THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES

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<th>EXECUTIVE COMMITTEE</th>
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AGENDA

I. Call to Order

II. Roll Call

III. Remarks of the Chairperson — Information

IV. Performance Audit Report — Information

V. Development of Work Plans for the Board and Committees — Discussion

VI. President’s Update — Information

VII. President’s 2020 Goals — Discussion ................................................................. Tab 1

VIII. Planning for the 2020 Winter Meeting of the Board — Discussion

IX. Update on Faculty, Staff, and Student Engagement — Information

X. Proposed Amendments to the Bylaws — Action/Roll Call Vote .................................. Tab 2

XI. Consent Agenda — Action/Roll Call Vote ................................................................. Tab 3

A. Minutes of the Last Meeting ......................................................................................... Tab 3.1

B. Resolution Appointing a Managerial Group for U.S. Government Contracts .......... Tab 3.2

C. Designation of University Surgical Associates, P.L.L.C.

 as a Faculty Practice Plan College of Medicine - Chattanooga .................................. Tab 3.3

XII. Other Business

[Note: Under the Bylaws, items not appearing on the agenda may be considered only upon an affirmative vote representing a majority of the total voting membership of the Executive Committee. Other business necessary to come before the Executive Committee at this meeting should be brought to the Chair or Board Secretary’s attention before the meeting.]

XIII. Adjournment
University of Tennessee 2020 Objectives

I am excited to begin the “best decade in the history of UT” as we ride the momentum of a great 2019 into an even more transformative and productive 2020! While there will be many new initiatives, we also must execute on those significant initiatives launched in 2019. Following is a summary of some of the major objectives of the University of Tennessee System along with a “by-the-numbers” summary of our key metrics. However, as a great mentor of mine once said, “You operate every day, and you strategize every day.” Because goals are always evolving, it is quite likely that some of our greatest accomplishments for 2020 are yet to be imagined!

Enhancing Educational Excellence

As a land-grant university (sharing that mission with all UT campuses) we must serve our state by providing the talent it needs to be successful. Governor Haslam identified the need for 55 percent of the population to have some post-secondary certificate or degree by the year 2025, known as the Drive to 55. UT has a critical and leading role in helping the state achieve this goal. Further, by the charge given by Abraham Lincoln when creating the land-grant universities, we must provide a ladder up for the working class and middle class to a better education that can lead to better jobs and a better life. We must define ourselves not by who we exclude, but by who we include. To accomplish this, we must continue to strive to make our campuses affordable. Thus, we have some big initiatives from 2019 that we must execute and additional initiatives to launch in 2020.

Enhancing Educational Excellence

Increasing enrollment, graduation rates and retention. Our driving force is to improve the academic success of our students. In FY 20, our goal is to increase enrollment to 51,582 across the system and award 12,458 degrees. In addition, we are aiming to improve the six-year graduation rate for undergraduates to 65.2% and increase freshman fall-fall retention to 80.9%. We are working on several innovative programs and services to help us meet these goals.

Executing on the UT Promise. The UT Promise will officially kick off in the fall of 2020. While we had a successful recruitment launch with over 4,000 high school applicants and over 1,000 applicants from students currently enrolled, there is much hard work remaining. We must recruit and train mentors, create an easy-to-use and meaningful service program that gives students opportunities to make an impact, and get these students successfully enrolled. We must build on our current momentum by following up with an even more successful recruiting class in 2021.

Endowing the UT Promise. We have raised $24 million in the first few months since announcing the endowment. The objective for 2020 will be to increase the endowment to $50 million, putting us halfway to our longer-term objective of a $100 million endowment.

UT Online. We will develop UT Online, a joint venture between our campuses to improve student success and degree completion. Currently, online courses are not seamlessly shared across UT campuses; courses are not filled to capacity; scheduling bottlenecks cannot be easily mitigated by online offerings; students cannot easily access online offerings at other UT campuses; and transcription of grades, exchange of tuition dollars, and application of financial aid are not seamless. We will explore efforts to expand online offerings through a UT consortium model which could help
to incentivize and grow online enrollment; provide greater flexibility in course scheduling; decrease time to degree; further enrich available course offerings in current degree programs; promote the creation of new joint UT degree programs; and provide greater flexibility for degree completion.

- **OneUT for Student Mental Health & Wellbeing:** Student mental health and wellbeing has emerged as one of the Nation’s most critical concerns on college campuses, negatively affecting student success, progression toward degree, and degree completion. The University of Tennessee aspires to be a national leader in addressing this crisis. In 2020, UT will convene a systemwide working group, *OneUT for Student Mental Health & Wellbeing,* to develop a strategy for building a more robust and supportive mental health culture on each UT campus; identify national best practices; establish opportunities to strengthen student support; and develop systemwide benchmarks. This workgroup will recommend best practices for ensuring student mental health and wellness and will identify necessary steps toward becoming a national leader in supporting student wellbeing.

- **New Innovative Degree Programs.** Campuses will explore expanding degree options and innovative opportunities for credentialing students, including, but not limited to, integrated undergraduate/graduate degrees; Bachelor of Applied Science degrees; accelerated undergraduate degrees; two-year credentials; “stackable” certificates; and/or micro credentialing. This is consistent with supporting the state’s *Drive to 55* initiative, the goal to equip 55 percent of Tennesseans with a college degree or credential by the year 2025.

- **Enhance Campus Safety.** While this could go under several goals, student safety is an integral part of academic success. We will be creating a taskforce to identify ways to make UT campuses among the safest in the country.

**Expanding Research Capabilities**

- **Increasing research expenditures.** We have a goal of increasing research expenditures by 7% each year. For FY 20, our goal for research expenditures as reported to the National Science Foundation is $477.4 million. In order to reach this target, we have several ambitious projects for 2020 outlined below.

- **Oak Ridge Institute.** Following the release of the Steering Committee Recommendations Report, ORI will immediately begin full reviews of existing Joint Programs and will develop streamlining and realignment strategies to improve efficiency and output. Our 2020 goal is to launch the first phase of new faculty recruitment (24 of 120 faculty/researchers); recruit approximately fifty new collaboratively-mentored graduate students for the fall of 2021; and explore the acquisition of a facility to house the Institute. Full implementation will require new state and federal funding; implementation pace and scope will depend on the level of funding committed.

- **UTIA-UTK Reunification.** Following reunification, “early wins” and opportunities for additional collaborations were identified (reported in 2019). In 2020, UTIA-UTK working groups established by UTK Chancellor and UTIA Vice Chancellor will complete their charges to recommend operational strategies for enhanced collaboration in five broad areas (Student Services; Research; Academic Affairs and Shared Governance; Communications and Marketing; and Finance and Administrative Processes). UTIA-UTK will move forward with plans to extend student services (including dining options) to the west side of campus; establish new collaborative degree programs; enhance research opportunities to move into the top 50 public research universities (HERD); streamline academic policies, procedures and protocols; develop a comprehensive communication plan to fully
integrate messaging of UTIA to reflect the collaborative efforts of UTK and UTIA; and streamline financial and administrative processes.

- **Co-management of the Oak Ridge National Laboratory.** The UT-Battelle contract to manage the Oak Ridge National Laboratory (ORNL) on behalf of the US Department of Energy officially expires April 30, 2020. UT and Battelle have co-managed ORNL since winning the contract in 2000. Maintaining our management position long-term and strengthening our partnership with ORNL is of the highest priority. UT and Battelle will work with the Department of Energy in 2020 to determine next steps with the ultimate goal of a contract extension.

- **UT Research Park at Cherokee Farm.** In 2019, the University, through the UT Research Foundation and its subsidiary Cherokee Farm Development Corporation (CDFC), successfully recruited a team of seasoned economic development professionals to better position the UT Research Park at Cherokee Farm as an economic driver in East Tennessee. The Innovation North Building has now been fully leased, and one private sector tenant (a startup led by a UT graduate) went through a successful merger and acquisition. In 2020, CFDC expects to deliver on co-location projects with global innovation partners, help accelerate technology startups, and break ground on an 81,000 square foot project that promises to help better align the clinical growth of UT Medical Center with research strengths and opportunities at UT Knoxville and the UT Health Sciences Center.

- **International Policy and Compliance.** UT will create an Office of International Policy and Compliance. This new office will be responsible for developing and implementing a strategic policy agenda that promotes productive relationships with foreign partners and collaborators. We will strive to become a national leader by establishing an effective framework to promote and foster international academic collaborations while ensuring compliance with university, state, and federal policy obligations.

- **Improving Information Security and Data Privacy.** The University recognizes the critical importance of protecting the personal data of students and employees, the research data generated by faculty and students, and other sensitive information maintained on University systems. We will invest to enhance information security and ensure data privacy at the System and at each campus and institute.

**Fostering Outreach and Engagement**

As the land-grant university (sharing that mission with all UT campuses), we have the responsibility to make a positive impact across our state, transferring and leveraging our intellectual, physical, and financial resources to improve the lives of our fellow Tennesseans.

- **Leadership in Public Policy and Training.** UT has a unique opportunity to become the leader in policy development and thought leadership on key issues facing the state of Tennessee. Closer collaboration between the Baker Center, the Government Relations team, the Institute for Public Service (IPS), as well as the State Legislature and Administration will be developed to help inform specific areas of focus. Through these unmatched assets, UT will become first and foremost in the minds of policymakers when they seek thorough, thoughtful, non-partisan research and insights. Furthermore, UT has the ability to provide ongoing training for state, city, and county policymakers and administrators (much of this is already done through various IPS divisions). Through closer collaboration, these units can expand their offerings to provide additional depth and breadth of policy expertise and assistance.
• **SOAR 2.0.** We will continue to build on the tremendous success of the first addiction and opioid summit hosted last August, entitled Summit for Opioid and Addiction Response (SOAR). Helping to eliminate this crisis is a “Grand Challenge” that the University of Tennessee has the expertise to address. A series of next steps is planned, from releasing an asset mapping tool to convening SOAR 2.0. There is much to do across the state to mitigate this crisis and UT will provide important leadership.

**Ensuring Workforce and Administrative Excellence**

To ensure the maximum resources are available for our student success, discovery, and engagement mission, we will continue to strive to be more effective and efficient in our administrative operations. The following are some key initiatives that will aid in these efforts:

• **UT Tower.** The UT System, the UT Research Foundation and the UT Foundation will move into the “UT Tower,” currently known as the TVA East Tower. We expect to make the move at the end of summer or early fall. Doing so will increase efficiency by having teams working closer together instead of being spread across various different locations. There is a tremendous amount of work to do in designing the new space and making the move, but the long-term benefits will be great.

• **ERP Implementation.** The University will select a new ERP system vendor by the end of 2020. The current ERP system, known as IRIS, is built on a SAP platform (that will no longer be supported after 2025). The SAP platform is an “on-premise” system which will be replaced by a modern “cloud” ERP system. Systemwide planning will continue throughout 2020, resulting in a Request for Proposals in early fall and vendor selection by December. The project will provide support for financial and human resources operations.

• **New Office of Institutional Effectiveness.** The Offices of Institutional Research and Business Intelligence will join together to form a new Office of Institutional Effectiveness. This group will create a vision, identify opportunities and gaps, and develop an associated roadmap. We will conduct a national search for an Associate Vice President of Institutional Effectiveness in 2020.

• **Financial Dashboards.** We will create a financial performance dashboard which will provide greater insight into the University’s financial key performance indicators. The University provides an abundance of financial reports for THEC, the state, and the Board of Trustees, but these complex reports can obscure the bottom-line financial condition of the University as a whole.

• **Strategic Plan Metrics.** We will complete remaining key metrics and track and report progress on the Dashboard. Workgroups (Enhancing Educational Excellence; Expanding Research Capacities; Fostering Outreach & Engagement; Ensuring Workforce & Administrative Excellence; and Advocating for UT) will meet to review goals, document progress, and identify opportunities. Each workgroup will provide an annual update on progress and will identify associated “course corrections” if/when appropriate.

• **Administrative Alignment.** We will increase standardization of common administrative operations at UT institutions to create greater proficiency, compliance, and productivity. The workflow
designed around the new ERP system will be built on achieving standardization where possible and appropriate.

- **Pulse Surveys.** The University will improve employee engagement and satisfaction. We will begin ongoing measures of employee satisfaction and priorities through a series of surveys tailored to solicit maximum participation. These will include short “pulse” questions as well as a deeper survey.

- **University Policies.** We will improve the process for creating University policies, make existing policies more easily accessible to employees, and provide increased training opportunities to educate employees as to their obligations under those policies.

- **UT Press-UTK Library.** The UT Press plays a significant role in the intellectual life of the University of Tennessee System, the academic community, and in the state. University presses across the country have undergone transformations and have realigned as the role of presses in the academic community has changed; many university presses have joined with campus libraries to support the academic mission of the institution. Because a growing number of works are published in a digital format, libraries have been an important partner. In 2020, the UT Press and UTK Libraries will work together to identify ways to better capitalize on the long history of collaboration; benefit from existing synergies; and explore new and innovative initiatives.

- **Developing a OneUT Culture.** We will continue to convene the OneUT Leadership Council and constantly look for ways to further increase collaboration, capture synergies, and increase impact by working together statewide as a team—as OneUT. Following are just a few of those initiatives:
  
  ▪ **OneUT for Campus Change.** We must make it easier for students to transfer from one UT campus to another. OneUT for Campus Change focuses on enterprise-level student success strategies to enhance access to education across the UT System and ensure the success of students transitioning between UT campuses (campus change students). Seamless transfer for students across the system will increase student success outcomes by removing barriers to degree completion, eliminating educational disparities, and allowing students more freedom to select the UT campus that best fits their needs without significant loss in credits toward a degree should a campus change be necessary.
  
  ▪ **OneUT Collaboration and Innovation Grants.** In 2020, we will execute on the OneUT Collaboration and Innovation Grants announced at the end of 2019. To promote the University’s tripartite mission to educate, discover, and connect, the University of Tennessee System announced the OneUT Collaboration and Innovation Grants in late 2019. The goal of this initiative is to support innovative ideas, create collaborative opportunities, and advance the University in three key areas—student success, research, and outreach and engagement. The System set aside $1.5 million ($500,000 for each of the three categories) in one-time grants for UT faculty and staff. Proposals must promote collaboration across units, campuses, or institutes as well as demonstrate long-term sustainability. In 2020, proposals will be reviewed, grants awarded, and progress monitored.

**Advocating for UT**

Our brand affects our rankings, reputation, funding, and recruitment. While we have made tremendous progress, we still have much work to do. We will continue key initiatives and will develop new ones to
further strengthen the UT Brand. We have great stories to tell; we just need to be better at telling them.

- **Systemwide Integrated Marketing Communications Plan.** We will develop an integrated communications and marketing plan that outlines System and campus/institute roles and goals with a series of objectives, strategies, and tactics to build the collective brand through a common voice and message. While each campus and institute has its own voice and strategic communications priorities, there is a unique opportunity to quantify and promote the System’s collective impact and unify the brand to raise awareness for all UT components.

- **Consistent Brand Strategy.** There is value in leveraging the collective—and doing so requires brand consistency. Ensuring a consistent visual brand identity is critical to increasing awareness of the University of Tennessee. We will work with our colleagues at all campuses/institutes to ensure “The University of Tennessee” wordmark is consistently used and prominently positioned in all primary logos (while allowing flexibility in other design aspects based on differences in icons, character count, word length, etc.). We will reconstitute and convene the systemwide Graphic Identity Guidelines Committee to ensure more effective collaboration. The Committee will review current processes—and recommend changes as needed—between campuses/institutes and the UT System Offices of Licensing and Capital Projects to ensure consistency and awareness regarding brand guidelines.

- **Fundraising.** The UT Foundation has experienced record-breaking numbers in recent years, thanks in large part to the generosity of alumni and friends. Over the past two years, there have been transformational gifts that have named colleges and programs across the system. For the 2020 year, the Foundation has a goal of generating $243 million in private support, and currently stands at 57% of goal at the midpoint of the fiscal year. In addition, there is a goal to increase the donor base to 66,375, which would surpass last year’s record level.

- **Engagement.** Alumni engagement continues to be an important piece of the advancement program as graduates from UT campuses serve as ambassadors for the university, assist in recruiting students, serve as key advocates, and extend their private support. During the 2020 year, the goals are to expand the number of engaged alumni to 210,000 and to increase participation in the Advocacy Network to 6,650 members.

- **Government Relations.** The relationships enjoyed by the university with our state and federal governments are critical. The government remains our single largest funding source, and its approval is required on everything from parking rules to building projects. In 2020, we will continue to promote the positive perception of the University among our elected leaders and raise UT’s visibility as a thought leader throughout both the state and federal governments. In addition, we will aggressively pursue funding for our top priorities – the Oak Ridge Institute, and agriculture salary improvements including support for 32 new extension positions for our distressed rural counties – and continue efforts to increase government funding of UT research initiatives that enhance UT’s research capacity and leverage private-sector partnerships.
There have been some incredibly successful decades in UT’s history. To say this next decade will be the best in UT’s history is a bold, audacious statement. But all that has come before has provided us the foundation on which to build. Today, we have the resources, the talent, and—most importantly—the will to make it happen. And we will! 2020 will be the first step in the journey, and I, for one, cannot wait to get started!
AGENDA ITEM SUMMARY

Meeting Date: January 17, 2020

Committee: Executive

Item: Proposed Bylaw Amendments

Type: Action

Presenter: Cynthia C. Moore
Secretary and Special Counsel

Under its Charter, the Executive Committee is charged with responsibility for considering amendments to the Bylaws of the Board of Trustees as may be necessary.

Amendments to the following provisions are being recommended for consideration by the Executive Committee.

1. Article II: Officers of the Board, Section 2.2: Election of Chair

A non-substantive change to clarify the sentence pertaining to the number of consecutive terms that a Chair may serve. The revision also provides consistency with similar language that appears for the number of consecutive terms that a committee chair may serve, which appears in Article IV, Section 4.13(a).

2. Article IV: Committees, Section 4.9: Composition of Standing Committees – General Requirements

Under Section 4.9(b), the President serves as an ex officio, voting member of the Finance and Administration Committee and the Education, Research, and Service Committee. Although the President is not a member of the Board of Trustees, this provision provides the President with voting rights on the named Standing Committees.

To ensure open communication between the President and members of the Board of Trustees and compliance with Tennessee Open Meetings Act, Interim President Boyd has requested that the President be removed from serving as an ex officio, voting member of the Standing Committees. Accordingly, the proposed revision to the Bylaws deletes Section 4.9(b) in its entirety.
The proposed resolution provides authority for the Secretary to make conforming changes to the Committee Charter to reflect this change and to allow for the President to have a standing invite to the meetings of these Standing Committees.

3. **Article V: Meetings of the Committee**

Article IV of the Bylaws permits a Standing Committee of the Board to appoint the members and chairs of any subcommittee it deems necessary or advisable from time to time. As presently written, Article V provides requirements for the conduct and operations of Standing and Special Committees of the Board. The proposed revisions to this Article clarify the applicable requirements for any meetings of a subcommittee.

The proposed amendments to the Bylaws follow this memorandum.

**The Committee Chair will ask a member of the Committee to make a motion that the Executive Committee recommend the prepared Resolution for adoption by the Board of Trustees.**

**Resolved:**

1. On the recommendation of the Executive Committee, the Board of Trustees hereby adopts the proposed amendments to the Bylaws of the Board as presented at the meeting, which shall be attached to this Resolution after adoption; and

2. The Secretary is authorized to make format changes and any necessary grammatical, spelling, or other technical corrections to the Bylaws before publication.

3. The Secretary is also authorized to make conforming changes to the Committee Charters approved by the Board for the Finance and Administration Committee and the Education, Research, and Service Committee, which revisions shall reflect that the President shall be invited to attend the meetings of such Standing Committees.
PROPOSED REVISIONS TO THE BYLAWS OF
THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ARTICLE II
Officers of the Board

Section 2.2 Election of the Chair. The Chair shall be elected at the Annual Meeting to serve a two-year term, beginning July 1 of the year of election and ending June 30 of the second succeeding year, and until a successor is elected. The Chair may be elected to a maximum of serve no more than three (3) consecutive terms except upon an affirmative roll-call vote of a majority of the total voting membership of the Board. In the event of a vacancy in the office of Chair before expiration of the term, a special meeting of the Board will be called for the purpose of electing a successor to fill the unexpired term.

ARTICLE IV
Committees

Section 4.9(b) President of the University as an Ex Officio Member of Two Standing Committees. The President shall be an ex officio, voting member of the Finance and Administration Committee and the Education, Research, and Service Committee but shall be counted for quorum purposes only when present.

ARTICLE V
Meetings of Committees

Section 5.1 Required. Standing committees shall meet as often as necessary to carry out their responsibilities but at least once annually. Special committees and subcommittees shall meet as often as necessary to carry out their responsibilities until the purpose for which they were established has been accomplished or until the end of any term established by the Board or the standing committee, whichever occurs first.

Section 5.2 Call of Meetings. A meeting of any standing or special committee may be called by the Chair of the Board, the President, the committee chair, or by the Secretary upon the written request of two members of the committee or subcommittee. A meeting of any subcommittee may be called by the Chair of the Board, the President, the committee chair, or the subcommittee chair, or by the Secretary upon the written request of two members of the subcommittee.

Section 5.3 Location of Meetings. Committee and subcommittee meetings may be held at any location in the State of Tennessee.

Section 5.4 Notice of Meetings. Written notice of all meetings shall be given to all members of the standing committee or, special committee, or subcommittee. The Secretary shall give notice of meetings of the Executive Committee to all members of the Board. At least five (5) days’ notice shall be given when feasible, but less notice may be given when there is a need for urgent action. Notice may be delivered by postal mail, courier, electronic mail, or facsimile transmission. If written notice is not feasible, by reason of urgency or other exigent circumstance, notice may be given by telephone. As required by Tennessee Code Annotated § 8-44-103(a) and (b), adequate public notice shall be given of any standing or committee, special committee, or subcommittee meeting.
Sections 5.5 Meetings Open to the Public. Meetings of standing committees and, special committees, and subcommittees authorized to make decisions for or recommendations to the Board shall be open to the public except as authorized by a statutory or judicially recognized exception to the Tennessee Open Meetings Act.

Section 5.6 Quorum. A majority of the voting members of each standing committee or, special committee or subcommittee shall constitute a quorum.- In the absence of a quorum, those present may adjourn the meeting until a quorum is present.

Section 5.7 Action of a Committee, or Subcommittee. The action of a majority of the quorum of voting committee-members present at any meeting shall be the action of a committee or subcommittee, except as otherwise provided in these Bylaws, Board policy, or statute.

Section 5.8 Motions and Resolutions. In the interest of clarity, to prevent misunderstanding, and to secure accuracy of record, each motion or resolution (except informal or parliamentary motions) shall be presented in writing at the time the motion or resolution is made, except that the committee or subcommittee chair may grant a member the privilege of reducing a motion to writing and presenting it to the Secretary before adjournment of the meeting. The name of the moving and seconding member need not be recorded in the minutes of the meeting.

Section 5.9 Manner of Voting. All votes in a committee or subcommittee meeting shall be by voice vote or public ballot; provided that a roll-call vote shall be taken on any motion if a voting committee member present at the meeting requests a roll-call vote before a voice vote is taken or demands a roll-call vote before the Chair announces the result of a voice vote. Secret votes, secret ballots, secret roll calls, and proxy votes are not allowed.

Section 5.10 Agenda. An agenda shall accompany the notice of every meeting of a standing committee or, special committee, or subcommittee when feasible, but when not feasible, the notice shall state the purpose or purposes for which the meeting is called. The agenda shall list in outline form each item to be considered at the meeting. Items not set forth on the agenda or in the notice may be considered only upon an affirmative roll-call vote of a majority of the total voting membership of the committee, or subcommittee. Items not stated in the call of a special meeting may not be considered at the meeting.

Section 5.10(a) Consent Agenda of Standing Committees. Standing committee chairs, in consultation with the Secretary, may designate routine and noncontroversial items to be included on a consent agenda for the committee; provided that the following items may not be placed on a committee consent agenda: (i) adoption, amendment, repeal, or suspension of the Bylaws in whole or in part; (ii) the annual operating budget, including any student tuition and fee proposals for which Board approval is required; (iii) funding requests for capital outlay and capital maintenance projects; and (iv) revenue or institutionally funded capital projects. The following are examples of items that will routinely be placed on a committee consent agenda: approval of minutes, approval of signatory authority for bank and investment accounts; sale of gift property at or above the appraised value; grant of easements and rights-of-way; and ratification of quasi-endowments.

Section 5.10(b) Consent Agenda Procedures. Consent agenda items shall be separately identified on the committee agenda, and before calling for a motion to approve, the committee chair shall ask if any member of the committee wants to remove an item from the consent agenda. Requests for clarification or other questions about an item on the consent agenda must be presented to committee staff before the meeting. An item will not be removed from the consent agenda solely for clarification or other questions. If any committee member asks that an item be removed from the consent agenda, the item will be separately considered and voted on by the committee. If the item is approved by the committee
and requires approval by the full Board, it will be placed on the consent agenda for the full Board meeting. If there is no request to remove an item from the consent agenda, the consent agenda shall be voted on by a single motion, and if the motion carries, all items will go forward to the consent agenda of the full Board meeting.

**Section 5.11 Minutes.** The Secretary shall be responsible for ensuring that minutes are prepared and maintained for all meetings of standing committees, and special committees, and subcommittees authorized to make decisions for or recommendations to the Board, and the minutes shall be provided to all members of the committee. The Secretary shall provide minutes of Executive Committee meetings to all members of the Board.

**Note:** Presented without statutory annotations and other footnotes.]
AGENDA ITEM SUMMARY

Meeting Date: January 17, 2020
Committee: Executive
Item: Committee Consent Agenda
Type: Action
Presenter: John Compton, Committee Chair

Items on the Committee Consent Agenda are not presented or discussed in the Committee unless a Committee member requests that an item be removed from the Consent Agenda. In accordance with the Bylaws, before calling for a motion to approve the Consent Agenda, the Committee Chair will ask if any member of the Committee requests that an item be removed from the Consent Agenda. The Bylaws provide than an item will not be removed from the Consent Agenda solely for the purpose of asking questions for clarification. Those questions should be presented to the Secretary before the meeting.

Committee Action

If there are no requests to remove items on the Consent Agenda, the Chair will call for a motion for approval of all of the items on the Consent Agenda by adoption of the applicable Resolutions as set forth in the meeting materials.
AGENDA ITEM SUMMARY

Meeting Date: January 17, 2020
Committee: Executive
Item: Minutes of the Last Meeting
Type: Action

Minutes of the October 2, 2019 meeting of the Executive Committee follow this memorandum.

Resolved:

The reading of the minutes of the October 2, 2019 meeting of the Executive Committee be omitted and that the minutes be approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.
The Executive Committee of The University of Tennessee Board of Trustees met at 10:00 a.m. EDT on Wednesday, October 2, 2019, at the Joint Institute for Advanced Materials in Knoxville, Tennessee.

I. CALL TO ORDER

Chair John Compton called the meeting to order.

II. ROLL CALL

The Secretary, Catherine S. Mizell, first addressed the Open Meetings Act requirements for meetings conducted with members participating electronically, including the requirement that all votes be conducted by roll call. She proceeded to call the roll, and the following members were present:

John C. Compton, Chair
Amy E. Miles (by telephone)
William (Bill) C. Rhodes III (by telephone)
Donald J. Smith
Kim H. White (by video)

The Secretary announced the presence of a quorum and that others present at the meeting location in Knoxville included Interim President Boyd, CFO David Miller, other members of the administrative staff, and a representative of the media. Trustees participating electronically confirmed no one else was present at their various locations.

III. MINUTES OF THE LAST MEETING

The Chair called for any additions or corrections to the minutes of the August 30, 2019 meeting. Hearing none, the Chair directed the Committee’s attention to the following prepared motion in the meeting materials:

I move that the reading of the minutes of the August 30, 2019 meeting of the Executive Committee be omitted and that the minutes be approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.
Trustee Smith so moved, Trustee Rhodes seconded, and the motion passed unanimously by a roll-call vote.

IV. UPDATES FROM THE PRESIDENT

The Chair recognized Interim President Boyd for the following updates:

UT Promise
The UT Promise scholarship program launched the previous week with an outstanding state­wide tour organized by the UT Promise team and the Communications and Marketing team. The tour included eight counties and nine high schools, six community events attended by legislators from all across the state, and addresses to over 3,000 students. The goal is to have over 2,000 UT Promise recipients next year, and already more than 804 applications have been submitted. The UT Promise Endowment is currently $17 million, and the goal is $100 million. Although the current budget will cover the cost, the endowment is needed to ensure that no matter what happens in the future economy, this scholarship will be available for generations.

Enrollment
There is good progress in enrollment. The increase is especially significant in light of the fact that other universities across the state and the country are struggling to maintain enrollment.

Research
Research dollars continue to increase.

Reunification of the Institute of Agriculture with UT Knoxville
Vice President Linda Martin led 24 listening sessions across the state and very ably explained the nuances and details of the reunification. Positive momentum is building, and great ideas have been submitted. The listening team will summarize the ideas in a report to be submitted at the next Board meeting. One immediate outcome is $1.7 million in funding for security at the 4-H camps.

Creation of Oak Ridge Institute
Vice President Stacey Patterson is leading a steering committee for the Oak Ridge Institute at UT. Discussions about supporting the project are ongoing with legislators across the state, with the Governor’s administration, and at the federal level. The response has been very positive.

Eugenia Williams Estate in Knoxville
Sealed bids to purchase the property have been received. Because all bids are below the appraised value, state policy requires that a request for best and final offer be issued.

The Chair and other members congratulated and thanked Interim President Boyd for these significant accomplishments.
V. TITLE, COMPENSATION, AND OTHER TERMS OF EMPLOYMENT OF A UNIVERSITY OFFICER RESIGNING TO ACCEPT AN APPOINTMENT WITH UT KNOXVILLE

Interim President Boyd recommended approval of the title and compensation for the appointment of Matthew Scoggins, current General Counsel, as Chief of Staff for UT Knoxville. The Bylaws authorize the Executive Committee to approve the terms of this appointment. Trustee Rhodes expressed appreciation for Mr. Scoggins' decision to help Chancellor Plowman. He asked whether the provision allowing him to return to the Office of General Counsel as a Deputy General Counsel upon resignation or termination is standard protocol and whether a new position would have to be created. The Chair deferred to Ms. Mizell, who explained that two Deputy General Counsel positions are currently filled, and therefore Mr. Scoggins' return to the office would require the creation of a new position unless there is a vacancy in one of the existing positions. She also explained that the provision is not standard protocol. Hearing no further questions or comments, the Chair called for a motion. Trustee Rhodes moved adoption of Resolution 100-2019 to approve the title, compensation, and other terms of employment of Matthew Scoggins as Chief of Staff for UT Knoxville. Trustee Miles seconded, and the motion passed unanimously by a roll-call vote. In response to the Chair’s question, Mr. Boyd said a search for the next General Counsel has been initiated.

The Chair then mentioned the upcoming retirement of Ms. Mizell. He complimented her on almost 40 years of service, noting that she had served as both General Counsel and Secretary at one time. He described her service to the University as amazing and thanked her for assisting him in the search for her successor, Cynthia Moore. Ms. Moore comes from the University of Pittsburgh where she has served as Deputy Secretary to the Board of Trustees.

Ms. Mizell said she looks forward to the freedom and flexibility of retirement, but she will greatly miss those with whom she has been privileged to serve, including the new Board members. She said it was exciting to assist the newly constituted Board as one of her last efforts. The Chair thanked Ms. Mizell especially for her work on the UT Focus Act, development of Bylaws for the new Board, and orienting the new Board.

VI. PROPOSED BYLAW AMENDMENTS

Presenting the proposed amended and restated Bylaws, the Secretary said one of the Executive Committee’s responsibilities is to review the Bylaws periodically and propose any needed amendments. Now that the new Board has been in place for a little more than a year, a review of the Bylaws adopted at the first meeting on August 1, 2018 is appropriate. The proposed amendments were distributed to the Committee several weeks before the meeting to allow sufficient time for members to review and identify any additions or other revisions to the proposed amendments. Most of the proposed amendments are technical or clarifying in nature or needed to ensure total consistency with statutory requirements. There are only two new provisions. One addresses appointment of the Treasurer and includes the option for the position to be combined with the CFO position or filled as a separate position. The second new
provision provides for recognizing as Emeriti Trustees those who have served at least one six-year term, and the perquisites of emeritus status are those set forth in the Bylaw. Footnotes are added to facilitate understanding and identifying statutory requirements reflected in the Bylaws. Hearing no questions or comments, the Chair called for a motion that the Executive Committee recommend to the Board the Resolution for adoption of the proposed Bylaw amendments. Trustee Miles so moved, Trustee Rhodes seconded, and the motion passed unanimously by a roll-call vote.

VII. 2019 REPORT OF FEDERAL FUNDING

CFO David Miller presented the 2019 Report of Federal Funding, a new requirement under state law. Among other things, the report must include plans for operating the University in the event of a reduction of 5%, 25% or 100% in federal receipts. The report must be submitted to the State Department of Finance and Administration by November 1, 2019 and therefore was presented to the Executive Committee for approval on behalf of the Board. Referring to the report’s potential scenarios of reductions in federal funding, the Chair said he would like to see similar scenarios for the entire budget. Hearing no further questions or comments, the Chair called for a motion. Trustee Smith moved adoption of Resolution 101-2019, Trustee Miles seconded, and the motion passed unanimously by a roll-call vote.

VIII. RENAMING THE HERBERT FAMILY WRITING CENTER

Interim President Boyd said the Board approved naming the UTK Writing Center as the Herbert Family Writing Center on June 21, 2019, but subsequently the Herbert family requested that the name be changed to the Judith Anderson Herbert Writing Center in recognition of Mrs. Herbert’s passion for investing in the Writing Center. Interim President Boyd said he concurs with the recommendation of Chancellor Plowman and Vice President Witcher for approval of the renaming. The renaming is presented to the Executive Committee for approval on behalf of the Board because a dedication ceremony honoring Mrs. Herbert is scheduled on October 11, 2019. Hearing no questions or comments, the Chair called for a motion. Trustee White moved approval of Resolution 102-2019, Trustee Smith seconded, and the motion passed unanimously by a roll-call vote.

IX. PLANNING FOR THE 2019 FALL MEETING OF THE BOARD (INCLUDING UPDATES ON ENROLLMENT, GRADUATION, RESEARCH, AND AFFORDABILITY)

Chair Compton reminded the members that at each meeting, the Executive Committee should review enrollment, graduation, research, and affordability. He then recognized Trustee Smith, Chair of the Education, Research, and Service Committee, who presented the updates on enrollment, graduation, and research summarized below.
Enrollment

- 1.5% increase for the UT System for the 2019 Fall Semester.
- 5% increase over five years.

Commenting on the 1.5% increase in enrollment system-wide, the Chair said the increase is encouraging in the face of declining high school graduation rates across the country and potentially in the South and in the State of Tennessee. The increase indicates the University’s product and affordability is helping to attract students to UT campuses. Interim President Boyd said three things provide a reason to be excited for the future: the UT Promise; new out-of-state tuition policies for UT Chattanooga effective next fall; and most importantly, a renewed focus by all the Chancellors on growing enrollment.

Research

- Although final research expenditure numbers will not be available until year-end, the estimate is an increase of about $18 million across the UT System to $435 million.
- There is significant potential for increasing research expenditures in the Institute for Agriculture, not only within the state and nation but also globally.

The Chair said the 4% increase in research expenditures system-wide is good growth. Vice President Stacey Patterson said the estimated $435 million in research expenditures will increase when UTRF numbers, which have been significant, are included. She said the final total will reach an all-time high for the UT System for the third year in a row.

Graduation

- The six-year graduation rate improved at UT Knoxville, resulting in an improvement in the U.S. News and World Report ranking.

Vice President Linda Martin said the final numbers for all campuses are being verified by the institutional research office and will be presented to the ERS Committee at the November 8 meeting.

Trustee Smith then reported on his meeting in early August with system academic affairs staff and provosts and deans from UTC and UTK to try to understand the data on faculty workload. He expressed concern that the data does not include restricted funds (research dollars) and therefore may not provide an accurate view of how faculty are actually spending their time. He also suggested that campuses and departments have different workload policies and procedures for good reasons and that it is impossible for a one-size fits all view to provide an accurate analysis of faculty workload. He also expressed concern about the failure to capture release time for advising and activities of faculty members. Despite these concerns, he said he emphasized to the provosts and deans that they have a responsibility to help the Board understand faculty workload effectiveness, particularly as it pertains to annual performance reviews.
Trustee Smith then recommended the following next steps. First, at an upcoming Board orientation session, Chancellors or their staff should provide a detailed overview of how faculty workload is managed and assessed, especially in relation to performance reviews. Second, the Board should consider recommendations for workload policies and reports that give the Board assurance that the campuses are adequately managing faculty workload, especially as it relates to performance reviews. Third, reports the Board determines to be necessary should be built into the Enterprise Resource Planning (ERP) system.

The Chair agreed with the suggested first step of learning more about this topic in an orientation session. Interim President Boyd suggested that an orientation session should include information about a funding model that rewards the most effective and efficient departments and programs.

Trustee Miles said that in implementing the ERP system, data consistency and accuracy will be very important, and therefore understanding how this discussion of faculty workload fits with implementation of an overall ERP system would be helpful. Dennis Hengstler, Director of Institutional Research, said senior management at UTC and UTK have delegated management of faculty workload to the deans and department chairs, and there is no standard report on faculty teaching workload for the whole campus. He said some states require that faculty teaching workload reports be presented to the state legislature or to others. He added that the Board may want to consider what types of management information reports the Board would like to receive and what they expect the campuses to develop. Ms. Mizell added that the former Board was concerned about the lack of a tool at either the system or campus level for assessing and managing faculty workload. The former Board tasked Mr. Hengstler to try to develop a system for assessing and managing faculty workload.

Trustee Rhodes expressed concern about allowing the campuses to have differing approaches to this issue. He said there needs to be one standard method of measuring worked into the ERP system to allow more efficient reporting. The Chair said agreed-upon definitions and a “catch all” bucket are needed. Trustee Miles reiterated the importance of standardized and consistent data in the ERP system. Vice President Linda Martin said a lot of work has been done to increase data consistency and common definitions. She said the question becomes whether the aggregate number accurately reflects the full impact of a faculty member’s work.

The Chair thanked Trustee Smith for his work and recommendations on faculty workload, which will be considered further. He also added that, next year, there should be an update to the Board on implementation of the new post-tenure review process.

Because he had to leave for another commitment, Trustee Rhodes asked CFO Miller to address tuition, fees, and affordability. The CFO first discussed in-state undergraduate tuition and fees for incoming freshmen in relation to comparable peers and aspirational peers, noting that the only significant change from 2018 is at UTC due to implementation of the “15 in 4” tuition plan. UTC tuition and fees for fall 2019 are higher than both the peer average and the aspirational average, but UTC’s ranking among peer and aspirational institutions combined is still only 12th.
of 19. UTK and UTM in-state undergraduate tuition and fees for incoming freshmen continue
to be higher than both peer and aspirational averages, and their combined ranking is high (5th
of 22 and 5th of 17, respectively). Despite these high rankings, tuition increases for four years
have been one-half to two-thirds of the Tennessee Higher Education Commission (THEC) cap.

With respect to total cost of attendance for new freshmen, which includes room and board, Mr.
Miller said this is most important to families, and the cost increased from 2018 to 2019. Turning
to net cost and financial aid, he said 31% of undergraduate freshmen system-wide receive a
federal Pell grant, and 93% of new in-state freshmen receive the HOPE scholarship. Of those,
about 63% re-enroll for the second year. Students graduating without debt system-wide
increased from 44% to 46%. Finally, he said many students in the lowest income quartile are
paying some amount of tuition despite the impact of financial aid. He said the affordability
analysis needs to look beyond the average of all students to determine the true impact of
financial aid for low income students. He said another point that needs to be addressed is the
out-of-state cost of attendance, which is likely more than $50,000 and may make it difficult to
attract more out-of-state students in an effort to increase enrollment in the face of the declining
number of high school graduates. Speaking in terms of supply and demand, the Chair said
the Board needs to continue to focus on affordability and assess whether the product the
University is offering justifies the price. Referring again to faculty workload, he said the
University must be as efficient as possible and offer students the best product to promote their
success and graduation.

Trustee Miles said the myriad of price points UTC will be offering in fall 2019 will provide
incremental information on how pricing can impact enrollment. CFO Miller clarified that
Trustee Miles was referring to the “15 in 4” tuition plan for new UTC freshmen and the myriad
of price points for out-of-state students depending on where they live.

The Chair directed the Committee’s attention to the tentative agendas for the committee and
full Board meetings on November 8. Interim President Boyd said the agendas cover all the key
topics that need to be brought before the Board in November.

X. TRUSTEESHIP AND AGB NATIONAL CONFERENCE

Secretary Mizell reminded the members about the Association of Governing Boards (AGB)
publication, Trusteeship. All Trustees should be receiving it by postal mail and will begin
receiving it by e-mail in January 2020. She advised that the AGB National Conference on
Trusteeship to be held in Washington D.C. on April 5-7, 2020 and noted that the conference
dates for 2021 and 2022 are included in the meeting materials.

XI. OTHER BUSINESS

There was no other business.
XII. ADJOURNMENT

With no further business to come before the Committee, the Chair adjourned the meeting.

Respectfully Submitted,

Cynthia C. Moore, Secretary
AGENDA ITEM SUMMARY

Meeting Date: January 17, 2020

Item: Resolution Appointing a Managerial Group for U.S. Government Contracts

Type: Action

The Department of Energy, Department of Defense, and other federal agencies with which the University has contracts impacting national security require the Board to appoint a Managerial Group and delegate to that group responsibility for negotiation, execution, and administration of U.S. government contracts. Only members of the Managerial Group will receive security clearance to access classified information related to these contracts.

A new Resolution is required periodically to reflect changes in personnel. The following Resolution incorporates changes in officers of the University who are not included in the Managerial Group and do not have access to classified information related to government contracts.

[Resolution in Required Form Follows]
The University of Tennessee
Board of Trustees

Resolution 001 - 2020
Appointment of the Managerial Group for Contracts between
The University of Tennessee and the United States Government
Pursuant to the National Industrial Security Program Operating Manual

BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF TENNESSEE THAT:

1. Those persons occupying the following positions at The University of Tennessee shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of U.S. Government contracts as described in the National Industrial Security Program Operating Manual:

   President
   Chief Financial Officer
   General Counsel
   Chancellor, The University of Tennessee, Knoxville
   Vice Chancellor for Research and Engagement, The University of Tennessee, Knoxville
   Executive Director, The University of Tennessee Space Institute
   Facility Security Officer

2. The Chief Executive and the members of the Managerial Group are cleared, or will be processed for clearance, to the level of The University of Tennessee’s facility clearance. If uncleared, pending issuance of the requested access authorization, such individual shall be excluded from all access and shall not participate in any decision or other matter pertaining to the protection of classified information and/or special nuclear material.

3. The above-named Managerial Group is hereby delegated all of the Board’s duties and responsibilities pertaining to the protection of classified information and/or special nuclear material released to The University of Tennessee.

4. In the future, when any individual is appointed to the Managerial Group as an additional member or replacement member, such individual shall immediately be processed for an access authorization at the same level as The University of Tennessee’s facility clearance. Pending issuance of this requested access authorization, such individual shall be excluded from all access and shall not participate in any decision or other matter pertaining to the protection of classified information and/or special nuclear material.

5. The following named officers and members of the Board of Trustees of The University of Tennessee shall not require, shall not have, and can be effectively excluded from access to all classified information and/or special nuclear material released to The University of Tennessee and do not occupy positions that would enable them to affect adversely the policies or practices of The University of Tennessee’s performance of classified contracts for the U.S. Government:
Officers

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Steve R. Angle</td>
<td>Chancellor, The University of Tennessee at Chattanooga</td>
</tr>
<tr>
<td>William H. Byrd III</td>
<td>Vice President, Institute for Public Service</td>
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<tr>
<td>Keith S. Carver</td>
<td>Chancellor, The University of Tennessee at Martin</td>
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<tr>
<td>Tim L. Cross</td>
<td>Senior Vice Chancellor and Senior Vice President for Agriculture</td>
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<tr>
<td>Brian J. Daniels</td>
<td>Chief Audit and Compliance Officer</td>
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<tr>
<td>Anthony C. Haynes</td>
<td>Vice President for Government Relations and Advocacy</td>
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<tr>
<td>Mark Paganelli</td>
<td>Interim Treasurer</td>
</tr>
<tr>
<td>Linda C. Martin</td>
<td>Vice President for Academic Affairs and Student Success</td>
</tr>
<tr>
<td>Cynthia C. Moore</td>
<td>Secretary and Special Counsel to the Board of Trustees</td>
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<tr>
<td>Stacey S. Patterson</td>
<td>Vice President for Research, Outreach, and Economic Development</td>
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<tr>
<td>Steve J. Schwab</td>
<td>Chancellor, The University of Tennessee Health Science Center</td>
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<tr>
<td>Kerry W. Witcher</td>
<td>Vice President for Development and Alumni Affairs and Programs</td>
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Members of the Board of Trustees

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<tr>
<td>Spencer M. Ammen</td>
<td>Trustee</td>
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<tr>
<td>Bradford D. Box</td>
<td>Trustee</td>
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<tr>
<td>John C. Compton</td>
<td>Trustee and Chair of the Board</td>
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<tr>
<td>Kara Lawson Barling</td>
<td>Trustee</td>
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<tr>
<td>Decosta E. Jenkins</td>
<td>Trustee</td>
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<tr>
<td>Amy E. Miles</td>
<td>Trustee</td>
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<tr>
<td>William C. Rhodes III</td>
<td>Trustee</td>
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<tr>
<td>Donald J. Smith</td>
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<td>Kim H. White</td>
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<td>Alan D. Wilson</td>
<td>Trustee</td>
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<tr>
<td>Jamie R. Woodson</td>
<td>Trustee</td>
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<tr>
<td>Commissioner of Agriculture</td>
<td>Ex Officio Trustee</td>
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Adopted this 17th day of January, 2020.

Certificate

I certify that the above Resolution was adopted by the Executive Committee of the Board of Trustees of The University of Tennessee on January 17, 2020.

______________________________
Cynthia C. Moore, Secretary
AGENDA ITEM SUMMARY

Meeting Date: January 17, 2020
Committee: Executive
Item: Designation of University Surgical Associates, P.L.L.C. as a Faculty Practice Entity by Execution of the Necessary Affiliation Agreement
Type: Action

Background

The UT Health Science Center (HSC) has maintained a long-standing relationship with University Surgical Associates, P.C. (USA) in Chattanooga, TN. USA has been the primary teaching group for the HSC’s medical residents and students in all aspects of surgery. USA is the lead surgical group at Erlanger Health System (EHS) and provides care at other Chattanooga area hospitals. USA is in the process of converting from a professional corporation (“PC”) to a professional limited liability company (“PLLC”).

With the recent revision to the EHS affiliation agreement and the formal designation of the Erlanger Medical Group as a faculty practice entity, it is appropriate to create a standard affiliation with USA and also designate the group as a faculty practice entity.

Therefore, UTHSC proposes to enter into an affiliation agreement with USA after it completes its conversion to a PLLC for it to become a UT faculty practice entity for surgical faculty at the College of Medicine – Chattanooga (COM-C).

Key Terms and Conditions of the Proposed Affiliation Agreement

UTHSC and USA have negotiated an affiliation agreement to designate USA as a faculty practice entity for COM-C. The proposed affiliation agreement follows this memorandum. Key terms and conditions in the affiliation agreement include the following:
USA providers with supervisory authority over students, residents or fellows will continue to be or will become faculty of the COM-C categorized as Full-time Faculty, Part-time Faculty, or Affiliated Faculty (non-paid) [Section 1.1].

- **USA Affiliated Faculty.** USA Affiliated Faculty will not receive part-time or full-time faculty appointments; nor will they receive any compensation or benefits directly from the University [Section 1.2 a)].

- **USA Part-Time Faculty.** USA Part-Time Faculty will receive compensation from the University for academic-related services in accordance with their UTHSC faculty appointment letter agreements. USA Part-Time Faculty will be concurrently employed by the University and USA and will provide, and be compensated for, all clinically related services solely through USA [Section 1.2 b)].

- **USA Full-Time Faculty.** USA Full-Time Faculty will receive compensation from the University for their academic-related services in accordance with their UTHSC faculty appointment letter agreements. USA Full-Time Faculty members will be concurrently employed by the University and USA and will provide, and be compensated for, all clinically related services solely through USA [Section 1.2 c)].

**USA will be designated a Faculty Practice Entity [Article II]:**

- USA will not affiliate with any other degree-granting institution or employ individuals who are faculty at another university without the prior written consent of the COM-C Dean and HSC Chancellor [Section 2.1 b)].

- All Full-time and Part-time faculty will report to the Chair or Vice Chair who will be a Full-time faculty member and a member of USA [Section 2.1 c)].

**USA Board of Directors**

- The COM-C Dean will become a voting member of the USA Board [Section 2.1 f)].

- The Department of Surgery Chair or Vice Chair will be a voting member of the USA Board. In addition, at least one-third of the USA Board will be Full-time or Part-time faculty [Section 2.1 g), 2.1 h)].
**Affiliation Support**

- USA will make annual payments initially of no less than $1,700,000 as an affiliation fee to advance the joint academic mission of UT and USA. Specific expenditures of this affiliation fee will only be made with the mutual written agreement of UT and USA. [*Section 2.1 k]*.

- The affiliation fee is subject to annual increases or decreases as mutually agreed upon by UT and USA during the annual budget process. [*Section 2.1 l]*.

**Financial Risk**

- The University and the State of Tennessee will have no financial risk for USA’s operating expenses, debts, liabilities, or deficits [*Sections 5.1, 5.2]*.

**The proposed Affiliation Agreement would become effective February 1, 2020, or as soon thereafter as USA converts to a PLLC, and will be for a five-year term [Article IV].**

- The agreement shall renew for successive one-year terms for up to 5 extended terms unless one party provides 12-months’ notice [*Section 4.1]*.

- The agreement provides for appropriate termination provisions [*Section 4.2 through Section 4.5]*.

**Need for the Executive Committee to Act for the Board**

By statute and Bylaws of the Board, the Executive Committee is authorized to act for the Board on any matter when necessary between meetings of the Board. The next meeting of the Board of Trustees is not until February 28, 2020. The existing agreement with USA expired on December 31, 2019 and was extended for one-month to January 31, 2020. It is in the best interest of the Health Science Center’s academic mission to execute this formal affiliation with University Surgical Associates, P.L.L.C. as soon as possible.
Recommendation

The President, Chief Financial Officer, and Chancellor of the Health Science Center recommend that the Executive Committee act for the Board to approve designation of the University Surgical Associates as a faculty practice entity for the College of Medicine in Chattanooga by execution of the affiliation agreement with University Surgical Associates, P.L.L.C. in accordance with the Resolution below.

Resolved:

1. The Executive Committee, acting on behalf of the Board of Trustees, hereby approves the designation of University Surgical Associates, P.L.L.C. as a faculty practice entity for the College of Medicine in Chattanooga, subject to the execution of an Affiliation Agreement by and between University Surgical Associates, P.L.L.C. and The University of Tennessee (the “Affiliation Agreement”).

2. The Affiliation Agreement shall be substantially in the form presented and as deemed satisfactory to the Senior Vice President and Chief Financial Officer, in consultation with the General Counsel.

3. The proper officers of the University be and hereby are authorized to execute the Affiliation Agreement, certificates, or other instruments and to take any and all such actions as may be required or which they may deem necessary or appropriate in order to accomplish the foregoing.
AFFILIATION AGREEMENT BETWEEN
THE UNIVERSITY OF TENNESSEE AND
UNIVERSITY SURGICAL ASSOCIATES, P.L.L.C.

THIS AFFILIATION AGREEMENT (this “Agreement”), effective as of February 1, 2020 (the “Effective Date”) is by and between The University of Tennessee (“UT”), on behalf of its Health Science Center ("UTHSC"), College of Medicine (Chattanooga) ("UTCOM-C"), a Tennessee public educational institution, and University Surgical Associates, P.L.L.C. ("USA") a Tennessee professional corporation. As used herein, UT and USA may sometimes herein be referred to individually as a “Party” and collectively as the “Parties”.

WHEREAS, USA and UT, on behalf of UTHSC, intend to memorialize the advancement of patient care delivery, quality clinical research and clinical education, and community service programs in the field of all aspects of the practice of surgery in Chattanooga, Tennessee;

WHEREAS, UT with USA have previously worked closely together to advance surgical patient care and surgical education in Chattanooga, Tennessee;

WHEREAS, UT and USA hereby desire for USA to serve as one of UT’s faculty group practices for the delivery of surgical patient care services and resident training in the Chattanooga Region, subject to the terms and conditions contained herein;

WHEREAS, The Parties desire for this Agreement to define the relationship between UT and USA. As such, this Agreement is not subject to the terms and conditions of any agreements between UT and any other party;

NOW THEREFORE, in consideration of the mutual promises, benefits, and covenants herein contained, the Parties agree as follows:

ARTICLE I
FACULTY APPOINTMENTS

1.1. **USA Professionals.** All physician members of USA practicing as physicians and other health professionals and who have any supervisory authority over UT students, residents or fellows (“Trainees”) will be considered “USA Professionals” for purposes of this Agreement.

   a) UT hereby acknowledges the establishment of certain faculty appointments (as more fully described below) for USA Professionals practicing and billing through USA who have any supervisory authority over Trainees.

   b) All current USA Professionals and any professionals joining USA after the Effective Date who will have any supervisory authority over Trainees will be recruited jointly by USA and UT and will be offered faculty appointments in the UTCOM-C, as determined by the UTCOM-C Dean, and USA.
1.2. **Types of Faculty Appointments.** All USA Professionals who will have any supervisory authority over Trainees will be appointed as Affiliated Faculty, Part-Time Faculty, or Full-Time Faculty, and all such UT faculty appointments will be more fully defined in and subject to the applicable terms and conditions of the UTHSC Faculty Handbook as well as to each USA Professional’s faculty appointment letter with UT. All USA Professionals’ faculty appointments will fall into one of the following types:

a) **Affiliated Faculty.** USA Professionals who are designated as Affiliated Faculty will not receive part-time or full-time faculty appointments pursuant to subsections (b) or (c) below, nor will such Affiliated Faculty receive any compensation directly from UT. The other terms and conditions of such Affiliated Faculty members’ employment with USA will be determined by USA and such Affiliated faculty members.

b) **Part-Time Faculty.** USA Professionals who are designated as Part-Time Faculty will receive compensation for their academic services as set forth in their faculty appointment letter agreements with UT. Such Part-Time Faculty members will be concurrently employed by UT and USA, and they will provide all patient care activities solely through USA. The other terms and conditions of such Part-Time Faculty members’ employment with USA will be determined by USA and such Part-Time Faculty members, which will be consistent with the terms and conditions of this Agreement.

c) **Full-Time Faculty.** USA Professionals who are designated as Full-Time Faculty will receive compensation for their academic services as set forth in their faculty appointment letter agreements with UT. Such Full-Time Faculty members will be concurrently employed by UT and USA, and they will provide all patient care activities solely through USA. The other terms and conditions of such Full-Time Faculty members’ employment with USA will be determined by USA and by such Full-Time Faculty members, which will be consistent with the terms and conditions of this Agreement.

1.3. A UT faculty appointment will be required in order for a USA Professional to participate in the educational, training, and research activities in the College.

1.4. The UTCOM-C Dean and an authorized representative of USA will periodically meet to determine the needs of the College for additional faculty positions, and the appropriate compensation levels for such positions.

1.5. **Faculty Compensation.**

a) Part-Time and Full-Time Faculty compensation for academic-related services to be paid by UT to individual USA Professionals will be determined by UT and USA after consultation between USA the UTCOM-C Dean, and the UT Department Chair/Vice Chair, and will be set forth in and subject to the terms and conditions of each USA Professional’s faculty appointment letter agreements with UT.

b) The availability of USA Professional faculty compensation is dependent upon monies received by UT from the state and federal governments and others to assist in the
funding of UT’s residency, fellowship and other academic programs.

c) All compensation for clinically-related services provided by USA Professionals, if applicable, shall be determined by USA in consultation with the UTCOM-C Dean, and shall be paid solely by USA. Further, such payments under this Agreement by USA will at all times be consistent with fair market value.

**ARTICLE II**

**DESIGNATION OF FACULTY PRACTICE ENTITY**

21. **Designation of USA as a Faculty Practice Entity.** The Parties to this Agreement recognize the unique and innovative affiliations contemplated and to that end, intend USA to be one of UT’s primary faculty surgical group practices in the Chattanooga Region hospitals.

   a) All USA Professionals will remain at all times during the term of this Agreement, in compliance with all state, federal, and private payers’ claims submissions policies and billing rules and regulations, including but not limited to those set forth in 42 U.S.C. § 1395nn et seq., 42 U.S.C. § 1320a-7(b), and 31 U.S.C. § 3729(a) and regulations adopted pursuant thereto.

   b) During the term of this Agreement, USA agrees not to (i) enter into any other agreement or otherwise affiliate itself with another degree-granting academic institution or university, or (ii) employ or contract with any person who is a faculty member of another academic institution or university, without the prior written consent of the UTCOM-C Dean and the UTHSC Chancellor.

   c) During the Term of this Agreement, all Part-Time Faculty and Full-Time Faculty will report to a Full-Time UT Faculty member (Department Chair/ Vice Chair or Institute Director) for all academic purposes.

   d) After the Effective Date of this Agreement, USA agrees to provide UT with at least three (3) months advance written notice of any amendments or other changes to USA’s charter, shareholder agreements, bylaws or corporate documents pertaining to USA’s governance and management. In the event that UT determines in its sole discretion that any such amendments or other changes in USA’s governance structure are problematic for UT, UT will have the right to terminate this Agreement to be effective prior to any such amendments or other changes to USA’s governance structure. Notwithstanding the foregoing, upon request by USA, the UTHSC Chancellor may agree in writing to waive such notice period for revisions to USA’s governance documents that are immaterial to this Agreement.

   e) USA Professionals will not be precluded from being shareholders in USA by virtue of holding any faculty appointment or employment with UT. However, all such USA Professionals who are shareholders in USA will be considered to be acting in his or her individual capacity outside of the scope of any employment with UT whenever he or she is engaged in activities as a USA shareholder. UT will have no control over
any such USA Professional who is acting in his or her capacity as a USA shareholder.

f) USA, as part of its governance structure, will include on its governing board as a voting member the UTCOM-C Dean.

g) At all times, at least one-third (1/3) of the voting members of the USA board will be UT Full-Time or Part-Time Faculty members.

h) At all times, either the Chair or Vice Chair of the Department of Surgery must be appointed to the governing board of USA as voting members. In addition, at least one of the Site Program Directors shall also be a voting member of the USA governing board.

i) UT Department Chairs, Program Directors and Core Clerkship Directors will be UT Full-Time Faculty members unless approved in writing by the UTCOM-C Dean.

j) Faculty clinical activities (for Full-Time and Part-Time Faculty) will be reported in such a manner that these activities can be audited by UT and claimed by UT on all annual and other reports. The data will be reported at a physician by physician level of detail, but data will only be identified by faculty rank. This includes, but is not limited to, data for American Association of Medical Colleges (AAMC) reports for clinical activity in terms of collections and relative value units (RVUs).

k) For the year beginning February 1, 2020, USA will pay an annual affiliation fee in an amount no less than $1,700,000 enabling USA to continue its participation in the teaching and training of medical students, residents and fellows. The affiliation fee payments shall be made in equal monthly installments beginning on February 20, 2020. These fees shall be used to fund the direct expenses of the UTCOM-C Department of Surgery, including faculty salaries, employment benefits, and other departmental expenses such as educational travel and conferences, in exchange for the opportunity for USA to affiliate with UT and for USA physicians to serve and participate as full-time and part-time faculty members of its Department of Surgery. Specific expenditures of affiliation fee funds will only be made with the mutual agreement of the USA physician serving as either Chair or Vice Chair and the UTCOM-C Dean. The Parties shall review annually the amount of the affiliation fee payment and may revise the amount as appropriate upon mutual agreement.

l) The Parties agree it is critical that the annual budget / affiliation fee be negotiated and agreed to on a timely basis. Therefore, the Parties agree that no later than July 1st each year, the budget for the fiscal year starting on that July 1 be mutually approved. Such approval will be documented by the USA chief executive officer and the UTHSC chief business officer in writing.

m) For the purposes of identifying the majority interest in the Department of Surgery from which the Chair will be appointed, the only physicians who will be counted will be those who have completed a general surgery residency.
2.2 Use of Names and Trademarks and Co-Branding.

a) License to Use Names, Logos, Trademarks and Other Indicia. Many of the programs and services subject to this Agreement may be operated and/or marketed using the brands and other intellectual property of both USA and UT (“Co-Branding”). However, for the purposes of such Co-Branding efforts, UT and USA each agree not to use the other Party’s names, logos, trademarks, and other indicia, except as mutually agreed upon in writing by entering into a written Addendum hereto signed by both Parties. Any such license, and any Party’s right to use the names, logos, trademarks, and other indicia of the other Party, will terminate upon the expiration or earlier termination of this Agreement. Within thirty (30) days after expiration or termination of this Agreement, USA, at its expense, will remove UT’s name, logos, trademarks, and any other indicia from all USA facilities.

b) Co-Branding Policy. The Parties agree that:

(i) Each Party remains the exclusive owner of its names, logos, trademarks, and other indicia.

(ii) Each Party will adhere to the other Party’s published policies and guidelines regarding the use of the other Party’s names, logos, trademarks, and other indicia.

(iii) Each Party will take reasonable steps necessary to prevent the misuse of the names, logos, trademarks, and other indicia of the other Party by its employees and agents.

(iv) Neither Party will use the names, logos, trademarks, and other indicia of the other Party in a way that will not be detrimental to the value of the names, logos, trademarks, and other indicia.

(v) As necessary, each Party will use appropriate trademark notices on the other Party’s names, logos, trademarks, and other indicia.

(vi) For online collaborations, the Parties agree to share relevant statistical data concerning Co-Branded programs and services in a timely manner for the purpose of joint review and evaluation.

ARTICLE III
ACADEMIC-RELATED SERVICES AND OPERATIONS

3.1. Education, Residency and Research. USA Professionals who have UT faculty appointments will staff UT educational and research needs as reasonably deemed appropriate by UT. UT, through its UTCOM-C Dean, Department Chair/Vice Chair and Division Chiefs, will direct all educational and research programs of the Division with input by USA. Any intellectual property developed by such research will be governed by separate, further written agreement to be negotiated by and between UT and USA. All research sponsored by extramural funding from any governmentally sponsored agency (“Government Funded Research”) performed by UT faculty will be conducted in
accordance with UT established protocols. USA Professionals may continue to conduct non-Government Funded Research in accordance with USA operating procedures, but will be encouraged to affiliate with and utilize the statewide Clinical Trials Network of Tennessee (CTN2) research organization. Whenever UT and USA determine that joint research activities are in their best interests, such joint research activities will be governed by separate, further written agreements to be negotiated by and between UT and USA.

3.2. **Accredited GME Programs.** The University shall maintain accredited GME Programs. Each such program shall meet all accreditation requirements of the ACGME and the relevant Residency Review Committee. If either Party learns at any time of a circumstance that will or reasonably could lead to jeopardizing such accreditation, it shall promptly inform the other Party in writing, and each Party shall promptly take actions within its authority, coordinating with the other Party to resolve the problem.

3.3. **Access to Records.** Any and all records, documentation, files, and other information generated, produced, or received by the Parties, which in any way relate to the academic-related services and operations described herein are the sole property of UT (the “Training Program Records”). Residency and Fellowship Program Records will include, but not be limited to, the academic files for each Trainee (current and former), which would include evaluations, awards, presentations, remediation actions, disciplinary actions, etc. In other words, they contain any and all materials that document the training for the Trainees. All such Training Program Records will remain in the custody and control of UT’s Program Director and will be stored both with the Program Director and UTHSC GME office.

**ARTICLE IV**

**TERM AND TERMINATION**

4.1. **Term.** The initial term of this Agreement will commence on the Effective Date and end after five (5) years on January 31, 2026 (“Initial Term”), unless sooner terminated in accordance with the terms and conditions contained herein. Thereafter, the Term of this Agreement will be automatically renewed for successive periods of one (1) year each (each an “Extended Term”) for a maximum of five (5) Extended Terms, unless and until terminated as provided herein.

4.2. **Termination with Notice.** Any Party may terminate this Agreement without cause upon twelve (12) months’ prior written notice to the other Party.

4.3. **Termination by Mutual Agreement.** In the event that the Parties mutually agree in writing, this Agreement may be terminated on the terms and date stipulated therein. Notwithstanding any other provision of this Article, which may appear to be to the contrary, this Agreement may be terminated by UT pursuant to this or any other Section of this Article only by a written instrument duly signed by the UTHSC Chancellor and the UT Chief Financial Officer.
4.4. **Termination on Notice of Default.** Any Party may terminate this Agreement upon a material breach of or a default under this Agreement if the non-breaching Party has served upon the breaching Party written notice describing the claimed breach or default and giving notice of termination under this Section, and the breach or default is not cured within thirty (30) days after such written notice is received by the breaching Party.

4.5. **Effect of Termination.**

a) Notwithstanding any other provision of this Agreement, which may appear to be to the contrary, in the event of any termination of this Agreement for any reason, the following provisions will apply with respect to USA Professionals:

(i) All UT faculty appointments for USA Professionals, including paid and non-paid, and any tenured or tenure-track appointments, will cease at the election of UT in its sole discretion upon written notice to USA and UT and USA Professionals. Notwithstanding the foregoing, any USA Professional wishing to continue his or her faculty appointment with UT will not be prohibited by USA from applying for re-appointment as UT faculty with any and all such re-appointments being based solely on the needs of UT as determined by UT in its sole discretion; and

(ii) In no event will USA cause or allow any Part-Time or Full-Time Faculty member’s employment agreement with USA to be amended, modified, or terminated for any reason without the advance written consent of the UTCOM-C Dean.

b) All medical records will remain with and be maintained by USA in accordance with all applicable law and regulations, including but not limited to those relating to privacy, security, storage, access, and copying.

**ARTICLE V**

**MISCELLANEOUS PROVISIONS**

5.1. **Sovereign Immunity; Liability; No Third Party Beneficiaries.** Nothing contained in this Agreement will be deemed or construed to waive or abrogate in any way the sovereign immunity of the State of Tennessee or UT or any official, officer, or employee of the State or UT or to deprive any official, officer, or employee of the State or UT of any other immunity to which the official, officer, or employee is otherwise entitled under state law. UT’s liability for any claims damages, losses, or costs to USA or others related to this Agreement will be subject to the terms, limits, and conditions of the Tennessee Claims Commission Act, Tenn. Code Ann. § 9-8-301 et seq. Nothing in this Agreement is intended nor will be construed to be for the benefit of or to create any right or remedy in any third parties.

USA shall be solely responsible for all debts and other financial liabilities of USA resulting from USA-related contracts, business operations, and other financial obligations. Debts,
liabilities, and other obligations related to USA shall not constitute debts, liabilities or obligations of the State of Tennessee or UT. Neither the State of Tennessee nor UT shall have any legal or other obligation to finance the deficits of USA.

5.2 **Independent Entities.** The Parties acknowledge that each is an independent entity and agree that no Party will be liable, nor be held out by the other Party as being liable, for the other Party’s contracts, torts, or other acts or omissions, or those of the other Party’s trustees, directors, officers, members, staff, employees, agents, or contractors. Nothing in this Agreement is intended, or will be construed, to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon the other Party. Nothing in this Agreement will be construed to give any Party any right, power or authority to enter into any agreement, or act as an agent or representative of, or otherwise bind any other Party.

5.3. **USA and USA Professionals’ Insurance.** USA will carry adequate public and professional liability and other appropriate forms of insurance, and will ensure that USA Professionals maintain professional liability insurance in appropriate amounts at USA’s sole expense, and USA will provide UT with a copy of all certificates of insurance. The Parties acknowledge and agree that USA Professionals who are employed by UT as UT faculty will be covered under the Tennessee Claims Commission Act when acting within the course and scope of their employment as academic faculty of UT, but according to the terms of the Act, USA Professionals will not be covered for the practice of medicine (or other professions) when supervising residents in a teaching setting and fulfilling criteria which would allow them or USA to bill patients as an individual practitioner, whether such services are actually billed or not.

5.4. **Compliance.** The Parties will comply with all applicable federal and state laws and regulations in the performance of this Agreement.

5.5 **Dispute Resolution.** The Parties agree to meet and confer in good faith to resolve any problem, dispute, or controversy that may arise under this Agreement prior to initiating legal action.

5.6. **Records Subject to Audit.** The books, records and documents of the Parties, insofar as they relate to this Agreement, will be maintained for a period of three (3) years and will be subject to audit, at any reasonable time and upon reasonable notice. These records will be maintained in accordance with generally accepted accounting principles.

5.7. **Non-discrimination.** The Parties are committed to a policy of non-discrimination and equal employment opportunity for all persons, regardless of race, religion, color, sex, national origin, age, pregnancy, disability, or other legally protected status. In the performance of this Agreement, UT and USA agree that they will not discriminate against any person on the basis of race, religion, color, sex, national origin, age, pregnancy, disability, or other legally protected status.

5.8. **Illegal Immigrants.** In compliance with the requirements of Chapter 878, Public Acts of 2006 of the State of Tennessee, USA hereby attests that they will not knowingly utilize the services of an illegal immigrant in the United States in the performance of this Agreement and will not knowingly utilize the services of any subcontractor who will
utilize the services of an illegal immigrant in the United States in the performance of this Agreement.

5.9. **Notices.** Except as otherwise specifically provided in this Agreement, all notices required to be given to UT pursuant to the provisions hereof will be sufficient if given in writing to:

UTCOM Executive Dean  
UT Health Science Center  
910 Madison Avenue, Suite 1002  
Memphis, TN 38163

And to:

Office of Finance and Administration  
UT Health Science Center  
62 South Dunlap Street, Suite 320  
Memphis, TN 38163

WITH A COPY TO:

Office of General Counsel  
The University of Tennessee  
719 Andy Holt Tower  
Knoxville, TN 37996

All notices required to be given to USA pursuant to the provisions, hereof will be sufficient if given in writing to:

University Surgical Associates  
979 E. 3rd St., Suite C-300  
Chattanooga, TN 37403  
ATTN: Administrator

5.10. **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties concerning the subject of this Agreement. No Party has made any representation with respect to the subject matter of this Agreement not specifically included in this Agreement, nor has any Party relied on any such representation in entering into this Agreement. However, the Parties recognize separate written affiliation agreements exist between Erlanger Health System and UT.

5.11. **Severability.** The invalidity of any portion of this Agreement will not and will not be deemed to affect the validity of any other provision. In the event any provision of this Agreement is held to be invalid, the Parties agree that the remaining provisions will be deemed to be in full force and effect as if they had been executed by the Parties
subsequent to the expungement of the invalid provisions.

5.12. **Amendment of Agreement.** This Agreement may not be altered, modified, or amended except by written instrument duly signed by authorized representatives of USA and by the UTHSC Chancellor and the UT Chief Financial Officer.

5.13. **Governing Law.** This Agreement will be governed by and interpreted in accordance with Tennessee law.

5.14. **No Waiver.** The failure of any Party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, will not be construed as subsequently waiving any such terms and conditions, but the same will continue and remain in full force and effect as if no forbearance or waiver had occurred.

5.15. **Captions.** The captions of the various provisions contained in this Agreement are not a part of this Agreement and will not be deemed in any manner to modify, explain, enlarge, or restrict any of the provisions of this Agreement.

5.16. **Binding Effect of Agreement.** This Agreement will be binding upon and will inure to the benefit of the Parties, their heirs, successors and permitted assigns.

5.17. **Execution in Multiple Counterparts.** This Agreement may be executed in multiple counterparts, each of which will be regarded for all purposes as an original constituting but one and the same instrument.

5.18. **Iran Divestment Act.** USA certifies, under penalty of perjury, that to the best of its knowledge and belief, USA is not on the list created pursuant to Tenn. Code Ann. § 12-2-106 (Iran Divestment Act). USA further certifies that it shall not utilize any subcontractor that is on the list created pursuant to Tenn. Code Ann. § 12-2-106.

**IN WITNESS WHEREOF,** as of the day and year below written, USA and UT have each caused this Agreement to be executed by their respective duly authorized officers.

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**UNIVERSITY SURGICAL ASSOCIATES, P.L.L.C.**

By: ________________________________
Michael S. Greer, MD
President

Date: ______________________________

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**THE UNIVERSITY OF TENNESSEE**

By: ________________________________
David L. Miller
Senior Vice President and Chief Financial Officer

Date: ______________________________