



TENNESSEE LOCAL DEVELOPMENT AUTHORITY
MARCH 23, 2026
AGENDA

1. Call meeting to order, establish that there is a quorum, and receive public comments on actionable items in accordance with Tenn. Code Ann. § 8-44-112 and Board guidelines
2. Approval of minutes from the December 15, 2025, meeting
3. Consideration and approval of revisions to Tennessee Local Development Authority Public Comment Policy
4. Consideration of proposals received and approval of the selection of bond counsel
5. Adjourn

The Board meeting will be held in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, 425 Rep. John Lewis Way N., Nashville, TN. Board members are allowed to participate by electronic means. The public may attend in person or virtually by using the following link: <https://comptroller.tn.gov/office-functions/sgf/sgf-calendar/2026/3/23/tennessee-local-development-authority-board-meeting.html>

TENNESSEE LOCAL DEVELOPMENT AUTHORITY
December 15, 2025

The Tennessee Local Development Authority (TLDA) met on Monday, December 15, 2025, at 3:03 p.m., CT, in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. Secretary of State Tre Hargett was present and presided over the meeting.

The following members were also present:

William Wood, proxy for the Honorable Jason E. Mumpower, Comptroller of the Treasury
Jamie Wayman, proxy for the Honorable David H. Lillard, Jr., State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration

The following members participated electronically as authorized by Tennessee Code Annotated § 8-44-108:

Mayor Rollen “Buddy” Bradshaw, Senate Appointee
Mayor Paige Brown, House Appointee

The following member was absent:

The Honorable Bill Lee, Governor

Recognizing a physical quorum present, Secretary Hargett called the meeting to order.

Secretary Hargett, in accordance with Tenn. Code Ann. § 8-44-112 and Board guidelines, asked Ms. Kayla Carr, TLDA Assistant Secretary and the Director of the Division of State Government Finance (SGF) whether any requests for public comment had been received. Ms. Carr responded that no comments had been submitted for any specific items on the agenda. Secretary Hargett then acknowledged Mr. Larry Kidwell, noting that he had contacted the Comptroller’s office, but did not have a specific item to address, and Mr. Kidwell affirmed. Secretary Hargett then directed Ms. Carr to conduct a roll call:

Mayor Brown—Present
Mayor Bradshaw—Present
Mr. Wayman—Present
Mr. Wood—Present
Secretary Hargett—Present
Commissioner Bryson—Present

Secretary Hargett stated that the first item of business was approval of the minutes from the November 24, 2025, TLDA meeting. Commissioner Bryson moved approval of the minutes, and Mr. Wood seconded the motion. Secretary Hargett asked if there was any discussion. Hearing none, he asked Ms. Carr to conduct a roll call vote:

Mayor Brown—Aye
Mayor Bradshaw—Aye
Mr. Wayman—Aye
Mr. Wood—Aye
Secretary Hargett—Aye
Commissioner Bryson—Aye

The minutes were unanimously approved.

Secretary Hargett stated that the next item on the agenda was the consideration and approval of a Clean Water State Revolving Fund (CWSRF) loan. Secretary Hargett recognized Ms. Vena Jones, Program Manager at the Tennessee Department of Environment and Conservation (TDEC), to present the CWSRF unobligated balance report and loan

request. Ms. Jones reported that, as of November 24, 2025, the Unobligated Fund Balance for the Clean Water State Revolving Fund (CWSRF) Loan Program was \$337,129,073. Ms. Jones stated that, upon the approval of the \$7,100,000 loan request, the remaining funds available for loan obligations in the CWSRF would total \$330,029,073. Additionally, Ms. Jones provided an update on the CWSRF Non-Revolving Funds – Emerging Contaminants Fund, stating that the balance was \$4,447,000 as of November 24, 2025. Secretary Hargett then asked if there were any questions regarding the reports. Hearing none, Ms. Jones proceeded to present the CWSRF loan request:

- **Pikeville (CW23 2025-500)** Requesting \$7,100,000 (\$3,550,000 (50%) loan, \$3,550,000 (50%) principal forgiveness) for a new Wastewater Treatment Plant (WWTP) expansion/advanced treatment, which entails the expansion of the existing WWTP from 0.254 million gallons per day (MGD) to 0.366 MGD; recommended interest rate of 1.34% based on the Ability to Pay Index (API); Priority ranking 8 of 67 (2023); Term: 20 years

Ms. Jones stated the City's revenues were technically insufficient. She reported TDEC's review was based on a rate of \$58.66, requiring a minimum 13% increase to be financially sufficient to repay the loan. The City has increased its rate 11% as of July 1, 2025, and the revised review was based on a rate of \$65.11. Two other 11% increases were scheduled for July 1, 2026, and July 1, 2027. She explained SRF required sufficiency by the time of repayment, not loan execution, and compliance was ensured through signed resolutions. Secretary Hargett acknowledged he had been unaware of this process and asked what would happen if the City failed to implement the agreed increases. Ms. Jones stated that had never occurred but indicated SRF would enforce security measures provided by the loan agreement, including intercepting state-shared taxes for failure to make payments, as noncompliance would constitute default. Secretary Hargett thanked Ms. Jones for the clarification. Ms. Jones concluded by stating that the City had met all requirements to be considered for an SRF loan and further recommended board approval of the Pikeville loan request. Secretary Hargett called for a motion to approve the loan. Commissioner Bryson made a motion to approve the loan request, and Mr. Wayman seconded the motion. Secretary Hargett asked if there was any further discussion. Hearing none, he asked Ms. Carr to conduct a roll call vote:

Mayor Brown—Aye
Mayor Bradshaw—Aye
Mr. Wayman—Aye
Mr. Wood—Aye
Secretary Hargett—Aye
Commissioner Bryson—Aye

The loan request was unanimously approved.

Secretary Hargett asked if Commissioner Bryson had a question for Ms. Jones. Commissioner Bryson responded affirmatively, stating that he needed clarification on SRF loans and inquired about the number of funds within the SRF program. Ms. Jones explained that there were two primary funds: Clean Water (CW) and Drinking Water (DW). She further noted that the 2021 Infrastructure Investment and Jobs Act (IIJA) introduced additional funding categories, including the IIJA Supplemental funding, which was deposited into the base SRF program. In addition, IIJA provided Emerging Contaminants funding to address per- and polyfluoroalkyl substances, known as PFAS, and other contaminants for both CW and DW programs, which is held in a separate fund; and Lead Service Line Replacement funding for DW only. Ms. Jones stated that Emerging Contaminant funds were provided as 100% grants, while Lead Service Line funds offered 50% loan forgiveness at 0.5% interest, with repayments returning to the base SRF fund. Commissioner Bryson then requested a five-year history of year-end balances and clarification on the transferability of funds. Ms. Jones confirmed that CW and DW funds could transfer between programs, while Emerging Contaminant and Lead Service Line funds were restricted. Secretary Hargett agreed the information would be helpful and suggested including inflows and outflows for context, beginning with December 31, 2020. He also noted that project prioritization often depended on an entity's willingness to raise rates, which could delay high-ranking projects. Ms. Jones agreed to provide the requested information.

Secretary Hargett stated that the next item on the agenda was the consideration and approval of a Drinking Water State Revolving Fund (DWSRF) loan. Secretary Hargett recognized Ms. Jones to present the DWSRF unobligated balance report and loan request. Ms. Jones reported that, as of November 24, 2025, the Unobligated Fund Balance for the Drinking Water State Revolving Fund (DWSRF) Loan Program was \$110,436,956. Since that time, the unobligated balance had increased by \$14.00 with the return of unused loan funding for a project from the City of Lafollette. Ms. Jones stated that, upon the approval of the \$1,360,000 loan request, the remaining funds available for loan obligations in the DWSRF would total \$109,076,970. Ms. Jones also provided updates on two DWSRF Non-Revolving Funds. She reported that the Emerging Contaminants Fund had a balance of \$ 14,374,005 and the Lead Service Line Fund had a balance of \$202,501,082. Secretary Hargett then asked if there were any questions regarding the reports. Hearing none, Ms. Jones proceeded to present the DWSRF loan request:

- **Cross Anchor Utility District (DWB22 2025-276)** Requesting \$1,360,000 (\$680,000 (50%) loan, \$680,000 (50%) principal forgiveness) for a waterline replacement, which involves installation of approximately 27,400 linear feet of 8-inch diameter polyvinyl chloride or ductile iron pipe waterline along Jearoldstown and West Pine Road; recommended interest rate of 2.00% based on the API; Priority ranking 33 of 143 (2022); Term: 20 years

Secretary Hargett called for a motion to approve the loan. Commissioner Bryson made a motion to approve the loan request, and Mr. Wood seconded the motion. Secretary Hargett asked if there was any further discussion. Hearing none, he asked Ms. Carr to conduct a roll call vote:

Mayor Brown—Aye
Mayor Bradshaw—Aye
Mr. Wayman—Aye
Mr. Wood—Aye
Secretary Hargett—Aye
Commissioner Bryson—Aye

The loan request was unanimously approved.

Secretary Hargett stated that the next item on the agenda was the report on the notification from the Town of Atoka submitted to comply with the TLDA's *SRF Policy and Guidance for Borrowers* ("Policy & Guidance"). Secretary Hargett recognized Ms. Carr to present the item. Ms. Carr explained that pursuant to the Policy & Guidance, the Town was required to notify the TLDA of its intent to incur additional debt. She reported that the Town planned to enter into a loan agreement with the Public Building Authority (PBA) of the City of Clarksville in an amount not to exceed \$3,000,000 to finance a portion of sewer system improvements. She noted that the PBA loan would be issued with a lien position subordinate to the lien position of the Town's outstanding SRF loans. Secretary Hargett inquired why the debt would be issued by the PBA of the City of Clarksville. Ms. Carr responded that the PBA of the City of Clarksville was a conduit issuer that frequently issued debt of this type. There were no questions and no action by the TLDA was required.

Hearing no further business, Secretary Hargett asked for a motion to adjourn the meeting. Commissioner Bryson made a motion to adjourn the meeting, and Mr. Wayman seconded the motion. Secretary Hargett asked if there was any discussion. Hearing none, Secretary Hargett asked Ms. Carr to conduct a roll call vote:

Mayor Brown—Aye
Mayor Bradshaw—Aye
Mr. Wayman—Aye
Mr. Wood—Aye
Secretary Hargett—Aye
Commissioner Bryson—Aye

The meeting was adjourned.

Approved on this ____ day of _____, 2025.

Respectfully submitted,

Kayla Carr
Assistant Secretary



JASON E. MUMPOWER
Comptroller

Tennessee Local Development Authority Guidelines Public Comment Policy

I. Background

Public Chapter 300, Acts of 2023 creates transparency by requiring any governing body, as defined by the Tennessee Open Meetings Act, to reserve a period for public comment on matters that are germane to items on the agenda for each meeting.

II. Restrictions for Public Comment at Meetings

- A. Written notification to request to speak at a meeting must be sent to and received by email to the Assistant Secretary of the Tennessee Local Development Authority at SGF@cot.tn.gov two business days in advance of the meeting. The email should include the proposed speaker's name, the agenda item(s) upon which the speaker wishes to comment, and whether the speaker's comments will be in favor of or opposed to the agenda item(s). Speakers will be selected on a first-come first-served basis.
- B. The public comment period will be held at the beginning of the meeting once the meeting is called to order and a quorum has been established.
- C. Speakers will be limited to two minutes per person per agenda item, with a maximum of two speakers in favor of and two speakers opposed to each agenda item.
- D. Speakers must identify themselves at the beginning of their allotted time and stay on topic of the agenda item(s) that they have indicated their desire to speak on when addressing the board.
- E. Speakers should conduct themselves in a respectful manner and will be asked to remove themselves if they engage in threatening or obscene behavior.
- F. The Board, in its discretion, may ask relevant questions of any speakers providing public comment. Such question period will not include the speaker's allotted time frame.
- G. The Chairman may extend the allotted time frame or the number of speakers for a particular agenda item if the Chairman determines that the circumstances reasonably require it. If the Chairman extends the allotted time frame or the number of speakers, the Chairman shall ensure that an equal extension is granted to both those in favor of and opposed to any agenda item subject to an extension.

*Approved by the Tennessee Local Development Authority at its meeting on June 27, 2023.
Amended by the Tennessee Local Development Authority at its meeting on March 23, 2026.*



JASON E. MUMPOWER
Comptroller

MEMORANDUM

Date: March 23, 2026

To: Members of the Tennessee State Funding Board (SFB)
Members of the Tennessee State School Bond Authority (TSSBA)
Members of the Tennessee Local Development Authority (TLDA)

From: Kayla Carr, Director of the Division of State Government Finance (SGF)

Re: Request for Qualifications and Pricing Proposals (RFQ) for
Selection of Bond Counsel for the SFB, the TSSBA and the TLDA

The current contract for bond counsel for the SFB, TSSBA, and TLDA will expire on April 30, 2026. In early January 2026, working with our financial advisor, SGF staff prepared a list of 23 bond counsel firms, including nationally-ranked firms. On Wednesday, January 21, the RFQ was electronically distributed to those firms. The RFQ was also posted on the websites for all three issuers.

Written responses to the RFQ were due by email on Thursday, February 5, 2026. Any questions regarding the RFQ were due by Tuesday, January 27, 2026. No questions were received. Conforming and timely responses were received from two bond counsel firms.

Staff representatives of the board members participated in a discussion on Thursday, March 12, 2026, to review the RFQ responses. SGF provided a summary of each law firm's strengths and weaknesses based on the RFQ responses. This information was collected and compiled in a chart and is included as **Attachment A – Strengths and Weaknesses**.

The timing of the RFQ process was designed to enable the boards to finalize the selection of a firm to serve for a five-year contract term commencing May 1, 2026. Staff will continue to work on a proposed form of contract to be adjusted to reflect any terms negotiated with the selected firm. The current engagement agreement for bond counsel is included as **Attachment B – Engagement Agreement for Bond Counsel**.

The comparison of pricing proposals was also evaluated and shared with each of you but will remain confidential until selection is made.

Staff recommendation to the boards is to select Hawkins, Delafield, and Wood. Strong, positive attributes were heavily weighted towards Hawkins Delafield, and Wood, who serves as current bond counsel to the boards. Specifically, the size and depth of the firm's public finance team as well as the experience with large issuers similar to the boards, set Hawkins apart from other respondents.

Please let us know if you need any additional information beyond what is summarized in the attachments to assist in the selection process.

ATTACHMENT A - STRENGTHS AND WEAKNESSES

	Strengths	Weaknesses	Number of Attorneys on Proposed TN Team	Number of Attorneys & Support Staff in Public Finance & Tax Groups	State (GO) Issuers - Selected as Bond Counsel	Revenue Bond Issuers - Selected as Bond Counsel	Water & Wastewater - Selected as Bond Counsel
Barnes and Thornburg	Nashville office, has worked with THDA Listed more water/sewer clients-bond issuances (had revolving fund clients listed) Tailored to the client approach	Smaller public finance/tax teams Smaller TN assigned team Less market experience Only 1 TN licensed attorney	2	26	Maryland District of Columbia	Arizona Board of Regents Pennsylvania Higher Ed Facilities Authority	Philadelphia Water NY Environmental Facilities Corp. Delaware Pollution Control Revolving Fund & DWSRF
Hawkins, Delafield, & Wood	Large-sized public finance practice (more than double the size of the other respondent) Larger proposed team assigned to TN Multiple State clients Have P3 focused group Newsletter updates History with TN issuers	Not much water/sewer experience listed in response	8	137	Tennessee California Connecticut Oregon Hawaii	TSSBA NY Dormitory Authority SUNY (State University of NY)	NY Environmental Facilities Corp.

Hawkins is consistently ranked in the Top 10 in terms of volume and market of bond issues as ranked by *The Bond Buyer*.



**ENGAGEMENT AGREEMENT FOR BOND COUNSEL
FOR THE TENNESSEE STATE FUNDING BOARD,
THE TENNESSEE STATE SCHOOL BOND AUTHORITY AND
THE TENNESSEE LOCAL DEVELOPMENT AUTHORITY**

This Agreement is made effective as of May 1, 2021, by and among Hawkins Delafield & Wood LLP, a Limited Liability Partnership based in New York, New York (“Bond Counsel”), and the Tennessee State Funding Board (“SFB”), the Tennessee State School Bond Authority (“TSSBA”) and the Tennessee Local Development Authority (“TLDA”) (SFB, TSSBA and TLDA, collectively, the “Issuers”) through the Comptroller of the Treasury for the State of Tennessee (“Comptroller”) in his capacity as Secretary to the Issuers, to retain Bond Counsel, to define the scope of services to be provided by Bond Counsel and to set compensation for such services.

A. Scope of Work

Bond Counsel’s primary responsibility to the Issuers shall be to render objective approving opinions with respect to the authorization and issuance of bonds, notes issued in anticipation of such bonds and tax revenue anticipation notes (collectively, the “Obligations”) by the Issuers. The opinions will express in general: (1) that the Obligations have been properly authorized, issued and are valid; (2) that the sources of security for the Obligations have been legally provided for; (3) that interest on the Obligations is excludable from gross income for federal tax purposes for Obligations sold as tax exempt; (4) that the Obligations and the interest thereon are exempt from taxation by the State or any of its subdivisions to the extent provided by State law; and (5) other matters as may be required by the issuance of the Obligations and as may be determined necessary by the Issuers.

In rendering the referenced opinions, Bond Counsel will prepare or participate in the preparation of: (1) authorizing resolutions of the Issuers; (2) one or more general bond resolutions or amendments to existing general bond resolutions; (3) resolutions authorizing issues of specific Obligations; (4) such other documents as may be required by the issuance of the Obligations or considered necessary for rendering an approving opinion or as may be otherwise determined necessary; and (5) the forms of all closing documents, certificates and opinions of counsel as may be required by the terms of the issuance of the Obligations, applicable federal and state laws, and as may otherwise be determined necessary.

Bond Counsel will also participate with the Issuers, staff from the Comptroller’s Division of State Government Finance (“DSGF”), the Office of Attorney General and Reporter for the State of Tennessee (“AG”), the Issuers’ financial advisor and, if appropriate, the underwriter or purchaser and its counsel, as well as any credit enhancer and its counsel, in structuring any issuance insofar as legal matters are concerned. Bond Counsel will also participate in the preparation and review of the Preliminary Official Statement and the Official Statement and will prepare the sections summarizing (1) state and federal law pertinent to the validity of the Obligations and the tax treatment of interest paid thereon; (2) the terms of the Obligations; (3) the resolutions; and (4) the approving opinions. Bond Counsel will assist DSGF and AG in reviewing and updating program documents to maintain compliance with federal tax law.

Bond Counsel’s secondary responsibility will be to provide the Comptroller, DSGF and AG with legal advice related to issuance of Obligations and federal tax and securities law matters relevant to the Issuers.

B. Services, Fees and Billing Procedures

I. Issuance of Bonds

Issuance services include but are not limited to legal matters in connection with the following:

1. Assistance in determining the tax and economic analysis needed and reviewing the analysis provided;
2. Evaluation of proposed structures based on tax, state law and programmatic considerations;
3. Preparation of authorizing resolutions including Supplemental or Series Resolutions and amendments to general resolutions, as needed;
4. Review and comment on drafts of the Preliminary Official Statement, Official Statement, official notice of sale, and other documents prepared by DSGF;
5. For negotiated transactions, with AG, review of bond purchase agreements and, if requested, agreements among underwriters and agreements among selling groups prepared by underwriter's counsel;
6. Preparation of all bonds and coordination of their execution and delivery with DSGF and the Depository Trust Company (or other securities clearing and settlement entity), or a trustee or paying agent, or direct purchaser, as applicable;
7. Preparation of closing index or checklist;
8. Preparation of certificates such as those related to arbitrage and use of proceeds, purchase price of bonds, investments, and trustee's status;
9. Preparation and filing of required IRS and State forms;
10. Preparation of cross-receipts;
11. Preparation of necessary tax and approving opinions;
12. Preparation of other certificates and documents as needed for bond closings, such as defeasance and bond call/redemption notices;
13. Review and comment on all documents prepared by Issuers and others; and
14. Preparation of final bound transcripts and provision of the requisite number of electronic copies of such.

Issuers shall compensate Bond Counsel for services on a comprehensive basis, with all expenses included. There will be no reimbursement for out-of-pocket expenses or for travel expenses in connection with the issuance of bonds. A single fee per transaction shall be due regardless of whether the transaction is a negotiated sale, a private placement or a competitive sale, or whether multiple series of bonds are issued simultaneously (if treated as one issue for tax purposes). The all-inclusive fee, per transaction, shall be as follows:

Bonds	SFB	TSSBA	TLDA
<i>May 1, 2021 to April 30, 2026</i>			
New Money/Long-term Financing	\$100,000	\$110,000	*
Current/Advance Refunding	\$115,000	\$125,000	*
Combination New Money/LT Financing & Refunding	\$120,000	\$130,000	*

*Fees for TLDA are to be as agreed to separately in writing when and if particular programs are identified and defined.

If an entire issue of bonds will be federally taxable, the above fees will be discounted by fifteen percent (15%).

The Issuers' responsibility to compensate for bond issuance services is contingent upon a successful closing of the issuance of the bonds. Bond Counsel shall submit a statement substantially as specified in Appendix A, at or immediately after closing, which will be payable at that time.

II. Hourly Rates

The following hourly rates shall apply for all Issuers to Retainer Services and Special Projects described in Parts III and IV below.

	<i>May 1, 2021 to April 30, 2024</i>	<i>May 1 2024 to April 30, 2026</i>
Partners/Counsel	\$495	\$505
Associates	\$395	\$405
Paralegals	\$160	\$165

"Paralegals" may include financial analysts performing work in furtherance of Retainer Services or approved Special Projects.

III. Retainer

"Retainer Services" include, but are not limited to:

1. At Issuers' request, periodic (but no more than annually) staff and member orientation and training regarding Obligations and member responsibilities;
2. Periodic training to Issuer project managers regarding tax issues;
3. Information regarding IRS letter rulings, interpretive releases, regulatory changes or other actions affecting Obligations and loan programs and assistance in preparing or analyzing state or federal legislation affecting the Issuers;
4. Assistance in activities involving rating agencies, including communication with investors based upon changes in ratings;
5. Advice related to continuing disclosure requirements, arbitrage and arbitrage rebate calculations, financial and tax assumptions;

6. Advice related to use of variable rate debt, including possible use of swaps and other hedges;
7. Review and advice on circumstances regarding possible changes in use of tax-exempt financed properties;
8. Review and provision of tax analysis for Issuer project questionnaires;
9. Advice related to issuance of other Obligations (including but not limited to commercial paper and revolving credit facilities) and federal tax matters relevant to Issuers; and
10. Modifications (other than substantial modifications constituting a Special Project) and annual updates relating to the existing commercial paper programs.

Bond Counsel will only provide legal services under the retainer at the direction, and with the prior written/documented direction, of the Comptroller, DSGF or AG. Hours of service provided under the retainer at the direction or request of someone other than the Comptroller, DSGF or AG will be disallowed.

Issuers shall pay Bond Counsel a **quarterly retainer** in the amount of **\$11,250**, upon submission of an invoice reflecting services rendered identified by person performing the services, the Issuer for which the services were rendered, and matter, if applicable, substantially as specified in Appendix A. It is expected that no more than twenty-five (25) hours of legal assistance per quarter (three months) will be required. Bond Counsel must receive prior written approval from the Comptroller or DSGF to exceed twenty-six and a quarter (26.25) hours during a quarterly billing cycle. Actual hours required in excess of one hundred and five (105) hours annually will be billed at the above hourly rates; retainer hours will be first allocated to the highest hourly rate.

IV. Special Projects

Bond Counsel may be engaged for “Special Projects” which may include, but are not limited to:

1. Assistance in structuring new programs and substantially modifying existing programs, and/or preparing new general resolutions;
2. Assistance in obtaining a private letter ruling; and
3. Assistance with an audit or review by the IRS or SEC;

but do not include rebate or other financial analytic services. Bond Counsel will only provide legal services on Special Projects at the direction, and with the prior written/documented approval, of the Comptroller or DSGF, including any agreed upon maximum cap. There will be no reimbursement for out-of-pocket expenses or travel expenses in connection with Special Projects, unless approved by the Comptroller in advance. Any travel expense must comply with the state’s travel regulations (<http://tn.gov/finance/topic/fa-travel>). Rebate and other financial analytic services may be provided upon a separate, mutual written agreement.

V. Total Compensation

The fee for issuance of bonds, the quarterly retainer fee, and fees (or expenses if approved) for Special Projects as stated herein shall constitute the entire compensation due Bond Counsel for fulfilling its duties

and for services performed pursuant to this Agreement regardless of the difficulty, hours worked, materials or equipment required, except as may be provided by the next paragraph. These fees include, but are not limited to, all applicable taxes, fees, overhead, profit and all other direct and indirect costs incurred or to be incurred by Bond Counsel. Payment of an invoice shall not prejudice the Issuers' right to object to or question any invoice or matter in relation thereto. Such payment by the Issuers shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein. Bond Counsel's bill shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined to be in violation of this Agreement. The maximum allowable amount for the term of this Agreement shall not exceed **Two Million Dollars (\$2,000,000)** unless this contract is amended.

At the end of the first contract year (April 30, 2022), the Issuers will evaluate the pricing structure, including the retainer, and will work with Bond Counsel to revise the pricing structure, if deemed necessary. Additionally, Bond Counsel reserves the right to request additional compensation if unusual circumstances should occur (such as with unusually complex refundings), in a mutually agreeable amount.

C. Staffing

This Agreement is expressly contingent on the lead staffing arrangements as listed in Appendix B. Other persons may be substituted for the named attorneys as lead staff only with the prior written approval of the Comptroller or DSGF and subsequent revision of Appendix B.

Bond Counsel agrees that at all times during the term of this Agreement Bond Counsel will involve an attorney licensed to practice law in the State of Tennessee in all analyses and opinions regarding the Tennessee Constitution and Tennessee law arising in the course of Bond Counsel's performance under this Agreement. Mr. Steven I. Turner (Tennessee Bar Number: 017200) and Mr. Daniel G. Birmingham (Tennessee Bar Number 036337) are the attorneys initially assigned to fulfill this obligation.

D. Term of Agreement

The term of this Agreement shall be from May 1, 2021, to April 30, 2026.

E. Essential Terms and Conditions

The parties agree that the following shall be essential terms and conditions of this Agreement:

1. Prohibition of Illegal Immigrants: The requirements of Tennessee Code Annotated, Section 12-3- 309, et seq., addressing the use of illegal immigrants in the performance of any agreement to supply goods or services to the State of Tennessee, shall be a material provision of this Agreement, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Agreement.
 - a. Bond Counsel hereby attests that Bond Counsel will not knowingly utilize the services of an illegal immigrant in the performance of this Agreement
 - b. Bond Counsel shall maintain records for all personnel used in the performance of this Agreement. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

- c. Bond Counsel understands and agrees that failure to comply with this section will cause imposition of the sanctions contained in Tennessee Code Annotated, Section 12-3-309, which may include a prohibition on contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after discovery of the knowing use of the services of illegal immigrants during the performance of this Agreement.
 - d. For purposes of this Agreement, “illegal immigrant” shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Agreement.
2. Bond Counsel warrants that no part of the compensation provided pursuant to this Agreement shall be paid directly or indirectly to any officer, official or employee of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, sub-contractor, or consultant to Bond Counsel in connection with any work contemplated or performed pursuant to this Agreement.
3. Bond Counsel acknowledges, understands, and agrees that this Agreement shall be null and void if Bond Counsel is, or within six months prior to the date this Agreement is executed has been, or during the term of this Agreement becomes, an employee of the State of Tennessee or if Bond Counsel is an entity in which a controlling interest is held by an individual who is, or within six months prior to the date this agreement is executed has been, or during the terms of this Agreement becomes, an employee of the State of Tennessee.
4. No person on the ground of handicap or disability, race, color, religion, sex, age, or national origin or any other classification protected by the U.S. Constitution, the Tennessee Constitution or federal or state statute, will be excluded from participation in, or denied benefits of, or otherwise subjected to discrimination in the performance of this Agreement, or in the employment practices of Bond Counsel.
5. The parties hereto, in the performance of this Agreement, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that each party is an independent contracting entity and that nothing in this Agreement shall be construed to create an employer/employee relationship or to allow either party to exercise control or direction over the manner or method by which the other party transacts its business affairs or provides its usual services. The officers, officials, employees or agents of one party shall not be deemed or construed to be the officers, officials, employees or agents of the other party for any purpose whatsoever. The clients of Bond Counsel for purposes of this engagement are the Issuers and not any other State entities or any officers or employees of any of the foregoing and, accordingly, this engagement will not establish an attorney-client relationship between Bond Counsel and any such individual or other entity.
6. Bond Counsel, being an independent contractor and not an employee of the State, the Issuers, or the Comptroller, agrees to carry adequate professional liability and other appropriate forms of insurance, including adequate professional liability and other appropriate forms of insurance on

Bond Counsel employees, and to pay all applicable taxes incident to this Agreement. The Issuers shall have no liability except as specifically provided in this Agreement.

7. Ownership of all data, material and documentation originated and prepared for the Issuers pursuant to this Agreement shall belong exclusively to the Issuers and shall be subject to public inspection in accordance with state law. However, Bond Counsel's own files pertaining to this engagement may be retained by it. These files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records, as well as internal lawyer's work product such as drafts, notes, internal memoranda, and legal and factual research prepared by or for the internal use of lawyers. Except as provided in Section E.11 below, Bond Counsel reserves the right to destroy or otherwise dispose of any such documents or other materials retained by it within a reasonable time after the termination of this engagement.
8. The Issuers may terminate this Agreement on thirty (30) days' written notice to Bond Counsel. Bond Counsel may terminate this Agreement on ninety (90) days' written notice to the Issuers. If the Issuers do terminate this Agreement, Bond Counsel will be reimbursed for any allowable work completed under this Agreement prior to the termination date.
9. If Bond Counsel fails to fulfill in a timely and proper manner its duties under the terms of this Agreement or if Bond Counsel becomes the subject of any legal or financial/securities investigations, audits, or legal actions which in the sole opinion of the Issuers would materially affect or limit Bond Counsel's ability to serve as the Issuers' bond counsel, the Issuers shall have the right to immediately terminate this Agreement and withhold payments in excess of fair compensation for work completed. The foregoing shall not constitute a waiver of any remedies lawfully available to either party hereto.
10. This Agreement may be modified only by written amendment executed by all parties hereto.
11. Bond Counsel shall maintain its books, records and documents of Bond Counsel insofar as they relate to work performed or money received under this Agreement for a period of five (5) full years from date of the final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the Comptroller or his duly appointed representative. Bond Counsel shall use best efforts to comply with any recordkeeping and reporting requirements subsequently prescribed by the Comptroller and, if unable or not willing to comply, shall terminate this Agreement as provided in Paragraph 8 above.
12. Bond Counsel shall not assign this Agreement or enter into subcontracts for any of the work described herein.
13. Bond Counsel shall comply in all material respects with all applicable federal and state laws and regulations in the performance of its duties under the Agreement.
14. Any notice, request or other document, instrument or other communication which may be or is required to be given under this Agreement, shall be in writing and shall be deemed to have been duly given if (i) personally delivered, (ii) sent by certified U.S. mail, return receipt requested, postage prepaid, (iii) sent by private or postal express mail service, or (iv) electronic mail, addressed as follows, or to any other address provided in writing by a Party:

if to Comptroller:

Comptroller Jason E. Mumpower
First Floor State Capitol
Dr. M.L.K. Jr., Blvd.
Nashville, TN 37243
Email: Jason.mumpower@cot.tn.gov

Stephanie Maxwell, General Counsel
Office of General Counsel, Comptroller of the Treasury
425 Rep. John Lewis Way North
Nashville, TN 37243
Email: stephanie.maxwell@cot.tn.gov

Sandra Thompson,
Assistant Secretary, Director of DSGF
425 Rep. John Lewis Way North, 4th Floor
Nashville, TN 37243
Email: sandi.thompson@cot.tn.gov

if to Bond Counsel:

Steven I. Turner, Esq.
Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, NY 10007
Email: sturner@hawkins.com

Any such notice, request or other document, instrument or other communication shall be deemed received when actually received.

15. This Agreement shall be interpreted and construed in accordance with the laws of the State of Tennessee. Bond Counsel understands that the Issuers reserve all immunities, defenses, rights or actions arising out of their status as entities created by the sovereign state of Tennessee (Tennessee Code Annotated Sections 9-9-117 and 49-3-1204), including but not limited to those under the Eleventh Amendment of the United States Constitution. In addition, any action against the Issuers under this Agreement shall be brought in the Tennessee Claims Commission.
16. Bond Counsel shall disclose to the Issuers existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the Issuers to appreciate the significance of the relationships. Bond Counsel has a continuing duty during the term of this Agreement to disclose to the Issuers any matter in which Bond Counsel represents parties with interests adverse to the Issuers, the Comptroller or the State of Tennessee or which constitute an actual or potential conflict of interest. Bond Counsel represents that it has not identified any actual or potential conflicts of interest with the Issuers as of the date of execution of this Agreement. Notwithstanding the foregoing, the Issuers understand and agree that Bond Counsel has represented and may in the future represent (i) certain of such professionals in other transactions not directly involving the Issuers or any entities created or controlled by either of them and (ii) political subdivisions and other entities created by or pursuant to State of Tennessee law in bond and note transactions subject to regulatory approvals or consents of the State of Tennessee, the Comptroller or DSGF.

During the term of this Agreement, Bond Counsel may not represent a party in any claim, dispute, or transaction of any kind that is adverse to the Issuers, the Comptroller or the AG, or their respective officials or employees unless a written waiver is first obtained from the Issuers and the AG. In any case, Bond Counsel will not bring on behalf of another client an action

against the Issuers, the Comptroller, or the AG, or their respective officials or employees, unless a written waiver is first obtained from the Issuers and the AG.

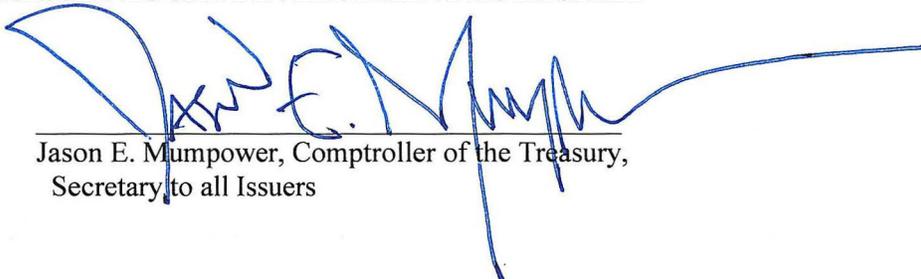
17. In addition to, and not in limitation of, any other rights, the Issuers may have a right to arbitrate fee disputes under applicable law.
18. Any written/documented directions and written approvals under this Agreement may be given electronically.

HAWKINS DELAFIELD & WOOD, LLP

By: 

Steven I. Turner, Partner

**TENNESSEE STATE FUNDING BOARD
TENNESSEE STATE SCHOOL BOND AUTHORITY
TENNESSEE LOCAL DEVELOPMENT AUTHORITY**

By: 

Jason E. Mumpower, Comptroller of the Treasury,
Secretary to all Issuers

APPENDIX A: FORM INVOICES

Invoices are to be submitted on Bond Counsel Letterhead and provide payment/banking information

For Bond Issues:

Identify:

- The Issuer
- The bond issue, including title, principal amount, dated date and closing date.
- Summary of services rendered.
- Identification of flat fee due and category of bond issuance (new money, current/advance refunding, or combination)

For Quarterly Retainer (for periods ending July 30th, October 31st, January 31st, and April 30th):

Indicate aggregate hours of service performed for period. If the number of hours exceeds twenty-six and a quarter (26.25), attach documentation of approval in accordance with Section B, III and provide aggregate amount due.

Present hours performed for each Issuer separately, identifying:

- The matter or project and service performed
- The person performing the service, indicating name and title
- Hours performed and rate.

For Special Projects:

Indicate hours of service performed for each special project, attaching documentation of approval in accordance with Section B, IV and provide aggregate amount due, identifying:

- The matter or project and service performed
- The person performing the service, indicating name and title
- Hours performed and rate.

APPENDIX B: LEAD STAFFING ARRANGEMENTS

Lead attorney and principal day-to-day contact person: Mr. Steven I. Turner, Partner

Additional lead attorneys and day-to-day contact persons:

Mr. Daniel G. Birmingham, Partner (principally but not exclusively, SFB)

Ms. Laurie A. Hall, Counsel (principally but not exclusively, TSSBA and TLDA)

Lead tax attorney: Ms. Michela M. Daliana, Partner

Lead securities law attorney: Mr. Brian Garziona, Partner