Terms and Determinations. Unless otherwise specified, all accounting terms used in this Agreement shall be interpreted, all determinations with respect to accounting matters thereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with GAAP.

15.8 Survival. The following terms and provisions of this Agreement shall survive any expiration or termination of this Agreement: Sections 3.4.3 and 5.2, Articles IX, Article XIV and Sections 10.3, 10.4, 15.4, 15.9, 15.13, 15.15, 15.16, and 15.24.

15.9 Severability. If any term or provision of this Agreement and the Lease or the application thereof to any Person or circumstances, shall to any extent be invalid or unenforceable in any jurisdiction, as to such jurisdiction, the remainder of this Agreement, or the application of such term or provision to the Persons or circumstances other than those as to which such term or provision is held invalid or unenforceable in such jurisdiction, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, the Parties hereby waive any provision of law that renders any provision thereof prohibited or unenforceable in any respect.

15.10 Entire Agreement; Amendment. This Agreement (including all exhibits attached hereto), together with the Lease, constitute the entire and exclusive agreement between Authority, Developer and Tenant with respect to the subject matter contained herein and therein. There are no restrictions, promises, obligations or undertakings between the Parties, other than those set forth or referred to in this Agreement with respect to the subject matter hereof. Neither this Agreement nor any of the terms thereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the Party against which the enforcement of the termination, amendment, supplement, waiver or modification shall be sought.

15.11 Table of Contents; Headings; Exhibits. The table of contents, if any, and headings, if any, of the various articles, sections and other subdivisions of this Agreement are for convenience of reference only and shall not modify, define or limit any of the terms or provisions of this Agreement. All Appendices and Exhibits attached to this Agreement are incorporated herein by reference in their entirety and made a part hereof for all purposes; *provided, however*, that in the event of a conflict between the terms of the text of this Agreement and any Appendices or Exhibits, the text of this Agreement shall control.

15.12 Parties in Interest; Limitation on Rights of Others. The terms of this Agreement shall be binding upon, and inure to the benefit of, the Parties and their permitted successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any Person (other than the Parties and their permitted successors and assigns and as expressly provided herein) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained therein or any standing or authority to enforce the terms and provisions of this Agreement.

15.13 Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. All signatures need not be on the same counterpart.

15.14 Governing Law. **THIS AGREEMENT AND THE ACTIONS OF THE PARTIES SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TENNESSEE NOTWITHSTANDING ANY CHOICE-OF-LAW OR CONFLICT-OF-LAW PRINCIPLE THAT MIGHT DICTATE A DIFFERENT GOVERNING LAW.**

15.15 Court Proceedings. Any suit, action or proceeding against any Party arising out of or relating to this Agreement, any transaction contemplated hereby or any judgment entered by any court in respect of any thereof may be brought in any Federal court whose jurisdiction includes Knoxville, Tennessee or any state court in Knox County, Tennessee, and the Parties hereby submit to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action or proceeding. To the extent that service of process by mail is permitted by Applicable Law, the Parties irrevocably consent to the service of process in any such suit, action or proceeding in such courts by the mailing of such process by registered or certified mail, postage prepaid, at its address for notice provided for in this Agreement. The Parties irrevocably agree not to assert any objection that they may ever have to the laying of venue of any such suit, action or proceeding in any Federal

or state court located in the State of Tennessee, and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each Party agrees not to bring any action, suit or proceeding against the other Party arising out of or relating to this Agreement or any transaction contemplated hereby except in a Federal court whose jurisdiction includes Knoxville, Tennessee or a state court in Knox County, Tennessee.

15.16 Limitation to Capacity as Authority. The Parties acknowledge that all references to “Authority” herein (which, for the purposes of this provision, shall be deemed to include any references in this Agreement to Authority as the owner of the fee interest in the Stadium) shall refer only to Authority in its capacity as Authority under this Agreement. The term “Authority” and the duties and rights assigned to it under this Agreement, thus exclude any action, omission or duty of Authority when performing its Governmental Functions. Any action, omission or circumstance arising out of the performance of Authority’s Governmental Functions may prevent Authority from performing its obligations under this Agreement and shall not cause or constitute a default by Authority under this Agreement or give rise to any rights or Claims against Authority in its capacity as the “Authority” hereunder, it being acknowledged that Developer’s remedies for any injury, damage or other Claim resulting from any such action, omission or circumstances arising out of Authority’s Governmental Functions shall be governed by the laws and regulations concerning Claims against Authority as a Governmental Authority. In addition, no setoff, reduction, withhold, deduction or recoupment shall be made in or against any payment due by Developer to Authority under this Agreement as a result of any action or omission of Authority when performing its Governmental Function.

15.17 Capacity of Persons Acting on Behalf of Authority. Notwithstanding anything to the contrary in this Agreement, all references in this Agreement to employees, agents, representatives, contractors and the like of Authority shall refer only to Persons acting in Authority’s capacity as the “Authority” hereunder and thus all such references specifically exclude any employees, agents, representatives, contractors and the like acting in connection with the performance of Authority’s Governmental Functions. Without limiting the foregoing, all police, fire, permitting, regulatory, water and power, health and safety and sanitation employees of Authority shall be deemed to be acting in connection with the performance of Authority’s Governmental Functions.

15.18 No Limitation on Authority’s Governmental Functions. The Parties acknowledge that Authority is a Governmental Authority in addition to being the owner of the Stadium, and that no representation, warranty, Approval or agreement in this Agreement by Authority shall be binding upon, constitute a waiver by or estop Authority from exercising any of its rights, powers or duties in connection with its Governmental Functions nor will any portion of this Agreement be deemed to waive any immunities granted to Authority when performing its Governmental Functions, which are provided under Applicable Law. Any consent to jurisdiction by Authority is only with respect to matters arising in its capacity as a Party to this Agreement and expressly does not constitute a waiver of Authority’s legal immunity or a consent to jurisdiction for any actions, omissions or circumstances, in each case solely arising out of the performance of Authority’s Governmental Functions.

15.19 Non-liability of Authority's Officials and Developer's Employees. No member of any legislative, executive, or administrative body of, or affiliated with, Authority or its Affiliates, and no official, agent, employee or representative of Authority or such body or any of its Affiliates (whether acting in the performance of Authority's Governmental Functions or otherwise) shall be personally liable to Developer or any Person holding by, through or under Developer, for any actions taken in his or her capacity as an official, agent, employee or representative of such Person in the event of any default or breach by Authority, or for any amount which may become due to Developer or any Person holding by, through or under Developer, or for any other obligation, under or by reason of this Agreement. No officer, director, shareholder, member, agent, employee or representative of Developer or its Affiliates shall be personally liable to Authority or any Person holding by, through or under Authority, for any actions taken in his or her capacity as an officer, director, shareholder, agent, employee or representative of such Person in the event of any default or breach by Developer, or for any amount which may become due to Authority or any Person holding by, through or under Authority, or for any other obligation, under or by reason of this Agreement. Except as specifically described in this Agreement, the Authority, and its directors, contractors and representatives, shall have no personal liability with respect to any of the terms, covenants and conditions of this Agreement. Developer expressly agrees it shall look solely to the equity of the Authority or its successor in the Stadium for the satisfaction of any remedy of Developer in the event of any breach by the Authority of any of the terms, covenants, and conditions of this Agreement. Developer acknowledges the Authority is a governmental entity and is subject to the protection of the Tennessee Governmental Tort Liability Act provided under Tenn. Code Ann. § 29-20-101, *et seq.*, as amended from time to time, and nothing contained herein shall constitute a waiver or release of the Authority's rights and protection under said statute.

15.20 Payment on Business Days. If any payment under this Agreement is required to be made on a day other than a Business Day, the date of payment shall be extended to the next Business Day.

15.21 Time. Times set forth in this Agreement for the performance of obligations shall be strictly construed, time being of the essence of this Agreement. All provisions in this Agreement which specify or provide a method to compute a number of days for the performance, delivery, completion or observance by a Party of any action, covenant, agreement, obligation or notice hereunder shall mean and refer to calendar days, unless otherwise expressly provided. However, in the event the date specified or computed under such instrument for the performance, delivery, completion or observance of a covenant, agreement, obligation or notice by either Party, or for the occurrence of any event provided for herein, shall be a day other than a Business Day, then the date for such performance, delivery, completion, observance, or occurrence shall automatically be extended to the next calendar day that is Business Day. All references in this Agreement to times or hours of the day shall refer to Eastern Time.

15.22 Interpretation and Reliance. No presumption will apply in favor of any Party in the interpretation of this Agreement or in the resolution of any ambiguity of any provision hereof.

15.23 Relationship of the Parties; No Partnership. The relationship of Developer and Authority under this Agreement is that of independent parties, each acting in its own best interests, and notwithstanding anything in this Agreement to the contrary, neither the obligation of Tenant

to pay Authority any amounts hereunder or under the Lease nor any other aspect of this Agreement shall create or evidence, nor is it intended to create or evidence, a partnership, joint venture or other business relationship or enterprise between Developer and Authority. As such, Authority shall have no direct supervision of or obligation to the employees of Developer and any communication of employee matters shall be through the Developer Representative.

15.24 Non-Merger of Estates. The interests of Authority and Developer in the Stadium shall at all times be separate and apart, and shall in no event be merged, notwithstanding the fact that this Agreement, or any interest therein, may be held directly or indirectly by or for the account of the Person who shall own the fee title to the Stadium or any portion thereof; and no such merger of estates shall occur by operation of law, or otherwise, unless and until all Persons at the time having any interest in the Stadium shall join in the execution of a written instrument effecting such merger of estates.

15.25 Payments by Either Party. All payments required to be made by either Party to the other Party pursuant to the terms of this Agreement shall be paid in such freely transferable coin or currency of the United States as at the time of payment shall be legal tender for the payment of public and private debts at the receiving Party's address as set forth in Appendix B, or at such other address as such Party may specify from time to time in accordance with the terms and conditions of Section 15.29 below. Notwithstanding the provisions of Section 15.29 below and for the purposes of this Agreement, all payments shall be deemed paid and received only when actually received by the other Party and, in the event of payment by check, other than a cashier's check or certified check, shall not be considered to have been actually received in the event of the failure of such check to clear the receiving Party's account.

15.26 Notice. All notices permitted or required to be made hereunder shall be in writing and delivered by hand, overnight courier, certified mail, facsimile or e-mail. Notices shall be deemed given (a) when actually given and received if delivered by hand; (b) one (1) Business Day after delivery to an overnight courier if delivered by an overnight courier; (c) three (3) Business Days after deposit with the United States Postal Service if delivered by certified mail; or (d) when sent if delivered by facsimile or e-mail (as evidenced by facsimile or e-mail confirmation). All such notices shall be addressed to the appropriate Party at the addresses set forth in Appendix B.

15.27 Required Disclosure. This Agreement shall be subject to disclosure under the terms of applicable Tennessee law.

ARTICLE XVI. COMMUNITY COMMITMENTS

16.1 Utilization of Disadvantaged Business Enterprises. Based on the location of the Stadium and the history of the area and the surrounding community, the Parties believe that Disadvantaged Business Enterprises (each, a "DBE" and collectively, "DBEs"), should have an equal opportunity to participate in the development of the Stadium and in the performance of contracts related thereto. In furtherance of the objective of promoting equal opportunity for DBEs in connection with the development of the Stadium, the Parties agree that it is their aspirational goal that seventeen percent (17%) of the Stadium Costs will be attributable to work and services

performed by contractors, subcontractors, sub-subcontractors and suppliers that are DBEs, exclusive of those entities or businesses which would be defined as DBEs solely on the basis of being a small business (the “DBE Goal”). The Parties acknowledge and agree that the DBE Goal is aspirational in nature and does not constitute a mandate or a contractual obligation. For avoidance of doubt, the Parties agree that Developer’s good faith efforts to achieve the DBE Goal, and if the DBE Goal is not achieved, the failure to achieve the DBE Goal, shall not be deemed a breach of this Agreement.

16.2 Definitions. For purposes of this Section 16, the following terms shall have the meaning set forth below:

“**Disadvantaged Business Enterprises**” or “**DBE**” includes Minority-owned Businesses, Women-owned Businesses, Service-Disabled Veteran-owned Businesses, Veteran-owned Small Businesses,, who are impeded from normal entry into the economic mainstream and denied an equal opportunity to participate because of past practices and the present effects of discrimination based on race or ethnic background. These persons must own at least 51% of the entity and operate and control the business on a daily basis. All DBEs must be qualified, willing and able to perform the work and services required for the project, and shall be certified as meeting the criteria and eligibility as a MOB (or MBE), SDVOB, VOB or WOB by, or have a current application for certification pending with, one of the following entities, as applicable: (i) the Tennessee Governor’s Office of Diversity Business Certifications; (ii) the Tennessee Department of Transportation; (iii) the U.S. Small Business Administration; (iv) the Tennessee Unified Certification Program; (v) the National Minority Supplier Development Council; (vi) the Women’s Business Enterprise National Council; (vii) the U.S. Department of Veteran’s Affairs; (viii) the Tristate Minority Supplier Development Council; or (ix) such other qualified Person identified by Developer.

“**Minority**” means a person who is a citizen or lawful admitted permanent resident of the United States and who is a member of one (1) of the following groups:

- a. **African American**, persons having origins in any of the Black racial groups of Africa;
- b. **Hispanic American**, persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race;
- c. **Native American**, persons who have origin in any of the original peoples of North America;
- d. **Asian American**, person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

“**Minority-owned Business**” or “**MOB**,” also referred to as “**MBE**”, is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more Minority individuals.

“Service Disabled Veteran-owned Business” or **“SDVOB,”** is a continuing, independent, for profit business that performs a commercially useful function, owned by any person who served honorably on active duty in the armed forces of the United States which at least a twenty percent (20%) disability that is serviced connected, meaning such disability was incurred or aggravated in the line of duty in the active military, naval or air service, and is at least fifty-one percent (51%) owned and controlled by one (1) or more service disabled veteran.

“Veteran-owned Small Business” or **“VOB,”** is a continuing, independent, for profit business that performs a commercially useful function, which is at least fifty-one percent (51%) owned and controlled by any person who served honorably on active duty in the armed forces of the United States, and which qualifies as a small business pursuant to the size standards set forth in 13 C.F.R. § 121.201.

“Woman-owned Business” or **“WOB,”** is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more women.

16.3 Measures to Enhance DBE Participation. During the Term, Developer agrees to use good faith efforts to increase DBE participation in the development of the Stadium. For purposes of this Section 16.3, the term “good faith efforts” may include, but is not limited to, the following:

- (a) Including contract provisions in the Stadium Construction Contract and other contracts to which the Developer is a party to encourage the use of good faith efforts to increase DBE participation, including by: (i) soliciting through all reasonable and available means the interest of all DBEs who have the capability to perform the work of the contract; (ii) if appropriate, designating specific portions of the work to be performed by DBEs; (iii) when the prime contractor might otherwise prefer to perform these work items with its own forces, if appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation; (iv) providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation; (v) recognizing that price may not be the sole factor in selecting third-party contractors; (vi) not rejecting DBEs as being unqualified without reasonable business reasons based on an investigation of their capabilities; (vii) making efforts to assist interested DBEs in obtaining required bonding, lines of credit, or insurance provided that the prime contractor shall not be expected or required to incur or undertake additional liability or financial obligations; (viii) making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials or related assistance or services provided that the prime contractor shall not be expected or required to incur or undertake additional liability or financial obligations; (ix) utilizing the services of available minority community organizations to provide assistance in the recruitment and placement of DBEs; (x) following up initial solicitations of interest from DBEs to determine whether or not they are interested, and documenting the reasons for a “no” quote; and (xi) considering whether it is possible to negotiate use of a DBE only for certain items if the DBE’s quote is reasonable on some items and unreasonable on other items.

(b) Where work on the Stadium is to be performed by subcontractors under a prime contract, Developer may, where feasible, include a provision in the prime contract requiring the prime contractor to include a provision in its subcontracts that promotes DBE participation through good faith efforts consistent with the provisions of Section 16.3(a) hereof.

Developer shall identify and assign a responsible person or organization to be accountable for the Developer's utilization of DBE participation (the "**Diversity Coordinator**"). The Diversity Coordinator shall be responsible and accountable for the Developer's utilization of DBEs. The Diversity Coordinator's responsibilities shall include, but not be limited to: (i) oversight of and assistance with efforts by contractors and subcontractors to attract, solicit and, where appropriate, accept bids from DBEs; (ii) tracking of the outcomes achieved as a result of the diversity efforts set forth in this Section 16.3; (iii) monitoring the project's utilization of DBE participation and recommending a plan for increasing DBE participation if necessary; and (iv) compiling and delivering the reports required pursuant to Section 16.4 hereof.

16.4 Reporting Requirements. During the Term, the Developer shall provide reports to the Authority, in form and substance reasonably required by the Authority, documenting DBE participation in connection with the Stadium project. Developer shall provide such reports to the Authority contemporaneously with each draw request submitted by the CM, and Developer's timely submission of such reports shall be a condition of the disbursement of funds pursuant to any draw request. The period covered by each report shall be the period beginning on the day after the last day of the immediately preceding report (if any) and ending on the date that is three (3) business days prior to the date of the draw request submitted (the "Report Period"). Each report (except as provided in subsection (e) below) shall include, at a minimum, the following information:

(a) A summary of the good faith efforts made by the Developer during the Report Period to encourage DBE participation;

(b) A listing of all contracts entered into during the Report Period, including, for each contract: (i) a description of the contract; (ii) the counter-party or counter-parties to the contract; (iii) the total number of proposals received; (iv) the number of proposals received from DBEs and, for each DBE from whom a proposal was received, the DBE type (i.e., whether a MOB, SDVOB, VOB or WOB, and if a MOB, whether the MOB is predominantly African American, Hispanic American, Native American or Asian American owned (the "**DBE Type**")); and (v) whether the contract was awarded to a DBE and, if so, the DBE Type. To the extent Developer received any proposal from a DBE during the Report Period which was not accepted, the report should include an explanation of the reason(s) why the proposal was not accepted. To the extent the Developer submitted a request for proposal and no proposals were received from any DBEs, the report should include a description of the efforts made to attract DBE participation with respect to the request for proposal;

(c) A statement of the aggregate amount of Stadium Costs attributable to contracts with DBEs from the commencement of the project through and including the last day of the Report Period, broken out by DBE Type;

(d) A statement of the aggregate amount of Stadium Costs attributable to all contracts from the commencement of the project through and including the last day of the Report Period;

(e) With the final report, a signed certification from each DBE that entered into a contract with a value in excess of \$250,000 certifying the total amount actually paid to the DBE under the contract; and

(f) A statement discussing DBE participation in the Stadium project to date and a description of any efforts planned by the Developer to increase the participation of DBEs going forward.

16.5 Neighboring Community. Developer acknowledges that the Stadium is located in a historic part of the City, located in the center of the first urban renewal project in Knoxville, known as the Riverfront-Willow Street Redevelopment Project and known to those of the time simply as “The Bottom”, including with respect to its location adjacent to a predominantly Black community. Developer recognizes that providing access to the rich history and culture of the area will enrich Knoxville’s cultural memory and connection to the past. Developer acknowledges the importance of presenting a more complete story of the past. The Knoxville Giants were charter members of the Negro Southern League, which was founded in 1920 in Atlanta, Georgia. In the League’s inaugural year, the Knoxville Giants finished in first place. The cultural significance of the Project site has been a consideration and will be a material consideration in the design, exhibition, development, and construction of the Stadium. Developer shall use its good faith efforts to consider the historic nature of the area, including, but not limited to, the historic presence of professional baseball in connection with the design and construction of the Stadium. Developer also agrees to work collaboratively and in good faith with the businesses and community immediately surrounding the Stadium during the construction process and to make good faith efforts to address any reasonable concerns of the community regarding the development.

16.6 Internships. The Parties acknowledge and agree that Developer will enter into certain contracts for professional services in connection with the development of the Stadium Developer, including but not limited to the Stadium Construction Contract and contracts with project architects, engineers and consultants (collectively, the “**Professional Services Contracts**”). Developer agrees to make appropriate arrangements to ensure the availability of a total of at least two placement opportunities each academic year (commencing in fiscal year following the year of execution of this Agreement and continuing through the term of this Agreement) at Developer’s professional service providers for interns recruited and nominated by the Sports Authority. Such arrangements shall ensure that Authority-nominated interns accepted by the Developer’s professional service providers will participate in meaningful opportunities to engage in projects and activities that provide exposure to professional career pathways such as engineering, architecture, marketing and consulting.

ARTICLE XVII. CONVEYANCE OF REAL PROPERTY

17.1 Conveyance of Real Property. Developer (or an affiliate thereof) has conveyed the Real Property to Authority on the date hereof, which deed contains certain reversionary rights if the Real Property is not used as a multi-purpose stadium including use for sporting events and subject only to the encumbrances listed in such deed. Developer represents and affirms that it has delivered to Authority such surveys, title reports, title insurance policies, environmental reports, geotechnical studies and other studies relating to the Property that are in Developer's possession or control.

[Signature Page Follows]

This Agreement is executed to be effective for all purposes as of the Execution Date.

CITY:

**THE SPORTS AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE,
TENNESSEE**

By: _____

Name: _____

Title: _____

DEVELOPER:

RR LAND LLC

By: _____

Name: _____

Title: _____

**APPENDIX A
TO
DEVELOPMENT AGREEMENT**

Glossary of Defined Terms

“**Action**” or “**Proceedings**” means any legal action, lawsuit, proceeding, arbitration, investigation by a Governmental Authority, hearing, audit, appeal, administrative proceeding or judicial proceeding.

“**Affiliate**” means, with respect to any specified Person, any other Person who, directly or indirectly, Controls, is under common Control with, or is Controlled by such specified Person.

“**Agreement**” has the meaning given to that term in the introductory paragraph of this Agreement.

“**Applicable Laws**” means any and all laws, ordinances, statutes, regulations, judicial decisions, orders, injunctions, writs, rulings, interpretations, rules, permits or certificates of any court, arbitrator or other Governmental Authority and applicable to the Person or Property in question (including any activities or operations occurring on, under, over, upon, at or from such Property in question). Applicable Laws shall include all City Ordinances, County Ordinances, Environmental Laws and any applicable Federal wage requirements.

“**Approval**,” “**Approve**” or “**Approved**” means (a) with respect to any item or matter for which the approval of Authority or Authority Representative, as the case may be, is required under the terms of this Agreement, the specific approval of such item or matter by Authority pursuant to a written instrument executed by Authority or Authority Representative (including email), as applicable, delivered to Developer, and shall not include any implied or imputed approval, and no approval by Authority or Authority Representative pursuant to this Agreement shall be deemed to constitute or include any approval required in connection with any Governmental Functions of Authority, unless such written approval shall so specifically state; (b) with respect to any item or matter for which the approval of Developer is required under the terms of the Agreement, the specific approval of such item or matter by Developer or the Developer Representative, as the case may be, pursuant to a written instrument executed by a duly authorized officer of Developer or the Developer Representative (including email), as permitted pursuant to the terms of this Agreement, and delivered to Authority, and shall not include any implied or imputed approval; and (c) with respect to any item or matter for which the approval of any other Person is required under the terms of this Agreement, the specific approval of such item or matter by such Person pursuant to a written instrument executed by a duly authorized representative of such Person (including email) and delivered to Authority or Developer, as applicable, and shall not include any implied or imputed approval.

“**Authority Default**” as the meaning set forth in Section 14.1.2.

“**Authority Delay**” means any delay by Authority, City or KUB, as applicable in achieving any of its deadlines for performance of obligations under this Agreement, the Public Infrastructure

Agreement or the Utility Infrastructure Agreement, subject to Excusable Authority Delay or any comparable excusable delay provisions in the Public Infrastructure Agreement.

“Authority Personal Property” means any and all movable equipment, furniture, fixtures and other tangible personal property that are owned by Authority as of the Operating Term Commencement Date or otherwise purchased as part of Stadium Costs and located on or within the Stadium (and that do not constitute fixtures) and can be removed from the Stadium without damage thereto and as is further described in the Lease

“Authority Representative” has the meaning set forth in Section 2.1.

“Business Day” shall mean a day of the year that is not a Saturday, Sunday, Legal Holiday or a day on which commercial banks are not required or authorized to close in Knoxville, Tennessee.

“Business Hours” means 9:00 a.m. through 5:00 p.m. on Business Days.

“Capital Improvements Reserve Fund” shall have the meaning set forth in the Interlocal Agreement.

“City” means the City of Knoxville, Tennessee.

“City Ordinances” means all ordinances and regulations of the City, including, without limitation, all ordinances concerning land use, development projects on City-owned land, leasing of property by the City to private businesses, training and employment of residents of the City, affirmative action, no-strike and labor peace agreements, and other matters relating to City procurement and contracting procedures and any building codes, fire or life safety codes, development codes, zoning regulations and subdivision regulations, as same may be amended from time to time.

“Claims” shall mean and include any and all actions, causes of action, suits, disputes, controversies, claims, debts, sums of money, offset rights, defenses to payment, agreements, promises, notes, losses, damages and demands of whatsoever nature, known or unknown, whether in contract or in tort, at law or in equity, for money damages or dues, recovery of property, or specific performance, or any other redress or recompense which have accrued or may ever accrue, may have been had, may be now possessed, or may or shall be possessed in the future by or in behalf of any Person against any other Person for, upon, by reason of, on account of, or arising from or out of, or by virtue of, any transaction, event or occurrence, duty or obligation, indemnification, agreement, promise, warranty, covenant or representation, breach of fiduciary duty, breach of any duty of fair dealing, breach of confidence, breach of funding commitment, undue influence, duress, economic coercion, conflict of interest, negligence, bad faith, malpractice, violations of any Applicable Law, intentional or negligent infliction of mental distress, tortious interference with contractual relations, tortious interference with corporate governance or prospective business advantage, breach of contract, deceptive trade practices, libel, slander, usury, conspiracy, wrongful acceleration of any indebtedness, wrongful foreclosure or attempt to

foreclose on any collateral relating to any indebtedness, action or inaction, relationship or activity, service rendered, matter, cause or thing, whatsoever, express or implied.

“**Club**” has the meaning set forth in the preamble to this Agreement.

“**CM**” means Denark Construction Inc. which has been selected by Developer to construct the Stadium Improvements.

“**Comparable Properties**” means two or more first-class, multi-purpose Stadiums (as mutually agreed upon by the Representatives) that (i) have been constructed within five (5) years of the Commencement Date, (ii) are used at that time by a franchise licensed by MLB, (iii) are generally comparable in size, design and quality of construction to the Stadium and (iv) are located in the United States.

“**Conditions to Authority Obligations**” has the meaning set-forth in Section 3.1.

“**Conditions to Commencement**” has the meaning set forth in Section 3.2.

“**Construction Commencement Date**” has the meaning set forth in Section 4.2.

“**Contingency**” means the contingency for the construction of the Stadium included in the Stadium Budget.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

“**Cost Overruns**” has the meaning set forth in Section 6.5.

“**County Ordinances**” means all ordinances and regulations of the County, including, without limitation, all ordinances concerning land use, development projects on County-owned land, leasing of property by the County to private businesses, training and employment of residents of the County, affirmative action, no-strike and labor peace agreements, payment of a living wage and other matters relating to County procurement and contracting procedures and any building codes, fire or life safety codes, development codes, zoning regulations and subdivision regulations, as same may be amended from time to time.

“**Default Rate**” means the “prime rate” as published in the “Money Rates” section of *The Wall Street Journal*, plus two (2) percentage point; however, if such rate is, at any time during the Term, no longer so published, the “Default Rate” shall mean the average of the prime interest rates that are announced, from time to time, by the three (3) largest banks (by assets) headquartered in the United States that publish a “prime rate,” plus two (2) percentage point. In no event shall the Default Rate be in excess of the maximum interest rate allowed by applicable law.

“**Design Fees**” means the fees paid by Developer to the Preliminary Architect, the Project Architect or other design professional for the preparation of plans and specifications for the Stadium Improvements.

“**Developer Default**” has the meaning set forth in Section 14.1.1.

“**Developer Delay**” means any delay by Developer in achieving performance of its obligations under this Agreement.

“**Developer Representative**” has the meaning set forth in Section 2.2.

“**Developer’s Personal Property**” means any and all movable equipment, furniture, fixtures and other tangible personal property that are owned by Developer or its Subsidiaries and located on or within the Stadium (including trade fixtures, but not other fixtures) and can be removed from the Stadium without material damage thereto. The term “Developer’s Personal Property” does not include any of the Authority Personal Property or any replacements of the Authority Personal Property.

“**Developer’s Project Representative**” has the meaning set forth in Section 6.7.1.

“**Developer Representative**” means Partners and Associates, Inc., d/b/a Partners Associates.

“**Dispute or Controversy**” has the meaning set forth in Section 8.4.1.

“**Dispute Resolution Procedures**” means the dispute resolution procedures set forth in Section 8.4.1.

“**Encumbrances**” means any defects in, easements, covenants, conditions or restrictions affecting, or Liens or other encumbrances on, the title to the Stadium, whether evidenced by written instrument or otherwise evidenced.

“**Environmental Claim**” means any Action or Proceeding regarding the Real Property, the Stadium (i) arising under an Environmental Law or (ii) related to or arising out of an actual or alleged Environmental Event.

“**Environmental Event**” means the occurrence of any of the following: (i) any noncompliance with an Environmental Law; (ii) an environmental condition requiring responsive action, including an environmental condition at the Stadium caused by a third party; (iii) any event on, at or from the Real Property, the Stadium, or related to the operation thereof of such a nature as to require reporting to applicable Governmental Authorities under any Environmental Law; (iv) an emergency environmental condition; (v) the existence or discovery of any escape, seepage, leakage, spillage, emission, discharge or disposal of or other release or any kind of Hazardous Materials on, at or from the Stadium which may cause a threat or actual injury to human health, the environment, plant or animal life; or (vi) any Environmental Claim, or the filing or imposition of any environmental lien against the Real Property, the Stadium, because of, resulting from, in connection with, or arising out of any of the matters referred to in clauses (i) through (v) preceding.

“Environmental Law(s)” means any applicable Federal, state or local statute, law (including common law tort law, common law nuisance law and common law in general), rule, regulation, ordinance, code, permit, concession, grant, franchise, license, policy or rule of common law now in effect or adopted in the future, and in each case as may be amended or replaced, and any judicial or administrative interpretation thereof (including any judicial or administrative order, consent decree or judgment) relating to (i) the environment, health, safety or Hazardous Materials, (ii) the storage, handling, emission, discharge, release and use of chemicals and other Hazardous Materials, (iii) the generation, processing, treatment, storage, transport, disposal, investigation, remediation or other management of waste materials of any kind, and (iv) the protection of environmentally sensitive areas, including any federal, state or local law, statute, ordinance, code, rule, regulation, license, authorization, decision, order, injunction, decree, or rule of common law, and any judicial interpretation of any of the foregoing, which pertains to health, safety, any Hazardous Material, or the environment (including but not limited to ground or air or water or noise pollution or contamination, and underground or above ground tanks) and shall include without limitation, the Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§136 et. seq.; and the Emergency Preparedness and Response Community Right-to-Know Act, 42 U.S.C. § 11001; the Endangered Species Act, as amended, 16 U.S.C. §§1531 et seq.

“Event of Default” has the meaning set forth in Section 14.1.1 and Section 14.1.2.

“Excusable Authority Delay” means any Authority Delay which is caused by or attributable to (but only to the extent of) Force Majeure. No Authority Delay arising from the failure to make funds available for any purpose shall ever be an Excusable Authority Delay unless such failure, inability or refusal itself arises directly from, and is based upon, another event or circumstance which is an Excusable Authority Delay.

“Excusable Authority Delay Period” means with respect to any particular occurrence of Excusable Authority Delay, that number of days of delay in the performance by Authority of its obligations under the Agreement actually resulting from such occurrence of Excusable Authority Delay.

“Excusable Developer Delay” means any Developer Delay which is caused by or attributable to (but only to the extent of) Force Majeure or which is caused by or attributable to (but only to the extent of) a default by City or KUB under either Infrastructure Agreement. No Developer Delay arising from the failure to make funds available for any purpose shall ever be an Excusable Developer Delay unless such failure, inability or refusal itself arises directly from, and is based upon, another event or circumstance which is an Excusable Developer Delay.

“Excusable Developer Delay Period” means with respect to any particular occurrence of an Excusable Developer Delay, that number of days of delay in the performance by Developer of its obligations hereunder actually resulting from such occurrence of Excusable Developer Delay.

“Execution Date” has the meaning set forth in the preamble to the Agreement.

“FF&E Requirements” means the specifications and requirements for the Authority Personal Property to be part of the Stadium Improvements at Substantial Completion thereof.

“Final Completion” means, with respect to the Stadium Improvements Work or any component of the Stadium Improvements Work, (a) the final completion of the design, development, construction, furnishing and all other aspects of such work and Improvements substantially in accordance with the Project Plans or other plans therefor (all of which have been Approved pursuant to the terms of this Agreement, as and if required), all Applicable Laws and all other requirements of this Agreement, including the completion of the punch-list type items referred in Section 5.1.5 and (B) the issuance of all Governmental Authorizations necessary to use, occupy and operate all aspects and areas of the Stadium Improvements, in accordance with the terms of this Agreement.

“Final Completion Date” means the date Final Completion occurs.

“Final Notice” has the meaning set forth in Section 14.2.3.

“Financing” means the issuance by Authority of one or more series of bonds or other debt obligations in an aggregate principal amount such that the net proceeds of such issuance are not less than an amount equal to the Stadium Budget, including any Stadium Costs paid by Developer or Authority in advance of such Financing.

“Financing Proceeds” means the cash proceeds of the Financing, net of all costs of issuance associated with the Financing and any interest on such Financing financed as part of that Financing.

“Force Majeure” means any act that (a) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (b) is beyond the reasonable control of the affected Party, and (c) is not due to the affected Party’s fault or negligence. Subject to the satisfaction of the conditions set forth in (a) through (c) above, Force Majeure shall include: (i) natural phenomena, such as storms, floods, lightning and earthquakes; (ii) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (iii) transportation disasters, whether by ocean, rail, land or air; (iv) strikes or other labor disputes affecting construction of the Stadium; (v) fires; (vi) a governmental order or restriction that results in a work stoppage; (vii) the inability to obtain labor or materials as a result of circumstances caused by pandemic that, despite Developer’s best efforts, prevent or delay work on the Stadium and also prevent or delay the undertaking of similar construction activities in and around Knox County, Tennessee; (viii) actions or omissions of a Governmental Authority (including the actions of Authority in its capacity as a Governmental Authority) that were not voluntarily induced or promoted by the affected Party, and that are not

authorized to be taken pursuant to this Agreement, the Lease, or any related agreement, or brought about by the breach of its obligations under this Agreement or any Applicable Law; and (ix) failure of either Party to perform any of its obligations under this Agreement within the time or by the date required pursuant to the terms of this Agreement for the performance thereof; provided, however, that under no circumstances shall Force Majeure include economic hardship.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board.

“Governmental Authority” means any Federal, state, local or foreign governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof).

“Governmental Authorizations” means all approvals, consents, decisions, authorizations, certificates, confirmations, exemptions, applications, notifications, concessions, acknowledgments, agreements, licenses, permits, import permits, employee visas, environmental permits, decisions, right of ways, and similar items from any Governmental Authority.

“Governmental Function” means any regulatory, legislative, permitting, zoning, enforcement (including police power), licensing or other functions which Authority is authorized or required to perform in its capacity as a Governmental Authority in accordance with Applicable Laws. The entering into this Agreement and the performance by Authority of its obligations under this Agreement shall not be considered a “Governmental Function.”

“Hazardous Materials” means (a) any petroleum or petroleum products, metals, gases, chemical compounds, radioactive materials, asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls, lead paint, putrescible and infectious materials, and radon gas; (b) any chemicals or substances defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “extremely hazardous wastes”, “restricted hazardous wastes”, “toxic substances”, “toxic pollutants”, “contaminants” or “pollutants”, or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law or Governmental Authority or which is regulated because of its adverse effect or potential adverse effect on health and the environment, including soil and construction debris that may contain any of the materials described in this definition.

“Improvements” means all improvements, structures, buildings and fixtures of any kind whatsoever, whether above or below grade, including buildings, the foundations and footings thereof, utility installations, storage, loading facilities, walkways, driveways, landscaping, signs, site lighting, site grading and earth movement, and all fixtures, plants, apparatus, appliances, furnaces, boilers, machinery, engines, motors, compressors, dynamos, elevators, fittings, piping, connections, conduits, ducts and equipment of every kind and description now or hereafter affixed or attached to any of such buildings, structures or improvements and used or procured for use in

connection with the heating, cooling, lighting, plumbing, ventilating, air conditioning, refrigeration, or general operation of any of such buildings, structures or improvements, and any exterior additions, changes or alterations thereto or replacements or substitutions therefor.

“Insolvency Event” means, with respect to any Person, (a) such Person’s or any of its Subsidiaries’ (i) failure to generally pay its debts as such debts become due, (ii) admitting in writing its inability to pay its debts generally or (iii) making a general assignment for the benefit of creditors; (b) any proceeding being instituted by or against such Person or any of its Subsidiaries (i) seeking to adjudicate it a bankrupt or insolvent, (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against such Person, any such proceeding shall remain undismissed for a period of ninety (90) days or any of the actions sought in such proceeding shall occur; or (c) such Person’s or any of its Subsidiaries’ taking any corporate action to authorize any of the actions set forth above in this definition.

“Infrastructure Agreements” means that Stadium Area Public Infrastructure Agreement between City and Authority dated as of _____, 2022 and that Stadium Area Utility Infrastructure Agreement between KUB and Authority dated as of _____, 2022.

“Interlocal Agreement” means that certain Interlocal Project Agreement (Multi-Use Stadium) among City, County and Authority dated as of _____, 2021.

“KCDC” means Knoxville’s Community Development Corporation, which is a public non-profit corporation that is the housing and redevelopment authority for the City and the County under Applicable Laws.

“KUB” means Knoxville Utilities Board.

“Lease” has the meaning set forth in the Recitals.

“Legal Holiday” means any day, other than a Saturday or Sunday, on which City’s administrative offices are closed for business.

“Lien” means any mortgage, charge, pledge, lien, privilege, security interest, hypothecation or other encumbrance upon or with respect to any Property or assets or any kind, whether real or personal tangible or intangible, now owned or hereafter acquired.

“Material Change” means (a) as to the Stadium Improvements, any modification to the Stadium Improvements so that the Stadium Improvements will not conform in a material respect to the Plans for Stadium Improvements previously Approved by Developer and Authority, and (b) as to Authority Personal Property to be a part of the Stadium Improvements at Substantial Completion thereof, any modification to such Authority Personal Property so that such Authority Personal Property does not conform to the FF&E Requirements previously Approved by Club and Authority.

“Maximum Lawful Rate” means the maximum non usurious interest rate, if any, that at any time, or from time to time, may be contracted for, taken, reserved, charged or received on any indebtedness or other sum becoming due and owing under this Agreement, under Applicable Laws with respect to the Person entitled to collect such interest and such indebtedness or, to the extent permitted by Applicable Law, under such Applicable Laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than Applicable Laws now allow.

“MLB” means Major League Baseball.

“Operating Term” means the “Term” as defined in the Lease.

“Operating Term Commencement Date” means the first day of the Operating Term.

“Ownership Group” means and includes the following Persons: (i) Randy Boyd, (ii) the spouse and descendants of Randy Boyd, (iii) the estate of Randy Boyd or his spouse or descendants and (iv) trusts whose primary beneficiaries are the spouse or descendants or Randy Boyd.

“Parties” or **“Party”** has the meaning set forth in the preamble to this Agreement.

“Person” means any individual, corporation, limited or general partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other form of entity.

“Plans for Stadium Improvements” means the plans and specifications for the construction of the Stadium Improvements prepared by the Project Architect, that are Approved by the Parties and which include the Minimum Requirements.

“Pre-Development Expenses” means demolition, survey, site preparation and/or other pre-construction expenses of Developer incurred prior to Execution Date.

“Pre-Existing Environmental Conditions” means the Hazardous Materials and other environmental conditions that existed on or under the Stadium prior to the Operating Term Commencement Date.

“Preliminary Architect” means the architect engaged by Developer prior to the Execution Date to prepare certain preliminary documentation with respect to the Stadium, including any programming documents and concept plan.

“Prime Rate” means the “prime rate” as published in the “Money Rates” section of The Wall Street Journal; however, if such rate is, at any time during the Term, no longer so published, the “Prime Rate” shall mean the average of the prime interest rates that are announced, from time to time, by the three (3) largest banks (by assets) headquartered in the United States that publish a “prime rate”.

“Project Architect” means GEM Associated Architects, a _____, which have been employed by Developer in connection with the Stadium Improvements.

“Project DBE Coordinator” means such Person as, from time to time, is designated by Developer.

“Project Plans” means, collectively, the Plans for Stadium Improvements.

“Public Infrastructure Agreement” means the agreement between the City and the Authority pursuant to which the City agrees to undertake the Public Infrastructure Work.

“Public Infrastructure Plans” means the plans and specifications for the construction of the Public Infrastructure Work, as approved by the Parties.

“Public Infrastructure Work” means the design, development and construction of public infrastructure improvements necessary or appropriate to provide public services and access to the Stadium, to permit the construction of the Stadium and to provide public services to the adjoining area, which work shall be described in more detail in the Public Infrastructure Agreement.

“Qualified Surety” means any surety which has been approved by Authority and which has an Alfred M. Best Company, Inc. rating of “A” or better and a financial size category of not less than “VIII” (or, if Alfred M. Best Company, Inc. no longer uses such rating system, then the equivalent or most similar ratings under the rating system then in effect, or if Alfred M. Best Company, Inc. is no longer the most widely accepted rater of the financial stability of sureties providing coverage such as that required by this Agreement, then the equivalent or most similar rating under the rating system then in effect of the most widely accepted rater of the financial stability of such insurance companies at the time).

“Quality Standard” means a first-class, state-of-the-art, multi-purpose minor league baseball stadium, comparable, when taken as a whole, to the Comparable Properties.

“Real Property” means the tract of land depicted in Exhibit A. In addition to the description of real property attached hereto as Exhibit A, the term “Real Property” shall also include any additional real property interests acquired by Authority and on, over or under which, or pursuant to, the Stadium is constructed.

“Redevelopment Agreement” means the Redevelopment Agreement entered into between KCDC and Developer relating to the Real Property, which Redevelopment Agreement may contain a commitment by KCDC to reimburse Developer for certain improvements on property owned by KCDC or adjacent to property owned by KCDC.

“Related Party” or **“Related Parties”** means with respect to any Person, such Person’s partners, directors, officers, shareholders, members, agents, employees, auditors, advisors, consultants, servants, counsel, contractors, subcontractors (of any tier), tenants, subtenants (of any tier), licensees, sublicensees (of any tier), lenders, successors, assigns, legal representatives, elected and appointed officials, volunteers and Affiliates, and for each of the foregoing their

respective partners, directors, officers, shareholders, members, agents, employees, auditors, advisors, counsel, consultants, contractors, subcontractors, licensees, sublicensees, tenants, and subtenants.

“Responsible Officer” means with respect to the subject matter of any certificate, representation or warranty of any Person contained in this Agreement, an authorized officer of such Person (or in the case of a partnership, an individual who is a general partner of such Person or such an authorized officer of a general partner of such Person) who, in the normal performance of his operational responsibility, would have knowledge of such matter and the requirements with respect thereto.

“Review and Approval or Consent Rights” has the meaning set forth in Section 8.2.1.

“Reviewing Party” has the meaning set forth in Section 8.2.1.

“Schematic Plans for Stadium Improvements” means the schematic plans for the construction of the Stadium Improvements attached hereto as Exhibit C prepared by the Project Architect and which include the Minimum Requirements.

“Stadium” has the meaning given to that term in the Recitals.

“Stadium Budget” means the total budget for all Stadium Costs attached hereto as Exhibit B, broken down in reasonable detail by “hard” and “soft” cost categories, including separate line items for the amount payable under each of the Stadium Construction Documents and allowances and contingencies, together with any amendments thereto up to the Substantial Completion Date, as such budget may be revised pursuant Section 5.1.1.

“Stadium Construction Contract” has the meaning set forth in Section 3.2.4.

“Stadium Construction Documents” means any and all contracts, documents or other instruments entered into by or on behalf of Developer or any Affiliates thereof for the development, design, construction or furnishing of the Stadium Improvements, including the Stadium Construction Contract.

“Stadium Construction Schedule” means a schedule of critical dates relating to the Stadium Improvements Work (which dates may be described or set forth as intervals of time from or after the completion or occurrence of the preceding task or event).

“Stadium Costs” means all documented, direct costs incurred or to be incurred by Developer in order for Developer to fulfill its obligations under this Agreement with respect to the Stadium Improvements Work and to cause Final Completion of the Stadium Improvements Work, including all infrastructure, demolition, site preparation, any necessary land acquisitions, Design Fees (including fees of the Preliminary Architect) and any amounts payable to a third party under any of the Stadium Construction Documents, but excluding costs of issuance of any Financing.

“**Stadium Improvements**” means the Stadium, including the Improvements constructed in accordance with the Plans for Stadium Improvements.

“**Stadium Improvements Work**” means the design, development and construction of the Stadium Improvements (including any associated infrastructure, demolition or site preparation) in accordance with the terms of this Agreement.

“**Submitting Party**” has the meaning set forth in Section 8.2.1.

“**Substantial Completion**” means, when used with respect to the Stadium Improvements Work or any component of the Stadium Improvements Work, the receipt of (i) a certificate of the Project Architect certifying that such Improvements have been completed in accordance with the Project Plans, and (ii) a certificate of occupancy from the City acting in accordance with its Governmental Function that such Improvements are ready for use and occupancy for their intended purposes in accordance with Applicable Law.

“**Substantial Completion Date**” means the date upon which Substantial Completion of the Stadium Improvements Work occurs.

“**Substantial Completion Deadline**” means April 1, 2024, as such date may be extended by (i) an Excusable Developer Delay Period or (ii) Section 5.2, each in accordance with the terms of this Agreement. Notwithstanding the foregoing, if Developer’s performance or progression of the Stadium Improvements Work is delayed as a result of labor shortages, supplier shortages or manufacturing delays attributable to COVID-19 or equivalent national epidemics or pandemics, and was not able to be mitigated despite the reasonable best efforts of Developer, Developer shall be entitled to an adjustment and extension of the Substantial Completion Deadline commensurate with the delay incurred. Developer’s entitlement to an adjustment and extension of the Substantial Completion Date hereunder shall be contingent upon Developer providing Authority with timely written notice of the delay for which an adjustment or extension is sought, and providing Authority documentation from the trade supplier or manufacturer experiencing the delay which demonstrates the delay is attributable to COVID-19 or an equivalent national epidemic or pandemic. Developer shall not be entitled to any adjustment or extension of the Substantial Completion Deadline if the delay for which an extension is sought can be avoided by Developer without material additional cost to Developer, through a resequencing of aspects of the Stadium Improvements Work or other reasonable measures.

“**Team**” means all rights, title and interest, including franchise rights, in the Minor League Professional Baseball license granted by the MLB to the Club and known as of the Execution Date as the “Tennessee Smokies” baseball club.

“**Term**” has the meaning set forth in Section 4.1.

“**Transfer**” has the meaning set forth in Section 12.1.

“**Transfer of Majority Interest**” means, with respect to Developer, any direct or indirect transfer, sale or other transaction (or related transactions) that results in any Person (other than a

current Control Person of Developer becoming the beneficial owner, directly or indirectly, of fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of managers, directors or other comparable Controlling body of Developer.

“Utility Infrastructure Agreement” means the agreement between KUB and the Authority pursuant to which KUB agrees to undertake the Utility Infrastructure Work.

“Utility Infrastructure Plans” means the plans and specifications for the construction of the Utility Infrastructure Work, as approved by the Parties.

“Utility Infrastructure Work” means the design, development and construction of utility improvements necessary or appropriate to provide utility services to the Stadium, to permit the construction of the Stadium and to provide services to the adjoining area, which work shall be described in more detail in the Utility Infrastructure Agreement.

Rules as to Usage

The terms defined below have the meanings set forth below for all purposes, and such meanings are equally applicable to both the singular and plural forms of the terms defined.

(1) “Include”, “includes” and “including” shall be deemed to be followed by “, but not limited to,” whether or not they are in fact followed by such words or words of like import.

(2) “Writing”, “written” and comparable terms refer to printing, typing, and other means of reproducing in a visible form (including email).

(3) Any agreement, instrument or Applicable Laws defined or referred to above means such agreement or instrument or Applicable Laws as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of Applicable Laws) by succession of comparable successor Applicable Laws and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein.

(4) References to a Person are also to its permitted successors and assigns.

(5) Any term defined above by reference to any agreement, instrument or Applicable Laws has such meaning whether or not such agreement, instrument or Applicable Laws are in effect.

(6) “Hereof”, “herein”, “hereunder” and comparable terms refer, unless otherwise expressly indicated, to the entire agreement or instrument in which such terms are used and not to any particular article, section or other subdivision thereof or attachment thereto. References in an instrument to “Article”, “Section”, “Subsection” or another subdivision or to an attachment are, unless the context otherwise requires, to an article, section, subsection or subdivision of or an attachment to such agreement or instrument. All references to exhibits or appendices in any

agreement or instrument that is governed by this Appendix are to exhibits or appendices attached to such instrument or agreement.

(7) Pronouns, whenever used in this Agreement and of whatever gender, shall include natural Persons, corporations, limited liability companies, partnerships and associations of every kind and character.


(8) References to any gender include, unless the context otherwise requires, references to all genders.

(9) The word “or” will have the inclusive meaning represented by the phrase “and/or”.

(10) “Shall” and “will” have equal force and effect.

(11) Unless otherwise specified, all references to a specific time of day shall be based upon Eastern Standard Time or Eastern Daylight Time, as applicable, on the date in question in Knoxville, Tennessee.

(12) References to “\$” or to “dollars” shall mean the lawful currency of the United States of America.

 (13) “Not to be unreasonably withheld” when used herein with respect to any Approval shall be deemed to be followed by “, conditioned or delayed” whether or not it is in fact followed by such words or words of like import.



**APPENDIX B
TO
DEVELOPMENT AGREEMENT**

Address for Notices

- A. **AUTHORITY: THE SPORTS AUTHORITY OF THE COUNTY OF KNOX
AND THE CITY OF KNOXVILLE, TENNESSEE**

All notices to Authority shall be sent to:

with copies of all notices to Authority relating to defaults or remedies being sent to:

- B. **DEVELOPER: RR LAND LLC**

All notices to Developer shall be sent to:

with copies of all notices to Developer relating to defaults, remedies or indemnification being sent to:

**EXHIBIT A
TO
DEVELOPMENT AGREEMENT**

Real Property

This real property description will be the same description as is attached to the Lease.

**EXHIBIT B
TO
DEVELOPMENT AGREEMENT**

Stadium Budget

This exhibit will be the budget consistent with the maximum price included in this Agreement.

**EXHIBIT C
TO
DEVELOPMENT AGREEMENT**

Schematic Plans

This exhibit will be a list identifying the drawings that will be final schematic plans.

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STADIUM LEASE AGREEMENT

BETWEEN

**THE SPORTS AUTHORITY OF THE COUNTY OF KNOX AND THE CITY OF
KNOXVILLE, TENNESSEE**

AND

BOYD SPORTS, LLC

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STADIUM LEASE AGREEMENT

This STADIUM LEASE AGREEMENT, (this “**Agreement**”) is made to be effective as of the ____ day of _____, 2022 (the “**Effective Date**”), by and between The Sports Authority of the County of Knox and the City of Knoxville, Tennessee, a public nonprofit corporation (the “**Authority**”) which was organized by permission granted by the Council of the City of Knoxville (the “**City**”) and the Commission of Knox County, Tennessee (the “**County**”), and Boyd Sports, LLC a Tennessee limited liability company (“**Tenant**”).

RECITALS

WHEREAS, the Authority is a public, nonprofit corporation formed pursuant to Chapter 67, Title 7, Tennessee Code Annotated, as amended (the “Act”).

WHEREAS, Tenant is the owner of the professional baseball club currently known as the Tennessee Smokies (sometimes referred to as the “**Team**”) which currently does business pursuant to the Smokies PDL License Agreement (as defined herein).

WHEREAS, Authority holds the title or other legal right to the real property described on Exhibit A attached hereto and incorporated herein (the “**Real Property**”).

WHEREAS, Authority and RR Land LLC, which is an affiliate of Tenant, have entered into that certain Stadium Development Agreement (the “**Development Agreement**”), for the design, development, financing, ownership and construction of a new, first class, state-of-the-art, natural or artificial turf, open-air multi-use stadium and related facilities (and together with the Real Property under the such stadium and facilities, the “**Stadium**”), the location of such Stadium on the Real Property being shown on Exhibit B attached hereto (the “Stadium Site Plan”).

WHEREAS, Authority has agreed to lease to Tenant, and Tenant has agreed to lease from Authority, the Stadium as more particularly described herein.

NOW THEREFORE, in consideration of the foregoing, the terms and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I. DEFINITIONS

Unless the context shall otherwise expressly require, capitalized terms used in this Agreement shall have the following meanings:

“**Action or Proceeding**” means any legal action, lawsuit, proceeding, arbitration, investigation by a Governmental Authority, hearing, audit, appeal, administrative proceeding or judicial proceeding.

“**Affiliate**” means, with respect to any specified Person, any other Person who, directly or indirectly, Controls, is under common Control with, or is Controlled by such specified Person.

“**Agreement**” has the meaning given to that term in the introductory paragraph of this Agreement.

“**Applicable Laws**” means any and all laws, ordinances, statutes, regulations, judicial decisions, orders, injunctions, writs, rulings, interpretations, rules, permits or certificates of any court, arbitrator or other Governmental Authority and applicable to the Person or Property in question (including any activities or operations occurring on, under, over, upon, at or from such Property in question). Applicable Laws shall include (i) all City Ordinances and County Ordinances to the extent applicable, (ii) Environmental Laws and (iii) any applicable Federal wage requirements.

“**Appropriation**” means with respect to any payment obligation or other monetary obligation of Authority that may from time to time exist or arise under this Agreement during a fiscal year, the Authority’s obtaining any required approval and setting aside by City or County of an adequate amount of funds to satisfy the payment obligation or other monetary obligation of City or County.

“**Approval**” “**Approve**” or “**Approved**” means (a) with respect to any item or matter for which the approval of Authority Representative, as the case may be, is required under the terms of this Agreement, the specific approval of such item or matter by Authority pursuant to a written instrument executed by Authority Representative, as applicable, delivered to Tenant, and shall not include any implied or imputed approval, and no approval by Authority Representative pursuant to this Agreement shall be deemed to constitute or include any approval required in connection with any Governmental Functions of City, County or Authority, unless such written approval shall so specifically state; (b) with respect to any item or matter for which the approval of Tenant is required under the terms of the Agreement, the specific approval of such item or matter by Tenant or Tenant Representative, as the case may be, pursuant to a written instrument executed by a duly authorized officer of Tenant or Tenant Representative, as permitted pursuant to the terms of this Agreement, and delivered to Authority, and shall not include any implied or imputed approval; and (c) with respect to any item or matter for which the approval of any other Person is required under the terms of this Agreement, the specific approval of such item or matter by such Person pursuant to a written instrument executed by a duly authorized representative of such Person and delivered to Authority or Tenant, as applicable, and shall not include any implied or imputed approval.

“**Approved Capital Improvement**” means (i) any Capital Improvement that has been identified within the Capital Improvements Plan or any amendment, modification or update thereof or (ii) any Authority Maintenance Item that is designated by Authority as a Capital Improvement and is Approved by Tenant Representative and Authority Representative.

“**Authority Default**” has the meaning given to that term in Section 11.3 hereof.

“**Authority Maintenance Items**” means those items that the Authority agrees to maintain pursuant to and subject to the limitations of Section 6.2 hereof.



“Authority’s Personal Property” means any and all movable equipment, furniture, fixtures and other tangible personal property that are owned by Authority as of the Commencement Date or otherwise purchased as part of the development costs of the Stadium or Capital Improvements and located on or within the Stadium (and that do not constitute fixtures) and can be removed from the Stadium without damage thereto. The term “Authority’s Personal Property” includes any replacements of Authority’s Personal Property by Authority or otherwise. On the commencement date, Tenant shall provide, for Authority’s approval, a list of all of Authority’s Personal Property, which list shall be updated from time to time by the Parties to reflect additions or subtractions therefrom.

“Authority Representative” has the meaning given to that term in Section 2.1 hereof.

“Baseball Season” means each annual baseball season during the Term running from approximately March 1 through September 30 of the applicable calendar year and includes, and may be modified from time to time by Tenant to include, all pre-season games, regular season games and postseason games.

“Business Day” means a day of the year that is not a Saturday, Sunday, Legal Holiday or a day on which commercial banks are not required to close in Knoxville, Tennessee.

“Capital Improvements” means any work (including all design, architectural, engineering and construction work, together with all labor, supplies, materials, equipment and costs of permits and approvals of Governmental Authorities) that is customarily capitalized under GAAP and is reasonably necessary to repair, restore, refurbish, replace or improve (in each case, in a manner that extends the useful life thereof and is performed to ensure that the Stadium remains a safe, attractive and first class facility comparable to the Comparable Properties, ordinary wear and tear excepted) any facility, structure, Authority Personal Property or other component of the Stadium, if such work is necessitated by:

- (a) any material defects in design, construction or installation of the Stadium;
- (b) Physical Obsolescence;
- (c) requirements imposed by the PDL Rules and Regulations relating to the Stadium such that the Stadium is in compliance with the PDL Rules and Regulations;
- (d) requirements imposed by Applicable Laws;
- (e) requirements or recommendations of any insurance carrier insuring any portion of the Stadium;
- (f) requirements of any manufacturer, supplier or installer of any component, system or equipment at the Stadium stipulated in the operating manuals therefor;
- (g) the then-current Capital Improvements Plan; or

- (h) any other Capital Improvements mutually agreed upon by Authority and Tenant.

The term Capital Improvements shall not include any Routine Maintenance.

“**Capital Improvements Plan**” has the meaning given to that term in Section 7.3 hereof and shall address, among other things, any applicable Economic and Technological Obsolescence issues.

“**Capital Improvements Reserve Fund**” has the meaning given to that term in Section 7.2 hereof.

“**Casualty**” means, with respect to the Stadium, physical destruction or other property casualty resulting from any fire or any other Force Majeure Event or other sudden, unexpected or unusual cause.

“**City**” means the City of Knoxville, Tennessee.

“**City Council**” means the Council of City of Knoxville, Tennessee.

“**City Ordinances**” means all ordinances and regulations of the City, including, without limitation, all ordinances concerning land use, development projects on City-owned land, leasing of property by the City to private businesses, training and employment of residents of the City, affirmative action, no-strike and labor peace agreements, payment of a living wage and other matters relating to City procurement and contracting procedures and any building codes, fire or life safety codes, development codes, zoning regulations and subdivision regulations, as same may be amended from time to time.

“**Civic Events**” has the meaning given to that term in Section 4.3 hereof.

“**Commencement Date**” means the date of the earlier to occur: (i) the issuance of a certificate of occupancy with respect to the Stadium or (ii) April 1, 2024.

“**Commissioner**” means the Commissioner of Baseball as elected under the Major League Constitution or, in the absence of a Commissioner, any Person or body succeeding to the powers and duties of the Commissioner pursuant to the Major League Constitution.

“**Comparable Properties**” means two or more first-class, multi-purpose Stadiums (as mutually agreed upon by the Representatives) that (i) have been constructed within five (5) years of the Commencement Date, (ii) are used at that time by a PDL Club, (iii) are generally comparable in size, design and quality of construction to the Stadium and (iv) are located in the United States.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

“**Concessions**” means any and all food and beverage items sold anywhere at the Stadium, including without limitation, (i) by Tenant, (ii) in accordance with any Concessions Agreement or (iii) by any third party (without regard to whether such party has entered into a Concessions Agreement).

“**Concessions Agreement**” means any agreement for the management and operation of Concessions that may be entered into by Tenant from time to time during the Term.

“**County**” means Knox County, Tennessee.

“**County Ordinances**” means all ordinances and regulations of the County, including, without limitation, all ordinances concerning land use, development projects on County-owned land, leasing of property by the County to private businesses, training and employment of residents of the County, affirmative action, no-strike and labor peace agreements, payment of a living wage and other matters relating to County procurement and contracting procedures and any building codes, fire or life safety codes, development codes, zoning regulations and subdivision regulations, as same may be amended from time to time.

“**Default Rate**” means the “prime rate” as published in the “Money Rates” section of *The Wall Street Journal*, plus two (2) percentage point; however, if such rate is, at any time during the Term, no longer so published, the “Default Rate” shall mean the average of the prime interest rates that are announced, from time to time, by the three (3) largest banks (by assets) headquartered in the United States that publish a “prime rate,” plus two (2) percentage point. In no event shall the Default Rate be in excess of the maximum interest rate allowed by applicable law.

“**Development Agreement**” has the meaning given to that term in the Recitals.

“**Economic and Technological Obsolescence**” means any Authority Personal Property or other facility, component, structure or surface of the Stadium that is not then currently state-of-the-art, and includes without limitation any such property, improvements and/or structures that have become outdated due to technological advances, whether or not the same is Physically Obsolete.

“**Effective Date**” has the meaning given to that term in the introductory paragraph of this Agreement.

“**Emergency Condition**” has the meaning given to that term in Section 7.5 hereof.

“**Encumbrances**” means any defects in, easements, covenants, conditions or restrictions affecting, or Liens or other encumbrances on, the title to the Stadium, whether evidenced by written instrument or otherwise evidenced.

“**Environmental Claim**” means any Action or Proceeding regarding the Real Property, the Stadium (i) arising under an Environmental Law or (ii) related to or arising out of an actual or alleged Environmental Event.

“Environmental Event” means the occurrence of any of the following: (i) any noncompliance with an Environmental Law; (ii) an environmental condition requiring responsive action, including an environmental condition at the Stadium caused by a third party; (iii) any event on, at or from the Real Property, the Stadium, or related to the operation thereof of such a nature as to require reporting to applicable Governmental Authorities under any Environmental Law; (iv) an emergency environmental condition; (v) the existence or discovery of any escape, seepage, leakage, spillage, emission, discharge or disposal of or other release or any kind of Hazardous Materials on, at or from the Stadium which may cause a threat or actual injury to human health, the environment, plant or animal life; or (vi) any Environmental Claim, or the filing or imposition of any environmental lien against the Real Property, the Stadium, because of, resulting from, in connection with, or arising out of any of the matters referred to in clauses (i) through (v) preceding.

“Environmental Law(s)” means any applicable Federal, state or local statute, law (including common law tort law, common law nuisance law and common law in general), rule, regulation, ordinance, code, permit, concession, grant, franchise, license, policy or rule of common law now in effect or adopted in the future, and in each case as may be amended or replaced, and any judicial or administrative interpretation thereof (including any judicial or administrative order, consent decree or judgment) relating to (i) the environment, health, safety or Hazardous Materials, (ii) the storage, handling, emission, discharge, release and use of chemicals and other Hazardous Materials, (iii) the generation, processing, treatment, storage, transport, disposal, investigation, remediation or other management of waste materials of any kind, and (iv) the protection of environmentally sensitive areas, including any federal, state or local law, statute, ordinance, code, rule, regulation, license, authorization, decision, order, injunction, decree, or rule of common law, and any judicial interpretation of any of the foregoing, which pertains to health, safety, any Hazardous Material, or the environment (including but not limited to ground or air or water or noise pollution or contamination, and underground or above ground tanks) and shall include without limitation, the Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§136 et. seq.; and the Emergency Preparedness and Response Community Right-to-Know Act, 42 U.S.C. § 11001the Endangered Species Act, as amended, 16 U.S.C. §§1531 et seq.

“Event” means any Stadium Event or Civic Event.

“Excusable Authority Delay” means any Authority delay that is caused by or attributable to (but only to the extent of) a Force Majeure Event. No Authority delay arising from the failure to make funds available for any purpose shall ever be an Excusable Authority Delay unless such failure, inability or refusal itself arises directly from, and is based upon, another event or circumstance which is an Excusable Authority Delay.

“Excusable Tenant Delay” means any Tenant delay that is caused by or attributable to (but only to the extent of) a Force Majeure Event. No Tenant delay arising from the failure to make

funds available for any purpose shall ever be an Excusable Tenant Delay unless such failure, inability or refusal itself arises directly from, and is based upon, another event or circumstance which is an Excusable Tenant Delay.



“**Financing**” means the issuance, by Authority of one or more series of bonds or other debt obligations, the net proceeds of which are used to pay for the costs of design, construction and development of the Stadium.

“**Fiscal Year**” means the fiscal year of the City and the County, commencing on July 1 and ending on June 30.

“**Fixed Rental**” means the fixed rental payment per year for each calendar year of the Initial Term and any Renewal Period as provided herein.

“**Force Majeure Event**” means any act that (a) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (b) is beyond the reasonable control of the affected Party, and (c) is not due to the affected Party’s fault or negligence. Subject to the satisfaction of the conditions set forth in (a) through (c) above, a Force Majeure Event shall include: (i) natural phenomena, such as storms, floods, lightning and earthquakes; (ii) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (iii) transportation disasters, whether by ocean, rail, land or air; (iv) strikes, lockouts or other labor disputes, including a strike or lockout by MLB players or umpires; (v) fires; (vi) a governmental order or restriction that prevents the undertaking of an obligation hereunder, (vii) the inability to obtain labor or materials as a result of circumstances caused by pandemic that, despite Tenant’s best efforts, prevent or delay the performance of any obligations hereunder provided that other business in Knox County are being similarly affected by such circumstances; (viii) such actions or omissions of a Governmental Authority (including the actions of Authority in its capacity as a Governmental Authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any Applicable Law; (ix) title disputes; and (x) third party litigation; *provided, however,* that under no circumstances shall a Force Majeure Event include economic hardship.

“**GAAP**” means generally accepted accounting principles as in effect from time to time in the United States as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board.

“**Governmental Authority**” means any Federal, state, local or foreign governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof), including a local government corporation.

“**Governmental Authorizations**” means all approvals, consents, decisions, authorizations, certificates, confirmations, exemptions, applications, notifications, concessions, acknowledgments, agreements, licenses, permits, import permits, employee visas, environmental permits, decisions,

right of ways, and similar items from any Governmental Authority, including a liquor license from the State of Tennessee and a beer permit from the City.

“Governmental Function” means any regulatory, legislative, permitting, zoning, enforcement (including police power), licensing or other functions which Authority is authorized or required to perform in its capacity as a Governmental Authority in accordance with Applicable Laws. The entering into this Agreement and the performance by Authority of its obligations under this Agreement shall not be considered a “Governmental Function.”

“Hazardous Materials” means (a) any petroleum or petroleum products, metals, gases, chemical compounds, radioactive materials, asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls, lead paint, putrescible and infectious materials, and radon gas; (b) any chemicals or substances defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “extremely hazardous wastes”, “restricted hazardous wastes”, “toxic substances”, “toxic pollutants”, “contaminants” or “pollutants”, or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law or Governmental Authority or which is regulated because of its adverse effect or potential adverse effect on health and the environment, including soil and construction debris that may contain any of the materials described in this definition.

“Improvements Arbitrator” has the meaning given to that term in Section 7.6 hereof.

“Initial Term” has the meaning given to that term in Section 3.4 hereof.

“Insolvency Event” means, with respect to any Person, (a) such Person’s or any of its subsidiaries’ (i) failure to generally pay its debts as such debts become due, (ii) admitting in writing its inability to pay its debts generally or (iii) making a general assignment for the benefit of creditors; (b) any proceeding being instituted by or against such Person or any of its subsidiaries (i) seeking to adjudicate it a bankrupt or insolvent, (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or (iii) seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against such Person or any such subsidiary, any such proceeding shall remain undismissed for a period of ninety (90) days or any of the actions sought in such proceeding shall occur; or (c) such Person’s or any of its subsidiaries’ taking any corporate action to authorize any of the actions set forth above in this definition.

“Interlocal Agreement” means that certain Interlocal Project Agreement (Multi-Use Stadium) by and between City, County and Authority dated as of _____, 202_.

“Lease Expiration Date” means the date of termination of this Agreement at the conclusion of the Term as it may be extended or sooner pursuant to any applicable provision hereof.

“Leasehold Estate” has the meaning given to that term in Section 3.1 hereof.

“Legal Holiday” means any day, other than a Saturday or Sunday, on which City’s or County’s administrative offices are closed for business.

“Lien” means any mortgage, charge, pledge, lien, privilege, security interest, hypothecation or other encumbrance upon or with respect to any property or assets or any kind, whether real or personal, tangible or intangible, now owned or hereafter acquired.

“Major League Baseball” or **“MLB”** means, depending on the context, any or all of (a) the Office of the Commissioner of Baseball, each other MLB PDL Entity and/or all boards and committees thereof and/or (b) the Major League Clubs acting collectively.

“Major League Baseball Club” or **“Major League Club”** means any professional baseball club that is entitled to the benefits, and bound by the terms, of the Major League Constitution.

“Major League Constitution” means the Major League Constitution adopted by the Major League Clubs as the same may be amended, supplemented or otherwise modified from time to time in the manner provided therein and all replacement or successor agreements that may in the future be entered into by the Major League Clubs.

“Management Agreement” has the meaning given to that term in Section 4.6 hereof.

“Merchandise” means any goods (other than food or beverage) sold anywhere at the Stadium, including without limitation, (i) by Tenant, (ii) in accordance with any Merchandise Agreement or (iii) by any third party (without regard to whether such party has entered into a Merchandise Agreement).

“Merchandise Agreement” means any agreement for the management and operation of Merchandise that may be entered into by Tenant from time to time during the term of this Agreement.

“MLB PDL” means, depending on the context, any or all of (i) the MLB Professional Development Leagues, LLC, a Delaware limited liability company, and/or (ii) the boards, committees and subcommittees related thereto.

“MLB PDL Entity” means each of MLB PDL, the Office of the Commissioner of Baseball, MLB Advanced Media, L.P. and/or any of their respective present or future affiliates, assigns or successors.

“Operator” has the meaning given to that term in Section 4.6 hereof.

“Ownership Group” means and includes the following Persons: (i) Randy Boyd, (ii) the spouse and descendants of Randy Boyd, (iii) the estate of Randy Boyd or his spouse or descendants and (iv) trusts whose primary beneficiaries are the spouse or descendants or Randy Boyd.

“**Party**” or “**Parties**” means a party or the parties, respectively, to this Agreement.

“**PDL Approval**” means any approval, consent or no-objection letter required to be obtained from MLB PDL or any other MLB PDL Entity pursuant to the PDL Rules and Regulations.

“**PDL Club**” means a professional baseball club participating in the Professional Development League System pursuant to a player development license agreement between the owner of such club and MLB PDL pursuant to which such owner has been granted the right to participate in the Professional Development League System.

“**PDL Governance Agreement**” means that certain Professional Development Leagues Governance Agreement, effective as of February 12, 2021 by and between MLB PDL and each PDL Club, as may be amended, modified, supplemented or restated from time to time.

“**PDL Governing Documents**” means the following documents as in effect from time to time and any amendments, supplements or other modifications thereto and all replacements or successor documents thereto that may in the future be entered into: (i) the Major League Constitution; (ii) the Major League Rules (and all attachments thereto); (iii) the PDL Operating Guidelines; (iv) the PDL Governance Agreement; and (v) the PDL License Agreements.

“**PDL License Agreement**” means each player development license agreement entered into between a PDL Club and MLB PDL pursuant to which such PDL Club has been granted the right to participate in the Professional Development League System, including, without limitation, the Smokies PDL License Agreement.

“**PDL Rules and Regulations**” means (i) the PDL Governing Documents; (ii) any present or future agreements or arrangements entered into by, or on behalf of, MLB PDL or any other MLB PDL Entity or the Major League Clubs acting collectively that are specifically related to or generally applicable to the Professional Development League System or the PDL Clubs, including, without limitation, agreements or arrangements entered into pursuant to the PDL Governing Documents; and (iii) the present and future mandates, rules, regulations, policies, practices, bulletins, by-laws, directives or guidelines issued or adopted by, or on behalf of, the Commissioners, MLB PDL or any other MLB PDL Entity as in effect from time to time that are specifically related to or generally applicable to the Professional Development League System or one or more of the PDL Clubs.

“**Permitted Exceptions**” means (i) those certain Encumbrances upon and/or exceptions to the title to the Stadium that are referenced and/or described on Exhibit A attached hereto and (ii) the Reservations and all rights to use the Stadium pursuant thereto.

“**Person**” means any individual, any estate of an individual during the period of the probate of such estate, corporation, limited or general partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other form of entity.

“**Physically Obsolete**” or “**Physical Obsolescence**” means any Authority Personal Property or other facility, component, structure or surface of the Stadium that does not comply with Applicable Laws or has become dysfunctional due to defects in design, materials or workmanship or ordinary wear and tear other than as a result of Tenant’s failure to perform its maintenance obligations under this Agreement. For purposes of determining Physical Obsolescence or Physically Obsolete, any Authority Personal Property or other facility, component, structure or surface of the Stadium or the Stadium shall be deemed dysfunctional if such has deteriorated to a degree that cannot be remedied through Routine Maintenance (including replacement necessitated by repeated breakdown of a component despite efforts to repair or restore it short of replacement).

“**Professional Development League System**” means a system of professional baseball leagues comprised of professional baseball clubs that compete at different levels and serve to assist with the development of players for Major League Baseball Clubs.

“**Prohibited Messages**” has the meaning given to that term in Section 15.2 hereof.

“**Prohibited Use**” has the meaning given to that term in Section 4.5 hereof.

“**Proposed Capital Improvements Contract**” has the meaning given to that term in Section 7.4 hereof.

“**Public Spaces**” means the property outside and adjacent to the Stadium with no separation by a public street as shown on the Stadium Site Plan.

“**Qualified Operator**” means a nationally recognized multi-purpose project operator (or, if its parent company has and continues to unconditionally guarantee the full payment and performance of all of such multi-purpose project operator’s obligations under or in connection with the Management Agreement, such parent company meets) that (a) as of the effective date of the Management Agreement then in effect, operates, on a full-service basis, either directly or through its subsidiaries at least three (3) facilities that are comparable (or superior) to the Comparable Properties, the Stadium, Minor League Baseball parks or other facilities acceptable to Authority; and (b) an Insolvency Event with respect to such multi-purpose project operator or, in the case of the foregoing guaranty, its parent company does not exist. Additionally, an Affiliate of any entity meeting the foregoing criteria that it is going to be an Operator shall be a Qualified Operator, provided that the applicable entity meeting the foregoing criteria becomes or remains liable for the obligations of the “Operator” under any Management Agreement.

“**Real Property**” has the meaning given to that term in the Recitals. In addition to the description of real property attached hereto as Exhibit A, the term “Real Property” shall also include any additional real property interests acquired by Authority and on, over or under which, or pursuant to, the Stadium is constructed.

“**Related Party**” or “**Related Parties**” means with respect to any Person, such Person’s partners, directors, officers, shareholders, members, agents, employees, consultants, counsel, contractors, subcontractors (of any tier), tenants, subtenants (of any tier), licensees, sublicensees

(of any tier), lenders, successors, assigns, legal representatives, elected and appointed officials, and Affiliates.

“**Renewal Period**” has the meaning given to that term in Section 3.5 hereof.

“**Rent**” means all Fixed Rental payments and all other monetary payments required to be made by Tenant under this Agreement.

“**Representative**” means each of Authority Representative and Tenant Representative or both collectively if used in the plural.

“**Reservations**” has the meaning given to that term in Section 3.3 hereof.

“**Routine Maintenance**” means all work (including all labor, supplies, materials and equipment) that is of a routine nature and is reasonably necessary for the cleaning and routine care of and preventative maintenance and repair for any property, structures, surfaces, facilities, fixtures, equipment, furnishings, improvements and components that form any part of the Stadium in a manner reasonably consistent with the standards at other Comparable Facilities; provided however, Routine Maintenance shall not include Capital Improvements. Routine Maintenance shall include without limitation, the following: (i) preventative or routine maintenance that is stipulated in the operating manuals for the Stadium; (ii) periodic testing of building systems, such as mechanical, card-key security, fire alarm, lighting and sound systems; (iii) ongoing trash removal; (iv) routine maintenance procedures for heating, ventilation and air-conditioning, plumbing, electrical, roof and structural systems and vertical lift systems (e.g., escalators and elevators); (v) painting or application of protective materials; (vi) cleaning prior to, during and following, and necessary as a direct result of, all Events (other than any work required to be performed by Authority, the City or County for any Civic Events) at the Stadium; and (vii) routine changing of light bulbs, ballasts, fuses and circuit breakers as they fail in normal use.

“**Smokies PDL License Agreement**” means that certain player development license agreement entered into between Tenant and MLB PDL pursuant to which Tenant has been granted the right to participate in the Professional Development League System.

“**Stadium**” has the meaning given to that term in the Recitals.

“**Stadium Budget**” has the meaning given to that term in the Development Agreement.

“**Stadium Events**” has the meaning given to that term in Section 4.1 hereof.

“**Stadium Event Hours**” means the period beginning two (2) hours before the start of an Event and concluding one (1) hour after such Event.

“**Stadium Site Plan**” has the meaning given in the Recitals.

“**Stadium Standard**” means the continuous operation, maintenance and repair of the Stadium on a full-service basis in a manner consistent with the standards of operations, maintenance

and operating and maintenance plans that a Qualified Operator, in accordance with the PDL Rules and Regulations, would reasonably be expected to undertake and follow for the operation, maintenance and repair of a Comparable Property.

“**Tax Proceeding**” means any audit, examination, investigation, action, suit, claim, assessment, appeal, request for adjustment, or other administrative or judicial proceeding relating to the payment of any taxes described in this Agreement.

“**Team Stadium Event**” means any Stadium Event directly involving the Team, including home games of the Team.

“**Tenant**” has the meaning given to that term in the introductory paragraph of this Agreement.

“**Tenant Default**” has the meaning given to that term in Section 11.1 hereof.

“**Tenant’s Personal Property**” means any and all movable equipment, furniture, fixtures and other tangible personal property that are owned by Tenant or its subtenants and located on or within the Stadium (including trade fixtures, but not other fixtures) and can be removed from the Stadium without material damage thereto. The term “Tenant’s Personal Property” does not include any of Authority’s Personal Property or any replacements of Authority’s Personal Property.

“**Tenant Representative**” has the meaning given to that term in Section 2.2 hereof.

“**Term**” means the Initial Term and any and any Renewal Period.

“**Transfer of Majority Interest**” means, with respect to Tenant or its parent company, any direct or indirect transfer, sale or other transaction (or related transactions) that results in any Person (other than the Ownership Group) becoming the beneficial owner, directly or indirectly, of fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of managers, directors or other comparable Controlling body of Tenant or its parent company, as applicable or would otherwise result in the Ownership Group not having Control of Tenant.

“**Use Agreement**” means a use, sublease, license, concession, occupancy or other agreement for the use or occupancy of any designated space or designated facilities within the Stadium for any Permitted Use including, but not limited to, use by a soccer team, other baseball teams or other sports teams, but shall not include any of the foregoing for all or substantially all of the Stadium or for a period greater than the then remaining Term.

ARTICLE II. AUTHORITY AND TENANT REPRESENTATIVES

2.1 Authority Representative. Authority hereby designates the Chair of the Board of Directors of Authority or his/her designee (which may be representatives of the City and County) to be the representative of Authority (the “**Authority Representative**”), and Authority shall have the right, from time to time, to change the Person who is Authority Representative by giving at least

ten (10) days prior written notice to Tenant thereof. The only functions under this Agreement of Authority Representative shall be as expressly specified in this Agreement. Any one of the Persons from time to time serving as Authority Representative, acting alone and without the joinder of the other persons then serving as Authority Representative, shall have the power to bind Authority in those instances in which this Agreement specifically provides for the approval, decision, confirmation or determination of Authority Representative and in no other instances; *provided, however*, that notwithstanding anything in this Agreement to the contrary, Authority Representative shall not have any right to modify, amend or terminate this Agreement.

2.2 Tenant Representative. Tenant hereby designates its Chair or his or her designee to be the representative of Tenant (the “**Tenant Representative**”), who shall be authorized to act on behalf of Tenant under this Agreement. Tenant shall have the right, from time to time, to change the Person who is Tenant Representative by giving at least ten (10) days prior written notice to Authority thereof. Any written approval, decision, confirmation or determination hereunder by Tenant Representative shall be binding on Tenant; *provided, however*, that notwithstanding anything in this Agreement to the contrary, Tenant Representative shall not have any right to modify, amend or terminate this Agreement.

ARTICLE III.

LEASEHOLD ESTATE TERM; RENEWALS; RENT; FEES

3.1 Grant of Leasehold Estate and Easements. In consideration of and pursuant to the covenants, agreements and conditions set forth herein, Authority does hereby lease, let, demise and rent unto Tenant, and Tenant does hereby rent and lease from Authority, on and subject to the terms, conditions and provisions of this Agreement, the Stadium, Authority Personal Property, together with all other rights, titles and interests granted to Tenant under this Agreement (collectively, the “**Leasehold Estate**”) for the Term set forth herein. To the extent the Public Spaces are owned by Authority, Authority also hereby grants such access easements over the Public Spaces as are shown on the subdivision plat that subdivided the Real Property from other parcels as are necessary or appropriate for access by Tenant to the Stadium. Authority shall take reasonable steps to assist Tenant with obtaining access easements over parcels owned by third parties as are necessary for Stadium access.

3.2 Delivery of Possession. Upon completion of the Stadium pursuant to the Development Agreement, Authority will deliver to Tenant possession and occupancy of the Leasehold Estate subject only to (i) the Permitted Exceptions, (ii) the rights and reservations of Authority under this Agreement including the Reservations and (iii) all Applicable Laws. Subject to the rights of Tenant or its Affiliates to access the Stadium pursuant to the Development Agreement, Tenant and its Affiliates shall not have the right to use or occupy any part of the Real Property, the Stadium or Authority Personal Property prior to the Commencement Date except as may be approved in writing by the Authority. As provided in Section 5.1.8 of the Development Agreement, the City, Knoxville Utilities Board (“KUB”) and Knoxville’s Community Development Corporation (“KCDC”) are responsible for completing certain infrastructure work (the “Public Infrastructure Work”) in connection with the development of the Stadium by RR Land LLC (“RR”) in accordance with plans and schedules described in the Development

Agreement. If the Stadium is not delivered by the Commencement Date, the obligation of Tenant to pay Rent shall still commence as of the Commencement Date, provided that in the event the delivery of the Stadium by RR is caused predominantly by the delays, actions or omissions of the City, the Authority, KUB or KCDC in performing the Public Infrastructure Work, the obligation of Tenant to pay rent shall be extended (with the amount of the initial payment(s) of Rent being appropriately pro-rated) by one (1) day for each day of delay reasonably documented to have been predominantly caused by the completion of the Public Infrastructure Work and provided further if such delays result in the delivery of the Stadium by RR on or after May 1, 2024, Fixed Rent hereunder shall not commence until December 1, 2024. In determining the cause(s) and length of any such delays, the parties shall employ an analysis of construction delay in accordance with industry standards for comparable construction projects. In the event of any dispute under this provision, Section 12.1 of this Lease shall apply.

3.3 Reservations. Notwithstanding anything in this Agreement to the contrary, Authority hereby reserves (and the Leasehold Estate shall not include) the right of City, County and Authority to install on, under, over or below the Stadium any and all utilities and appurtenances related thereto (and Authority hereby retain a right of access therefor) as it deems necessary; provided, however, that (1) the location and construction of same shall not materially interfere with the operation, or materially change the aesthetics, of the Stadium by Tenant or the use of the Stadium, each pursuant to the terms of this Agreement and (2) Tenant shall have no obligation to maintain same after construction by City, County or Authority; with respect to the Stadium (the “**Reservations**”).

3.4 Initial Term. Subject to the terms and conditions hereof, Authority hereby leases the Stadium to Tenant for a period commencing on the Commencement Date and ending on December 31 (or such later date as is reasonably necessary to accommodate any Team Stadium Events (e.g., **postseason** games)) of that year in which is the thirtieth (30th) anniversary of the Commencement Date has occurred, unless this Agreement is sooner terminated pursuant to any applicable provision hereof, (the “**Initial Term**”), unless sooner terminated by law or pursuant to the terms and conditions of this Agreement.

3.5 Renewal Periods. Not later than thirty six (36) months prior to the end of the Initial Term, representatives of Authority and Tenant shall meet to determine whether it is in the mutual best interests of the parties for Tenant to have the right to extend the term of this Agreement beyond the Initial Term for two (2) successive periods of five (5) years each (the “**Renewal Periods**”), and Authority and Tenant shall use their best efforts to conclude any negotiations to establish rents and other modifications of the terms of this Agreement for both such renewal Periods prior to twenty four (24) months before the end of the Initial Term. If the parties agree to terms for Tenant’s right to extend the term of this Agreement, such agreements shall be evidenced by an amendment to this Agreement (the “**Extension Amendment**”) and Tenant shall have the right to exercise its option for a Renewal Period by giving written notice of such election at least twenty four (24) months prior to the expiration of the Initial Term or the Renewal Term as applicable. Authority will not negotiate with a successor tenant for the Stadium, provided no Event of Default occurs hereunder, until twenty four (24) months prior to the end of the Initial Term. Notwithstanding anything herein to the contrary, in the event that Authority and Tenant do not agree to the terms of the Renewal Periods, Tenant shall have the right to extend the Initial Term up

to twenty four (24) months or the same terms and conditions including Fixed Rental, by giving written notice of its exercise of such rights to Authority at least twenty four (24) months prior to the expiration of the Initial Term.

3.6 Fixed Rental. In consideration of the use and occupancy of the Stadium by Tenant, and the costs incurred or to be incurred by Authority to construct the Stadium, beginning on the Commencement Date, Tenant hereby agrees to pay to Authority the Fixed Rental provided in this subsection in equal installment payments on June 1 and December 1 of each year, commencing with the first June 1 or December 1 following the Commencement Date, which payments shall aggregate the total amount of Fixed Rental to be paid for the applicable year in the amount provided in this Section 3.6. The annual Fixed Rental shall be \$1,000,000 for the Initial Term. During any Renewal Term(s), the Fixed Rental shall be established in the applicable Extension Amendment.

ARTICLE IV. USE OF THE STADIUM; REVENUE

4.1 Stadium Events. Except for Civic Events, Tenant shall be entitled to the exclusive use of all or any portion of the Stadium and the Authority Personal Property for all (a) home games (including pre-season, regular season and **postseason** games) of the Team, (b) practices of the Team, (c) concerts and other entertainment events, (d) weddings, meetings and banquets, (e) soccer, football, lacrosse, baseball (e.g., high school, college, semi-professional and professional) and other sporting events, (f) community-oriented events, (g) any other for profit events, (h) reasonable periods before and after the events described in subsections (a)-(g) hereof, for field protection, recovery and repair and event move-ins/move-outs, (i) Routine Maintenance and Capital Improvements, and (j) for any other lawful purpose that is not a Prohibited Use (collectively, the “**Stadium Events**”).

The Public Spaces shall be generally available for public use; provided, however, that such Tenant may limit access to the Public Spaces up to three (3) hours before and after any Stadium Event to provide for the orderly undertaking of the Stadium Event. If and to the extent Authority conveys the Public Spaces, or any portion thereof, to any third party, Authority agrees that such conveyance shall be subject to the requirement that Tenant shall have the right to limit access to the Public Spaces up to three (3) hours before and after any Stadium Event to provide for the orderly undertaking of the Stadium Event.

 **4.2** Scheduling and Public Use.

(a) Notwithstanding anything to the contrary contained in this Agreement, Tenant shall have absolute priority for use of all or any portion of the Stadium for any and all Stadium Events, including without limitation all pre-season, regular season and **postseason** games of the Team. Subject to the foregoing, Authority and Tenant acknowledge that within the framework established by this Section 4.2 and Section 4.3 below, the scheduling of Civic Events at the Stadium will be a cooperative endeavor, and Authority and Tenant each agree to recognize and, in good faith, accommodate City, County and/or Authority with respect to the scheduling of up to eight (8) calendar days of Civic Events per year. As between the Authority and the Tenant, the Authority (i) shall be responsible for and shall bear all risk of liability for personal injury or property

damage and (ii) shall be responsible for repairing any damage to the Stadium or public spaces arising directly or indirectly from Civic Events which do not result primarily from the gross negligence, willful misconduct or material breach of Tenant's obligation under this Agreement.

(b) Tenant acknowledges that the Stadium is intended to be used for multiple uses and not only baseball games. Tenant shall use reasonable efforts to maximize public use of the Stadium except during Stadium Events and to use commercially reasonable efforts to include cultural diversity in the programs for the use of the Stadium and during reasonable periods before and after Stadium Events. Such programming shall include concerts, other sporting events and other public events. In such regard, Tenant shall promote Use Agreements with other potential users of the Stadium, including other professional sports franchises and concert promoters, in a collaborative manner that promotes the use of the Stadium and does not result in such users bearing a disproportionate share of the cost of operating the Stadium. Such Use Agreements shall be commercially reasonable and typical of similar arrangements for other comparable stadiums.

(c) Prior to the commencement of the Term and at the beginning of each calendar quarter, Tenant shall provide Authority with a rolling updated schedule of all the dates on which Tenant intends to use the Stadium for Stadium Events which schedule shall include a listing of programs and events during the following twelve-month period and a range of dates to be reserved for potential preseason and **postseason** games, which range shall be reasonable in light of the recent **postseason** schedules for the league or association in which the Team then plays. Tenant shall also provide the Authority reports at least monthly on the scheduling of Events at the Stadium in such form as the Authority may reasonably request in order to demonstrate compliance with subsection (b) above. Representatives of Tenant shall also attend meetings of the Authority's Board of Directors, as requested, to make reports on the scheduling of Events.

(d) It is understood by the Parties that MLB **PDL** typically publishes the final baseball schedule for each calendar year during the preceding calendar year. Tenant shall distribute to City the final schedule within five (5) Business Days after **any such** season schedule is received by Tenant.

(e) Tenant acknowledges that the Stadium shall be operated as a public facility as much as is reasonably possible. In furtherance of the foregoing, and except during Events and three hours before and after Events, the Stadium concourse for the picnic areas as shown on the Stadium Site Plan shall be available for public use from dawn until dusk, provided that such hours **may** be extended by the Authority if the Authority provides security and cleaning services reasonably satisfactory to Tenant. As between the Authority and the Tenant, the Authority (i) shall be responsible for and shall bear all risk of liability for personal injury or property damage and (ii) shall be responsible for repairing any damage to the Stadium or public spaces arising directly or indirectly from such public use which do not result primarily from the gross negligence, willful misconduct or material breach of Tenant's obligations under this Agreement. In the event the public enters areas at the Stadium other than the spaces available for public use, Tenant may take measures reasonably required to restrict access to such areas, including, but not limited to restricting access to such spaces available for public use other than the main concourse.

4.3 Civic Events.

(a) Subject to availability based on Tenant's priority use of the Stadium described in this Agreement, Authority shall be entitled to request the use of the public areas of the Stadium for up to eight (8) calendar days in each calendar year for (i) civic-oriented, community not-for-profit or educational events such as public ceremonies, conferences, conventions, meetings and training sessions, for the benefit of Authority, City or County and (ii) other events primarily sponsored or promoted by Authority, City or County which do not conflict or compete with Stadium Events (the "**Civic Events**") subject to Tenant approval, which may not be unreasonably withheld, conditioned or denied. The City, County and Authority shall not attempt to schedule and shall not be authorized to use the Stadium for any Stadium Events, as described in Section 4.1, without the prior written consent of Tenant, which may be withheld in its sole discretion. The City, County and Authority shall observe and honor all product and service exclusivity and other sponsorship, advertising and naming rights arrangements entered into by Tenant with respect to the Stadium and the Team to the extent that such arrangements would be applicable to Civic Events.

(b) Subject to the terms and conditions of Section 4.2 above and this Section 4.3, Authority shall notify Tenant in writing of Authority's, City's or County's request for Tenant's approval to hold a Civic Event at the Stadium, which notice shall be given not less than sixty (60) days prior to the proposed Civic Event and shall include a full and complete written description of that event. The Authority, City or County shall not attempt to schedule a Civic Event during any Baseball Season during the Initial Term or any Renewal Term until the final schedule for such Baseball Season is published. Tenant shall give notice to Authority approving or disapproving such Civic Event within five (5) Business Days after receipt of the written request. Notwithstanding anything to the contrary contained herein, and for the avoidance of doubt, if Tenant has previously scheduled an event at the Stadium on the date of a Civic Event requested by Authority, Tenant shall have no obligation to make the Stadium available to City, County or Authority on such date. Tenant shall have no obligation to reschedule a Stadium Event.

(c) During any Civic Event, Tenant shall have the sole option of selling Concessions and/or Merchandise on terms acceptable to the Tenant and Authority, whether through the use of a Concessions Agreement, Merchandise Agreement or otherwise, and Tenant shall be entitled to receive and retain all revenue generated therefrom as described in Section 4.4 hereof.

(d) After each Civic Event, City, County or Authority shall re-deliver the Stadium to Tenant with any waste, damage, breakage, wear, theft, littering or other harm caused by the Authority, its contractors or invitees, or trespassers taking advantage of entrances to the Stadium being relatively unsecured as a result of the Civic Event having been repaired and in full compliance with the Stadium Standard. Without limiting the foregoing, after each Authority Sponsored Event, Authority shall be responsible for the timely restoration of all portions of the field at the Stadium to the official standards set forth in the PDL Rules and Regulations, as may be amended from time to time. Authority and Tenant, shall from time to time as appropriate during the Term, cooperate and confer in good faith to develop and modify procedures and standards to be implemented by the City, County and Authority for Civic Events to ensure that all portions of the field at the Stadium are adequately protected during the preparation for, and the holding of, Authority Sponsored Events

so that the field meets, or can be timely restored to, the official standards set forth in the PDL Rules and Regulations, as may be amended from time to time, after each Authority Sponsored Event.


(e) The City, County and Authority shall be entitled to the “rent-free” use of the Stadium for Civic Events; provided, however, that for any Civic Event, the City, County or Authority shall be solely responsible for all actual costs and expenses associated with such event that are over and above the costs to maintain and operate the Stadium had there been no such Civic Event. The City, County or Authority shall pay Tenant for the actual additional costs and expenses associated with such a Civic Event within thirty (30) days after receipt of a reasonably detailed invoice from Tenant, including reasonable back-up documentation as requested by the City, County or Authority.

4.4 Revenue. Except as otherwise expressly provided by the terms of this Agreement, Tenant shall be entitled to receive and retain all revenues generated from the Team and/or at the Stadium, including, without limitation, all revenues from Events, ticket sales, Concessions, Merchandise, suite, loge box and club seat rentals, interior and exterior Stadium advertising and signage, sponsorships, any and all naming rights and other advertising, sales of broadcast and telecast rights, internet rights, expansion fees and team fundraising, and any other sources of revenue, in each case subject to applicable sales, use, admission, stamp or excise taxes, if any, imposed by the United States or the State of Tennessee, which shall be, as between the Authority and the Tenant, the sole responsibility of the Tenant to pay.

4.5 Prohibited Uses.

Tenant shall not use, or permit the use of, the Stadium for any other, different or additional purpose that is not a Stadium Event or other use expressly permitted hereunder without first obtaining the Approval of Authority Representative. Tenant agrees that the Stadium Events are subject to compliance with all Applicable Laws at any time applicable to the use, occupancy or operation of the Stadium and that nothing in this Agreement shall constitute or be deemed to constitute a waiver by Authority of the performance of its Governmental Functions or of any such Applicable Laws or of the duty of Tenant to comply with such Applicable Laws. Notwithstanding the use of the Stadium for Stadium Events, but as may be otherwise Approved or modified by Authority Representative from time to time, Tenant agrees that it shall not (collectively, the “**Prohibited Uses**”):

(a) Create, cause, maintain or permit any public or private nuisance in, on or about the Stadium;

 (b) Use or allow the Stadium to be used for the sale or display of any pornographic material or material which is obscene under standards set forth in any Applicable Laws, or operate or allow any Person to operate in, on or about the Stadium any store or other facility, a principal or significant portion of the business of which is an “adult establishment”, as such term is defined in any City Ordinance or County Ordinance that provides such definition (with the most restrictive definition being used), as same may be amended from time to time during the Term;

(c) Use or allow the Stadium to be used for any purpose that is violative of Applicable Laws;

(d) Use or allow the Stadium to be used for the sale of paraphernalia or other equipment or apparatus which is used primarily in connection with the taking or use of illegal drugs (or their equivalent);

(e) Use any portion of the Stadium, other than portions designated for same inside the Stadium building, for storage; or

(f) Operate any speakers or amplified music near or on any exterior portions of the Stadium other than during Stadium Event Hours, without the Approval of Authority Representative (but specifically excluding any pre-event sound checks for Stadium Events and reasonable testing of the Stadium sound facilities).

The provisions of this Section 4.5 shall inure to the benefit of, and be enforceable by, Authority and its successors and assigns. No other Person, including any guest or patron of the Stadium, shall have any right to enforce the prohibitions as to the Prohibited Uses.

4.6 Operator. During the Term, Tenant shall be the initial Person who, on a day-to-day basis, is responsible for the operation and policies of the Stadium and who operates the Stadium in accordance with the Stadium Standard (the “**Operator**”). Prior to engaging a third party that is not an Affiliate of Tenant to act as Operator and operate the Stadium, Tenant shall request Authority Representative’s Approval, which request shall include the form of Management Agreement to be executed in connection therewith. Authority Representative shall respond to any such request within fifteen (15) days after receipt thereof, and any Authority Representative’s Approval shall not be unreasonably withheld so long as any such third party Operator is a Qualified Operator and as long as Tenant remains contractually responsible under this Agreement for operating the Stadium. In all instances, each management agreement with a third party Operator shall (i) require the Operator to comply with the terms of this Agreement as to the use and operation of the Stadium, (ii) provide that Authority shall be a third party beneficiary and permitted assignee thereof and (iii) not be modified or amended in any material respect without the prior written Approval of Authority, which Approval shall not unreasonably be withheld. Each such management agreement with a third party Operator of the Stadium shall be referred to herein as a “**Management Agreement**.” Each Management Agreement shall be subject to Authority Representative’s prior Approval, such Approval not to be unreasonably withheld. If given, such Approval shall be provided no later than fifteen (15) days after such request is made by Tenant.

ARTICLE V.

PARKING AND MULTIMODAL TRANSPORTATION

5.1 Generally. The Parties acknowledge and agree that there is no dedicated parking facility for the Stadium. Periodically, as determined by the Representatives, the Representatives shall meet in good faith to develop and implement a strategic plan to address parking for the Stadium and multimodal transportation serving the Stadium and surrounding areas. It is the intent

of the Parties that the strategic plan will include a plan to identify available parking spaces within the area located one-half (1/2) mile from the outside perimeter of the Stadium (in every direction), including existing and new garage and surface parking spaces, and on-street metered parking spaces and to promote the use of public transportation and other multimodal transportation for users of the Stadium. Tenant acknowledges that neither City, County nor Authority is under any obligation to construct any additional parking. The strategic plan shall also include ingress and egress plans, traffic circulation plans, directional signage and other wayfinding improvements to maximize the experience of Stadium patrons.

5.2 Parking Spaces. Authority, City and County shall use reasonable efforts to assist Tenant in the negotiation of agreements with the owners and operators of privately owned parking areas with respect to parking rates and access to parking spaces for Stadium Events. The parking rates at governmentally owned parking facilities located within one (1) mile of the Stadium shall not exceed the most favorable charges for parking at comparable events at such governmentally owned parking facilities. Authority and Tenant agree that they will negotiate in good faith with each other, and with City and County, to reach a separate agreement addressing any parking for Stadium Events to be provided in downtown parking lots or garages owned by the City or the County. Authority will also assist Tenant, and will request City and County to assist Tenant, to identify parking necessary for Tenant's employees and Team participants and the participants from other teams so as to satisfy the PDL Rules and Regulations.

ARTICLE VI. OPERATION; ROUTINE MAINTENANCE; UTILITIES

6.1 Tenant's Operation of the Stadium. Except as otherwise provided in this Agreement, Tenant shall be responsible for all aspects of operating the Stadium (including the sale of Concessions and Merchandise directly or through a Concessions Agreement or Merchandise Agreement) and the Routine Maintenance of the Stadium and shall be responsible for all operating expenses and costs for the Stadium, including all direct or indirect expenses associated with the Team or Stadium Events, and the provision of adequate, qualified and sufficient personnel to perform the duties and obligations of Tenant under this Agreement, including public address announcers, scoreboard operators, ticket sellers and takers, Concessions and Merchandise personnel, ushers, first aid and security personnel, groundskeepers and cleaning and maintenance personnel and other personnel necessary for the proper and safe operation of the Stadium.

6.2 Routine Maintenance. Without limiting the generality of the preceding section, Tenant shall, throughout the Term, at its own expense and, except as set forth below with respect to Authority Maintenance Items, at no cost or expense to Authority, and in compliance with Applicable Laws:

(a) Provide all Routine Maintenance and otherwise keep and maintain, or cause to be kept and maintained, the Stadium and all Authority Personal Property located within the Stadium in good repair, order and condition so that the Stadium may be operated in accordance with the Stadium Standard, but in all events in a manner consistent with manufacturers' recommendations, any applicable Casualty or other insurance requirements and as reasonably

necessary to avoid or repair waste or damage to any of the foregoing and in compliance with Applicable Laws;

(b) Promptly make, or cause to be made, all reasonably necessary routine repairs, interior and exterior, foreseen as well as unforeseen, to the Stadium, excluding those which constitute Capital Improvements, to keep the foregoing clean, in good working order and condition so that that the Stadium may be operated in accordance with the Stadium Standard and so that the Stadium may be operated in compliance with all Applicable Laws.

Tenant shall perform such maintenance and repair activities required in this Article VI in a safe, clean, attractive and first class manner comparable to that of the Comparable Properties and in accordance with the Stadium Standard.

Authority's obligation to maintain the Stadium shall be limited to only those items that the Parties may hereinafter agree in writing that the Authority should maintain in order to minimize the future cost of Capital Improvements (the "Authority Maintenance Items"). As of the date of this Agreement, the Parties have not agreed that there are any Authority Maintenance Items.

6.3 Compliance with Applicable Laws.

(a) Tenant may perform such operation, maintenance and repair activities itself or hire contractors or managers to perform all or any portion of the same in compliance with all Applicable Laws. Without limiting the foregoing, if Tenant elects to hire a third party facility management firm other than an Affiliate of Tenant to perform any such activities, Tenant shall follow the procedure set for in Section 4.6 hereof. For the avoidance of doubt, Tenant shall not be required to seek prior approval from Authority for any concessionaires, merchandisers or other vendors for the Stadium.

(b) Tenant agrees to do all things reasonably necessary to conduct its affairs and carry on its business and operations in such a manner as to comply in all material respects with any and all Applicable Laws and to duly observe and conform to all valid orders, regulations, or requirements of any Governmental Authority relative to the conduct of its business and its operation of the Stadium.

(c) Tenant, or the concessionaires, merchandisers and/or vendors for the Stadium, as appropriate, shall be responsible for obtaining all necessary Governmental Authorizations for operation of the Stadium, including, but not limited to, licenses and permits to sell food, beverages and alcohol.

6.4 Security and Staff. Tenant, in its reasonable discretion, shall provide at its sole cost and expense all interior Stadium security, emergency medical and other necessary staff inside the Stadium at a level of service appropriate for the applicable Stadium Event and consistent with the Stadium Standard. Authority, in its reasonable discretion, shall provide at its sole cost and expense all security, emergency, medical and other necessary staff at a level of service appropriate for Civic Events and the periods in which the portions of the Stadium are open to the public under Section 4.2(e). The City shall provide the customary municipal services outside the Stadium for all Stadium

Events consistent with the level of services provided without surcharge to businesses and other event revenues in the City (the “Basic Services”). Tenant shall be responsible for scheduling and paying any costs of additional police protection, fire prevention, emergency medical, street cleaning and street trash removal outside the Stadium and Tenant shall pay or reimburse to the City and/or County the cost of such services which exceed the Basic Services customarily provided by City and/or County without charge. If City and/or County in their sole discretion determine that an emergency public safety issue exists at any Event, City shall have the right to provide additional police or emergency staffing for such Event at their cost. The Representatives shall meet from time to time to update each other on staffing needs for scheduled Events.

6.5 Utilities. Except as otherwise provided in this Agreement, the Parties shall be responsible for Stadium utilities as follows:

(i) Tenant shall be responsible for contracting and paying for all electric service to the Stadium during the Term.

(ii) Tenant shall be responsible for contracting and paying for all water and sewer costs at the Stadium.

(iii) Tenant shall be responsible for contracting and paying costs and fees for all other utilities to the Stadium during the Term, including without limitation, telephone, cable television and other communications, internet and gas services.

6.6 Authority Inspections; Evaluation of Tenant. Upon prior written notice to Tenant, Authority Representative shall be permitted to conduct periodic inspections of the Stadium to evaluate Tenant’s compliance with its obligations under this Article VI. Tenant (or Tenant’s representatives) shall be permitted to attend any such inspections.

6.7 Improvements by Tenant. With the prior written approval of Authority which shall not be unreasonably withheld, conditioned or delayed, Tenant shall be permitted to make additions or improvements to the Stadium, at its sole cost and expense. Tenant shall keep the Authority Representative reasonably advised of the status of such improvements throughout their construction.

6.8 Tenant’s Personal Property. Tenant’s Personal Property shall remain the property of Tenant during the Term. Tenant, its assignees, concessionaires, merchandisers or vendors will be entitled to remove Tenant’s Personal Property from time to time during the Term and through the Lease Expiration Date.

ARTICLE VII. CAPITAL IMPROVEMENTS

7.1 Responsibility. Subject to the terms and conditions of this Article VII, and except as provided below, Authority shall be responsible for making all Capital Improvements at the Stadium that are Approved Capital Improvements. The Authority’s obligation to pay for any Approved Capital Improvements shall be limited to funds available in the Capital Improvements Reserve Fund

described below, and if inadequate funds are not available in the Capital Improvements Reserve Fund, Authority will request Appropriations from City and County for such purposes, and Tenant acknowledges that City and County are not required to provide any such Appropriations..

7.2 Capital Improvements Reserve Fund.

(a) On or before the Commencement Date, the Authority shall establish a capital improvements reserve fund (the "**Capital Improvements Reserve Fund**"), which shall be used solely for the funding of Approved Capital Improvements as provided in this Article VII in order to ensure that the Stadium continues to meet the Stadium Standard, ordinary wear and tear excepted. The Capital Improvements Reserve Fund may be maintained by Authority with a corporate trustee that is serving as trustee for holders of bonds issued as part of the Financing. All interest earned on the Capital Improvements Reserve Fund shall become a part of the Capital Improvements Reserve Fund.

(b) The Capital Improvements Reserve Fund shall be funded in accordance with the terms of the Interlocal Agreement. Tenant and Authority acknowledge and agree that, pursuant to the Interlocal Agreement, City and County are obligated to fund the Capital Improvements Reserve Fund beginning in the second full Fiscal Year after the Commencement Date in accordance with the Interlocal Agreement (the "Capital Improvements Reserve Fund Obligation"), with such funding obligation subject to the limitations of and credits provided in the Interlocal Agreement.

7.3 Capital Improvements Plan. Not later than six (6) months following the Commencement Date, the Representatives shall meet and jointly develop and Approve a rolling five (5) year Capital Improvements plan which, at a minimum, will specifically address any Capital Improvements required to made during the applicable period and set forth an estimated schedule and cost and expense for such Capital Improvements (when so Approved, the "**Capital Improvement Plan**"). The Representatives shall meet no less often than once a year thereafter to revisit, modify, as appropriate, and Approve the Capital Improvements Plan, and determine when and whether any additional Capital Improvements or Authority Maintenance Items are reasonably required to maintain the Stadium Standard. To the extent that any modifications, amendments or updates to the Capital Improvements Plan require an Appropriation in excess of amounts then contained within the Capital Improvements Reserve Fund, such modification, amendment or update shall also be submitted to the City and County for Approval of Appropriations prior to them becoming effective. Authority and Tenant agree to act reasonably in agreeing on and implementing the Capital Improvements Plan. Notwithstanding the foregoing, the prior sentence shall not apply to the Approval of any Capital Improvements required by the **PDL Rules and Regulations** as described in clause (c) of the definition of Capital Improvements, and Authority may approve or disapprove of any such Capital Improvement in its sole discretion unless such Capital Improvement (i) materially benefits the use of the Stadium for multiple uses and not just use for baseball and (ii) would not adversely affect the ability to complete any Capital Improvements contemplated under the existing Capital Improvements Plan. Any failure of Authority and Tenant to agree on and Approve a Capital Improvements Plan or any modifications, amendments or updates thereto shall not affect the obligations of the Parties with respect to Capital Improvements or Authority Maintenance Items which have previously been Approved.

Notwithstanding any provision hereof, each Approval of a Capital Improvement Plan or of any amendment to a Capital Improvement Plan by the Authority Representative shall be conditioned upon the ratifying Approval of the Board of Directors of Authority.

7.4 Undertaking of Approved Capital Improvements. Prior to undertaking an Approved Capital Improvement in excess of \$100,000, Tenant shall undertake a competitive process to obtain proposals for completion of such Capital Improvement, with Tenant's recommendation for acceptance of one of such proposals to be submitted to the Authority Representative (the "**Proposed Capital Improvements Contract**"). The Authority Representative shall have fifteen (15) days to approve or reject the recommended Proposed Capital Improvements Contract and, if the Authority Representative fails to respond to Tenant within such fifteen (15) day period, Tenant's recommendation shall be deemed approved and Tenant may proceed with the proposed Capital Improvement subject, if necessary, to the Approval by City and County of any necessary Appropriation to pay such Capital Improvement. Any Proposed Capital Improvements Contract that is Approved or deemed Approved pursuant to this Section is referred to as an "Approved Improvements Contract."

7.5 Emergency Conditions. Notwithstanding the foregoing, in the event that either Tenant or the Authority determines that a condition exists at the Stadium that would jeopardize the health, safety and welfare of attendees of Events at the Stadium or that would render the Stadium unusable for Events if not cured within an expedited timeframe and such condition could only be cured through Capital Improvements (an "**Emergency Condition**"), then such Party may request an expedited review of a Proposed Improvement to cure such condition by providing written notice to the other Party detailing the basis for the determination that such condition constitutes an Emergency Condition, the Proposed Improvement necessary to cure such Emergency Condition and a good faith estimate of the timeframe in which the Proposed Improvement must be approved as provided in Section 7.4 above. The Authority Representative shall approve or disapprove the Proposed Improvement with respect to the Emergency Condition as promptly as practicable in light of the Emergency Condition, and Tenant may rely on such Authority Representative's approval or disapproval without obtaining a copy of any required ratifying Approval by the Board of Directors of Authority or otherwise investigating whether any such Approval was obtained.

7.6 Improvements Arbitrator. In the event the Representatives cannot agree on the need for a particular Capital Improvement in the Capital Improvement Plan, the Parties shall submit the disagreement to arbitration by a mutually agreed upon unaffiliated architect, building engineer or other person skilled and experienced in stadium management and maintenance (the "**Improvements Arbitrator**") to determine whether the proposed Capital Improvement is necessary for the maintenance of the Stadium in accordance with the Stadium Standard. The Parties shall provide such information to the Improvements Arbitrator as may be reasonably requested by the Improvements Arbitrator who shall make a determination within three (3) weeks from the date the dispute is submitted to arbitration. If the Improvements Arbitrator determines that the proposed Capital Improvement is necessary for the maintenance of the Stadium in accordance with the Stadium Standard, then such proposed Capital Improvement shall be an Approved Capital Improvement subject, however, to the Approval of City and County if an Appropriation is required with respect thereto. The determination of the Improvements Arbitrator

shall be final and binding on the parties. Tenant and Authority shall share equally in the costs and expense of the Improvements Arbitrator. Notwithstanding the foregoing, this Section 7.6 shall not apply to any Capital Improvements required by the PDL Rules and Regulations.

7.7 Completion of Approved Capital Improvements. Tenant shall commence any Approved Capital Improvements pursuant to Approved Improvements Contracts promptly upon Approval thereof in accordance with Section 7.4, but in any event within ninety (90) days. Should Tenant fail to commence such Approved Capital Improvement within such ninety (90) day period, then the Authority shall provide notice to Tenant that the Authority intends to pursue completion of such Approved Capital Improvement and if Tenant then fails to commence such Approved Capital Improvement within thirty (30) days after receipt of such notice, Authority shall be entitled to pursue completion of such Approved Capital Improvement without further notice to Tenant. Tenant shall use commercially reasonable efforts to time and organize all repair activities in such a manner as to facilitate Stadium Events and Authority Sponsored Events to the extent feasible, and, Tenant agrees to consult with the Authority on all such Tenant decisions regarding the completion of any Approved Capital Improvement.

7.8 Funding of Capital Improvements. Except as is provided below, Tenant may utilize any and all funds available in the Capital Improvements Reserve Fund as, when and to the extent such funds are available for payments due with respect to Approved Capital Improvements in the manner provided in the Financing documents, it being understood that amounts on deposit in the Capital Improvements Reserve Fund may not be sufficient at the time of such Capital Improvements to pay such costs, in which case Tenant may pay any such amounts directly. If Tenant funds or pays for an Approved Capital Improvement pursuant to an Authorized Improvements Contract from its own funds, then Tenant shall be entitled to reimbursement from the Capital Improvements Reserve Fund for actual costs incurred by Tenant, as evidenced by documentation presented to the Authority, if, when and to the extent such funds become available from the Capital Improvements Reserve Fund; provided, however, that Tenant shall not be entitled to reimbursement of costs that would have been incurred by Tenant in the absence of such Approved Capital Improvement (e.g. overhead costs, including salaried employees of Tenant). If Authority declines to Approve (which Approval shall be granted or denied in Authority's sole discretion, subject to the requirements of Section 7.3 hereof) any Capital Improvements described in clause (c) of the definition of Capital Improvements, then (x) Tenant shall have the right to complete such Capital improvements and pay the cost of any such Capital Improvements and shall not be entitled for any reimbursement relating thereto or (y) provided Tenant then is a party to the Smokies PDL License Agreement, Tenant may terminate this Agreement upon one hundred eighty (180) days' notice to Authority provided such notice is given with thirty (30) days of when such Capital Improvement or the funding thereof from the Capital Improvements Reserve Fund is not Approved by the Authority after a request therefor by Tenant.

7.9 Excess Funds. In the event that this Agreement is not renewed beyond the Initial Term pursuant to Section 3.5, any funds remaining in the Capital Improvements Reserve Fund at the end of the Initial Term will be and shall remain the property of the Authority, and Tenant shall have no interest therein.

ARTICLE VIII. **TAXES**

8.1 Tenant Payment of Taxes. Tenant shall be responsible for the payment of any taxes legally imposed, assessed or levied against Tenant's Personal Property and for the payment of any excise taxes legally imposed, assessed or levied against Tenant on account of tickets, Concessions or Merchandise, and similar sales or transactions related to Tenant's use or occupancy of the Stadium or any Stadium Event. Neither the City nor County shall impose any new taxes that apply to the Stadium or the Tenant in a manner that is disproportionate to other businesses.

8.2 Ad Valorem Taxes. Authority and Tenant intend that the Real Property, the Stadium and any interest of Tenant hereunder (for so long as the Stadium is owned by Authority or other Governmental Authority) presently are and shall continue to be exempt from real estate ad valorem taxes ("**Property Taxes**") as exempt properties under the applicable provisions of the Tennessee Code Annotated and other Applicable Laws. Tenant is authorized to assert, insist upon, continue, and restate this joint intent to any agency, forum, or court having jurisdiction and at which the question may arise or be presented, and Authority, at the request and sole expense of Tenant, shall jointly take and pursue such lawful actions with Tenant, including, if necessary, judicial actions, as may be available and appropriate, to protect and defend the Stadium and the Leasehold Estate of Tenant against the levy, assessment or collection of Property Taxes by any Governmental Authority asserting the power to levy, assess, and collect such taxes under Applicable Law. In the event that such Property Taxes are assessed against the Real Property or the Stadium, then Tenant shall pay such Property Taxes before they become delinquent, subject to Tenant's right of contest as provided in this Agreement. Were the Authority ever to become a governmental taxing entity, the aggregate of any such Property Taxes owing and paid to Authority, but not to other taxing jurisdictions, throughout the Term shall be promptly refunded by Authority to Tenant. Were Tenant's leasehold estate in the Stadium ever to become subject to ad valorem taxes, Authority agrees to cooperate with Tenant to achieve abatement of ad valorem taxes in accordance with applicable law.

8.3 Joinder of Authority Not Required. Authority shall not be required to join in any Tax Proceeding or other Action or Proceeding referred to in this Section unless required by Applicable Law in order to make such Action or Proceeding effective, in which event any such Action or Proceeding may be taken by Tenant in the name of but without expense to Authority, and **TENANT HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD AUTHORITY, CITY AND COUNTY HARMLESS FROM ALL COSTS, FEES, EXPENSES, CLAIMS, LOSSES OR DAMAGES BY REASON OF, IN CONNECTION WITH, OR IN ACCOUNT OF, GROWING OUT OF, RESULTING FROM, ANY SUCH ACTION OR PROCEEDING.** To the extent such cooperation is required by the applicable Governmental Authority for such Tax Proceeding, Authority, City and County shall cooperate in any such Tax Proceeding as reasonably requested by Tenant, at Tenant's sole cost and expense, whether or not Authority is joined pursuant thereto, and Authority agrees to take no action that would be materially adverse to Tenant in any such Tax Proceeding where Tenant seeks to reduce its obligation to pay such Property Taxes.

8.4 No Authority Obligations. Except for costs that Authority has specifically agreed to pay pursuant to the express terms of this Agreement, (i) Authority shall not be required to make any expenditure, incur any obligation or incur any liability of any kind whatsoever in connection with this Agreement, the Stadium or any Property Taxes and (ii) it is expressly understood and

agreed that this is a completely net lease intended to assure Authority the Rent herein reserved on an absolutely net basis, except as otherwise provided in this Agreement.

8.5 No Target Taxes. Notwithstanding anything herein to the contrary, the Authority shall not impose and shall not request City nor County shall impose, or agree to be imposed, any targeted or special taxes, fees or assessments on (a) parking or intermodal transportation during any Stadium Events, or (b) the Stadium, the Team or Stadium Events, including, without limitation, special district taxes, fees or assessments without the prior written consent of Tenant.

ARTICLE IX. INSURANCE; INDEMNITY

9.1 Insurance.

(a) Tenant shall, at its sole expense, obtain and maintain during the Term, a Commercial General Liability Policy and Auto Liability Policy of Insurance (for owned, hired and non-owned vehicles of Tenant) which will adequately and sufficiently protect Authority and Tenant, their agents, representatives and servants from losses arising from any use of the Stadium. Authority shall be named on the insurance certificate(s) as an additional insured party and Tenant shall use commercially reasonable efforts for the umbrella coverage to follow form to include Authority as an additional insured. Unless otherwise agreed by Authority Representative and Tenant Representative in writing, the Commercial General Liability Policy of Insurance shall include the following coverage: (i) commercial general liability, ONE MILLION DOLLARS (\$1,000,000) per occurrence, including fire, products/completed operations, broad form contractual liability, broad form property damage liability, host legal liquor liability and dram shop liability; (ii) TEN THOUSAND DOLLARS (\$10,000) for medical payments per each occurrence; (iii) General Aggregate, TWO MILLION DOLLARS (\$2,000,000), (iv) Products/Completed Operations - Aggregate, TWO MILLION DOLLARS (\$2,000,000), (v) Personal and Advertising Injury, ONE MILLION DOLLARS (\$1,000,000), (vi) Fire Legal Liability, ONE MILLION DOLLARS (\$1,000,000), (vii) commercial umbrella liability policy, TEN MILLION DOLLARS (\$10,000,000) per occurrence/annual aggregate, including host legal liquor liability and dram shop liability in the umbrella policy; (iv) workers' compensation (statutory benefits coverage A) plus employers liability, in the amounts of FIVE HUNDRED THOUSAND (\$500,000) per employee per accident, FIVE HUNDRED THOUSAND (\$500,000) per employee per disease and FIVE HUNDRED THOUSAND (\$500,000) policy aggregate. In the event that at any time Authority shall determine that the coverage amounts and scope of coverage described above is inadequate when compared to the Comparable Properties, then Authority may require additional coverage or terms of coverage within its reasonable discretion. This clause is in no way intended to limit the liability of Tenant under this clause and its hold harmless provisions running towards Authority, but is only to be considered as a guideline for minimum amounts of insurance that shall be carried in the amounts required herein.

(b) Authority shall obtain and maintain property insurance at all times during the Term of this Agreement, insuring all buildings and structures comprising the Stadium against all risk of direct physical loss or damage to the same extent and with comparable coverage as other buildings owned by City or County, provided that such policy or endorsement shall, to the extent

available for comparable properties, include business interruption insurance which is sufficient to cover the amount of Rent payable during any period that the Stadium is unusable by Tenant due to Casualty. Such insurance coverage may be maintained by any combination of single policies and umbrella policies, including any policies maintained by City or County. Tenant shall obtain property insurance of Tenant's Personal Property. The insurance described in this subsection shall include full replacement value cost coverage if it can be obtained at commercially reasonable terms acceptable to Authority.

(c) Additionally, Tenant shall maintain (in which case such coverage may be provided by Tenant's property insurance) or cause its construction manager or general contractor constructing Capital Improvements to maintain additional property insurance written on the so-called "**Builder's Risk Completed Value Non-Reporting Form**" during any period in which any Capital Improvements work being made to the Premises, the anticipated costs of which exceed \$100,000 in the aggregate, with no coinsurance requirement, and containing a provision granting the insured permission to complete and adding the Authority as the loss payee as its interest may appear for such insurance.

(d) All insurance policies of Tenant or Authority required hereunder (including endorsements thereto) shall (i) be issued by insurance companies authorized to do business in the State of Tennessee, and rated "**A-VII**" or better by A.M. Best Company (or equivalent); (ii) name the other party and, to the extent communicated to Tenant or Authority, as applicable, in writing, any other party reasonably required by such party, as "additional insureds" for the Commercial General Liability Policy of Insurance (and for any other insurance policies required to be maintained hereunder for which "additional insured" coverage is available); (iii) be in a form reasonably satisfactory to the other party; (iv) be noncontributing with, and apply only as primary and not as excess to, any other insurance available to the applicable party (to the extent such provision is reasonably available); (v) contain a provision that a party and all additional insureds shall be entitled to recovery under the policy for any loss occasioned to such party by reason of the negligence of the other party or its respective agents, employees or representatives; and (vi) require the insurer to notify or endeavor to notify Tenant and Authority, in writing, not less than thirty (30) days prior to any cancellation or termination thereof, except in the event of non-payment of premium in which case the notice period shall be not less than ten (10) days, to the extent the insurer agrees to provide such notices.

(e) Prior to the issuance of a certificate of occupancy for the Stadium, the certificates of insurance verifying the existence of the insurance coverage required in the above paragraphs shall be made available to Authority and Tenant. Each of Authority and Tenant shall from time to time upon reasonable request by the other party provide updated certificates of insurance evidencing that all insurance required hereunder is in place and fully paid for in advance.

(f) Each of Tenant and Authority shall timely pay all premiums due for all insurance policies required hereunder and shall not do anything at the Stadium that would impair or invalidate any material obligations of any insurer thereunder. If either Tenant or Authority fails to obtain and pay for any of the insurance policies required hereunder, and such failure continues for ten (10) days after written notice thereof from the non-defaulting party, then, in addition to all other rights and remedies of the non-defaulting party, the non-defaulting party shall have the right,

but not the obligation, to secure the appropriate insurance policies. Any amounts paid by the non-defaulting party in connection with obtaining such insurance shall be immediately due and payable from the defaulting party, and the defaulting party shall pay all such amounts to the non-defaulting party upon demand therefor, together with interest at the Default Rate.

9.2 Waiver of Subrogation. It is the intent of the Parties that the risk of loss or damage arising out of or relating to this Agreement should be borne by insurance to the extent of available coverage. Accordingly, Authority and Tenant waive all rights against each other (and against the agents, employees, representatives and/or insurers of the other) for any loss or damage to any building, structure, or other tangible property, or any resulting loss of income, or losses under worker's compensation laws and benefits, even though such loss or damage might have been occasioned by the negligence of such other party (its agents, employees and/or representatives); provided, however, that: (a) this waiver of rights shall only be applicable to the extent of insurance proceeds actually paid to the party suffering such loss or damage; (b) this waiver of rights shall only be applicable and in force only with respect to loss or damage covered by the waiving party's property insurance and occurring during such time as the waiving party's applicable insurance policies contain a clause or endorsement to the effect that any such waiver shall not adversely affect or impair such policy or the right of the waiving party to recover thereunder; and (c) this waiver of rights shall in no way diminish the indemnity obligations of Tenant as set forth in Section 9.3 below. Tenant and Authority shall give written notice of the terms of this mutual waiver of rights to their respective insurers and shall have their insurance policies endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of this waiver of rights.

9.3 Indemnity; Limited Liability of Authority. Tenant shall indemnify, hold harmless and defend Authority and each of its officers, directors, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage, including damage by fire or other casualty) incurred by Authority, Tenant or any other person, and from any and all claims, demands and actions in law or equity (including reasonable attorneys' fees and litigation expenses), arising directly or indirectly out of: (i) Tenant's occupancy, use, operation, maintenance and/or repair of the Stadium, and/or (ii) Tenant's performance under this Agreement which do not result primarily from the Authority's gross negligence, willful misconduct or material breach of Authority's obligation under this Agreement. In no event shall the Authority's officers, directors, officials, employees, agents and volunteers have any personal liability with respect to any of the terms, covenants and conditions of this Agreement. Lessee expressly agrees that it shall look solely to the equity of the Authority or its successor in the Stadium for the satisfaction of any remedy of Lessee in the event of any breach by the Authority of any of the terms, covenants, and conditions of this Agreement. Lessee acknowledges that the Authority is a governmental entity and is subject to the protection of the Tennessee Governmental Tort Liability Act provided under Tenn. Code Ann. § 29-20-101, *et seq.*, as amended from time to time, and nothing contained herein shall constitute a waiver or release of the Authority's rights and protections under said statute. Tenant's obligations contained in this Section 9.3 shall survive expiration or termination of this Agreement.

 **ARTICLE X.**
LOSS OF FACILITIES

10.1 Condemnation.

(a) If all of the Stadium or the use thereof is taken by power of eminent domain, condemned or sold in lieu of condemnation proceedings, this Agreement shall automatically terminate on the earlier to occur of (i) the date on which title to the Stadium vests in the condemning authority; or (ii) the date on which Tenant is dispossessed of the Stadium. Except as otherwise required by issues of public safety in the exercise of its Governmental Function, Authority shall not exercise its power of eminent domain on all or any portion of the Leasehold Estate.

(b) If a portion of the Stadium or the use thereof is taken by power of eminent domain, condemned or sold in lieu of condemnation proceedings and such taking materially affects Tenant's ability to use or otherwise operate and derive revenue from the Stadium, Tenant shall have the right to terminate this Agreement effective as of the earlier to occur of (i) the date on which title to the condemned portion of the Stadium vests in the condemning authority; or (ii) the date on which Tenant is dispossessed of the portion of the Stadium, by giving written notice to Authority within sixty (60) days after Tenant's receipt of notice of the partial condemnation.

(c) If a portion of the Stadium or the use thereof is taken by power of eminent domain, condemned or sold in lieu of condemnation proceedings and Tenant does not terminate this Agreement pursuant to the terms and conditions of Section 10.1(b) above: (i) this Agreement shall be deemed terminated with respect to only the condemned portion of the Stadium or use thereof; (ii) Tenant's Rent obligations shall be equitably reduced, as determined by the Representatives in good faith, taking into account Tenant's prior use of the condemned portion of the Stadium and the potential of such portion to generate revenue for Tenant based upon attendance over the previous three (3) year period; and (iii) Authority shall, at its sole cost and expense, but solely from proceeds of any condemnation award or amounts on deposit in the Capital Improvements Reserve Fund, promptly make any Capital Improvements that the Representatives deem reasonably necessary as a result of such condemnation.

(d) Each of Tenant and Authority shall have the right to seek, at its sole cost and expense, any award to which it might be entitled as a result of any condemnation of all or any portion of the Stadium or the use thereof. Neither Tenant nor Authority shall have any rights to any award made to the other.

(e) If all or a portion of the Stadium or the use thereof is temporarily condemned, this Agreement shall remain in full force and effect, but Tenant's Rent obligations shall be equitably reduced or abated, as determined by the Representatives in good faith, taking into account Tenant's prior use of the condemned portion of the Stadium and the potential of such portion to generate revenue for Tenant based upon attendance over the previous three (3) year period.

10.2 Casualty Damage to the Stadium.

(a) If, at any time during the Term, the Stadium or any part thereof shall be damaged or destroyed by Casualty, then Tenant shall promptly secure the area of damage or destruction to safeguard against injury to Persons or property.

(b) If the Stadium or any portion thereof is damaged or destroyed by Casualty, then neither Tenant nor Authority, subject to Section 10.2(d) below, shall have the right to terminate this Agreement and Authority shall promptly use commercially reasonable efforts to restore and repair the Stadium to a condition substantially similar to that prior to such Casualty and the Term shall be extended by the period of restoration and repair provided the insurance proceeds are sufficient for such purpose.

(c) During any period that the Stadium is unusable by Tenant due to Casualty, the Rent, and any other obligations hereunder, shall abate to the extent that Authority is able to insure against the loss of Rent due to such Casualty, and Authority shall be entitled to all proceeds of the business interruption insurance accrued under Section 9.1(b).

(d) If the Stadium or any portion thereof is damaged or destroyed by Casualty and (i) such damage or destruction (A) causes the Stadium to be unusable by Tenant for Stadium Events, and (B) such unusable condition cannot be remedied within twelve (12) months after the date of such Casualty (as reasonably determined by Authority's construction consultants), or (ii) the insurance proceeds are insufficient to pay the cost of restoring the Stadium, then, either (i) Tenant or (ii) Authority shall have the right to terminate this Agreement.


(e) Notwithstanding anything in this Section to the contrary, in the event any Casualty to the Stadium is caused by the willful misconduct of Tenant, Operator, any Team member, any vendor, any concessionaire or any of the respective Related Parties of such Persons, Tenant shall be responsible for such damage (to the extent the same is not covered by insurance), the Rent shall not abate and Tenant shall promptly use commercially reasonable efforts to restore and repair the Stadium to a condition substantially similar to that prior to such damage or destruction.

ARTICLE XI. DEFAULTS AND REMEDIES

11.1 Default by Tenant.

(a) An event of default by Tenant (a "**Tenant Default**") shall be deemed to have occurred under this Agreement upon the occurrence of any of the following:

(i) The failure by Tenant to make any payment of Rent as it falls due and which failure is not cured within ten (10) days after written notice to Tenant of such failure;

 (ii) The failure of Tenant to cause the Stadium to be operated continuously as required by this Agreement within thirty (30) days after Authority gives notice to

Tenant of such failure (or such longer period as may be reasonably necessary to effect such cure, if such cure cannot be effected within such thirty (30) day period using reasonable efforts);

(iii) The failure of Tenant to cause the Stadium to be operated in accordance with the requirements of the Stadium Standard or Article VI within sixty (60) days after Authority gives notice to Tenant of such failure (or such longer period as may be reasonably necessary to effect such cure, if such cure cannot be effected within such sixty (60) day period using reasonable efforts);

(iv) The failure of Tenant to observe or to perform any other material obligation, condition or covenant on its part to be performed or observed in accordance with this Agreement and such failure remains uncured for more than sixty (60) days after Tenant's receipt of written notice of such failure from Authority (or such longer period as may be reasonably necessary to effect such cure, if such cure cannot be effected within such sixty (60) day period using reasonable efforts);

(v) A "**Default**" or "**Event of Default**" as defined in the Development Agreement shall have occurred and remained uncured;

(vi) An Insolvency Event has occurred with respect to Tenant; or

(vii) Substantially all of Tenant's assets are levied upon by virtue of a writ of court of competent jurisdiction; or Tenant ceases to do business in any manner.

11.2 Authority's Remedies. Subject to this Section 11.2 and Section 24.11, upon the occurrence of any Tenant Default, Authority may, in its sole discretion, pursue any one or more of the following remedies, in addition to any other remedies available to Authority at law or in equity or as otherwise specified in this Agreement, after delivery of written notice to Tenant:

(i) Authority may (but under no circumstance shall be obligated to) terminate this Agreement and upon such termination Authority may forthwith reenter and repossess the Stadium by entry, forcible entry or detainer suit or otherwise, without demand or further notice of any kind and be entitled to recover, as damages under this Agreement, a sum of money equal to the total of (i) the reasonable cost of recovering the Stadium, (ii) the reasonable cost of removing and storing Tenant's Personal Property or any other occupant's Property, (iii) the unpaid Rent and any other sums accrued hereunder at the date of termination and (iv) any increase in insurance premiums caused by the vacancy of the Stadium. In the event Authority shall elect to terminate this Agreement, Authority shall at once have all the rights of reentry upon the Stadium, without becoming liable for damages or guilty of trespass.

(ii) Authority may (but under no circumstance shall be obligated to) terminate Tenant's right of occupancy of all or any part of the Stadium and reenter and repossess the Stadium by entry, forcible entry or detainer suit or otherwise, without demand or further notice of any kind to Tenant and without terminating this Agreement, without acceptance of surrender of possession of the Stadium, and without becoming liable for damages or guilty of trespass, in which event Authority shall make commercially reasonable efforts to relet the Stadium or any part thereof

for the account of Tenant for a period equal to or lesser or greater than the remainder of the Term on whatever terms and conditions Authority, in Authority's sole discretion, deems advisable. Tenant shall be liable for and shall pay to Authority all Rent payable by Tenant under this Agreement plus an amount equal to (i) the reasonable cost of recovering possession of the Stadium, (ii) the reasonable cost of removing and storing any of Tenant's or any other occupant's property left on the Stadium after reentry, (iii) the cost of any increase in insurance premiums caused by the termination of possession of the Stadium and (iv) the reasonable cost of any repairs, changes, alterations or additions necessary for reletting, all reduced by any sums received by Authority through any reletting of the Stadium and/or any decreases in insurance premiums resulting from the termination of possession of the Stadium; *provided, however*, that in no event shall Tenant be entitled to any excess of any sums obtained by reletting over and above Rent provided in this Agreement to be paid by Tenant to Authority. For the purpose of such reletting, Authority is authorized to make any repairs, changes, alterations or additions in or to the Stadium that may be necessary. Authority may sue to recover any sums falling due under the terms of this Section 11.2 from time to time. No reletting shall be construed as an election on the part of Authority to terminate this Agreement unless a written notice of such intention is given to Tenant by Authority. Notwithstanding any such reletting without termination, Authority may at any time thereafter elect to terminate this Agreement for such Tenant Default and exercise any of its rights under Article X of this Agreement.

(iii) Authority may (but under no circumstance shall be obligated to) enter upon the Stadium and do whatever Tenant is obligated to do under the terms on this Agreement, including taking all reasonable steps necessary to maintain and preserve the Stadium; and Tenant agrees to reimburse Authority on demand for any expenses which Authority may incur in effecting compliance with Tenant's obligations under this Agreement (other than expenses of actually operating a business as opposed to maintenance, repair and restoration) plus interest at the Default Rate, and Tenant further agrees that Authority shall not be liable for any damages resulting to Tenant from such action. No action taken by Authority under this Section 11.2 shall relieve Tenant from any of its obligations under this Agreement or from any consequences or liabilities arising from the failure to perform such obligations.

(iv) Authority may exercise any and all other remedies available to Authority at law or in equity (to the extent not otherwise specified or listed in this Section 11.2), including enforcing specific performance of Tenant's obligation to continuously operate the Stadium in accordance with the Stadium Standard and pursuant to Article VI, and seeking monetary damages, including interest on the unpaid Rent at the Default Rate.

If Authority should terminate this Agreement in accordance with Section 11.2, Tenant shall assign to Authority any and all right, title and interest in any contracts entered into by Tenant for supplies, services, concessionaires, merchandisers or other vendors, or other similar agreements necessary for the daily operation of the Stadium (other than those contracts with an Affiliate of Tenant).

11.3 Default by Authority.

(a) An event of default by Authority (a "**Authority Default**") shall be deemed to have occurred under this Agreement if:

(i) Authority fails to perform or observe any material obligation or condition on its part to be performed or observed in accordance with this Agreement, and such failure remains uncured for more than sixty (60) days after Authority's receipt of written notice of such failure from Tenant (or such longer period as may be reasonably required to effect such cure if such cure cannot be effected within such sixty (60) day period using reasonable efforts); and/or

(ii) A "Authority Default" or "Event of Default" as defined in the Development Agreement shall have occurred and remained uncured.

(b) Upon the occurrence of a Authority Default, Tenant shall be entitled to seek all rights and remedies available to it at law, or in equity, including, but not limited to, the right to: (i) seek monetary damages; (ii) terminate this Agreement; and (iii) cure such default on behalf of Authority and bill Authority for all reasonable costs incurred by Tenant (including attorneys' fees) to affect such cure.

11.4 Remedies Cumulative. Except as expressly limited in this Article X, the remedies described herein are cumulative and are not intended to be exclusive of any other remedies to which the Parties may be entitled at law or in equity. The failure of a Party to (a) insist in any one or more instances upon the strict performance or observance of any of the obligations or conditions of this Agreement by the other Parties; or (b) exercise any remedy contained herein for any nonperformance or nonobservance of any obligation or condition by the other Parties shall not be considered a waiver of such Party's rights to later insist upon performance or observance or to exercise its remedies. Additionally, the exercise or commencement of the exercise of any right or remedy by a Party shall not preclude the simultaneous or later exercise of any or all other rights and remedies available to such Party.

11.5 No Indirect Damages. IN NO EVENT SHALL ANY OF THE PARTIES BE LIABLE TO THE OTHER PARTIES UNDER ANY PROVISION OF THIS AGREEMENT OR OTHERWISE FOR LOST PROFITS, INCLUDING LOST OR PROSPECTIVE PROFITS, OR FOR ANY OTHER SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, IN CONTRACT, TORT OR OTHERWISE, WHETHER OR NOT CAUSED BY OR RESULTING FROM SUCH PARTY'S OWN, SOLE OR CONCURRENT NEGLIGENCE OR THE NEGLIGENCE OF ANY OF ITS AFFILIATES OR RELATED PARTIES; PROVIDED THAT (I) THE FOREGOING SHALL NOT APPLY TO ANY RENT (OR ANY CLAIMS THEREFOR) AND (II) WITHOUT LIMITING THE FOREGOING, THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS OF EACH PARTY ARISING OUT OF THIRD PARTY CLAIMS FOR ANY OF THE FOREGOING.

11.6 No Waivers. No failure or delay of any Party, in any one or more instances (i) in exercising any power, right or remedy under this Agreement or (ii) in insisting upon the strict performance by the other Party of such other Party's covenants, obligations or agreements under this Agreement, shall operate as a waiver, discharge or invalidation thereof, nor shall any single or partial exercise of any such right, power or remedy or insistence on strict performance, or any abandonment or discontinuance of steps to enforce such a right, power or remedy or to enforce strict performance, preclude any other or future exercise thereof or insistence thereupon or the

exercise of any other right, power or remedy. The covenants, obligations, and agreements of a defaulting Party and the rights and remedies of the other Party upon a default shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

11.7 No Accord and Satisfaction. Without limiting the generality of Section 11.6 above, the receipt by Authority of the Rent with knowledge of a breach by Tenant of any covenant, obligation or agreement under this Agreement shall not be deemed or construed to be a waiver of such breach (other than as to the Rent received). The payment by Tenant of the Rent with knowledge of a breach by Authority of any covenant, obligation or agreement under this Agreement shall not be deemed or construed to be a waiver of such breach. No acceptance by Authority or Tenant of a lesser sum than then due shall be deemed to be other than on account of the earliest installment of the amounts due under this Agreement, nor shall any endorsement or statement on any check, or any letter accompanying any check, wire transfer or other payment, be deemed an accord and satisfaction. Authority and Tenant may accept a check, wire transfer or other payment without prejudice to its right to recover the balance of such installment or pursue any other remedy provided in this Agreement.

ARTICLE XII. DISPUTE RESOLUTION

12.1 Generally. In the event any dispute, controversy or claim between or among the Parties arises under this Agreement or is related in any way to this Agreement or the relationship of the Parties thereunder (a “**Dispute or Controversy**”), including, but not limited to a Dispute or Controversy relating to the effectiveness, validity, interpretation, implementation, termination, cancellation or enforcement of this Agreement, the Parties shall first attempt in good faith to settle and resolve such Dispute or Controversy by mutual agreement in accordance with this Article. In the event a Dispute or Controversy arises, either Representative shall have the right to notify the other Representative that it has elected to implement the following procedures. Within thirty (30) days after delivery of any such notice by one Representative to the other Representative regarding a Dispute or Controversy, the Representatives shall meet at a mutually agreed time and place to attempt, with diligence and in good faith, to resolve and settle the Dispute or Controversy. If a mutual resolution and settlement are not obtained at the meeting of the Representatives, then Authority and Tenant shall cooperate in a commercially reasonable manner to determine if techniques such as mediation or other techniques of alternate dispute resolution might be useful. If a technique is agreed upon, a specific timetable and completion date for implementation shall also be agreed upon. If such technique, timetable or completion date is not agreed upon within sixty (60) days after the notice of the Dispute or Controversy was first delivered, or if no resolution is obtained through such alternative technique, or if no meeting between the Representatives takes place within the forty-five (45) day period following delivery of the initial notice, then each of the Parties may seek injunctive relief or other relief at any time thereafter from any court of competent jurisdiction in the State of Tennessee.

12.2 Emergency Relief. Notwithstanding any provision of this Agreement to the contrary, each of the Parties may seek injunctive relief or another form of ancillary relief at any time from any court of competent jurisdiction in the State of Tennessee in the event that a Dispute

or Controversy requires emergency relief before the matter may be resolved under the dispute resolution procedures outlined in Section 12.1 above. Notwithstanding the fact that any court of competent jurisdiction may enter an order providing for injunctive or another form of ancillary relief, the Parties expressly agree that such dispute resolution procedures still will govern the ultimate resolution of any portion of the Dispute or Controversy.

ARTICLE XIII. SALE OF OWNERSHIP INTERESTS

13.1 Transfer of Majority Interest. Notwithstanding anything herein to the contrary, members of the Ownership Group may transfer all or any portion of that ownership interests in Tenant provided that at all times the Ownership Group is in Control of Tenant. As long as there is no existing Tenant Default, the prior Approval of Authority will not be required with respect to any Transfer of a Majority Interest of Tenant or its parent company as long as such Transfer of Majority Interest complies with the following conditions: (i) the respective duties and responsibilities of Tenant and Team under this Agreement do not change, (ii) any such Transfer of Majority Interest receives all necessary PDL Approvals, (iii) the Stadium will continue to be managed and operated by Tenant or a Qualified Operator, (iv) Tenant will continue to be liable for any and all of its obligations under this Agreement and the Development Agreement that arise after the effective date of such Transfer of Majority Interest, (v) no Tenant Default is caused by any such Transfer of Majority Interest, and (vi) the Ownership Group shall Control the Tenant. Tenant shall give notice of any such Transfer and shall provide evidence satisfactory to Authority of compliance with the requirements of this Section. All other Transfers of Majority Interest of Tenant or its Ownership Group will require the prior Approval of Authority, which shall not be unreasonably withheld. To the extent that Tenant or its Ownership Group, as applicable, have not otherwise provided notice to Authority of any Transfer of Majority Interest because of contractual confidentiality provisions or otherwise, Tenant or its Ownership Group, as applicable, shall provide Authority with notice of any Transfer of Majority Interest in Tenant prior to the first to occur of: any public statement by Tenant or its Ownership Group with respect to such transfer or the closing of such transfer, and this sentence shall in no event abrogate any Approval requirement or any other requirement set forth above..

13.2 Other Transfers. As long as there is no existing Tenant Default, transfers of ownership interests in Tenant or its Ownership Group which do not constitute a Transfer of Majority Interest will not require either Authority Approval or notice; provided that the aggregate of all such transfers over the Term does not cause a Transfer of Majority Interest with respect to such entities in which case any Approval requirement of Section 13.1 shall be applicable.

13.3 Continuing Enforceability. Without limiting the foregoing, no transfer of ownership interests in Tenant or its Ownership Group shall affect the enforceability of this Agreement and Tenant and its Ownership Group shall continue to be bound by the terms hereof.

ARTICLE XIV.
ASSIGNMENT AND SUBLETTING

14.1 Assignment by Tenant. Subject to Section 24.11, the Leasehold Estate and/or Tenant's interest in this Agreement may not be assigned, including any assignment pursuant to a leasehold mortgage or other type of lien, without the prior Approval of Authority. If Tenant wishes to assign this Agreement to a Person, then Tenant shall request Authority's Approval of such assignment which Approval may be granted or withheld in Authority's sole discretion, provided, however, Authority shall not unreasonably withhold its consent to an Affiliate of Tenant that is under the Control of the Ownership Group. Without limiting the foregoing, no assignment hereunder shall affect the enforceability of this Agreement and any Tenant and assignee shall continue to be bound by the terms hereof unless Authority agrees in writing to release Tenant from its obligations hereunder.

14.2 Assignment by Authority. Authority may assign all of its rights and obligations under this Agreement to a Governmental Authority, a local government corporation formed by Authority or a trustee in connection with the Financing; provided that Authority remains liable for the Authority's financial obligations contained herein unless such financial obligations are specifically assumed by any such Governmental Authority.

14.3 Sublease.

(a) Except as permitted under Section 14.3(b), Tenant may not sublease all or any portion of its interest in the Stadium except for an assignment to an Affiliate of Tenant approved by Authority in accordance with Section 14.1 or in connection with a Use Agreement.

(b) Notwithstanding anything herein to the contrary, Tenant shall have the right, from time to time, to sublease all or any portion of the space in the Stadium designated as "Retail Space" on the Stadium Site Plan on such terms as Tenant deems appropriate without the consent or approval of the Authority, provided that no sublease shall include a term or right to extend the term after the expiration of the Term of this Agreement as it may be extended under Section 3.5 without the prior written consent of the Authority.

ARTICLE XV.
NAMING AND ADVERTISING RIGHTS; BROADCASTING RIGHTS; PREMIUM SEATING; CONCESSIONS AND MERCHANDISE

15.1 Contracting Generally. Tenant shall have the exclusive right to and shall be solely responsible for identifying and entering into third party contracts with all concessionaires, merchandisers and other vendors for the Stadium.

15.2 Naming Rights. Subject to the PDL Rules and Regulations, Tenant shall have the exclusive right to name, or contract with a naming sponsor for, all or any part of the Stadium, from time to time during the Term and to receive and retain all revenues throughout the Term from such naming rights, and to install permanent signage and displays related thereto in, on and about any portion of the Stadium, including without limitation, Stadium outfield fences and walls, structures

erected above fences and walls, scoreboards, video boards, pedestrian walkway and concourse areas outside and inside the Stadium and concession, merchandise and catering areas; provided that such naming shall not (a) include racial epithets, barbarisms, obscenities, names relating to any tobacco products, sexually-oriented businesses or enterprises or containing any overt political reference (b) otherwise reasonably cause embarrassment or disparagement to Authority, the City or the County or (c) include the name of another political subdivision or Governmental Authority (collectively the “**Prohibited Messages**”).

15.3 Tenant Sponsorships and Advertising. Subject to the terms of any applicable Use Agreements, Tenant shall have the exclusive right to (a) all sponsorship revenues of every kind throughout the Term, and (b) sell, contract for, and retain all revenues throughout the Term from advertising, promotional, and pouring rights of every kind in, on or about the Stadium, and to install permanent signage and displays related thereto in, on and about any portion of the Stadium, including without limitation, Stadium outfield fences and walls, structures erected above fences and walls, Stadium façade, scoreboards, video boards, pedestrian walkway and concourse areas outside and inside the Stadium and concession and catering areas and other areas within the Stadium as determined by Tenant; provided that no such signage or displays shall include any Prohibited Messages.

15.4 Broadcasting Rights. Subject to the **PDL Rules and Regulations** and any rights granted to other sports franchises under Use Agreements, Tenant has the exclusive right to (a) all broadcasting or reports of Stadium Events during the Term, including without limitation, radio, television, cable, internet and other media broadcasts, whether currently existing or developed during the Term, and (b) all revenues therefrom. Tenant has the right to exercise such right at such times and in such manner as it considers appropriate, as determined in Tenant’s sole discretion.


15.5 Premium Seating, Concessions and Merchandise. Subject to any rights granted to other sports franchises under Use Agreements, Tenant has the exclusive right to contract for, market, sell and retain all revenue from the sale of and fees and payments associated with (i) all premium seating at the Stadium (e.g., luxury suites, boxes and club seats), and (ii) Concessions and Merchandise at the Stadium.

15.6 Concessions Requirements. Tenant covenants and agrees to meet, and require any third parties selling Concessions under a Concession Agreement to meet, the following requirements and standards with respect to Concessions during the Term:

(a) Tenant shall provide adequate, professional levels of Concessions service consistent with the Stadium Standard at the Stadium for all Stadium Events and Authority Sponsored Events at which Tenant has elected to sell Concessions.

(b) Tenant shall comply, and require any third parties selling Concessions under a Concession Agreement to comply, with all Applicable Laws and obtain all Governmental Authorizations necessary for the sale of Concessions.

(c) Tenant shall operate and maintain all Concession areas of the Stadium and all Concessions equipment, fixtures and facilities in a neat, clean, sanitary and safe condition.

 (d) Tenant shall provide fresh, sanitary and wholesome food and beverages meeting a standard of quality similar to comparable operations in the community.

(e) Tenant shall sell beverages in paper or plastic cups or plastic bottles and not sell beverages in glass bottles; provided, that beverages may be sold in glass bottles in luxury suites, sky-boxes and other restricted access areas of the Stadium if adequate measures are employed to prevent the removal of glass bottles from such areas to other areas of the Stadium.

(f) Tenant shall, to the extent practicable, use biodegradable containers and packaging in connection with the sale of Concessions.

ARTICLE XVI. COVENANTS, REPRESENTATIONS AND WARRANTIES OF TENANT AND AUTHORITY

16.1 Tenant Covenants. Tenant, and its successors or assigns, covenants that during the Term (or such shorter period as provided herein):

(a) Tenant shall assure that the Team plays all preseason, regular season and postseason home games at the Stadium; provided that the Team shall be authorized to play no more than three (3) neutral site baseball home game(s) each Stadium Season as directed and approved by MLB.

(b) Tenant shall use commercially reasonable efforts to ensure that the pricing of tickets for Team Stadium Events will be in amounts that provide an affordable recreational activity and provide attractive and meaningful programs designed to keep home games affordable for families, including special programs for seniors and children during each year of the Term.

(c) Unless the Initial Term of this Agreement is not extended, in which case this clause shall not be applicable during the last twenty-four (24) months of the Initial Term, Tenant shall not relocate the Team or the home territory of the Team outside the Stadium during the Term without first obtaining the written consent of the Authority, the City and the County.

(d) The Team shall include the name “Knoxville” as part of the Team’s name subject to obtaining any required PDL Approvals.

(e) At all times during the Term and in connection with any activity under this Agreement or with respect to the Stadium, Tenant shall comply with the requirements of all Applicable Laws.

(f) At all times during the Term, Tenant shall obtain and maintain all Governmental Authorizations necessary for the use and occupancy of the Stadium in accordance with the terms of this Agreement.

✖✖(g) At all time during the Term, Tenant shall comply with, and any contractor under any Concession Agreement, Management Agreement, Merchandise Agreement or other similar agreement to comply with, all Applicable Laws, including City Ordinances and County Ordinances. ✖

(h) Tenant is the owner of all rights (including associated franchise rights), title and interest in the Team and holds substantially all of the assets and Governmental Authorizations necessary for the operation of the Team and the Stadium and will continue to own such Team and assets throughout the Term unless transferred pursuant to the terms of Articles XIII or XIV hereof. During the Term, Tenant shall take reasonable steps to maintain the right to operate the Team under the Smokies PDL License Agreement, provided, however, that if the Smokies PDL License Agreement is terminated, revoked or not renewed, such event shall not constitute a Tenant Default as long as Tenant performs its other obligations hereunder. Further, subject to Section 24.11, in the event of such termination revocation or non-renewal, any references herein to rights of MLB PDL or PDL Approvals shall become non-applicable, and Tenant shall have the right to operate the Team as an independent minor league team. If the Tenant no longer operates the Team, all references herein to “Baseball Season” shall become non-applicable, and all scheduling priorities for Team events hereunder shall cease.

(i) For so long as the Tenant operates the Team during the term of this Agreement, the Tenant’s primary Team Store will be located in the Stadium.

16.2 Tenant’s Representations and Warranties. As an inducement to Authority to enter into this Agreement, Tenant represents and warrants to Authority that notwithstanding anything herein to the contrary and as of the Effective Date:

(a) Tenant is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Tennessee. The business which Tenant carries on and which it proposes to carry on may be conducted by Tenant. Tenant is duly authorized to conduct business as a limited liability company in the State of Tennessee and each other jurisdiction in which the nature of its properties or its activities requires such authorization;

(b) The execution, delivery and performance of this Agreement by Tenant are within Tenant’s powers, and have been duly authorized by all necessary action of Tenant;

(c) Neither the execution and delivery of this Agreement nor the consummation of any of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof will contravene the organizational documents of Tenant nor any Applicable Laws to which Tenant is subject or any judgment, decree, license, order or permit applicable to Tenant, or will conflict or be inconsistent with, or will result in any breach of any of the terms of the covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of a lien upon any of the property or assets of Tenant pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which Tenant is a party or by which Tenant is bound, or to which Tenant is subject;

(d) No consent, authorization, approval, order or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the execution, delivery and performance by Tenant of this Agreement except as specified in Section 24.11 hereof;

(e) This Agreement is the legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time;

(f) There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of Tenant, threatened against or affecting Tenant, which the management of Tenant in good faith believes that the outcome of which would (a) materially and adversely affect the validity or enforceability of, or the authority or ability of Tenant under, this Agreement to perform their respective obligations under this Agreement, or (b) have a material and adverse effect on the consolidated financial condition or results of operations of Tenant or on the ability of Tenant to conduct its business as presently conducted or as proposed or contemplated to be conducted (including the operation of the Stadium);

(g) Neither Tenant, any member of the Ownership Group, any Affiliate of Tenant nor any of their respective principals, owners, officers, employees or agents, or members of their immediate families, are currently officials, consultants or employees of City, County or Authority; and

(h) Tenant and the Ownership Group have been represented by independent legal counsel and have had an adequate opportunity to seek advice with respect to all matters of Applicable Law and City Ordinances and County Ordinances, including, without limitation, those laws, ordinances and regulations concerning land use.

16.3 Authority Covenants. Authority, and its successors or assigns, covenants that during the Term shall not offer, and shall not request City or County to offer, any financial incentives to or assist in establishing or locating (i) any other professional baseball franchise within City and County or (ii) any professional or semi-professional sports franchise within the City and County that typically plays games on an outdoor diamond or rectangular field that can be set up in the Stadium unless (i) Tenant fails to provide a reasonable Use Agreement to such franchise or (ii) such franchise will play substantially all of its home games in the Stadium. As used in this section “financial incentives” includes without limitation, cash payments, tax abatements, transferring interests in real estate or personal property, loans, guarantees, or any other form of financial accommodations. The Parties agree that the above restrictions are necessary to allow this transaction to be economically viable for the Parties, and that without these restrictions, the Parties would not be able to accomplish the goal of bringing a PDL Club to the City for the benefit of the public.

16.4 Authority's Representations and Warranties. As an inducement to Tenant to enter into this Agreement, Authority represents and warrants to Tenant that notwithstanding anything herein to the contrary and as of the Effective Date:

(a) Authority is a public nonprofit corporation duly **formed and validly existing** under the laws of the State of Tennessee, with all necessary power and authority to enter into this Agreement and to consummate the transactions herein contemplated;

(b) The execution, delivery and performance of this Agreement by Authority is within Authority's powers, respectively, and have been duly authorized by all necessary action of Authority;

(c) Neither the execution and delivery of this Agreement nor the consummation of any of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof will contravene any Applicable Laws to which Authority is subject or any judgment, decree, license, order or permit applicable to Authority;

(d) Upon the execution of this Agreement by Authority, Authority will have caused all governmental proceedings required to be taken by or on behalf of Authority to authorize Authority to make and deliver this Agreement and to perform the covenants, obligations and agreements of Authority hereunder;

(e) This Agreement is the legal, valid and binding obligation of Authority, enforceable against Authority in accordance with its terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time; and

(f) There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of Authority, threatened against or affecting Authority, of which Authority in good faith believes that the outcome would materially and adversely affect the validity or enforceability of, or the authority of Authority under, this Agreement to perform its obligations under this Agreement.

16.5 Governmental Rule. No Approvals by Authority or Authority Representative under this Agreement shall relieve or release Tenant from any Applicable Laws or Authority Ordinances relating to the operation or occupancy of the Stadium (including Applicable Laws that are procedural, as well as or rather than, substantive in nature). The Approval by Authority or Authority Representative of any matter submitted to Authority or Authority Representative pursuant to this Agreement, which matter is specifically provided herein to be Approved by Authority or Authority Representative shall not constitute a replacement or substitute for, or otherwise excuse Tenant from, such permitting, licensing or approval processes under Applicable Laws; and, conversely, no permit or license so obtained shall constitute a replacement or substitute for, or otherwise excuse Tenant from, any requirement hereunder for the Approval of Authority or Authority Representative.

ARTICLE XVII.
QUIET ENJOYMENT

Authority covenants that, subject to the terms and conditions of this Agreement, Tenant shall peaceably and quietly have, hold and enjoy the Leasehold Estate and have the right to use the Leasehold Estate in accordance with the terms hereof during the Term. Authority represents that as of the Effective Date there are no, and as of the Commencement Date there will be no, Liens, judgments or claims to the Stadium that will affect Tenant's right to occupy and enjoy the Stadium except for those utility easements and other matters listed in Exhibit A attached hereto, provided that no representation is made with respect to any Liens created by Tenant or any Affiliate thereof.

ARTICLE XVIII.
GENERAL PROVISIONS

18.1 No Broker's Fees or Commissions. Each Party hereto hereby represents to the other Parties hereto that such Party has not created any liability for any broker's fee, broker's or agent's commission, finder's fee or other fee or commission in connection with this Agreement.

18.2 Council/Commission Approval. Notwithstanding anything to the contrary set forth in this Agreement, Tenant recognizes and agrees that certain contracts or agreements, or amendments thereto, contemplated to be entered into by Authority under the terms of this Agreement which are entered into after the date of this Agreement may be subject to the prior Approval of the City Council and/or County Commission, but not Approvals and confirmations expressly permitted in this Agreement to be given by Authority Representative.

18.3 Recording of Memorandum of Lease. Tenant may file of record a memorandum of this Agreement in a form reasonably acceptable to Authority in the office of the Register of Deeds of Knox County, Tennessee upon the Commencement Date. Upon the Lease Expiration Date, Tenant shall execute such instruments reasonably requested by Authority in recordable form which are sufficient to release of record any rights or interests of Tenant in and to the Stadium or the Leasehold Estate. In this connection, Tenant irrevocably and unconditionally appoints Authority as its attorney-in-fact, coupled with an interest, which appointment shall survive the bankruptcy, insolvency or other legal disability of Tenant, to take all actions necessary to perform Tenant's obligations under this Section 18.3.

18.4 Compliance with Applicable Laws and Permitted Exceptions. Tenant shall, (a) throughout the Term and within the time periods permitted by Applicable Law, comply or cause compliance with all Applicable Laws applicable to the Stadium, including any applicable to the manner of use or the maintenance, repair or condition of the Stadium or any activities or operations conducted in or about the Stadium and (b) throughout the Term, comply or cause compliance with the Permitted Exceptions, but with respect to each of the foregoing, Tenant shall not be responsible for any failure to comply with Applicable Law or the Permitted Exceptions to the extent caused by Authority or its Affiliates. Tenant shall, however, have the right to contest the validity or application of any Applicable Law, and if Tenant promptly contests and if compliance therewith may legally be held in abeyance during such contest, Tenant may postpone compliance until the

final determination of such contest, *provided* that such contest is prosecuted with due diligence and that Tenant shall not so postpone compliance therewith in such a manner as to, or if doing so would (i) impair the structural integrity of the Stadium, (ii) during such contest, subject Authority to any fine or penalty or to prosecution for a criminal act, or expose Authority to any civil liability or (iii) cause the Stadium to be condemned or vacated; provided that a Lien against the Stadium shall not be imposed by reason of such noncompliance. Tenant shall give Authority reasonable notice (which in no event shall be less than thirty (30) days) of its intent to carry on such contest, specifying the Applicable Law that Tenant proposes to contest, the name of counsel representing Tenant in such contest and the Excusable Tenant Delay, if any, that such contest will cause in any repair, alteration or improvement of the Stadium.

18.5 No Authority Obligations. Except for costs that Authority has specifically agreed to pay pursuant to the express terms of this Agreement, (i) Authority shall not be required to make any expenditure, incur any obligation or incur any liability of any kind whatsoever in connection with this Agreement, the Stadium and (ii) it is expressly understood and agreed that this is a completely net lease intended to assure Authority the Rent herein reserved on an absolutely net basis, except as otherwise provided in this Agreement.

18.6 Tenant's Obligations for Payment of Rent; No Termination. Except as otherwise expressly provided in this Agreement, no happening, event, occurrence or situation during the Term, whether foreseen or unforeseen and howsoever extraordinary or beyond the contemplation of the Parties, shall relieve Tenant from its liabilities to pay Rent or the amounts of any other of its obligations under this Agreement or permit Tenant to terminate this Agreement.

18.7 Access to Stadium by Authority. Without limiting Authority's rights with respect to the Reservations, Authority shall have the right of access and entry, without charges or fees and with reasonable notice to Tenant, for itself and its authorized representatives, to the Stadium at all times, for the purposes of (a) assuring compliance by Tenant with its obligations under this Agreement, including, without limitation, its obligations with respect to Routine Maintenance (b) performing or undertaking any rights or obligations of Authority under this Agreement and (c) showing the Stadium to prospective tenants during the last twelve (12) months of the Term; *provided, however*, that in all instances such access and entry shall be conducted in a manner so as to minimize interference with Tenant's use and operation of the Stadium then being conduction by Tenant pursuant to the terms of this Agreement.

ARTICLE XIX. SURRENDER OF POSSESSION; HOLDING OVER

19.1 Surrender of Possession. Tenant shall, on or before the Lease Expiration Date, peaceably and quietly leave, surrender and yield up to Authority the Stadium, free of any tenancies which extend beyond the Term, as such Term may be extended as provided herein, and in a clean condition and free of debris or as otherwise provided for in this Agreement, subject to the terms of Article X hereof.

19.2 Removal of Tenant's Personal Property.

(a) *Tenant's Obligation to Remove.* All Tenant's Personal Property installed, placed or used in the operation of the Stadium throughout the Term shall be deemed to be the property of Tenant. All such Tenant's Personal Property shall be removed by Tenant on or before the Lease Expiration Date, provided that Tenant shall promptly repair any damage to the Stadium caused by such removal.

(b) *Authority's Right to Remove.* Any Tenant's Personal Property which shall remain in the Stadium after the Lease Expiration Date may, at the option of Authority, be deemed to have been abandoned by Tenant and either may be retained by Authority as its Property or be disposed of, without accountability, in such manner as Authority Representative may determine necessary, desirable or appropriate, and Tenant, upon demand, shall pay the reasonable cost of such disposal, together with interest thereon at the Default Rate from the date such costs were incurred until reimbursed by Tenant, together with reasonable outside counsel's fees, charges and costs.

19.3 Holding Over. In the case of any holding over or possession by Tenant after the Lease Expiration Date without the Approval of Authority, Tenant shall pay Authority rent at one hundred twenty-five percent (125%) of the Rent that would have been applicable during such period of time had this Agreement been in effect. Further, in the event Tenant shall hold over beyond any date for surrender of the Stadium set forth in Authority's written notice demanding possession thereof, Tenant shall reimburse Authority for all actual expenses and losses incurred by Authority by reason of Authority's inability to deliver possession of the Stadium to a successor tenant, together with interest on such expenses and losses at the Default Rate from the date such expenses are incurred until reimbursed by Tenant, together with Authority's reasonable outside counsel's fees, charges and costs. The acceptance of Rent under this Section 19.3 by Authority shall not constitute an extension of the Term of this Agreement or afford Tenant any right to possession of the Stadium beyond any date through which such Rent shall have been paid by Tenant and accepted by Authority. Such Rent shall be due to Authority for the period of such holding over, whether or not Authority is seeking to evict Tenant; and, unless Authority otherwise then agrees in writing, such holding over shall be, and shall be deemed and construed to be, without the Approval of Authority, whether or not Authority has accepted any sum due pursuant to this Section 19.3.

ARTICLE XX.
FORCE MAJEURE EVENT AND EFFECT OF DELAYS

20.1 Excusable Tenant Delay. Regardless of the existence or absence of references to Excusable Tenant Delay elsewhere in this Agreement, any deadline or time period within which Tenant must fulfill the obligations of Tenant elsewhere in this Agreement, other than any obligation to make any monetary payment, including Rent, shall each be adjusted as appropriate to include that number of days of delay in the performance by Tenant of its obligations hereunder actually resulting from such Excusable Tenant Delay, unless otherwise expressly provided in this Agreement to the contrary; *provided* that Tenant complies with the requirements of this Article XX.

With respect to each occurrence of Excusable Tenant Delay, Tenant shall, within fifteen (15) days Tenant's knowledge of the occurrence of such event of Excusable Tenant Delay, give written notice to Authority Representative of the event constituting Excusable Tenant Delay, Tenant's good faith estimate of the Excusable Tenant Delay Period resulting therefrom and the basis therefor, Tenant's good faith estimate of any adjustment resulting therefrom that is to be made to the time for performance, together with reasonable documentation supporting the adjustments proposed. If Authority Representative believes that the documentation supplied is not sufficient to justify the delay claimed or adjustments proposed, Authority Representative shall give written notice to Tenant of the claimed deficiency and Tenant shall have a reasonable period of time to more fully document the delay and adjustments claimed. Only one (1) notice from Tenant shall be required with respect to a continuing Excusable Tenant Delay, except that Tenant shall promptly (and in no event less often every thirty (30) days) give notice to Authority Representative of any further changes in the additional time for performance claimed by reason of the continuing delay. Authority Representative shall have the right to challenge Tenant's assertion of the occurrence of an Excusable Tenant Delay, Tenant's good faith estimate of the Excusable Tenant Delay Period or changes in the additional time for performance claimed by reason of the Excusable Tenant Delay if Authority Representative sends notice to Tenant within thirty (30) days after receipt by Authority Representative of such claim of Excusable Tenant Delay or notice from Tenant of further changes to such dates as a result of such usable Tenant Delay, as the case may be (which challenge shall be deemed to have been made if Authority Representative gives notice to Tenant of any claimed deficiency in documentation as provided for above in this Section 20.1).

20.2 Excusable Authority Delay. Regardless of the existence or absence of references to Excusable Authority Delay elsewhere in this Agreement, any deadline or time period within which Authority must fulfill the obligations of Authority in this Agreement shall each be adjusted as appropriate to include that number of days of delay in the performance by Authority of its Obligations hereunder actually resulting from such Excusable Authority Delay; provided that (i) the obligation to pay amounts when due pursuant to the terms of this Agreement is not subject to adjustment or extension due to Excusable Authority Delay unless otherwise expressly provided herein to the contrary and (ii) the Authority complies with the requirements of this Article XX.

With respect to each occurrence of Excusable Authority Delay, Authority Representative shall, within fifteen (15) Business Days after Authority's knowledge of the occurrence of such event of Excusable Authority Delay, give notice to Tenant of the event constituting Excusable Authority Delay, Authority Representative's good faith estimate of the Excusable Authority delay period resulting therefrom and the basis therefor, Authority representative's good faith estimate of any adjustment resulting therefrom that is to be made in time for performance, together with reasonable documentation supporting the adjustments proposed. If Tenant believes that the documentation supplied is not sufficient to justify the delay claimed or adjustment proposed, Tenant shall give notice to Authority Representative of the claimed deficiency and Authority Representative shall have a reasonable period of time to more fully document the delay and adjustments claimed. Only one (1) notice from Authority Representative shall be required with respect to a continuing Excusable Authority Delay, except that Authority representative shall promptly (and in no event less often than every thirty (30) days) give notice to Authority Representative of any further changes in the additional time for performance claimed by reason of the continuing delay. Tenant's Representative shall have the right to challenge Authority's assertion of the occurrence of an

Excusable Authority Delay, or Authority Representative's good faith estimate of the Excusable Authority Delay Period, or changes in the additional time for performance claimed by reason of Excusable Authority Delay if Tenant gives notice to Authority Representative within thirty (30) days after receipt by Tenant of such claim of Excusable Authority Delay or notice from Authority Representative of further changes to such dates as a result of such Excusable Authority Delay, as the case may be (which challenge shall be deemed to have been made if Tenant gives notice to Authority Representative of any claimed deficiency in documentation as provided for above in this Section 20.2).

20.3 Continued Performance; Exceptions. Upon the occurrence of any Tenant delay or Authority delay, the Parties shall endeavor to continue to perform their obligations under this Agreement so far as reasonably practicable. Toward that end, Tenant and Authority each hereby agrees that it shall make all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of any Tenant delay or Authority delay occasioned by an Excusable Tenant Delay or Excusable Authority Delay, and shall diligently and continuously use its commercially reasonable efforts to ensure resumption of performance of its obligations under this Agreement after the occurrence of any Excusable Tenant Delay or Excusable Authority Delay. The Parties shall use and continue to use all commercially reasonable efforts to prevent, avoid, overcome and minimize any Authority delay or Tenant delay.

ARTICLE XXI. ENVIRONMENTAL PROVISIONS

21.1 Remedial Work and Hazardous Materials. Except for actions which are the responsibility of the Authority under the following sentence, from and after the Commencement Date, Tenant shall be responsible for performing or causing to be performed, and for paying the cost of performing, any and all corrective or remedial actions (including all investigation, monitoring, etc.) required by Applicable Law to be performed with respect to any Environmental Event at, in, on or under the Stadium ("**Tenant's Remedial Work**"). Authority shall be responsible for performing or causing to be performed, and for paying the cost of performing, any and all corrective or remedial actions (including all investigation, monitoring, etc.) required by Applicable Law to be performed with respect to any Environmental Event originating at, in, on or under the Stadium that are caused by Authority, City or County or as a result of a Civic Event or as a result of an Environmental Event which occurs outside the Stadium (other than Environmental Event caused by Tenant or an Affiliate thereof), including any Environmental Event which occurs offsite and results in any Hazardous Materials migrating onto the Real Property or the Stadium, ("**Authority's Remedial Work**"). Prior to undertaking any Tenant's Remedial Work, Tenant shall obtain the Approval of Authority Representative of the steps Tenant proposes to take with respect to any Tenant's Remedial Work and Tenant shall select, subject to the Approval of Authority Representative, an independent environmental consultant or engineer to oversee Tenant's Remedial Work. Regulated wastes, such as asbestos and industrial wastes shall be properly characterized, manifested and disposed of at an authorized facility. Tenant shall not cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of in or about the Stadium; *provided, however* that Tenant and its Related Parties may use, store and dispose of reasonable quantities of Hazardous Materials at the Stadium as may be reasonably necessary for Tenant to

operate from the Stadium pursuant to the terms of this Agreement so long as such Hazardous Materials are commonly used, or permitted to be used, by reasonable and prudent Operators in similar circumstances and are stored and disposed of in accordance with industry standards, but in all events in compliance with Environmental Laws. Upon the Lease Expiration Date, Tenant shall surrender the Stadium to Authority in the condition required by Tenant's Remedial Work and in compliance with Applicable Laws. During the Term, Tenant shall give Authority immediate oral and follow-up written notice within seventy-two (72) hours of any actual or threatened Environmental Event. Tenant shall cure such Environmental Event (provided same is the responsibility of Tenant to cure in accordance with the provisions of this Section 21.1) in accordance with all Environmental Laws to the reasonable satisfaction of Authority and any Governmental Authority and such cure shall be deemed part of Tenant's Remedial Work. Upon any Environmental Event, in addition to all other rights available to Authority under this Agreement, at law or in equity, Authority shall have the right, but not the obligation, at its option (i) to require Tenant, at its sole cost and expense, to address and remedy such Environmental Event, in which event Authority shall have the right to Approve any actions taken by Tenant to address and remedy the Environmental Event or (ii) if Tenant has failed to commence action to address and remedy the Environmental Event within a reasonable time after notice is given to Authority, and such failure continues for thirty (30) days after written notice thereof from Authority to Tenant, to perform, at Tenant's sole cost and expense, any lawful action necessary to address and remedy the same, in which event Tenant shall pay the costs thereof to Authority, together with interest thereon at the Default Rate until paid, within ten (10) days after written demand therefor.

21.2 Tenant Release. WITHOUT LIMITING TENANT'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT, TENANT HEREBY RELEASES AUTHORITY AND ITS AFFILIATES AND RELATED PARTIES FROM AND AGAINST ANY CLAIMS, DEMANDS, ACTIONS, SUITS, CAUSES OF ACTION, DAMAGES, LIABILITIES, OBLIGATIONS, COSTS AND/OR EXPENSES THAT TENANT MAY HAVE WITH RESPECT TO THE STADIUM AND RESULTING FROM, ARISING UNDER OR RELATED TO ANY ENVIRONMENTAL EVENT WITHIN THE SCOPE OF TENANT'S REMEDIAL WORK, INCLUDING ANY SUCH CLAIM UNDER ANY ENVIRONMENTAL LAWS, WHETHER UNDER ANY THEORY OF STRICT LIABILITY OR THAT MAY ARISE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, 42 U.S.C.A. § 9601, ET. SEQ.

21.3 Authority Release. AUTHORITY HEREBY RELEASES TENANT AND ITS AFFILIATES AND RELATED PARTIES FROM AND AGAINST ANY CLAIMS, DEMANDS, ACTIONS, SUITS, CAUSES OF ACTION, DAMAGES, LIABILITIES, OBLIGATIONS, COSTS AND/OR EXPENSES THAT AUTHORITY MAY HAVE WITH RESPECT TO THE STADIUM AND RESULTING FROM, ARISING UNDER OR RELATED TO ANY ENVIRONMENTAL EVENT WITHIN THE SCOPE OF AUTHORITY'S REMEDIAL WORK, INCLUDING ANY SUCH CLAIM UNDER ANY ENVIRONMENTAL LAWS, WHETHER UNDER ANY THEORY OF STRICT LIABILITY OR THAT MAY ARISE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, 42 U.S.C.A. § 9601, ET. SEQ.

 **ARTICLE XXII.**
COMMUNITY COMMITMENTS

22.1 Utilization of Disadvantaged Business Enterprises. Based on the location of the Stadium and the history of the area and the surrounding community, the Parties believe that Disadvantaged Business Enterprises (each, a “DBE” and collectively, “DBEs”), should have an equal opportunity to participate in the operation of the Stadium and in the performance of contracts related thereto. In furtherance of the objective of promoting equal opportunity for DBEs in connection with the operation of the Stadium, the Parties agree that it is their aspirational goal that seventeen percent (17%) of the aggregate annual cost of Stadium contracts will be attributable to work and services performed by contractors, subcontractors, sub-subcontractors and suppliers that are DBEs, exclusive of those entities or businesses which would be defined as DBEs solely on the basis of being a small business (the “DBE Participation Goal”). The Parties acknowledge and agree that the DBE Participation Goal is aspirational in nature and does not constitute a mandate or a contractual obligation. For avoidance of doubt, the Parties agree that Tenant’s good faith efforts to achieve the DBE Participation Goal, and if the DBE Participation Goal is not achieved, the failure to achieve the DBE Participation Goal, shall not be deemed a breach of this Agreement.

22.2 Definitions Relating to DBE. For purposes of this Section 22, the following terms shall have the meaning set forth below:

“Disadvantaged Business Enterprises” or **“DBE”** includes Minority-owned Businesses, Women-owned Businesses, Service-Disabled Veteran-owned Businesses, Veteran-owned Small Businesses, who are impeded from normal entry into the economic mainstream and denied an equal opportunity to participate because of past practices and the present effects of discrimination based on race or ethnic background. These persons must own at least 51% of the entity and operate and control the business on a daily basis. All DBEs must be qualified, willing and able to perform the work and services required for the project, and shall be certified as meeting the criteria and eligibility as a MOB (or MBE), SDVOB, VOB or WOB by, or have a current application for certification pending with, one of the following entities, as applicable: (i) the Tennessee Governor’s Office of Diversity Business Certifications; (ii) the Tennessee Department of Transportation; (iii) the U.S. Small Business Administration; (iv) the Tennessee Unified Certification Program; (v) the National Minority Supplier Development Council; (vi) the Women’s Business Enterprise National Council; (vii) the U.S. Department of Veteran’s Affairs; (viii) the

Tristate Minority Supplier Development Council; or (ix) such other qualified Person who is identified by Tenant.

“**Minority**” means a person who is a citizen or lawful admitted permanent resident of the United States and who is a member of one (1) of the following groups:

- a. **African American**, persons having origins in any of the Black racial groups of Africa;
- b. **Hispanic American**, persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race;
- c. **Native American**, persons who have origin in any of the original peoples of North America;
- d. **Asian American**, person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

“**Minority-owned Business**” or “**MOB**,” also referred to as “**MBE**”, is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more Minority individuals.

“**Service Disabled Veteran-owned Business**” or “**SDVOB**” is a continuing, independent, for profit business that performs a commercially useful function, owned by any person who served honorably on active duty in the armed forces of the United States which at least a twenty percent (20%) disability that is serviced connected, meaning such disability was incurred or aggravated in the line of duty in the active military, naval or air service, and is at least fifty-one percent (51%) owned and controlled by one (1) or more service disabled veteran

“**Veteran-owned Small Business**” or “**VOB**,” is a continuing, independent, for profit business that performs a commercially useful function, which is at least fifty-one percent (51%) owned and controlled by any person who served honorably on active duty in the armed forces of the United States, and which qualifies as a small business pursuant to the size standards set forth in 13 C.F.R. § 121.201.

“**Woman-owned Business**” or “**WOB**,” is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more women.

22.3 Measures to Enhance DBE Participation. During the Term, Tenant agrees to use good faith efforts to increase DBE participation in the operation of the Stadium. For purposes of this Section 22.3, the term “good faith efforts” may include, but is not limited to, the following:

- (a) Seeking to maximize DBE participation in Stadium-related contracts by taking such actions as: (i) soliciting through all reasonable and available means the interest of all DBEs who have the capability to perform the work of the contract; (ii) if appropriate, designating

specific portions of the work to be performed by DBEs; (iii) where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation; (iv) providing interested DBEs with adequate information about the requirements of the contract in a timely manner to assist them in responding to a solicitation; (v) recognizing that price may not be the sole factor in selecting third-party contractors; (vi) not rejecting DBEs as being unqualified without reasonable business reasons based on an investigation of their capabilities; (vii) making efforts to assist interested DBEs in obtaining any required bonding, lines of credit, or insurance provided that Tenant shall not be expected or required to incur or undertake additional liability or financial obligations; (viii) making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials or related assistance or services provided that Tenant shall not be expected or required to incur or undertake additional liability or financial obligations; (ix) utilizing the services of available minority community organizations to provide assistance in the recruitment and placement of DBEs; (x) following up initial solicitations of interest from DBEs to determine whether or not they are interested, and documenting the reasons for a “no” quote; and (xi) considering whether it is possible to negotiate use of a DBE only for certain items if the DBE’s quote is reasonable on some items and unreasonable on other items.

(b) Where Tenant anticipates that work relating to the Stadium will be performed by subcontractors under a prime contract with Tenant, Tenant may, where feasible, include a provision in the prime contract requiring the prime contractor to include a provision in its subcontracts that promotes DBE participation through good faith efforts consistent with the provisions of Section 22.3(a) hereof.

Tenant shall identify and assign a responsible person to be accountable for the Tenant’s utilization of DBE participation (the “**Diversity Coordinator**”). The Diversity Coordinator shall be responsible and accountable for the Tenant’s utilization of DBEs. The Diversity Coordinator’s responsibilities shall include, but not be limited to: (i) oversight of and assistance with efforts by contractors and subcontractors to attract, solicit and, where appropriate, accept bids from DBEs; (ii) tracking of the outcomes achieved as a result of the diversity efforts set forth in this Section 22.3; (iii) monitoring Tenant’s utilization of DBE participation and recommending a plan for increasing DBE participation if necessary; and (iv) compiling and delivering the reports required pursuant to Section 22.4 hereof.

22.4 Reporting Requirements. During the Term, the Tenant shall provide reports to the Authority, in form and substance reasonably required by the Authority, documenting DBE participation in connection with Stadium operations. Tenant shall provide such reports to the Authority on a quarterly basis, with the first report being due on the fifteenth day after the completion of the first full calendar quarter ending March 31, June 30, September 30, or December 31 following the date the Stadium is placed into service (or, if such day does not fall on a business day, the first business day thereafter). Each successive report shall be due on the fifteenth day after the conclusion of each calendar quarter thereafter (or, if such day does not fall on a business day, the first business day thereafter). Each report shall include, at a minimum, the following information:

(a) A summary of the good faith efforts made by the Tenant during the quarter to encourage DBE participation;

(b) A listing of all contracts entered into during the quarter, including (i) a description of the contract; (ii) the counter-party or counter-parties to the contract; (iii) the total number of proposals received; (iv) the number of proposals received from DBEs and, for each DBE from whom a proposal was received, the DBE type (i.e., whether a MOB, SDVOB, VOB or WOB, and if a MOB, whether the MOB is predominantly African American, Hispanic American, Native American or Asian American owned (the “**DBE Type**”)); and (v) whether the contract was awarded to a DBE and, if so, the DBE Type. To the extent Tenant received any proposal from a DBE during the quarter which was not accepted, the report should include an explanation of the reason(s) why the proposal was not accepted. To the extent Tenant submitted a request for proposal and no proposals were received from any DBEs, the report should include a description of the efforts made to attract DBE participation with respect to the request for proposal;

(c) A statement of Tenant’s aggregate year-to-date expenditures pursuant to contracts with DBEs;

(d) A statement of Tenant’s total aggregate year-to-date expenditures pursuant to all contracts relating to the Stadium; and

(e) A statement discussing DBE participation to date and a description of any efforts planned by the Tenant to increase the participation of DBEs going forward.

22.5 Neighboring Community. Tenant acknowledges that the Stadium is located in a historic part of the City, located in the center of the first urban renewal project in Knoxville, known as the Riverfront-Willow Street Redevelopment Project and known to those of the time simply as “The Bottom”, including with respect to its location adjacent to a predominantly Black community. Tenant recognizes that providing access to the rich history and culture of the area will enrich Knoxville’s cultural memory and connection to the past. Tenant acknowledges the importance of presenting a more complete story of the past. The Knoxville Giants were charter members of the Negro Southern League, which was founded in 1920 in Atlanta, Georgia. In the League’s inaugural year, the Knoxville Giants finished in first place. In operating the Stadium and in selecting available concessions at the Stadium, Tenant shall use good faith efforts to take into account the historic nature of area, including, but not limited to, the historic presence of professional baseball in the area. In furtherance of the foregoing, Tenant shall seek opportunities for exhibits to be displayed at the Stadium highlighting the history of the area surrounding the Stadium. Tenant also acknowledges that other publicly and privately owned venues offer events in the City, and Tenant will use its best efforts to work collaboratively with other venues so as to promote entertainment events in the area.

22.6 Internships. Tenant agrees to provide at least two placement opportunities each academic year (during the term of this Agreement) for interns recruited and nominated by the Sports Authority. The process for intern recruitment, nomination and placement will be addressed through a separate Internship Program Agreement between Tenant and Authority. Authority-nominated interns accepted by Tenant will participate in meaningful opportunities to engage in projects and activities that provide exposure to professional career pathways, such as sports management, event planning and marketing. The Internship Program Agreement will address placement-specific variables such as internship terms, job descriptions, supervision, intern reports and compensation.

**ARTICLE XXIII.
NOTICES**


All notices permitted or required to be made hereunder shall be in writing and delivered by hand, overnight courier or certified mail. Notices shall be deemed given (a) when actually given and received if delivered by hand; (b) one (1) Business Day after delivery to an overnight courier if delivered by an overnight courier; or (c) three (3) Business Days after deposit with the United States Postal Service if delivered by certified mail. All such notices shall be addressed to the appropriate Party as follows:

If to Authority:

All notices to Authority shall be sent to:

with copies of all notices to Authority relating to defaults, remedies or indemnification being sent to:

If to Tenant:

 with copies of all notices to Tenant relating to defaults, remedies or indemnification being sent to:

Each Party may from time to time designate a different address for notices by giving notice to that effect to the other Parties in accordance with the terms and conditions of this Article XXIII.

**ARTICLE XXIV.
MISCELLANEOUS**

24.1 Partial Invalidity. If any Section of this Agreement or its application to any Party or circumstance shall be determined by any court of competent jurisdiction to be invalid or

unenforceable to any extent, the remainder of this Agreement or the application of such Section to persons or circumstances, other than those as to which it is so determined invalid or enforceable to any extent, shall not be affected thereby, and each Section hereof shall be valid and enforceable to the fullest extent permitted by law.

24.2 Obligations of Authority and Tenant. The obligations and undertakings of Authority and Tenant under or in accordance with this Agreement are and shall be the obligations solely of Authority and Tenant. Except as otherwise expressly stated herein, no recourse shall be had, whether in contract, in tort or otherwise against any officer, director, employee, agent, member, volunteer or representative of Authority or Tenant in his or her individual capacity on account of any obligation or undertaking of or any act or omission by Authority or Tenant under or pursuant to this Agreement.

24.3 Time of the Essence. Time is of the essence with respect to all Sections of this Agreement.

24.4 Successors and Assigns. This Agreement and all terms and conditions contained herein shall inure to the benefit and be binding upon the successors and permitted assigns of the Parties.

24.5 Entire Agreement. This Agreement (including all exhibits attached hereto), together with the Development Agreement, constitute the entire and exclusive agreement between Authority and Tenant with respect to the subject matter contained herein. There are no restrictions, promises, obligations or undertakings between the Parties, other than those set forth or referred to in this Agreement with respect to the subject matter hereof.

24.6 Table of Contents; Headings; Exhibits. The table of contents, if any, and headings, if any, of the various articles, sections and other subdivisions of this Agreement are for convenience of reference only and shall not modify, define or limit any of the terms or provisions of this Agreement. All Appendices and Exhibits attached to this Agreement are incorporated herein by reference in their entirety and made a part hereof for all purposes; *provided, however*, that in the event of a conflict between the terms of the text of this Agreement and any Appendices or Exhibits, the text of this Agreement shall control.

24.7 Anti-Discrimination. In accordance with Applicable Laws, the Parties, in forming their respective obligations hereunder will not discriminate based on religion, national origin, alienage, color, race, sex, gender identity or expression, sexual orientation, blindness or physical disability.

24.8 Non-Appropriation. Notwithstanding any other provision of this Agreement, Authority's obligation to pay any money to Tenant under this Agreement or perform any obligation under this Agreement may be contingent upon an Appropriation of the money by the City or County, including an obligation to pay for the cost of any Approved Capital Improvement for which there is not adequate funds to pay in the Capital Improvements Reserve Fund. In the event Authority fails to receive adequate Appropriations to undertake or perform any such obligation under this Agreement, such failure shall not constitute a Default under this Agreement, and Tenant

may: (i) with respect to a failure to receive adequate Appropriations to fund any Approved Capital Improvement(s), fund the Approved Capital Improvement(s) from its own funds and obtain reimbursement from the Capital Improvements Reserve Fund in accordance with Section 7.8 hereof; or (ii) with respect to a failure to receive adequate Appropriations to fund any other obligation of the Authority hereunder, as its sole remedy, terminate this Agreement upon one hundred eighty (180) days' notice to Authority provided such notice is given with thirty (30) days of when such of such failure and only if such failure to obtain an Appropriation would materially interfere with Tenant's use of the Stadium.

24.9 Nondisturbance. It is understood by the Parties that Authority has obtained or anticipates obtaining financing for the construction costs for the Stadium and other related Authority expenses. Authority agrees that the Leasehold Estate shall not be disturbed by any creditors, bondholders, underwriters, trustees or other third parties related to the financing during the Term, except upon the occurrence of a Tenant Default.

24.10 Review by MLB. The Parties acknowledge and agree that MLB PDL may be required or permitted, pursuant to the Smokies PDL License Agreement and the PDL Rules and Regulations to review and approve this Agreement. To the extent one or more of such parties has the right to approve this Agreement (or any provision thereof), Tenant shall promptly and diligently pursue such approval. In the event any such third party exercises or threatens to exercise any right it may have to withhold its approval of this Agreement, then Authority and Tenant shall use commercially reasonable to efforts to cooperate in good faith with such third party(s) to amend this Agreement as may be necessary to obtain such approval. If, despite the Parties' cooperation and commercially reasonable efforts, the Parties are not able to amend the Agreement as required to obtain all necessary PDL Approvals, as set forth above, then this Agreement shall be rescinded.

24.11 MLB Provisions. Any contrary provisions contained herein notwithstanding:

(a) This Agreement and any rights granted to Authority or Tenant hereunder shall in all respects be subordinate to the PDL Rules and Regulations, as long as Tenant is party to the Smokies PDL License Agreement that is in effect and subject expressly to the terms of subsection (b) of this Section. The issuance, entering into, amendment or implementation of any of the PDL Rules and Regulations shall be at no cost or liability to any MLB PDL Entity or to any individual or entity related thereto. The territory within which Authority is granted any rights under this Agreement or otherwise is limited to, and nothing herein shall be construed as conferring on Authority rights in areas outside of, the PDL Club Marketing Territory (as defined in the Smokies PDL License Agreement). No rights, exclusivities or obligations involving the internet or any interactive or on-line media (as defined in the applicable PDL Rules and Regulations) are conferred by this Agreement, except as are specifically approved in writing by MLB PDL.

(b) Authority and Tenant acknowledge that Tenant has entered into the Smokies PDL License Agreement and that Tenant is required to comply with such Smokies PDL License Agreement and with the PDL Rules and Regulations in order to operate a PDL Club. Notwithstanding the foregoing and the provisions of Section 24.11(a) above, to the extent that the PDL Rules and Regulations or any act or omission of Tenant taken to comply with them either (i) materially decreases the rights or materially increases the obligations of Landlord under this

Agreement, or (ii) in the case of the PDL Rules and Regulations, are not generally applied to all PDL Clubs or have a disproportionately negative impact on this Agreement as compared to the leases or operating agreements of all PDL Clubs, then, in either case, subject to the remaining terms of this subsection (b), Tenant shall give notice thereof to Authority, and Tenant and Authority agree to work in good faith to modify the terms of this Agreement to address any conflict with PDL License Agreement or the PDL Rules and Regulations in a manner satisfactory to such parties and to MLB PDL. If the parties are not able to reach agreement upon the conclusion of such good faith negotiations, which negotiations shall not exceed a six-month period unless mutually agreed upon by the parties, Tenant may terminate this Agreement upon one hundred eighty (180) days' notice to Authority provided such notice is given within thirty (30) days of when such negotiations are concluded. Notwithstanding the foregoing, in no event shall Authority be required to negotiate or enter into any amendment pursuant to this subsection: (x) if such amendment (i) limits, releases or modifies Tenant's obligations to pay rent or any other financial obligation specifically set forth in this Agreement or extends the term of this Agreement, (ii) reduces the categories of insurance policies required hereunder or the applicable coverage limits, (iii) reduces the indemnification obligations of Tenant, (iv) decreases operational standards or operation and maintenance obligations of Tenant, (v) limits or diminishes Tenant's obligations under Article XXII hereof or any rights of Authority or obligations of Tenant under Articles XIII or XIV hereof, or (vi) limits or diminishes any of the use and access rights or limitations set forth in Article IV or Section 18.7 hereof, or (y) the PDL Rules and Regulations prohibit the use of the Stadium for multiple purposes, including soccer. Tenant and Authority also acknowledge that the PDL License Agreement or PDL Rules and Regulations may require Capital Improvements so that the Stadium remains in compliance with the PDL License Agreement or PDL Rules and Regulations, in which case Article VII shall apply to such Capital Improvements. Except as may be otherwise provided in Article VII with respect to certain Capital Improvements, Tenant agrees to pay all additional costs resulting from any such amendment or modification.

(c) Authority agrees that if the date upon which any termination or suspension of this Agreement falls during the regular season or postseason, the effective date of such termination or suspension shall be the first day of the month following the final home game of such season, and, in no event, shall Authority terminate or suspend Tenant's rights under this Agreement during any regular season or postseason.

(d) If, at any time prior to the expiration of the term of this Agreement, this Agreement is terminated by Authority for any reason (and any legal action challenging the right of Authority to terminate this Agreement and seeking specific performance has either been (i) finally adjudicated by a court of competent jurisdiction as evidenced by a final non-appealable order or (ii) settled, withdrawn or otherwise concluded, in either case solely with respect to the request for specific performance) and the Smokies PDL License Agreement has been terminated, Authority agrees to offer to assign this Agreement to or enter into a replacement lease with any replacement PDL Club identified by MLB PDL to the extent that such PDL Club is reasonably acceptable to Authority. To the extent that this Agreement is not so assigned, Authority agrees to meet promptly with MLB PDL to work together to ascertain whether a replacement PDL Club can be identified that is reasonably acceptable to Authority, and if such a PDL Club is so identified, Authority shall offer to lease the Stadium to such PDL Club.

(e) As long as Tenant is party to the Smokies PDL License Agreement that is in effect, MLB PDL is an intended third-party beneficiary of the provisions of this Section 24.11 and each other provision in this Agreement that prohibits action without first obtaining PDL Approval and, in addition to its right to waive or enforce the provisions of this Section 24.11, MLB PDL shall be entitled and have the right to waive or enforce any such provisions that prohibit action without first obtaining PDL Approval directly against any party hereto (or their successors and permitted assigns) to the extent that any such other provision is for the explicit benefit of MLB PDL or any other MLB PDL Entity.

(f) Neither MLB PDL nor any other MLB PDL Entity shall have any liability whatsoever to any Person for actions taken pursuant to this Section 24.11 (other than for fraudulent acts or willful misconduct with respect to this Section 24.11 by MLB PDL), and Authority hereby releases MLB PDL and each other MLB PDL Entity from any and all claims arising out of or in connection with any such actions. Nothing contained in this Agreement shall create any duty on behalf of MLB PDL or any other MLB PDL Entity to any other Person.

(g) Notwithstanding anything herein to the contrary, as long as a PDL License Agreement is in effect with respect to a PDL Club located at the Stadium, this Agreement may not be amended, supplemented or otherwise modified, and no provision herein may be waived, unless all necessary PDL Approvals have been obtained in advance thereof. Any amendment, supplement, waiver or other modification of this Agreement made without first obtaining all necessary PDL Approvals shall be null and void ab initio.

(h) Tenant represents and warrants to Authority that the subordination language and related provisions included in this Section is the subordination language and related provisions promulgated, as of the date hereof by MLB PDL for inclusion in leases to PDL Clubs of the “home” ballparks used by such PDL Clubs for hosting regular season games (the “Required Language”). In the event that different Required Language is promulgated by MLB PDL after the Effective Date, Authority may, at Authority’s option, elect to substitute such future Required Language the language in this Section upon thirty (30) days’ prior written notice to Tenant and MLB PDL. In the event that Required Language or a similar concept of subordination to MLB PDL is no longer required by MLB PDL for inclusion in ballpark leases to PDL Clubs after the Effective Date, Authority may, at Authority’s option, elect to delete the relevant provisions of this Section on thirty (30) days’ prior written notice to Tenant and MLB PDL. The effect of any election made by Landlord pursuant to the two immediately preceding sentences shall be automatic following the expiration of the applicable thirty (30) day notice period, without the need for further documentation, and shall be deemed an amendment to this Agreement for all purposes.

24.12 Counterparts. This Agreement may be executed in counterparts, each of which when executed and delivered will be deemed an original, and all of which together will constitute one instrument.

24.13 Governing Law. **THIS AGREEMENT AND THE ACTIONS OF THE PARTIES SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TENNESSEE (EXCLUDING**

PRINCIPLES OF CONFLICT OF LAWS). In the event of any proceedings regarding this Agreement, the Parties agree that the venue shall be the state courts of Tennessee or any Federal court whose jurisdiction includes Knox County, Tennessee.

24.14 Limitation to Capacity as Authority. The Parties acknowledge that all references to “Authority” herein (which, for the purposes of this provision, shall be deemed to include any references in this Agreement to Authority as the owner of the fee or other real property interest in the Stadium) shall refer only to Authority in its capacity as Authority under this Agreement. The term “Authority” and the duties and rights assigned to it under this Agreement, thus exclude any action, omission or duty of City or County when either are performing either of their Governmental Functions. Any action, omission or circumstance arising out of the performance of City’s or County’s Governmental Functions may prevent Authority from performing its obligations under this Agreement and shall not cause or constitute a default by Authority under this Agreement or give rise to any rights or claims against Authority in its capacity as the “Authority” hereunder, it being acknowledged that Tenant’s remedies for any injury, damage or other claim resulting from any such action, omission or circumstances arising out of Authority’s Governmental Functions shall be governed by the laws and regulations concerning claims against Authority as a Governmental Authority. In addition, except as otherwise expressly provided herein, no setoff, reduction, withhold, deduction or recoupment shall be made in or against any payment due by Tenant to Authority under this Agreement as a result of any action or omission of Authority when performing its Governmental Function.

24.15 Capacity of Persons Acting on Behalf of Authority. Notwithstanding anything to the contrary in this Agreement, all references in this Agreement to employees, agents, representatives, contractors and the like of Authority shall refer only to Persons acting in Authority’s capacity as the “Authority” hereunder and thus all such references specifically exclude any employees, agents, representatives, contractors and the like acting in connection with the performance of Authority’s Governmental Functions. Without limiting the foregoing, all police, fire, permitting, regulatory, water and power, health and safety and sanitation employees of Authority shall be deemed to be acting in connection with the performance of Authority’s Governmental Functions.

24.16 No Limitation on Authority’s Governmental Functions. The Parties acknowledge that Authority is a Governmental Authority in addition to being the owner of the Stadium, and that no representation, warranty, Approval or agreement in this Agreement by Authority shall be binding upon, constitute a waiver by or estop Authority from exercising any of its rights, powers or duties in connection with its Governmental Functions nor will any portion of this Agreement be deemed to waive any immunities granted to Authority when performing its Governmental Functions, which are provided under Applicable Law. Any consent to jurisdiction by Authority is only with respect to matters arising in its capacity as a Party to this Agreement and expressly does not constitute a waiver of Authority’s legal immunity or a consent to jurisdiction for any actions, omissions or circumstances, in each case solely arising out of the performance of Authority’s Governmental Functions.

24.17 Non-Liability of Authority’s Officials and Tenant’s Employees. No member of any legislative, executive, or administrative body of, or affiliated with, Authority, City or County or

their Affiliates, and no official, agent, employee or representative of Authority, City or County or any such body or any of their Affiliates (whether acting in the performance of Governmental Functions or otherwise) shall be personally liable to Tenant or any Person holding by, through or under Tenant, for any actions taken in his or her capacity as an official, agent, employee or representative of such Person in the event of any default or breach by Authority, City or County or for any amount which may become due to Tenant or any Person holding by, through or under Tenant, or for any other obligation, under or by reason of this Agreement. No officer, director, shareholder, member, agent, employee or representative of Tenant or its Affiliates shall be personally liable to Authority or any Person holding by, through or under Authority, for any actions taken in his or her capacity as an officer, director, shareholder, agent, employee or representative of such Person in the event of any default or breach by Tenant, or for any amount which may become due to Authority or any Person holding by, through or under Authority, or for any other obligation, under or by reason of this Agreement.

24.18 Payment on Business Days. If any payment under this Agreement is required to be made on a day other than a Business Day, the date of payment shall be extended to the next Business Day.

24.19 Joint and Several Liability. If Tenant at any time comprises more than one Person, all such Persons shall be jointly and severally liable for payment of Rent and for performance of every obligation of Tenant under this Agreement.

24.20 Relationship of the Parties; No Partnership. The relationship of Tenant and Authority under this Agreement is that of independent parties, each acting in its own best interests, and notwithstanding anything in this Agreement to the contrary, neither the obligation to pay Authority any amounts due hereunder nor any other aspect of this Agreement shall create or evidence, nor is it intended to create or evidence, a partnership, joint venture or other business relationship or enterprise between Tenant and Authority. As such, Authority shall have no direct supervision of or obligation to the employees of Tenant and any communication of employee matters shall be through Tenant Representative.

24.21 Non-Merger of Estates. The interests of Authority and Tenant in the Stadium shall at all times be separate and apart, and shall in no event be merged, notwithstanding the fact that this Agreement or the Leasehold Estate created hereby, or any interest therein, may be held directly or indirectly by or for the account of the Person who shall own the fee title to the Stadium or any portion thereof; and no such merger of estates shall occur by operation of law, or otherwise, unless and until all Persons at the time having any interest in the Stadium shall join in the execution of a written instrument effecting such merger of estates.


24.22 Covenants Running with the Estates in Land. The Parties covenant and agree that all of the conditions, covenants, agreements, rights, privileges, obligations, duties, specifications and recitals contained in this Agreement, except as otherwise expressly stated herein, shall be construed as covenants running with title to the Stadium and the Leasehold Estate, respectively, which shall extend to, inure to the benefit of and bind, Authority and Tenant, and their permitted successors and assigns, to the same extent as if such successors and assigns were named as original parties to this Agreement, such that this Agreement shall always bind the owner and holder of any

fee or leasehold interest in or to the Stadium or any portion thereof, and shall bind predecessors thereof except as otherwise expressly provided herein.

24.23 Survival of Existing Claims. Termination of this Agreement shall not alter any existing claim of any Party for breaches of this Agreement occurring prior to such termination and the obligations of the Parties hereto with respect to such existing claims shall survive termination.

24.24 Other Agreements . The Authority acknowledges that Tenant is a third-party beneficiary of the following agreements relating to the Stadium to which Authority is a party: (i) an Interlocal Project Agreement (Multi-Use Stadium), dated as of _____, 2022, by and between the Authority, the City and the County; (ii) a Stadium Area Culvert Agreement, dated as of _____, 2022, by and between the Authority and Knoxville’s Community Development Corporation; (iii) a Stadium Area Public Infrastructure Agreement, dated as of _____, 2022, by and between the Authority and the City; and (iv) a Stadium Area Utilities Infrastructure Agreement, dated as of _____, 2022, by and between the Authority and KUB (collectively, the “**Third Party Agreements**”). The Authority agrees that the Authority shall not terminate, modify or amend any Third Party Agreement without Tenant’s prior written consent, except where such termination, modification or amendment does not have any material adverse impact on the third-party rights of Tenant thereunder.

[Signatures and acknowledgements appear on following pages]

 [Signature Page to Lease Agreement]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

THE SPORTS AUTHORITY OF THE COUNTY OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE

By: _____

Name: _____

Its: _____

Date: _____

BOYD SPORTS, LLC, a Tennessee limited liability company

By: _____

Name: _____

Its: _____

Date: _____

 **EXHIBIT A**

LEGAL DESCRIPTION

This exhibit will be a legal description of the Real Property based upon the subdivision plat that will be recorded to establish the boundaries of the Real Property and the adjacent private development consistent with the conceptual site plan that has been presented to the Authority, the City and the County.

 **EXHIBIT B**

STADIUM SITE PLAN

This Exhibit will be the conceptual site plan for the Stadium site as has been presented to the Authority, the City and the County.

31772573.23

Draft February 5, 2022

STADIUM AREA PUBLIC INFRASTRUCTURE AGREEMENT

This Stadium Area Public Infrastructure Agreement (this "Agreement") is made and entered into as of the 23rd day of February, 2022, by and between the City of Knoxville, Tennessee (the "City") and The Sports Authority of the County of Knox and the City of Knoxville, Tennessee (the "Authority").

WITNESSETH:

WHEREAS, the Council of the City ("City Council") has determined that the construction of a multi-use sports and entertainment stadium (the "Stadium") and related facilities in downtown Knoxville on certain parcels of land located on and around 400 E. Jackson Avenue, including all or portions of Parcel No. 095HB002, 095HB003, 095HB004, 095HB005, 095HC010, and 095HC012 (collectively, the "Stadium Site"), will be in the public interest of the citizens of the City and will encourage and foster economic development and prosperity for the City; and

WHEREAS, pursuant to Chapter 67, Title 7, Tennessee Code Annotated (the "Sports Authority Act"), the City Council, together with the Commission of Knox County, Tennessee (the "County"), has created the Authority for the purpose of exercising all powers granted to a sports authority by the Act, including, without limitation, the financing, constructing and operating of the Stadium; and

WHEREAS, the City has historically provided funding for public infrastructure improvements relating to redevelopment projects which, in the judgment of the City Council, are in areas of the City in need of redevelopment and for which public support is determined to be in the best interest of the residents of the City; and

WHEREAS, the City Council has previously determined that the Stadium Site and surrounding area are in need of redevelopment by approving the Magnolia Avenue Warehouse District Redevelopment Plan (the "Redevelopment Plan") prepared by Knoxville's Community Development Corporation; and

WHEREAS, under the Act, the City is authorized to aid or otherwise provide assistance to the Authority in connection with its activities, and the Authority has requested the City for its assistance with improving the public infrastructure in the area immediately surrounding the Stadium for the benefit of the Authority, the citizens of the City, and the users of the Stadium; and

WHEREAS, the City desires to provide assurances to the Authority that such public infrastructure will be constructed by the City or that the City will contribute funds to the Authority to pay the cost of such public infrastructure pursuant to the terms of this Agreement and

WHEREAS, it is deemed necessary and desirable by the City and the Board of Directors of the Authority that the parties enter into this Agreement to address the matters set forth above.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties agree as follows:

1. Agreement to Undertake Public Infrastructure Improvements. The Authority has provided to the City a conceptual plan, which was provided to the Authority by the Stadium Developer (as defined below), for the public infrastructure improvements necessary or appropriate for the development of the Stadium Site (the "Public Infrastructure Project"), which conceptual plan (or a list of

RECEIVED

MAR 03 2022

CITY COUNCIL OFFICE

the drawings that compose the conceptual plan) is attached hereto as Exhibit A (the “Conceptual Plan”). Subject to the terms and conditions of this Agreement, the City hereby agrees to undertake the construction of the Public Infrastructure Project other than any component thereof that will be undertaken by the Authority as provided in Section 2 hereof. The Conceptual Plan shall serve as a guide for the Public Infrastructure Project, but the final plans and specifications for the Public Infrastructure Project, or any component thereof, shall be subject to the approval of the City, and the City may make such changes to the Conceptual Plan as the City shall deem necessary or appropriate to complete the Public Infrastructure Project for a cost that does not exceed the Expenditure Limit (as defined below). Notwithstanding the foregoing, the Public Infrastructure Project shall result in the essential functional purposes of the Public Infrastructure Project as shown in the Conceptual Plan being accomplished. The City (subject to the last paragraph of this Section) shall cause the substantial completion of the components of the Public Infrastructure Project being undertaken by the City (as opposed to the components being undertaken by the Authority pursuant to Section 2 hereof) not later than the earlier of (i) the date of the opening of the Stadium or (ii) the date provided in the following paragraph.

The parties acknowledge that certain components of the Public Infrastructure Project will need to be completed prior to the opening of the Stadium. These components and the date required for the completion of each are listed on Exhibit B. The City agrees, subject to the last paragraph of this Section, to cause the substantial completion of such components by the required dates shown on Exhibit B if the City undertakes such components (as opposed to such components being undertaken by the Authority pursuant to Section 2 hereof). If a component of the Public Infrastructure Project is not listed on Exhibit B, such component shall be required to be completed by the date of the opening of the Stadium (subject to the last paragraph of this Section).

Any failure of the City to complete any component of the Public Infrastructure Project by the date required by this Agreement that does not materially interfere with the construction, use or operation of the Stadium shall not be deemed a breach of this Agreement and any delay in completion of any component of the Public Infrastructure Project being undertaken by the City due to a force majeure shall not be deemed a breach of this Agreement. For these purposes, “force majeure” shall have the same meaning as is given to such term in the Stadium Development Agreement dated as of February 8, 2022, between the Authority and RR Land LLC (the “Stadium Developer”).

2. Completion of Certain Improvements by the Authority. If the City determines that it would be clearly in the best interests of the City due to cost and scheduling/construction coordination efficiencies for any component of the Public Infrastructure Project to be undertaken by the Authority by utilizing the Stadium Developer (who may retain the construction manager and/or other contractors that are assisting with the construction of the Stadium), the City will notify the Authority that the City desires the Authority to cause the construction of such components of the Public Infrastructure Project. Notwithstanding the foregoing, the City will only notify the Authority to cause the construction of any components of the Public Infrastructure Project if the City determines that such construction process as to such components does not conflict with the City’s ordinances and policies relating to procurement. In the event that the City determines that any component of the Public Infrastructure Project shall be completed by the Authority, the provisions of this Section 2 shall govern the procedures to be employed by the parties.

2.1 Notice; Approval of Authority Budget. The City agrees that, upon the City’s determination that the Authority shall be responsible for completing any component of the Public Infrastructure Project, the City will provide written notice to the Authority describing in reasonable detail the component of the Public Infrastructure Project to be completed by the Authority (the “Authority Work Notice”). Upon receipt of an Authority Work Notice, together with plans and specifications from the City

with respect to the component of the project described in the Authority Work Notice, the Authority agrees that it will work in good faith with the Stadium Developer to cause the preparation of a reasonably detailed construction budget for such component, which budget shall include the total construction cost for which the construction manager engaged by the Stadium Developer has agreed to perform the work (the "Authority Project Budget"). As promptly as is reasonably possible, the Authority shall submit the Authority Project Budget for the work to be performed under the Authority Work Notice to the City for approval. The City may either (i) approve the Authority Project Budget and authorize the Authority to proceed with construction, or (ii) disapprove the Authority Project Budget, withdraw the Authority Work Notice and proceed with completion of the work itself.

2.2 Funding. Following approval by the City of the Authority Project Budget submitted by the Authority in response to any Authority Work Notice, the City agrees to provide sufficient funds to the Authority in the full amount of the approved Authority Project Budget as to each component of the Public Infrastructure Work being undertaken by the Authority; provided, however, that such funds may be provided in installments as needed to pay construction costs or in a lump sum, as selected by the City; and, provided further, that no funds shall be provided to the Authority pursuant to this Agreement before July 1, 2022. Notwithstanding the foregoing, if the Authority incurs any costs pursuant to Section 2 of this Agreement prior to July 1, 2022, the City shall reimburse the Authority for such costs. The Authority hereby agrees that any funds appropriated and delivered to the Authority for any component of the Public Infrastructure Project shall be used exclusively for the payment of costs relating to such component of the Public Infrastructure Project and shall not be used for any other purpose without the written approval of the City.

2.3 Completion of the Public Infrastructure Project by the Authority. The Authority shall ensure that each component of the Public Infrastructure Project to be completed by the Authority is constructed by a general contractor licensed in Tennessee, which contractor shall have substantial experience in public infrastructure construction. The Authority or the City may retain a third-party engineering consultant to confirm that the costs of the construction under any construction contract are reasonable and represent a fair market value for the work being performed. Each construction contract shall require the contractor or its subcontractor(s), as appropriate, to obtain performance and payment bonds guaranteeing performance of the contractor's obligations under the construction contract in such amounts and upon such terms as are reasonably acceptable to the City and as to which the City shall be named as an obligee, issued by a surety acceptable to the City. Pursuant to the construction contract, the general contractor shall also be required to carry liability insurance in an amount and scope as is typical for a project of such type in a form reasonably satisfactory to the City, and the City shall be named as an insured party on such insurance. The construction contract shall provide for retainage of payments in a manner typical for contracts of such type.

2.4 Inspection Rights. During the construction of any portion of the Public Infrastructure Project being performed by the Authority, the Authority shall permit the City and its representatives and agents to inspect the construction and all materials to be used in the construction and will cooperate and cause its contractors to cooperate with the City and its representatives and agents during such inspections. Upon completion of each component of the Public Infrastructure Project being performed by the Authority, the City shall inspect the completed work to determine whether such work has been completed in accordance with the approved plans and specifications.

2.5 Construction Easement. To the extent that the Authority requires any construction easements or similar rights with respect to the Public Improvement Parcels or any other property owned by the City in order perform any obligations hereunder, the City agrees to provide any such construction easements or similar rights in accordance with its normal practices in order to provide

the Authority and its agents or contractors with access rights to the Public Improvement Parcels or other property owned by the City as is reasonably necessary to complete the Public Infrastructure Project.

3. Expenditure Limit. Notwithstanding the foregoing or anything in this Agreement to the contrary, in no event shall the City be required to expend a total amount in excess of \$14,000,000 (the "Expenditure Limit") pursuant to the terms of this Agreement, and in no event shall this Agreement require the City to appropriate or expend any amount in excess of the actual cost of construction of the Public Infrastructure Project. The Authority expressly agrees that any funding provided to the Authority by the City that remains unspent following completion of the Public Infrastructure Project shall be promptly returned to the City.

4. Further Agreements, Covenants, and Duties of the City and the Authority. The City and the Authority each hereby agree as follows:

4.1 Plat and Conveyance. The City and the Authority will work together, and with the Stadium Developer, to complete a recorded plat of the area surrounding the Stadium, which will specifically identify the Stadium Site and any separate parcels on which the Public Infrastructure will be constructed (the "Public Improvement Property") and will provide for the creation of such roads and the relocation of existing roads as is necessary or appropriate for the development of the Stadium Site and adjacent private development. Such plat shall be consistent in all material respects with the draft plat attached hereto as Exhibit C. At the request of the City, the Authority shall convey to the City any portion of the Public Improvement Property that is owned by or is acquired in the future by the Authority.

4.2 Diligence. The City and the Authority agree that, to the extent reasonably necessary to facilitate the Public Infrastructure Project, they will freely exchange any environmental studies or similar diligence with respect to the Public Improvement Property and shall provide one another with any pertinent reports, studies and examinations relating to the Public Improvement Property that are in their possession, custody or control.

5. Relationship to Other Agreements. Notwithstanding any provision herein to the contrary, the Public Infrastructure Project shall not include any public improvements to be undertaken by the Knoxville Utilities Board's pursuant the Utility Infrastructure Agreement dated as of the date hereof between the Authority and the Knoxville Utilities Board or to be undertaken by Knoxville's Community Development Corporation or the Authority pursuant to the Stadium Area Culvert Redevelopment Agreement dated as of the date hereof between Knoxville's Community Development Corporation and the Authority.

6. Term. The duties and responsibilities of the parties hereunder shall commence as of the date hereof and shall continue until the earlier of the time that (i) the City has expended the Expenditure Limit in furtherance of the construction of the Public Infrastructure Project in accordance with the terms of this Agreement; or (ii) the Public Infrastructure Project has been completed in accordance with all City-approved plans and specifications and all amounts required to be returned to the City pursuant to Section 3.2 hereof, if any, have been returned to the City.

7. Notices. Any notice, request, demand, instruction or other communication (a "Notice") to be given to any party with respect to this Agreement may be given either by the party or its counsel and shall be deemed to have been properly sent and given when (a) delivered by hand, (b) sent by certified mail, return receipt requested, or (c) sent by reputable courier service. If delivered by hand or courier service, a Notice shall be deemed to have been sent, given and received on the date when actually received by the addressee (or on the date when the addressee refuses to accept delivery of same). If sent

7.8 Successors and Assigns. This Agreement may not be assigned by any party hereto without the written consent of the other party. Subject as aforesaid, this Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

7.9 Section Headings. The section headings inserted into this Agreement are for convenience only and are not intended to and shall not be construed to limit, enlarge or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

7.10 Governing Law. The law of the State of Tennessee shall govern this Agreement.

7.11 Compliance with Applicable Law. Each party hereto is responsible for full compliance with all applicable federal, state, and local laws, rules and regulations that relate to the performance of its obligations hereunder.

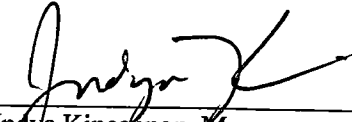
7.12 Severability. The invalidity or unenforceability of any particular provision, or part of any provision, of this Agreement shall not affect the other provisions or parts hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

[Signatures on Next Page]

[Signature Page for Stadium Public Infrastructure Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officials thereunto duly authorized as of the date first written above.

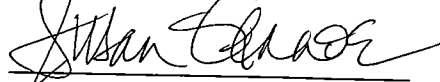
CITY OF KNOXVILLE, TENNESSEE

By: 
Indya Kincannon, Mayor

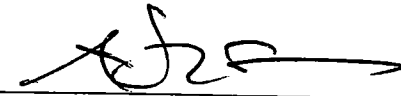
APPROVED AS TO FORM:


Law Director

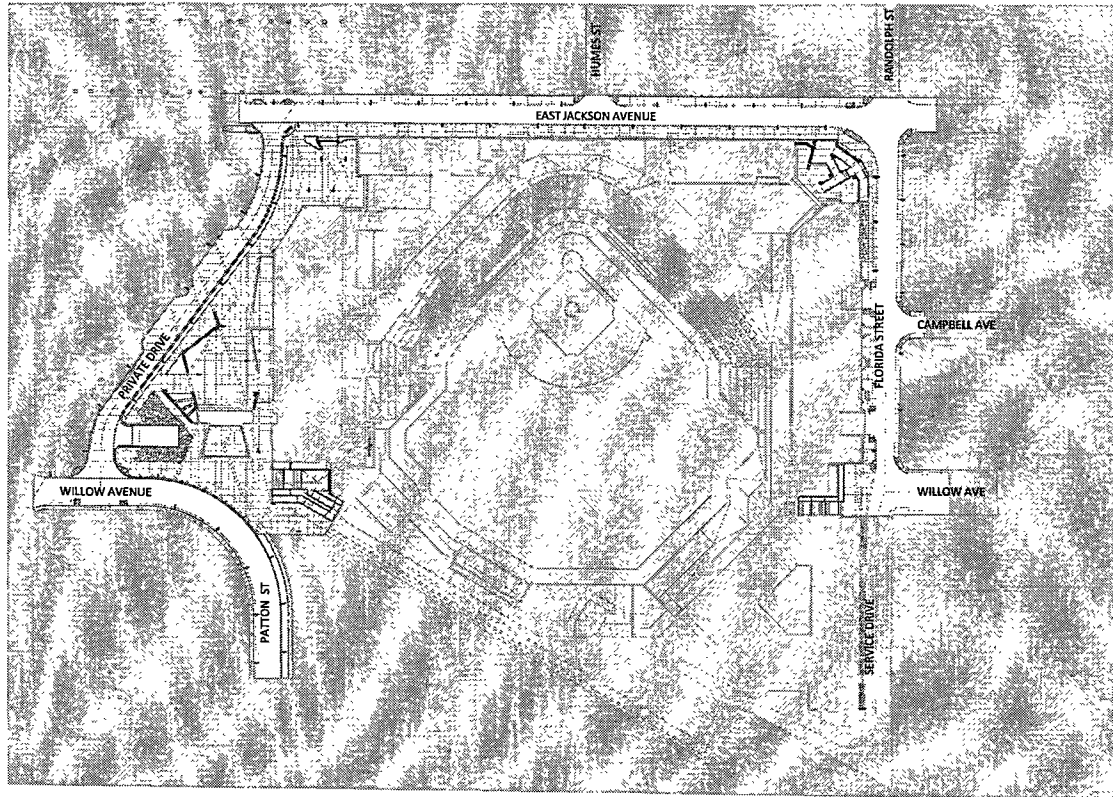
FUNDS CERTIFIED:


SUSAN GENNOE
CHIEF FINANCIAL OFFICER

THE SPORTS AUTHORITY OF THE COUNTY
OF KNOX AND THE CITY OF KNOXVILLE,
TENNESSEE

By: 
Chairman

Attest: 
Secretary



1 OVERALL SITE PLAN
 7/19/19

LEGEND

- INFRASTRUCTURE SCOPE
- STADIUM/ PRIVATE DEVELOPMENT SCOPE

NARRATIVE:

THE PUBLIC INFRASTRUCTURE WORK ASSOCIATED WITH THE MULTI-USE STADIUM DEVELOPMENT WILL INCLUDE THE FOLLOWING FEATURES:

- IMPROVEMENTS OF PUBLIC STREETS AROUND THE STADIUM INCLUDING JACKSON AVENUE, FLORIDA STREET, AND PORTIONS OF WILLOW AVE. AND PATTON STREETS. ALL ROADS TO INCLUDE NEW PAVING AND STORM SEWER SYSTEMS, CURBING, SIDEWALKS, LANDSCAPE AND PLANTINGS (SOME REQUIRING SILVA CELLS), STREET SIGNAGE AND STRIPING, AND LIGHTING AND OTHER IMPROVEMENTS AS LISTED BELOW:
 - PATTON- THE GRADE AT THE BOTTOM OF THE HILL COMING DOWN FROM SUMMIT HILL WILL BE RAISED SUBSTANTIALLY. THE GRADING IS TO ALLOW RELOCATION OF THE 36" WATER MAIN OVER THE TOP OF THE EXISTING CREEK COVER. OTHER UTILITY RELOCATIONS HERE ALSO LAY THE GROUNDWORK FOR CENTERING ALL UTILITIES IN THE NEW PRIVATE DRIVE CONNECTING INTO PATTON AS IT TIES INTO WILLOW AT THE BOTTOM OF THE HILL.
 - WILLOW- THE STREET WILL BE CLOSED BETWEEN PATTON AND FLORIDA AND ALL UTILITIES WILL BE RELOCATED TO THE PERIMETER OF THE SITE.
 - NEW PRIVATE DRIVE- RELOCATED TO RUN PARALLEL WITH JAMES WHITE, THIS WILL BE A NEW ROAD WITH ALL NORTH-SOUTH UTILITIES IN THE PROXIMITY TO BE RELOCATED INTO THE ROAD.
 - JACKSON AVENUE- THE ROAD WILL BE RESIZED TO ACCOMMODATE SIDEWALK ACTIVITY AREAS ALONG ALL OF THE BUILDINGS UTILITIES WILL BE RELOCATED TO THE CENTER OF THE ROAD
 - FLORIDA- THE UTILITIES WILL BE RELOCATED TOWARD THE CENTER OF THE ROAD HERE AS WELL. THE SIDEWALKS AND PLANTING ALONG THE ROAD WILL BE IMPROVED.
- FOUR ENTRY PLAZAS INTO THE STADIUM, AS WELL AS A LARGE COMMUNITY PLAZA, WHICH INCLUDES PAVING, DRAINAGE SYSTEMS LANDSCAPING, AND LIGHTING; AS WELL AS TRANSITIONAL WALLS, STEPS, ACCESSIBLE RAMPS, AND SEATING. THE COMMUNITY PLAZA IS DESIGNED TO ACCOMMODATE MULTIPLE ACTIVITIES SUCH AS PUBLIC EVENTS, FARMERS MARKETS, PER AND POST-GAME GATHERINGS, AS WELL AS PATIO SPACES FOR RETAIL/RESTAURANTS IN THE ADJOINING PRIVATE DEVELOPMENT BUILDING. IT WILL INCLUDE WATER AND POWER FOR HOOKUPS FOR PORTABLE BOOTHS AND OTHER ACTIVITIES THAT MIGHT BE PROGRAMMED IN THE SPACE.
- RECONFIGURATION OF THE EXISTING PUBLIC DATA INFRASTRUCTURE, AS TO INSTALL THE REQUIRED DUCT BANKS UNDERGROUND AT THE NEW AND IMPROVED STREET DESIGNS.
- THE GRADING WORK AND ASSOCIATED TEMPORARY SHORING THAT IS REQUIRED TO ACCOMPLISH THE ABOVE NOTED IMPROVEMENT.

EXHIBIT B INFRASTRUCTURE SCOPE AND PROJECTED TIMEFRAME

2022

2023

2024

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

JANUARY

FEBRUARY

MARCH

APRIL

MAY

Patton/Willow - Grading

Duration

East Jackson/Florida/Willow/Patton - Storm

Duration

East Jackson/Florida/Willow/Patton - Paving/Curbs

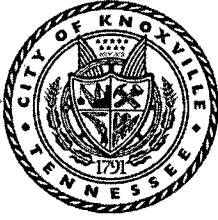
Duration

Stadium Way & Plaza - Paving/Curbs/Hardscapes/Landscapes/Lighting

Duration

East Jackson/Florida/Patton - Hardscapes/Landscapes/Lighting

Duration



CITY OF KNOXVILLE, TENNESSEE

City Council

AGENDA INFORMATION SHEET

AGENDA DATE: February 8, 2022
DEPARTMENT: Administration
DIRECTOR: Stephanie Welch

AGENDA SUMMARY A Resolution authorizing the execution of an Agreement with The Sports Authority of the County of Knox and the City of Knoxville, Tennessee to undertake certain public infrastructure improvements necessary or appropriate for the development of the stadium site located on or around 400 E. Jackson Avenue.

COUNCIL DISTRICT(S) AFFECTED

All

BACKGROUND

In December, 2020, City Council, together with the Commission of Knox County, Tennessee (the "County"), created The Sports Authority of the County of Knox and the City of Knoxville, Tennessee (the "Authority") for the purpose of financing, constructing and operating of a multi-use sports and entertainment stadium and related facilities in downtown Knoxville on certain parcels of land located on and around 400 E. Jackson Avenue (the "Stadium"). The location of the Stadium is in need of redevelopment, and City Council has previously approved the Magnolia Avenue Warehouse District Redevelopment Plan for this area.

At this time, the Authority has requested the City assist with improving the public infrastructure in the area immediately surrounding the Stadium, and has provided the City with a Conceptual Plan which lists certain public improvements that the Authority believes are necessary or appropriate for the Stadium Site.

The City and the Authority desire to enter into an Agreement that defines the terms and conditions for construction of these Public Improvements, setting forth the components required and the timeline in which these components will need to be completed. This Stadium Area Public Infrastructure Agreement also sets forth which public infrastructure components will be built by the City, and which public infrastructure components will be funded by the City, but constructed by the Authority's contractors.

Agreement sets a total not to exceed amount of \$14,000,000.00 for the actual cost of construction of all of these public improvements.

OPTIONS

Approve or Deny

RECOMMENDATION

Approve

ESTIMATED PROJECT SCHEDULE

It is anticipated that the Public Improvements Project will be constructed within the next 24 months.

PRIOR ACTION/REVIEW

In December, 2020, City Council authorized the creation of "The Sports Authority of the County of Knox and the City of Knoxville, Tennessee."

FISCAL INFORMATION

\$14,000,000.00 will be appropriated to pay for these Public Improvements; any funding unspent following completion of the Project will be returned to the City.

ATTACHMENTS:

- Resolution (DOCX)
- Knoxville Stadium Public Infrastructure Agreement (DOC)
- Exhibit A (PDF)
- Exhibit B (PDF)
- Exhibit C (PDF)

RESULT:	APPROVED [7 TO 1]
MOVER:	Janet Testerman, At-Large Seat B
SECONDER:	Lauren Rider, Fourth District
AYES:	Fugate, McKenzie, Rider, Roberto, Singh, Testerman, Thomas
NAYS:	Amelia Parker
ABSENT:	Tommy Smith

RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE SPORTS AUTHORITY OF THE COUNTY OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE TO UNDERTAKE CERTAIN PUBLIC INFRASTRUCTURE IMPROVEMENTS NECESSARY OR APPROPRIATE FOR THE DEVELOPMENT OF THE STADIUM SITE LOCATED ON OR AROUND 400 E. JACKSON AVENUE.

REQUESTED BY: R-37-2022

PREPARED BY: Administration

APPROVED: 2-8-2022

APPROVED AS AN EMERGENCY MEASURE: _____

MINUTE BOOK: 86 PAGE _____

WHEREAS, the Council (the "Council") of the City of Knoxville, Tennessee (the "City") has met pursuant to proper notice; and

WHEREAS, pursuant to Chapter 67, Title 7, Tennessee Code Annotated (the "Sports Authority Act"), City Council, together with the Commission of Knox County, Tennessee (the "County"), has created The Sports Authority of the County of Knox and the City of Knoxville, Tennessee (the "Authority") for the purpose of exercising all powers granted to a sports authority by the Act, including, without limitation, the financing, constructing and operating of a multi-use sports and entertainment stadium ("the Stadium"); and

WHEREAS, City Council has determined that the construction of a multi-use sports and entertainment stadium and related facilities in downtown Knoxville on certain parcels of land located on and around 400 E. Jackson Avenue, including all or portions of Parcel No. 095HB002, 095HB003, 095HB004, 095HB005, 095HC010, and 095HC012 (collectively, the "Stadium Site"), will be in the public interest of the citizens of the City and will encourage and foster economic development and prosperity for the City; and

WHEREAS, City Council has previously determined that the Stadium Site and surrounding area is in need of redevelopment by approving the Magnolia Avenue Warehouse District Redevelopment Plan (the "Redevelopment Plan") prepared by Knoxville's Community Development Corporation; and

WHEREAS, the Authority has provided the City with a conceptual plan setting forth public infrastructure improvements necessary or appropriate for the development of the Stadium Site, which is located within the Magnolia Avenue Warehouse Redevelopment District; and

WHEREAS, the parties agree that certain components of these public infrastructure improvements will need to be completed prior to the opening of the Stadium; and

WHEREAS, the City and the Authority desire to enter into an Agreement setting forth the terms and conditions for which the public infrastructure improvements necessary or appropriate for the development of the Stadium Site (“the Public Infrastructure Project”) will be completed.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor of the City of Knoxville be and hereby is authorized to execute a Stadium Area Public Infrastructure Agreement in substantially the same form as the Agreement presented herewith, on behalf of the City of Knoxville, with the Authority, which sets forth the terms and conditions for the completion of the Public Infrastructure Project at the Stadium Site.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City of Knoxville requiring it.

Presiding Officer of the Council

Recorder



STATEMENT BY RANDY BOYD

November 8, 2021

Committed to opportunity of a lifetime

The multi-use entertainment and sports stadium will be "The People's Park," open year-round to host concerts, Smokies baseball, hopefully professional soccer, reunions, farmers markets and so much more. It will create jobs. It will reconnect East Knoxville to downtown. It will be a catalyst for economic growth in a long-neglected area. And it will be a public asset that will attract people and business to the region. It is a once-in-a-lifetime opportunity.

We are committed to ensuring disadvantaged and minority businesses participate in the stadium construction, stadium operations and private development. We have signed an agreement and contracted with the Knoxville Area Urban League to recruit and train workers. Two recruiting and networking events already have been held. We want East Knoxville businesses to be at the table first and throughout the process from start to finish with a goal of at least 15% participation in the project.

Our first recruited business is a locally owned restaurant, Jackie's Dream, which will operate in the private development part of the overall project. Other businesses are in the pipeline, and we actively are seeking additional ones. The construction management team is led by locally owned Denark Construction, headquartered in the Mechanicsville area since 1990. Denark has teamed up with Elite Diversified Construction Incorporated (EDCI), a certified minority-owned general contractor, headquartered on Magnolia Avenue in East Knoxville.

We are committed to making this venue one that is a part of the community. We will engage with local schools for field days, game days and jobs. We plan to schedule concerts and other events tailored to the local community. The history and culture of the community have been a priority since the beginning, and we partnered early with Beck Cultural Exchange Center to ensure we capture the rich African American history and culture of the location of the project, as well as reflect the multi-racial history of baseball in the community.

Beyond this personal and written commitment, we will have other signed agreements. We plan to sign a lease agreement promising \$1 million per year for 30 years, which is three times the average for a Minor League Baseball stadium. We will sign a development agreement for stadium construction in which I will provide \$14 million of private land for the Sports Authority to build a publicly owned facility. We are committing to pay for any cost overruns.

We also are signing a private development commitment to build at least \$100 million in tax generating buildings on the adjoining land and have more in planning stages. In nearly every other example, cities build stadiums and hope development will follow. In Fort Wayne, Indiana, more than \$1.1 billion in investments have happened since the stadium was built. Knoxville will have equal or greater success, and the first \$100 million already is guaranteed.

There are three reasons why a Community Benefits Agreement is inappropriate in this case. Nashville often is cited as a model for such an agreement. However, in Nashville the public sector gave the private sector land to build a private sector development. Here, the private sector is donating private land to the public sector for a public asset. It's completely reversed.

Second, who is the agreement between? Labor unions are not elected by the community and have virtually no presence in East Knoxville. After more than two years of public discussion about this project, the labor unions were the only group that approached our team with a specific request to engage in a Community Benefits Agreement. That's because our community partners already knew our track record before this project even formed into an idea. The community knows us. And they trust us because we keep our promises.

GEM Community Development Group is a group of private investors developing private property on private land. The stadium will be owned by the Sports Authority under authorization by the City of Knoxville and Knox County. The Sports Authority will benefit from a very lucrative lease agreement. The public sector doesn't sign community benefits agreements with every developer that builds something for the public. There are no logical two parties to sign such an agreement, and agreements, where needed, already are in place.

Finally, a Community Benefits Agreement is not needed in this case. We are committed to our community. Through different entities, we already have donated \$1.5 million to Claude Walker Park and \$650,000 to Green Magnet Academy and \$1 million to the YWCA of Knoxville & the Tennessee Valley, all three of which are within a mile or two of the proposed stadium site.

I have a long history of engagement with local schools, well before this project was conceived, and those relationships allowed us to meet with our intended partners, listen to their ideas and be responsive with concrete solutions.

As mentioned, we already have a signed contract for workforce and business development with the Knoxville Area Urban League. We have worked with the Beck Cultural Exchange Center to be intentional about local history in everything we do. These aren't promises; these are things that already have been done. And we have only just begun.

This is our hometown. We are doing this project because we want to make a difference in our hometown – a once-in-a-lifetime difference. Someone recently asked what's the worst thing that could happen? My answer is "nothing." The City and County say no to this opportunity and absolutely nothing happens – no stadium, no jobs, no catalyst for development. We are left with just an empty swath of land that continues to separate East Knoxville from the rest of the city and remind future generations of what could have been.



Randy Boyd
Owner
Boyd Sports



Steve Davis
President
GEM Community Development Group