CONTRACT #10
RFS # 332.42-01-07

University of Tennessee
Knoxville Athletics

VENDOR:
Delta Airlines Charter Sales

THE UNIVERSITY of TENNESSEE
Vice President for Administration and Finance
711 Andy Holt Tower
Knoxville, TN 37996-0174
Phone: (865) 974-2243
Fax: (865) 974-1324

November 6, 2006

Mr. Jim White
Executive Director
Fiscal Review Committee
320 Sixth Avenue, North – 8th Floor
Nashville, TN 37243-0057

Dear Mr. White:

The University of Tennessee is submitting for the committee's review a non-competitively bid contract with Delta Airlines Charter Sales to acquire airplane travel service for the UT football, men's basketball and women's basketball teams away games.

The university competitively bid charter services for team travel in 2003. The bid requested service for one year with the option to extend the service for four additional one-year periods. The attached contract represents the third extension of the original agreement.

The contract is submitted late as we inadvertently believed because the service was competitively bid and the extension periods were part of the original bid we did not need to present the contract to the committee for review. We now understand differently and are submitting the contract for the committee' review.

If you have questions or need additional information, please let me know.

Respectfully,

Sylvia Shannon Davis

Sylvia Shannon Davis
Vice President for Administration and Finance

c: Dr. John D. Petersen
Mr. Mike Hamilton
Mr. Anthony Haynes
Mr. Bill Myers

CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
332.42-01-07	N/A
State Agency	**State Agency Division**
University of Tennessee	Knoxville Athletics
Contractor Name	**Contractor ID # (FEIN or SSN)**
Delta Airlines Charter Sales	[ ] C- or [X] V-

Service Description

Provide transportation to away games for the football, men's basketball, and women's basketball teams

Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
7/1/2006	6/30/2007	Vendor	N/A

Mark Each TRUE Statement

[N/A] Contractor is on STARS [X] Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
332.42	N/A	N/A	N/A	N/A	N/A

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007				$ 1,100,000.00	$ 1,100,000.00
TOTAL:	$ -	$ -	$ -	$ 1,100,000.00	$ 1,100,000.00

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
2007	$ 1,100,000.00	
TOTAL:	$ 1,100,000.00	
End Date	June 30, 2007	

State Agency Fiscal Contact & Telephone #

Sylvia Davis, 865-974-2243

State Agency Budget Officer Approval

Sylvia Shannon Davis, VP Administration and Finance

Funding Certification (certification, required by T.C.A. § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR) N/A

[ ] African American [ ] Person w/ Disability [ ] Hispanic [ ] Small Business [ ] NOT disadvantaged
[ ] Asian [ ] Female [ ] Native American [ ] OTHER minority/disadvantaged—

Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)

[X] RFP [ ] Competitive Negotiation [ ] Alternative Competitive Method
[ ] Non-Competitive Negotiation [ ] Negotiation w/ Government(eg,ID,GG,GU) [ ] Other

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

The university bid these services in FY 2004 for one year with the option to extend the service for four additional on-year periods.

THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE CONTRACT

APPROVED:	
UT System Office Approval	Date

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request cannot be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.		
1) UT Tracking Number	97511	
2) Campus/Institute Name	Knoxville/Men's Athletics	
3) Short Description:	Charter flight agreement for football, men's basketball, and women's basketball teams for the 2006-2007 competition year.	
4) Proposed Vendor:	Name:	Delta Airlines Charter Sales
	Vendor Number:	1060599
	Vendor ID:	n/a
5) Contract Start Date:		10/1/2006
6) Contract End Date IF all Options to Extend the Contract are Exercised :		9/30/2007
7) Total Maximum Cost IF all Options to Extend the Contract are Exercised :		$1.1 Million
8) Approval Criteria : (select one)	☒	use of Non-Competitive Negotiation is in the best interest of the university
	☐	only one uniquely qualified service provider able to provide the service

9) Detailed Description of Service to be Acquired :

Airplane travel for the UT football, men's basketball, and women's bastketball 2006-07 season. This includes round-trip charter service for all away games for the three teams.

10) Explanation of the Need for or Requirement Placed on the Procuring Agency to Acquire the Service :

The UT Athletic department must acquire charter service for these teams for their away games where it is most efficient to fly to opponents location.

11) Explanation of Whether the Procuring Agency Bought the Service in the Past, & if so, What Procurement Method It Used :

Charter flight services was competitively in 2003 and awarded to Delta Airlines under UT contract #95069 for the period 9/3/03 to 9/30/04. The contract contained the option to extend for four additional one-year periods. This contract represents the third extension of the original agreement.

12) Name & Address of the Proposed Vendor/Contractor(s):

(not required if proposed contractor is a state education institution)

Delta Airlines Charter Sales
Dept 663
PO Box 20706
Atlanta, GA 30320-6001

13) Evidence of the Proposed Vendor/Contractor's Experience and Length of Experience Providing the Service :

The UT Athletic Deparment has used Delta Airlines Charter services for the past three years under this agreement. Their continuity of service and familiarity with Athletic travel has worked well.

14) Documentation of Office for Information Resources Endorsement N/A
(required only if the subject service involves information technology)

15) Documentation of Department of Personnel Endorsement N/A
(required only if the subject service involves training for state employees)

16) Documentation of State Architect Endorsement N/A
(required only if the subject service involves construction or real property related services)

17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

The University does seek to competitively bid these services and opts to maintain optional extensions in order to hedge against rising travel costs in the commercial airline industry. The Athletic department plans to competitively bid these services when the extension periods have expired or when market conditions warrant.

18) Justification of Why the University Should Use Non-Competitive Negotiation Rather Than a Competitive Process:
(Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)

<see above explanation>

Charter Flight Agreement

This Charter Flight Agreement ("Agreement"), effective as of the date set forth on the signature page hereto (the "Effective Date"), is between Delta Air Lines, Inc., a Delaware corporation ("Delta") and the undersigned person or entity ("Charterer").

Recitals

Charterer desires to contract with Delta for charter flights and Delta desires to provide charter flights for Charterer on the terms and conditions set forth herein. In consideration of the mutual undertakings contained in this Agreement, the parties agree as follows:

1. Charter Flights. Delta agrees to operate the charter flights described in Schedule 1 (the "Charter Flights") for Charterer.

2. Payments for Charter Flights.

2.1 Advance Payments; Residual Payments. Charterer shall make the advance payments (the "Advance Payments") and the residual payments (the "Residual Payments") described in Schedule 1 on the due dates specified therein to reserve the Charter Flights, and those payments shall be credited against the total payment (the "Total Payment") due in Schedule 1. The Total Payment amount includes all government imposed taxes, security fees and similar government charges assessed for the Charter Flights. Charterer shall deliver the Advance Payments and the Residual Payments to Delta (or, if applicable, Delta's designated depository bank) in accordance with the instructions in Exhibit A.

2.2 Timely Delivery of Payments. This Agreement and Delta's obligation to operate the Charter Flights are conditioned upon the Advance Payments and the Residual Payments being delivered to Delta on the dates specified in Schedule 1. The parties acknowledge that Department of Transportation ("DOT") regulations, 14 Code of Federal Regulations Section 212.3(e), require Charterer to either post a satisfactory bond or make full payment (including the cost of the return portion of a round-trip flight) for Charter Flights prior to flight departure.

2.3 Protection of Charterer Payments. Delta maintains a surety bond, letter of credit or escrow agreement as protection for customer advance payments in accordance with DOT regulations. The name and address of the surety company or bank whose bond, letter of credit or escrow agreement secures Charterer's advance payments pending the completion of the Charter Flights is stated in Exhibit A. Claims against the surety bond or letter of credit may only be made for non-performance of charter flights, and DOT regulations state that the surety company or bank shall be released from all liability unless the charterer files a claim with the air carrier (or, if the air carrier is not available, with the surety or bank) within 60 days after the cancellation of a charter flight with respect to which the charterer's advance payment is secured by the bond or letter of credit. During the term of this Agreement, Delta may change the company providing the bond, letter of credit or escrow agreement, or substitute one form of security arrangement for another (escrow arrangement, letter of credit or a surety bond), upon advance notice to Charterer.

3. Compliance with Rules and Regulations. The parties acknowledge and agree that Charter Flights and passengers traveling on Charter Flights are subject to the rules and regulations of governmental agencies having jurisdiction including the DOT, the U.S. Federal Aviation Administration (FAA), the U.S. Transportation Security Administration (TSA) and, unless otherwise stated herein, the same in-flight passenger and baggage rules established by Delta for passengers traveling on Delta scheduled flights. Delta has exclusive control over matters pertaining to the operation and safety of the Charter Flights, including, but not limited to matters pertaining to the aircraft, crews, and operational standards and controls applied by Delta such as the weight, size, type, contents, and value of baggage or property to be accommodated. Delta may, but is not obligated to, examine all baggage and cargo. No article will be permitted on board the aircraft, either as baggage, cargo or otherwise, which cannot be transported in accordance with Delta's conditions of carriage, tariffs, rules, regulations or applicable laws and governmental regulations, or which in Delta's sole opinion would endanger the safety of the flight, crew or passengers or would not be suitable for transportation

on the aircraft. All persons and property aboard Charter Flights are subject to the authority of the flight crew. Charterer shall ensure that all Charter participants comply with Delta's prohibition against verbal or physically abusive conduct and Delta's ban on smoking and the use of smokeless tobacco products on Charter Flights. Delta may remove at any point any passengers or property who or which might involve a hazard or risk to passengers, crew, other persons or property or who or which is otherwise deemed unsuitable for transportation. All flights are subject to cancellation, interruption or deviation in Delta's sole discretion because of mechanical difficulties, damage to the aircraft, adverse weather conditions, Force Majeure Events, and similar circumstances which, in Delta's opinion, require such action. Delta may operate Charter Flights with substitute equipment for safety or operational reasons and Delta may utilize unused space on the Charter Flights for the transportation of Delta crew members in connection with the provision of crew services on such flights. The departure and arrival times listed in Schedule 1 are indications of approximate times and the parties acknowledge that flight delays may be caused by weather, air traffic control or airport conditions, mechanical problems or Force Majeure Events.

4. Insurance. Delta shall maintain the following insurance coverages for the Charter Flights operated during the term of this Agreement: airline liability insurance, including bodily injury (including passengers) and property damage liability with a combined single limit of not less than $400,000,000 each occurrence. Such policies shall name Charterer, and, if applicable, its respective parent, subsidiary and affiliated companies and the directors, officers and employees of each as additional insureds (the "Additional Insureds") as their respective interests may appear and shall include a clause stating that such insurance is primary with respect to the aircraft or substitute or replacement aircraft used in performing the Charter Flights under this Agreement. Such insurance shall not be contributory with or excess over any insurance carried by the Additional Insureds. Delta shall provide Charterer with a certificate of insurance complying with the provisions contained above upon request.

5. Indemnity.

5.1 Delta shall hold harmless, indemnify, and defend Charterer, its directors, officers, agents and employees from and against all claims, liabilities, damages, expenses and losses, including attorneys' fees and expenses, to the extent resulting from the negligence or willful misconduct of Delta, its directors, officers, agents or employees or charter flight coordinators, or caused by or arising out of a breach by Delta of this Agreement.

INITIAL

UNIV OF TN

~~5.2 Charterer shall hold harmless, indemnify and defend Delta, its directors, officers, agents and employees, from and against all claims, liabilities, damages, expenses and losses, including attorneys' fees and expenses, to the extent resulting from the negligence or willful misconduct of Charterer, its directors, officers, agents, employees, or charter flight passengers, or caused by or arising out of a breach by Charterer of this Agreement.~~

6. Term and Termination. This Agreement is effective on the Effective Date and shall continue thereafter until completion of the last Charter Flight listed in Schedule 1.

7. Charterer's Obligations. Charterer shall ensure that passengers on the Charter Flights comply with government travel requirements, including passenger identification and any required travel documents for entry or exit from a foreign country, as applicable. Charterer shall prepare the Charter Flight passenger manifest (in triplicate) and confirm that passengers are properly boarded in accordance with such manifest. At Charterer's request, Delta will assist with passenger boarding, but assumes no responsibility as a result thereof. Charterer shall notify Charter Flight passengers of the scheduled departure times and any delay or cancellation to the Charter Flights. Charterer shall ensure that Charter Flight passengers identify each piece of checked baggage with their name on the outside of the bag. Charterer shall provide written notice in the form of Exhibit B to each Charter Flight passenger of Delta's rules and limitations on liability ~~and Charterer shall indemnify and hold Delta harmless from all claims, liabilities and expenses in excess of those limits.~~ Delta reserves the right to modify or substitute a revised Exhibit B upon advance notice to Charterer. The Charter Flights operated pursuant to this Agreement are not "public charters" as defined in 14 CFR Part 380, and Charterer shall not sell, barter or receive any payment from passengers for seats on the Charter Flights.

INITIAL

UNIV OF TN

8. Adjustment or Cancellation of Charter Flights.

8.1 Charterer may request a change in the aircraft, departure dates or arrival/departure times for Charter Flights listed in Schedule 1; however, all such requests are subject to the availability of Delta aircraft and crew members, and any mutually agreed adjustments may result in increased prices for the Charter Flights. Charterer understands and agrees that schedules and crews for each Charter Flight listed in Schedule 1 are assigned by the 5th day of month that is two months prior to such flight.

8.2 If Charterer cancels a Charter Flight for reasons other than a Force Majeure Event or a material breach of this Agreement by Delta, then Charterer shall pay Delta the applicable Cancellation Fee stated in Exhibit A. Delta shall apply the amount of any Advance Payment or Residual Payment made by Charterer against the Cancellation Fee payable by Charterer. In the event such prepaid amounts are insufficient to cover the Cancellation Fee, then Charterer shall pay the amount of the Cancellation Fee due in U.S. dollars, by check or wire transfer directly to Delta no later than ten (10) days after receipt of notification from Delta of the amount due.

8.3 The parties have negotiated the Cancellation Fees as a reasonable estimate of the anticipated damages to Delta resulting from Charterer's cancellation of a Charter Flight, the amount of actual damages being difficult to ascertain. The parties agree that such charges constitute "liquidated damages" for such cancellation, and Charterer agrees that it shall not contest such amounts as a "penalty" or otherwise. If following the execution of this Agreement and the cancellation of a Charter Flight, Charterer contests the amount of any Cancellation Fee (including any assertion that such amount is a penalty) then, notwithstanding Section 9.9 hereof, Delta shall be entitled to claim lost profits and consequential damages from Charterer in connection with the cancellation of the related Charter Flight.

9. Miscellaneous.

9.1 Counterparts; Facsimile Signature. This Agreement may be executed in counterparts, by original or facsimile signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.2 Entire Agreement; Amendments. This Agreement (including Exhibits A-C and Schedule 1 which are attached hereto and made a part hereof) sets forth the entire agreement and understanding between the parties as to the subject matter hereof, and merge and supersede all prior discussions, agreements and understandings concerning the subjects covered by this Agreement. No party shall be bound by any term, condition or definition other than expressly set forth or provided for in this Agreement and any executed amendments to this Agreement. Unless expressly provided herein, this Agreement may not be changed or modified, except by agreement in writing signed by the parties.

INITIAL

UNIV OF TN

9.3 Governing Law. This Agreement shall be interpreted in accordance with, and performance shall be governed by, the laws of Delaware (regardless of the law that might be applicable under principles of conflict or choice of law), including all matters of construction, validity and performance applicable to contracts made and to be performed therein.

9.4 Assignment. This Agreement may not be assigned or transferred by either party without the prior written consent of the other party, and any purported assignment or transfer without such consent shall be null and void and of no force and effect; provided that either party may, without such consent, assign any of its fixed or contingent rights to receive money payments hereunder.

9.5 Waiver, Construction, No Third Party Beneficiary. No failure to exercise and no delay in exercising, on the part of a party, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Unless specifically stated otherwise herein, the rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The failure of a party to insist upon a strict performance of any of the terms

or provisions of this Agreement, or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by a party of any term or provision of this Agreement shall be deemed to have been made unless expressed in writing and signed by such Party. This Agreement shall not be construed against the party preparing it, but shall be construed as if the parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any party.

NO PERSON OR ENTITY, OTHER THAN DELTA OR CHARTERER AND THEIR SUCCESSORS AND PERMITTED ASSIGNS SHALL HAVE ANY RIGHTS, REMEDIES, CLAIMS, BENEFITS OR POWERS UNDER THIS AGREEMENT, AND THIS AGREEMENT SHALL NOT BE CONSTRUED OR INTERPRETED TO CONFER ANY RIGHTS, REMEDIES, CLAIMS, BENEFITS OR POWERS UPON ANY THIRD PARTY INCLUDING CHARTER FLIGHT PARTICIPANTS. THERE ARE NO THIRD-PARTY BENEFICIARIES OF THIS AGREEMENT.

9.6 Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing, and shall be considered as properly given if addressed as provided in Schedule 1 and either (a) delivered in person; (b) sent by an express courier delivery service which provides signed acknowledgments of receipt; or (c) transmitted by facsimile (upon receipt by sender thereof of evidence that a complete transmission of such copy was made to the recipient thereof). For the purposes of notice, the addresses of the parties shall be as set forth in Schedule 1; provided, however, that a party shall have the right to change its address for notice to any other location by giving at least five (5) days prior written notice to the other party in the manner set forth above.

9.7 Force Majeure. Except for any payment or refund obligations hereunder, neither party shall be liable to the other party for any loss, injury, damage or delay whatsoever resulting, directly or indirectly, from one or more of the following: acts of God; seizure under legal process, governmental sanctions, quarantine restrictions; fire, fog, flood, or other weather-related reason; failure or refusal on the part of any government, air traffic control or airport authority to grant or issue approvals, consents, clearances, exemptions, permits or operating authority, or recession or revocation thereof by any government, air traffic control or airport authority or governmental agency, damage to or destruction of aircraft or other flight equipment; grounding of a substantial number of aircraft by any government authority or by voluntary action for safety reasons (in lieu of governmental actions); unavailability of fuel; riots or civil commotion; strikes, lockouts or labor disputes (whether resulting from disputes between either a party and its employees or between other persons or entities); U.S. military or airlift emergency or substantially expanded U.S. military airlift requirements as determined by the U.S. government; activation of the U.S. Civil Reserve Air Fleet; war or hazards or dangers incident to a state of war; acts of terrorism; or any other acts, matters or things, whether or not of a similar nature, which are beyond the control of a party and which shall directly or indirectly, prevent, delay, interrupt, or otherwise adversely affect the furnishing, operation or performance of such party's obligation hereunder ("Force Majeure Events").

9.8 Trademarks. This Agreement is not, and nothing in this Agreement shall be construed to constitute, a license for either party to use the trade name, trademarks or service marks of the other party, except as expressly authorized in writing by such other party.

9.9 DAMAGES. NEITHER PARTY SHALL BE LIABLE FOR ANY CONSEQUENTIAL, PUNITIVE, SPECIAL OR EXEMPLARY DAMAGES, INCLUDING LOST PROSPECTIVE ECONOMIC ADVANTAGE, LOST PROFITS, OR ANY UNWIND COSTS ARISING FROM ANY PERFORMANCE, BREACH OR FAILURE TO PERFORM UNDER THIS AGREEMENT OR ANY TERMINATION OF THIS AGREEMENT EVEN IF SUCH PARTY KNEW OR SHOULD HAVE KNOWN OF THE EXISTENCE OF SUCH DAMAGES, AND EACH PARTY HEREBY RELEASES AND WAIVES ANY CLAIMS AGAINST THE OTHER PARTY REGARDING SUCH DAMAGES.

9.10 No Broker or Commission Fees. Neither party shall be responsible for any broker's fees or commissions to any person, agent, travel agent or entity engaged by or on behalf of the other party.

9.11. Partnership. If either party is a partnership or joint venture, the partners or joint venturers agree to be individually and jointly liable to the other party under this Agreement.

9.12 Confidentiality. This Agreement contains confidential information. Except as required by law, neither party shall disclose the terms and conditions of this Agreement to any other person or entity without the other party's prior written consent; provided, that the parties acknowledge that Exhibit B hereof is not confidential and that Charterer shall distribute the notices in Exhibit B to all Charter participants.

9.13 Independent Contractors. Each party, in its performance under this Agreement, is and shall be engaged and act as an independent contractor and in its own independent and separate business; and each party shall retain complete and exclusive control over its staff and operations and the conduct of its business.

9.14 Titles, References. The section titles in this Agreement are for ease of reference only and shall not affect the meaning of any provision of this Agreement. Unless otherwise specified in this Agreement, all references in this Agreement to "herein", "hereof", "hereto", "hereby" and "hereunder" shall be deemed references to this Agreement as a whole and not to any particular article, section, subsection, paragraph, sentence or clause of this Agreement. Unless otherwise specified in this Agreement, references herein to "including" or "include" shall mean "including without limitation" or "include without limitation", respectively. References herein to a "party" shall be deemed to refer to Delta or Charterer, and references herein to the "parties" shall be deemed to refer to Delta and Charterer.

9.15 Expenses. Each party shall bear its own lawyers', accountants' and other fees, costs and expenses incurred in connection with the negotiation, execution and performance of this Agreement and any of the transactions contemplated hereby.

9.16 Survival. The provisions of Sections 5, 7, 8.2, 8.3, and 9 shall survive the termination of this Agreement as necessary in order to permit the Parties to satisfy any obligations hereunder following such termination.

9.17 Liability limitations for checked baggage. Charterer acknowledges that Exhibit B of this Agreement contains liability limitations for all checked baggage and lists items that are considered unacceptable for transportation in checked baggage including photographic and cinematographic equipment, projectors, computers, electronic devices and similar items. Such equipment should be carried by Charterer and Charter Flight passengers in the passenger compartment of the aircraft, and Delta assumes no responsibility for delay, damage, loss, or destruction of photographic or cinematographic equipment, projectors, computers, electronic devices and similar items if they are included in checked baggage by Charterer or Charter Flight passengers.

10. Additional Terms and Conditions. Any additional terms and conditions mutually agreed to by the parties and applicable to the Charter Flights shall be set forth in Exhibit C.

********** Signatures on the next page **********

Signature Page to the Charter Agreement

The parties hereto have caused this Agreement to be executed by their undersigned duly authorized representatives effective on the date specified below:

Effective Date: May 26, 2006

Charterer: University of Tennessee

By: _____
David Elliott

Title: Event Manager / Travel Coordinator

By: _____
Bill Myers

Title: Chief Financial Officer

Delta Air Lines, Inc.

By: _____
Ronan G. MacMichael

Title: Manager, Charter Sales

OCT 3 0 2006

_____

Sylvia Shannon Davis
Vice President

Exhibit A

1. Delivery of Advance Payments and Residual Payments. (Agreement Section 2.1)

The Advance Payments and Residual Payments shall be delivered by Charterer to the following address (depending on the form of delivery selected by Charterer):

Check delivered by U.S. Mail:	Check delivered by Express Mail/Courier:	Wire Transfer:
Delta Air Lines, Inc. PO Box 101153 Atlanta, GA 30392-1153 Phone: 404-773-3480	Wachovia Bank - N.A Delta Air Lines LB# 101153 3585 Atlanta Avenue Hapeville, GA 30354 Phone: 404-684-4000	Delta Air Lines, Inc. Citibank - N.A. 399 Park Avenue New York, NY ABA # 021000089 Account # 30453617 Note: Charterer shall notify Delta in writing if it makes a payment by wire transfer to ensure proper credit to Charterer's account.

2. Surety Company Bond, Bank Letter of Credit or Depository Bank Escrow. (Agreement Section 2.3)

Charterer's Advance Payments and Residual Payments are secured though:	The following is the name and address of the surety company, letter of credit issuer or the depository bank:
A letter of credit with a commercial bank	Standard Chartered Bank One Madison Avenue, 3rd Floor New York, New York 10010

3. Cancellation Fees. (Agreement Section 8.2)

The following is the schedule of the applicable Cancellation Fees:

Cancellation notice received by Delta from Charterer at least this number of days in advance of the date of the operation of the originating Charter Flight:	Applicable Cancellation Fee is equal to this percentage multiplied by the Total Payment amount listed for the applicable Charter Flight in Schedule 1:
180 days or more	0%
between 91 days and 179 days	25%
between 61days and 90 days	50%
between 31 days and 60 days	75%
30 days or less	100% (Total Payment due)

Exhibit B

Charterer shall provide the following notice to all Charter Flight passengers:

Notices for Delta Charter Flight Passengers

Welcome Aboard Delta Air Lines

Delta looks forward to serving you on an upcoming Charter Flight.
For your convenience, we have summarized important information related to your flight.
Please take a moment to read it. We wish you a pleasant flight.

No Smoking or Use of Tobacco Products

Delta Air Lines is a smoke-free airline.
Use of all tobacco products (including smokeless tobacco) is prohibited on all Delta Charter Flights.

Baggage Identification Tags; SkyMiles Frequent Flyer Mileage Credits

All Charter Flight passengers must identify each piece of checked baggage with their name on the outside of the bag.
Passengers are not eligible for SkyMiles frequent flyer credits for travel on Delta Charter Flights.

Do Not Place These Items in Your Checked Baggage

Do not place fragile or valuable items in your checked baggage - this includes: money, securities, negotiable papers, irreplaceable documents or manuscripts, jewelry, silverware, furs, precious metals, paintings, works of art, life-saving medication, computers, electronic equipment, photographic and cinematographic equipment, cameras, lenses, and projectors and similar valuable items. Maintain control of all of your fragile and valuable items in the passenger compartment of the aircraft.

Domestic Flights - Notice of Baggage Liability Limitations

On Delta domestic Charter Flights operated wholly within the Continental United States, Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands:

- Delta's liability for loss, delay, or damage to checked baggage while in Delta's custody is limited to $2,800 per passenger.
- Damaged baggage must be reported within 24 hours following completion of your flight.

International Flights - Notice of Baggage Liability Limitations

On Delta international Charter Flights (including domestic portions of international journeys):

- Delta's liability for loss, delay, or damage to baggage is limited to approximately $9.07 per pound ($20.00 per kilo) for checked baggage and $400 per passenger for unchecked baggage unless a higher value is declared in advance and additional charges are paid.
- Liability is for a maximum of 50 lbs. ($460.00) per checked bag.
- Damaged baggage must be reported within seven days of your flight.

Exhibit B

Charterer shall provide the following notice to all Charter Flight passengers:

Dangerous Goods in Checked and Carry-on Baggage
Some items used at home or work can be very dangerous aboard an aircraft. In flight, variations in temperature and pressure can cause leaks, generate toxic fumes or start a fire.
Do not pack or carry on board:

- Flammable liquids, gasses or solids.
- Fireworks (including signal flares, sparklers and other explosives).
- Lighters of all types are prohibited.
- Matches are not permitted in checked baggage due to safety regulations; however, up to four books of matches are allowed in carry-on baggage or on one's person. For safety reasons, strike anywhere matches are prohibited at all times from carriage onboard aircraft.
- Household items (drain cleaner, bleach, solvents).
- Pressurized containers (spray cans, butane, CO2 cartridges, propane containers).
- Weapons (Note - special rules apply to carrying firearms in checked baggage).
- Other hazardous materials.

This list is not all -inclusive. Contact Delta for further details.

Additional Information on Checked Baggage Liability

- Delta has no liability for:
  - Unsuitably packed fragile or perishable items.
  - Previously damaged or over-packed baggage.
  - Damages or loss of protruding baggage parts such as wheels, straps, pockets, pull handles, hanger hooks, or other items attached to the baggage.
  - Minor damages such as scratches, scuffs, dents, cuts and dirt resulting from normal wear and tear.
- Further information on Delta's baggage liability rules may be obtained at Delta's web site, delta.com or you may contact a Delta agent for details.
- Insurance Coverage - If you plan to travel with valuable or fragile personal items, such as jewelry, furs, computers, photographic equipment or similar items, you may want to review insurance coverage for such items under your homeowners or renters insurance policy. Most insurance companies offer policyholders endorsements or riders at an additional charge to protect against the loss, theft, damage or destruction of valuables when traveling away from home.

Notice of Incorporated Terms

Delta Charter Passengers are subject to Delta's rules, regulations, tariffs and conditions relating to limits on liability for loss, damage or delay to baggage, personal injury or death to passengers and claim restrictions, including time periods within which passengers must file a claim or bring an action against Delta for its acts or omissions. Those terms are herein incorporated by reference and made a part of the contract of carriage for your Charter Flight. You have the right to inspect the full text of Delta's rules and the applicable terms that are incorporated by reference at any Delta airport or city ticket office. Upon request to Delta, you may obtain a free copy of the full text of the applicable terms incorporated by reference. That information is also available on Delta's web site, delta.com.

ADVICE TO INTERNATIONAL PASSENGERS ON CARRIER LIABILITY

Passengers on a journey involving an ultimate destination or a stop in a country other than the country of departure are advised that a treaty known as the Warsaw Convention may apply to the entire journey, including any portion thereof entirely within a country. For such passengers, the Warsaw Convention, including special contracts of carriage embodied in applicable tariffs, governs the liability of the Carrier for death of or injury to passengers. The names of carriers' party to such special contracts are available at all ticket offices of such carriers and may be examined upon request.

Exhibit B

Charterer shall provide the following notice to all Charter Flight passengers:

Domestic U.S. Baggage Allowances
On domestic flights, Delta accepts a maximum of two checked baggage items for each passenger, in addition to one carry-on bag, plus one personal item such as a purse, briefcase, laptop/computer (which must be carried aboard and cannot be checked) or an item of a similar size or smaller size to those listed.

International Baggage Allowances
On international flights, Delta accepts a maximum of two checked baggage items free of charge for each ticketed passenger, in addition to the one carry-on, plus one personal item.

Delta may limit the amount of excess baggage (beyond the allowances) when such excess prevents us from carrying each traveler's stated baggage allowance.

Weight - Checked Baggage
Items on domestic flights should not weigh more than 50 lbs.
Items on international flights should not weigh more than 50 lbs.
Items over 100 lbs will not be accepted.

Size - Checked Baggage
Items should not exceed 62" (length + height + width) limits.
Items over 80" will not be accepted.

Carry-on Items
All carry-on items must fit easily in a Size Wise™ unit (approximate dimensions 22" x 14" x 9") and must weigh less than 40 lbs.

Special Handling
Some packages, sporting goods, dangerous, fragile or bulky items may require special handling. Please check with Delta for additional information.

Delta Connection® carriers
Delta Connection carriers are regional jet airlines (such as Comair and Atlantic Southeast Airlines) which use Delta flight numbers. There are additional baggage rules that apply if your Charter Flight is on a Delta Connection carrier. Check with Delta for additional information.

General Conditions
Delta will accept your baggage for transportation, subject to the following conditions:

- All baggage is subject to search.
- We reserve the right to refuse baggage whose size, weight, character, or condition is unsuitable for transportation on the particular aircraft which is to transport it or which cannot be accommodated without harming or annoying passengers.

Note: See Delta's Contract of Carriage for complete Checked and Carry-On Baggage rules.

Exhibit C

Additional Terms and Conditions

The following additional terms and conditions are applicable to the Charter Flights:

NONE

End of Exhibit C

***** _____ *****

Schedule 1

Explanation of Asterisks in Schedule 1 Column Headings

The asterisks which appear in the column headings in Schedule 1 reflect the following terms and conditions related to the Charter Flights:

1. Flight Date: If listed as "TBD", the flight date must be mutually agreed by the parties.

2. Game Time/Flight No.: If the Charter Flight is for a sports team, local game time may be listed; otherwise flight numbers are listed for the Charter Flights.

3. Departure/Arrival Times: If listed as "TBD", the flight departure/arrival times must be mutually agreed by the parties.

4. Due Date: Time is of the essence for Charterer's Advance Payments and Residual Payments which must be received by no later than 5 p.m. New York time on the stated due date.

5. Total Payment: The "Total Payment" amounts listed for the Charter Flights in Schedule 1 are based on Charter Flight passengers departing from a U.S. departure airport and using the common security checkpoint operated by the U.S. Transportation Security Administration (TSA). This requires that all Charter Flight passengers and baggage be screened by TSA representatives at the common security checkpoint that is also used by passengers traveling on scheduled commercial flights at the airport. If Charterer desires that Charter Flight passengers be screened for security purposes in another manner, or if one or more Charter Flights departs from an airport outside the United States or within the U.S. but from a location where TSA security screening is not available or used for the Charter Flights, Charterer shall pay all costs incurred by Delta for such security screening. Such costs will vary depending on the geographic location of the departure airport and the number of passengers and the amount of passenger baggage to be screened. Such security screening costs may range from $500 to $5,000 per Charter Flight departure which is in addition to the "Total Payment" amounts listed in Schedule 1. All non-TSA costs incurred by Delta for security screening for the Charter Flights shall be invoiced by Delta to Charterer after flight departure and Charterer shall pay all such invoices within 15 days of receipt. Upon request, Delta shall provide Charterer with estimated costs for such security screening.

UT's maximum liability under this contract is $ 1.1 million

Schedule 1 Univ. of Tennessee Football 2006 Season

Delta will operate the following Charter Flights:

(Note: Asterisks in column headings are explained on the previous page)

City Pair Orig./Dest. Dest./Orig.	Aircraft Equip.	Flight Date*	Game Time (Local) or Flight No.*	Departure Time* (Local)	Arrival Time* (Local)	Advance Payment (Due Date*)	Total Payment*
TYS / MEM	757	9/29/06	9819	TBD	TBD	$99,148.00	
MEM / TYS	757	9/30/06	9819	TBD	TBD	(8/29/06)	$99,148.00
AHN / TYS	CRJ50	10/7/06	TBD	TBD	TBD	$48,174.00	
AHN / TYS	CRJ50	10/7/06	TBD	TBD	TBD	(9/7/06)	
AHN / TYS	CRJ50	10/7/06	TBD	TBD	TBD		$48,174.00
TYS / CAE	737-800	10/27/06	9819	TBD	TBD	$71,022.00	
CAE / TYS	737-800	10/28/06	9819	TBD	TBD	(9/27/06)	$71,022.00
TYS / XNA	757	11/10/06	9819	TBD	TBD	$107,905.00	
XNA / TYS	757	11/11/06	9819	TBD	TBD	(10/10/06)	$107,905.00
TYS / XNA	CRJ50	11/10/06	TBD	TBD	TBD	$35,404.00	
XNA / TYS	CRJ50	11/11/06	TBD	TBD	TBD	(10/10/06)	$35,404.00
				Total Payment for all Charter Flights:			**$361,653.00**

Schedule 1 - Univ. of Tennessee Athletics (2006 Football & 2006-07 Men's/Women's Basketball)

Delta will operate the following Charter Flights:

(Note: Asterisks in column headings are explained on the previous page)

Football

City Pair Orig./Dest. Dest./Orig.	Aircraft Equip.	Flight Date*	Game Time (Local) or Flight No.*	Departure Time* (Local)	Arrival Time* (Local)	Advance Payment (Due Date*)	Total Payment*
TYS / MEM MEM / TYS	757 757	9/29/06 9/30/06	9819 9819	TBD TBD	TBD TBD	$99,148.00 (8/29/06)	$99,148.00
AHN / TYS AHN / TYS AHN / TYS	CRJ50 CRJ50 CRJ50	10/7/06 10/7/06 10/7/06	TBD TBD TBD	TBD TBD TBD	TBD TBD TBD	$48,174.00 (9/7/06)	$48,174.00
TYS / CAE CAE / TYS	737-800 737-800	10/27/06 10/28/06	9819 9819	TBD TBD	TBD TBD	$71,022.00 (9/27/06)	$71,022.00
TYS / XNA XNA / TYS	757 757	11/10/06 11/11/06	9819 9819	TBD TBD	TBD TBD	$107,905.00 (10/10/06)	$107,905.00
TYS / XNA XNA / TYS	CRJ50 CRJ50	11/10/06 11/11/06	TBD TBD	TBD TBD	TBD TBD	$35,404.00 (10/10/06)	$35,404.00
				Total Payment for all Charter Flights:			**$361,653.00**

Men's Basketball

City Pair Orig./Dest. Dest./Orig.	Aircraft Equip.	Flight Date*	Game Time (Local) or Flight No.*	Departure Time* (Local)	Arrival Time* (Local)	Advance Payment (Due Date*)	Total Payment*
TYS / LGA LGA / TYS	CRJ70 CRJ70	11/20/06 TBD	TBD TBD	TBD TBD	TBD TBD	$47,067.00 (10/20/06)	$47,067.00
TYS / LFT LFT / TYS	CRJ50 CRJ50	11/26/06 11/27/06	TBD TBD	TBD TBD	TBD TBD	$35,421.00 (10/26/06)	$35,421.00
TYS / CMH CMH / TYS	CRJ50 CRJ50	1/12/07 1/13/07	TBD TBD	TBD TBD	TBD TBD	$31,512.00 (12/12/06)	$31,512.00
TYS / CSG CSG / TYS	CRJ50 CRJ50	1/16/07 1/17/07	TBD TBD	TBD TBD	TBD TBD	$27,232.00 (12/15/06)	$27,232.00
TYS / MEM MEM / TYS	CRJ50 CRJ50	1/23/07 1/24/07	TBD TBD	TBD TBD	TBD TBD	$34,970.00 (12/22/06)	$34,970.00
TYS / GNV GNV / TYS	CRJ50 CRJ50	2/2/07 2/3/07	TBD TBD	TBD TBD	TBD TBD	$37,295.00 (1/2/07)	$37,295.00
TYS / CAE CAE / TYS	CRJ50 CRJ50	2/16/07 2/17/07	TBD TBD	TBD TBD	TBD TBD	$34,529.00 (1/16/07)	$34,529.00
TYS / XNA XNA/ TYS	CRJ50 CRJ50	2/23/07 2/24/07	TBD TBD	TBD TBD	TBD TBD	$35,987.00 (1/23/07)	$35,987.00
TYS / AHN AHN / TYS	CRJ50 CRJ50	3/2/07 3/3/07	TBD TBD	TBD TBD	TBD TBD	$31,919.00 (2/2/07)	$31,919.00
				Total Payment for all Charter Flights:			**$315,392.00**

Women's Basketball

City Pair Orig./Dest. Dest./Orig.	Aircraft Equip.	Flight Date*	Game Time (Local) or Flight No.*	Departure Time* (Local)	Arrival Time* (Local)	Advance Payment (Due Date*)	Total Payment*
TYS / MLU	CRJ50	11/27/06	TBD	TBD	TBD	$33,098.00	
MLU / TYS	CRJ50	11/28/06	TBD	TBD	TBD	(10/26/06)	$33,098.00
TYS / RDU	CRJ50	12/2/06	TBD	TBD	TBD	$30,158.00	
RDU / TYS	CRJ50	12/3/06	TBD	TBD	TBD	(11/2/06)	$30,158.00
TYS / AUS	CRJ50	12/16/06	TBD	TBD	TBD	$44,816.00	
AUS / TYS	CRJ50	12/17/06	TBD	TBD	TBD	(11/15/06)	$44,816.00
TYS / ORF	CRJ50	12/21/06	TBD	TBD	TBD	$35,752.00	
ORF / TYS	CRJ50	12/22/06	TBD	TBD	TBD	(11/21/06)	$35,752.00
TYS / BDL	CRJ50	1/4/07	TBD	TBD	TBD	$39,712.00	
BDL / TYS	CRJ50	1/6/07	TBD	TBD	TBD	(12/4/06)	$39,712.00
TYS / GNV	CRJ50	1/10/07	TBD	TBD	TBD	$37,295.00	
GNV / TYS	CRJ50	1/11/07	TBD	TBD	TBD	(12/8/06)	$37,295.00
TYS / AHN	CRJ50	1/13/07	TBD	TBD	TBD	$31,919.00	
AHN / TYS	CRJ50	1/14/07	TBD	TBD	TBD	(12/13/06)	$31,919.00
TYS / TCL	CRJ50	1/27/07	TBD	TBD	TBD	$33,570.00	
TCL / TYS	CRJ50	1/28/07	TBD	TBD	TBD	(12/27/06)	$33,570.00
TYS / CSG	CRJ50	2/7/07	TBD	TBD	TBD	$29,986.00	
CSG / TYS	CRJ50	2/8/07	TBD	TBD	TBD	(1/5/07)	$29,986.00
TYS / BTR	CRJ50	2/18/07	TBD	TBD	TBD	$33,481.00	
BTR / TYS	CRJ50	2/19/07	TBD	TBD	TBD	(1/18/07)	$33,481.00
TYS / XNA	CRJ50	2/21/07	TBD	TBD	TBD	$35,987.00	
XNA / TYS	CRJ50	2/22/07	TBD	TBD	TBD	(1/19/07)	$35,987.00
TYS / ATL	CRJ50	3/1/07	TBD	TBD	TBD	$21,564.00	
ATL / TYS	CRJ50	TBD	TBD	TBD	TBD	(2/1/07)	$21,564.00
				Total Payment for all Charter Flights:			**$407,338.00**

Schedule I

Notices. (Agreement Section 9.6)

Notices to Delta shall be sent to the attention of (depending on the form of delivery selected by Charterer):

OVERNIGHT DELIVERY	U.S. MAIL	FACSIMILE
Vice President – Network Planning Department No. 661 Delta Air Lines, Inc. 1030 Delta Boulevard Atlanta, GA 30354 Telephone (404) 715-2158	Vice President – Network Planning Department No. 661 Delta Air Lines, Inc. PO Box 20574 Atlanta, GA 30320-2574	Vice President – Network Planning Department No. 661 Delta Air Lines, Inc. 1030 Delta Boulevard Atlanta, GA 30354 Facsimile No. 404-715-4048

with a copy to:

OVERNIGHT DELIVERY	U.S. MAIL	FACSIMILE
VP – Deputy General Counsel Law Department (No. 981) Delta Air Lines, Inc. 1030 Delta Boulevard Atlanta, GA 30354 Telephone (404) 715-2872	VP – Deputy General Counsel Law Department (No. 981) Delta Air Lines, Inc. PO Box 20574 Atlanta, GA 30320-2574	VP – Deputy General Counsel Law Department (No. 981) Delta Air Lines, Inc. 1030 Delta Boulevard Atlanta, GA 30354 Facsimile (404) 715-2233

Notices to Charterer shall be sent to the attention of (depending on the form of delivery selected by Delta):

OVERNIGHT DELIVERY	U.S. MAIL	FACSIMILE
David Elliott Event Manager / Travel Coordinator University of Tennessee 1600 Phillip Fulmer Way Suite 205 Knoxville, TN 37996 Telephone 865-974-9276	_____ _____ _____ _____	_____ _____ _____ _____ Facsimile No. ( ) ___-____

with a copy to:

OVERNIGHT DELIVERY	U.S. MAIL	FACSIMILE
_____ _____ _____ _____ Telephone (___) ___-_____	_____ _____ _____ _____	_____ _____ _____ _____ Facsimile No. ( ) ___-____