

RESOLUTION NO. 31049

A RESOLUTION AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO EXECUTE A LEASE WITH OBC PROPERTIES, DELAWARE, LLC, IN SUBSTANTIALLY THE FORM ATTACHED, FOR THE LEASE OF APPROXIMATELY NINE THOUSAND EIGHTY-FOUR (9,084) SQUARE FEET OF SPACE FOR OPERATION OF THE PUBLIC LIBRARY IN THE 5900 BUILDING, SUITE 1500, 5705 MARLIN ROAD, FOR THE TERM OF FIVE (5) YEARS, FOR THE ANNUAL RENT OF NINETY-FOUR THOUSAND NINE HUNDRED EIGHTY DOLLARS (\$94,980.00).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby authorizing the Mayor, or his designee, to execute a lease with OBC Properties, Delaware, LLC, in substantially the form attached, for the lease of approximately 9,084 square feet of space for operation of the Public Library in the 5900 Building, Suite 1500, 5705 Marlin Road, for the term of five (5) years, for the annual rent of \$94,980.00.

ADOPTED: March 15, 2022

/mem

LEASE

THIS LEASE (this “**Lease**”) dated April 1, 2022 (the “**Effective Date**”), is entered into by and between **OBC Properties Delaware, LLC** a Tennessee Limited Liability Company, as landlord (“**Landlord**”), and **City of Chattanooga**, a municipal corporation, as tenant (“**Tenant**”). Landlord and Tenant are sometimes hereinafter referred to together as the “**Parties**” and individually as a “**Party.**”

ARTICLE I PREMISES

1.1 Premises.

Landlord, in consideration of the rents hereinafter reserved and agreed to be paid by Tenant, hereby leases to Tenant and Tenant hereby leases from Landlord office space in the 5900 Building (“**Building**”), being Suite 1500, 5705 Marlin Road, Chattanooga, TN 37411, as outlined in red on the floor plan attached as **Exhibit A** and made a part hereof (the “**Premises**”) situated within the City of Chattanooga, County of Hamilton, State of Tennessee.

1.2 Common Areas.

“**Common Areas**” means those areas designed for the common use, convenience and benefit of Landlord, Tenant and all other occupants, located on the property exclusive of any space designed to be occupied by a tenant. The Common Areas shall include the entrances and exits of the Building sidewalks, any landscaped areas and exterior planted areas, retaining walls and other site improvements within the Building. Landlord reserves the right to alter the Common Areas and to make changes to the Building including changes in configuration and/or location; provided, however, that such improvements do not interfere with Tenant’s use of the Premises for the purpose stated in 1.3 below.

1.3 Tenant’s Use.

- (a) **Tenant’s Use:** The Premises shall be used by Tenant for the purpose of providing library services to City of Chattanooga residents (“**Permitted Use**”) and for no other use whatsoever.

1.4 Parking.

At no additional cost, Tenant shall be allowed to park in the spaces as shown in red on **Exhibit B.**

ARTICLE II
TERM

2.1 Lease.

The term of this Lease shall be the period beginning on April 1, 2022, and continuing for five (5) years (the “**Term**”).

ARTICLE III
CONSTRUCTION

3.1 Repair Obligations of Landlord.

In addition to the repairs and maintenance requirements contained in Article VII, Landlord agrees to repair the following within 90 (ninety)days of the Effective Date:

- (a) Replace the wallpaper in the bathrooms or, alternatively, remove the wallpaper and paint the walls.
- (b) Replace flooring in the breakroom and staff bathroom.
- (c) Replace carpet throughout the Premises.
- (d) Repair or replace the staff entrance.

ARTICLE IV
RENT

4.1 Rent.

(a) Tenant shall pay the following amounts per lease year (“**Rent**”) to Landlord as follows:

<u>Lease Years</u>	<u>Annual Rent</u>	<u>Number of Square Feet</u>	<u>Monthly Rental</u>
1-5	\$94,980.00	9,084	\$7,915.00

(b) All Rent shall be payable in monthly installments of one-twelfth (1/12) the annual rate thereof then in effect as shown above, in advance, without notice or demand and without offset or abatement except as expressly set forth herein, upon the first day of each calendar month included within the term of this Lease. All Rent and other payments to be made by Tenant to Landlord shall be made payable to Landlord and sent to Landlord at the place where notices to Landlord are required to be sent, unless Landlord shall direct otherwise by notice to Tenant. Rent

for any fraction of a month at the commencement or expiration of the Term shall be prorated on a per diem basis. Rent for any partial lease year shall be prorated on a calendar month basis or a per diem basis, as the case may be.

4.2 Additional Rent. Intentionally Deleted

4.3 Late Charges and Interest Rate.

In the event of the failure of Tenant to pay the Rent or any other charges due hereunder within five (5) days of the date such amount is due, Tenant shall be liable to Landlord for a late charge equal to One Hundred and 00/100 Dollars (\$100.00) in order to reimburse Landlord for its additional administrative costs as a result of such breach. If such amount due hereunder is not paid within ten (10) days after the due date, interest will, subsequent to the expiration of such ten (10) day period, accrue on the unpaid amount at eight percent (8%) (the “**Interest Rate**”). Imposition of such late charge and Interest Rate shall not abrogate or limit any rights or remedies which Landlord may otherwise have hereunder.

4.4 Termination for Unappropriated Funds; Early Termination. Tenant reserves the right to terminate this Lease for unappropriated funds or unavailability of funds by giving written notice to the Landlord at least sixty (60) days prior to the effective date of such termination. The obligation of Tenant for payment of Rent to Landlord is limited to the availability of funds appropriated in a current fiscal period, and continuation of the Lease into a subsequent fiscal period is subject to appropriation of funds by the Chattanooga City Council.

After three years from the Effective Date, Tenant may, upon ninety (90) days’ written notice to Landlord, terminate this lease for any reason. Termination will be effective as of the last day of the calendar month following the end of the 90-day notice period.

5.1 Public Funds. Intentionally Deleted

ARTICLE VI
TENANT’S CONDUCT OF BUSINESS

6.1 Tenant’s Use.

The Premises shall be used and occupied by Tenant solely for the Permitted Use and for no other use whatsoever without Landlord’s prior written consent, which shall not be unreasonably withheld. The character of Tenant and the use of the Premises as restricted by this Lease are additional considerations and inducements for Landlord to enter into this Lease. Tenant shall comply with all applicable ordinances, rules, regulations and laws of any governmental authorities, and Landlord’s insurance carrier with respect to use and occupancy of the Premises and shall not violate in any manner any of the restricted uses.

6.2 Rules and Regulations.

Tenant shall comply with the rules and regulations of the Building as established from time to time by Landlord, within thirty (30) days after Landlord notifies Tenant thereof, provided they are enforced against all similarly situated tenants of the Building in a non-discriminatory manner and without prejudice against Tenant. In the event of any conflict between the provisions of this Lease and any rules or regulations, the provisions of this Lease shall prevail and govern.

ARTICLE VII
REPAIRS AND MAINTENANCE

7.1 Repair and Maintenance Obligations; Janitorial Services; No Nuisance.

(a) Landlord shall make and pay for all repairs, maintenance, and replacements to the Premises which are necessary to keep the same in good state of repair and operating order in accordance with all rules and regulations of all government agencies having jurisdiction, at the sole cost and expense of Landlord, and Landlord shall comply with all requirements of law, by statute, ordinance or otherwise, affecting the Premises and all appurtenances thereto. If Landlord refuses or neglects to commence and to complete repairs promptly and adequately, Tenant may, but shall not be required to, make and complete such repairs, and Landlord shall deduct the cost of such repairs made by Tenant from Tenant's Rent for the month following Tenant's completion. Any repairs made by a Party shall be done in a workmanlike manner.

(b) Landlord shall, at its sole cost and expense, also provide (a) landscaping, repaving, resurfacing, repairing, replacing, painting, lighting, cleaning, pest control, and removing trash and similar items with respect to the Common Areas; and (b) trash disposal service. Additionally, Landlord shall, at its sole cost and expense, (a) operate, repair, and maintain life-safety systems, including, without limitation, sprinkler systems; (b) operate, repair, and maintain the heating and air conditioning system and elevator services; and (c) provide painting, window washing, and general cleaning for the Building and the Premises.

(c) Tenant shall, at its sole cost and expense, provide janitorial services for the Premises.

(d) Tenant shall allow no nuisance or unlawful activity of any nature whatsoever to exist with respect to or to be carried on within the Premises. Tenant shall not suffer or permit any waste or neglect of the Premises and will take such steps as often as may be necessary to keep the Premises in good condition.

7.2 Utilities.

Utilities servicing the Premises will be metered in the name of the Tenant and paid for by Tenant.

ARTICLE VIII
ALTERATIONS AND LIENS

8.1 Alterations.

Tenant shall not alter the Premises and shall not install any fixture to be used in connection with Tenant's business which affect the Premises in any manner without first obtaining the written approval of Landlord as to such improvements, and the manner in which said fixtures are to be installed and located in the Premises. Any trade fixtures, signs and other personal property installed or attached to the Premises by Tenant must be new when installed or attached.

8.2 Surrender of Alterations.

All alterations, replacements, other improvements or installations made to or upon the Premises which are so attached to the realty that the same shall by law be deemed a part of the realty and shall (subject, however, to the provisions of the following sentence) be the property of Landlord and remain upon and be surrendered with the Premises as a part thereof upon the expiration of the Term of this Lease. Notwithstanding the foregoing, all of Tenant's Personal Property shall remain the property of Tenant and shall be removed by Tenant prior to the expiration or earlier termination of this Lease and, if Tenant fails to do so following five (5) days written notice to Tenant, Landlord may remove such property at Tenant's expense and Tenant's liability for such expense shall survive the expiration or termination of this Lease. Tenant shall repair any damage to the Premises occasioned by the removal by Tenant or any person claiming under Tenant of any property from the Premises and leave the Premises in broom clean condition.

ARTICLE IX
FIRE AND OTHER CASUALTY

9.1 Landlord's Obligations.

(a) If, at any time from and after the Effective Date, the Premises or any part thereof shall be damaged or destroyed by fire or other hazard insured by Landlord under Section 11.1, then, except as hereinafter otherwise provided, Landlord shall, promptly thereafter, repair or restore, or cause to be repaired and restored, the Premises and Landlord shall not have any liability or responsibility to repair, rebuild or replace any personal property belonging to Tenant nor be obligated to commence such repairs and/or rebuilding until insurance proceeds are released to Landlord. Landlord's obligation hereunder shall be limited to the proceeds received and retained by Landlord under its insurance policy which are allocable to the Premises. Landlord shall repair and/or rebuild the Premises and the Leasehold Improvements to a condition comparable to that existing prior to such damage or destruction. If the damage to the Premises shall render the whole or any part thereof unsuitable for the use for which they were intended and they are actually not used for their intended purpose, Rent payable by Tenant pursuant to this Lease, on a per square foot basis, shall be abated until the earlier of the thirtieth (30th) day after the Premises shall be repaired or restored to substantially the same condition they were in immediately prior to such casualty or the date Tenant reopens for business in the damaged area, but only to the extent of the proceeds actually received by Landlord on account of Landlord under any policy of rent and/or business interruption insurance. Rent paid in

advance for a period beyond the date on which the same were so rendered unsuitable for the use for which the same were intended shall be apportioned and adjusted. Tenant agrees to exercise reasonable diligence to reopen for business in the Premises as soon as practicable unless this Lease is terminated as hereinafter provided.

(b) Notwithstanding anything else to the contrary contained in this Section 9.1 or elsewhere in this Lease, Landlord, at its option, may terminate this Lease on sixty (60) days' notice to Tenant given within one hundred eighty (180) days after the occurrence of any of the following:

(i) The Premises and/or building in which the Premises are located shall be damaged or destroyed and the cost to repair the same shall amount to more than fifty percent (50%) of the cost of replacement thereof; or

(ii) The Building is damaged to such an extent that, in the sole judgment of Landlord, it cannot be operated as an economically viable unit.

9.2 End of Term Casualty.

It is agreed and understood that:

(i) if, during the two (2) year period preceding the expiration of the term of this Lease, the Premises shall be damaged or destroyed to the extent of fifty percent (50%) or more of its replacement cost; or

(ii) if, during the one (1) year period immediately preceding the expiration of the term of this Lease, the Premises shall be damaged or destroyed to the extent of twenty-five percent (25%) or more of its replacement cost, then Landlord may terminate the term of this Lease, by notice to Tenant within sixty (60) days after such damage or destruction. If Landlord shall give such notice of termination at a time when Tenant shall have the right to exercise an election to extend the term of this Lease (as provided in Section 2.1 hereof) and if, within fifteen (15) days after Tenant shall receive such notice of termination from Landlord, Tenant shall exercise such election, then such notice of termination shall become void and of no force or effect. In the event of any termination of the term of this Lease pursuant to the provisions of this Section 9.2.

(iii) the termination shall become effective on the twentieth (20th) day after the giving of the notice of termination,

(iv) Rent shall be apportioned as of the time of termination and proper adjustments shall be made, and

(v) neither Landlord nor Tenant shall be obligated to repair or restore any damage or destruction caused by such fire or other casualty.

ARTICLE X
EMINENT DOMAIN

10. Condemnation of Premises.

In the event of any exercise of the power of eminent domain as to the Premises or any portion thereof or any interest therein, whether by a condemnation proceeding or otherwise, or any transfer of all or any part of the Premises or any interest therein made in lieu of the exercise of the power of eminent domain prior to or during the Term, including any change in access (all of the foregoing being hereinafter referred to as "Appropriation"), the rights and obligations of Landlord and Tenant shall be as follows:

10.1 Total Condemnation. If the whole of the Premises shall be appropriated by right of eminent domain, then this Lease shall cease being effective as of the date possession is required to be delivered to the appropriating authority. Notwithstanding the foregoing, Tenant shall have the right to lease the Premises after the termination of this Lease from the appropriating authority under such terms and conditions as may be agreed to by Tenant and the appropriating authority. At Tenant's request, Landlord will assist Tenant by communicating Tenant's request to so lease the Premises to the appropriating authority and providing any reasonable cooperation in effectuating such an arrangement.

10.2 Partial Condemnation/Modification or Revocation of Access. In the event of an Appropriation which does not constitute a taking of the whole of the Premises or in the event vehicular access to the Premises is modified, altered or revoked by valid regulation of access by the appropriating authority or entity having jurisdiction over highway control, Tenant shall have the right, but not the obligation, to elect to terminate this Lease effective as of the date possession is required to be delivered to the appropriating authority, provided that any such election is made by written notice from Tenant to Landlord on or before ninety (90) days after Tenant receives written notice of the Appropriation from the Landlord.

10.3 Pro-Ration of Rent. In the event this Lease is terminated pursuant to either paragraph (1) or (2) above, the Rent, and all other obligations of Tenant shall be prorated to the date of termination, and Landlord shall immediately reimburse to Tenant all Rent and any other payments made by Tenant for any period beyond the date of termination.

10.4 Tenant's Damages on Termination. In the event this Lease is terminated pursuant to either paragraph (1) or (2) above, without limitation of Tenant's rights to other awards reserved below, Tenant shall be entitled to receive from the entire award or other proceeds received from the appropriating authority as a result of the Appropriation an amount equal to [the greater of]: (a) the unamortized cost to Tenant of any improvement made by Tenant to the Leased Premises, including any demolition costs incurred by Tenant in connection with the construction of such improvements plus [or] (b) the value of Tenant's leasehold. The unamortized cost to Tenant pursuant to (a) above shall be the cost of such improvements as shown on the books and records of Tenant less the depreciation thereof on a straight line basis over the useful life thereof as determined by Tenant for accounting purposes. In addition, Tenant shall be entitled to claim and receive from the appropriating authority compensation for Tenant's actual moving and relocation expenses, Tenant's trade fixtures

and personal property that are not otherwise acquired by the appropriating authority, and to the extent allowed by law, damage to Tenant's business and goodwill.

10.5 Continuation of Lease after Partial Appropriation. If, following any Appropriation, Tenant elects not to terminate the Lease Term pursuant to paragraph (2) above, the Lease shall continue in full force and effect as to the remainder of the Premises. Landlord shall, within a reasonable time after physical possession is taken of the Premises appropriated, restore what may remain of any buildings and improvements at the Premises (as the same may be affected thereby) to substantially the same condition they were in prior thereof, subject to reduction in size thereof. Tenant may by written notice to Landlord given within thirty (30) days after the date of Appropriation, elect to perform the restoration rather than Landlord, in which event Landlord shall pay to Tenant out of the award or other proceeds of the Appropriation the cost of such restoration. A just proportion of the Rent all other amounts payable by Tenant pursuant to this Lease, according to the nature and extent of the injury to Tenant's business, shall be suspended or abated during the period of restoration until the Leased Premises have been restored. Upon completion of the restoration, the Rent shall be abated and reduced in proportion to the reduction in surface area of the Premises as a result of the Appropriation. Tenant shall be entitled to receive out of the award or other proceeds of the Appropriation an amount equal to the unamortized cost to Tenant of any improvements made Tenant to the Leased Premises (as defined in (4) above) which were taken or rendered unusable to the Appropriation and which cannot be restored as part of the restoration.

10.6 Tenant's Standing in Appropriation Proceedings. Whether or not the Lease is terminated pursuant to paragraphs (1) and (2) above, Tenant shall be entitled to actively participate in and appear in any Appropriation proceedings, and any negotiations with respect to a conveyance in lieu of such proceedings, either separately or in conjunction with Landlord. Tenant's written consent shall be required for the compromise or settlement of any action for Appropriation or fixing compensation therefor. Landlord shall provide Tenant copies of all documents and correspondence with regard to the Appropriation and the Appropriation proceedings, and shall give notice to Tenant of any meetings with the appropriating authority, its agents or representatives, and permit Tenant to attend such meetings. Landlord shall reasonably consult with Tenant so that reasonable business accommodations, if possible, can be made for Tenant as part of any consent or agreement concerning the Appropriation or the manner and form in which such Appropriation shall occur.

ARTICLE XI INSURANCE

11.1 Landlord's Insurance.

Landlord shall maintain fire and extended coverage insurance insuring the Building, the Common Areas, the Premises and the Leasehold Improvements, in an amount equal to one hundred percent (100%) of the full replacement cost thereof, excluding footings and foundations, and so as to prevent the application of co-insurance provisions of such property insurance. Leasehold Improvements shall include all improvements made by Landlord or Tenant (such as those prescribed in Section 9.1(a) hereof) that are permanently affixed to the realty or so attached to the realty that same by law be deemed a part of the realty, but specifically excluding all of tenant's personal property, which shall include the fixtures and furnishings paid for by Tenant, inventory,

merchandise, business operating equipment, and such other items placed on the Premises by Tenant and not permanently affixed to the Premises (collectively referred to as, “**Tenant’s Personal Property**”).

11.2 Tenant’s Insurance.

Tenant is self-insured. A copy of Tenant’s Self-Insured Certificate of Insurance is attached as **Exhibit C**. Tenant maintains its own Injury-on-Duty Program.

11.3 Liability Insurance.

(a) Landlord shall maintain commercial general liability insurance in an amount of not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage per occurrence and have an aggregate of not less than Three Million Dollars (\$3,000,000) and such insurance may be satisfied by so called “blanket” or “umbrella” policies.

11.4 Waiver of Subrogation.

Each Party, on behalf of itself and on behalf of anyone claiming under or through it by way of subrogation or otherwise, waives all rights and causes of action against the other Party and such Party’s agents and invitees for any liability arising out of any loss or damage in or to the Premises, its contents and the Property caused by: (a) any peril normally covered under “All Risk” or Special Form policies described in Article XI (whether or not such Party actually carries such insurance policies); or (b) if the scope of coverage is broader than in (a) above, then any peril actually covered under the property insurance maintained by such Party. This release and waiver shall be complete and total even if such loss or damage may have been caused by the negligence of the other Party or such Party’s agents or invitees and shall not be affected or limited by the amount of insurance proceeds available to the waiving Party, regardless of the reason for such deficiency in proceeds. Each Party covenants that, from and after the Effective Date, its insurance policies will contain waiver of subrogation endorsements, and, if such endorsements for any reason are about to become unavailable, it will give the other Party not less than thirty (30) days’ prior written notice of such impending unavailability.

11.5 General Requirements.

All policies of insurance required to be maintained by Landlord shall be issued by insurance companies having an A.M. Best rating of at least A-/VII or better and authorized to do business in the state in which the Premises is located. All policies of insurance shall include a written undertaking from the insurer to notify all insureds and additional insureds at least ten (10) days prior to cancellation for nonpayment of premiums, and at least thirty (30) days prior to cancellation for any other reason, if such notice is available in the insurance industry. Landlord may provide any insurance required hereunder under so-called blanket policies covering other parties and locations so long as the coverage required hereunder is not diminished. Furthermore, upon request, Landlord shall furnish Tenant with a certificate of insurance evidencing any such policy.

11.6 Third Party Claims.

Subject to the provisions of the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101 *et seq.*, City shall defend and, if found liable, be responsible for paying damages arising from third party claims, suits, liabilities, and judgment for personal injuries or damage to property, caused by Tenant's negligent acts on the Premises, excepting any such injury, damage or loss caused, as determined by applicable principles of comparative fault or by the negligence, fault or willful misconduct of Landlord, its agents, representatives or employees.

ARTICLE XII
DEFAULT

12.1 Tenant Default.

The occurrence of any of the events described in subparagraphs 12.1(a) through (f), shall constitute an “**Event of Default**” by Tenant under this Lease:

(a) Failure of Tenant to pay in full any Rent or other amount payable hereunder within five (5) days after such payment is due.

(b) Default by Tenant in the observance or performance of any of the terms, covenants, agreements or conditions contained in this Lease, other than as specified in subparagraph (a), for a period of thirty (30) days after written notice thereof to Tenant by Landlord.

(c) Except for a Force Majeure Event, the abandonment or vacation of the Premises or any part of it.

(d) Filing by Tenant of a voluntary petition in bankruptcy or a voluntary petition or answer seeking reorganization, arrangement or readjustment of the debts of Tenant, or for any other relief under the U.S. Bankruptcy Code, as amended, or under any other insolvency act, law, rule or regulation, state or federal, now or hereafter existing, or any action by Tenant indicating consent to, approval of, or acquiescence in any such petition or proceeding; the application by Tenant for or the appointment with Tenant's consent or acquiescence of a receiver or trustee for Tenant, or for all or a substantial part of the property of Tenant; the making by Tenant of any general assignment for the benefit of creditors of Tenant; or the inability of Tenant or the admission by Tenant of its inability to pay the debts of Tenant as the same mature.

(e) The filing of any involuntary petition against Tenant in bankruptcy or seeking reorganization, arrangement or readjustment of the debts of Tenant or for any other relief under the U.S. Bankruptcy Code, as amended, or under any other insolvency act, law, rule or regulation, state or federal, now or hereafter existing, or the involuntary appointment of a receiver or trustee for Tenant or for all or a substantial part of the property of Tenant; or the issuance of attachment, execution or other similar process against any substantial part of the property of Tenant and the continuation of any such process for a period of forty-five (45) days un-dismissed, un-bonded or un-discharged.

(f) The insolvency of Tenant.

12.2 Landlord's Remedies.

Except for failure to pay Rent, whenever any other Event of Default shall have occurred, Landlord shall provide Tenant written notice of the Event of Default to the address provided in Section 16.8. Tenant shall have thirty (30) days to cure such Event of Default. If Tenant does not cure such Event of Default within thirty (30) days, after the giving of such notice (or, if such default is of such a nature that it cannot be completely cured within such thirty (30) days), if Tenant does not commence such curing within thirty (30) days and thereafter proceed with reasonable diligence and in good faith to cure such defaults, then Landlord may terminate this Lease on not less than five (5) days' written notice to Tenant, and on the date specified in said notice the Term of this Lease shall terminate, and Tenant shall then quit and surrender the Leased Premises to Landlord. If this Lease shall have been so terminated by Landlord, Landlord may at any time thereafter resume possession of the Leased Premises by any lawful means and remove Tenant or other occupants and their effects in accordance with the terms of this Lease. Alternatively, Landlord may, at its option, upon an additional five (5) days' prior written notice to Tenant, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of Tenant, and any amount paid or any contractual liability incurred by Landlord in so doing shall be deemed paid or incurred for the account of Tenant, and Tenant agrees to reimburse Landlord therefor within fifteen (15) days after receiving a bill therefor accompanied by invoices or other reasonable documentation to substantiate the amount paid on the account of Tenant. Landlord may cure any such default as aforesaid prior to the expiration of said thirty (30) day period, but only after written notice to Tenant and only if the curing of such default prior to the expiration of said thirty (30) day period is reasonably necessary in Landlord's judgment to protect the Building or Landlord's interest therein or to prevent injury or damage to persons or property. If Tenant shall fail to reimburse Landlord within thirty (30) days for any amount paid for the account of Tenant hereunder, such amount shall be added to and become due as part of the next payment of Rent due to Landlord hereunder and all late charges available under this Lease shall be paid by Tenant.

12.3 Landlord Default.

The failure of Landlord to perform or observe any condition or obligation of this Lease to be performed by Landlord within thirty (30) days following written notice by Tenant to Landlord of such failure shall constitute an **Event of Default** by Landlord. If Landlord does not cure such Event of Default within the thirty (30) day period, or if such default is of such a nature that it cannot be completely cured within such thirty (30) day period and if Landlord does not commence such curing within thirty (30) days and thereafter proceed with reasonable diligence and in good faith to cure such Event of Default, then Tenant may terminate this Lease on not less than five (5) days' written notice to Landlord and Rent shall be apportioned through the date of termination and appropriate adjustments made on the date of termination.

12.4 Tenant Remedies.

Whenever any Event of Default by Landlord shall have occurred, Tenant shall have the right to cure the Event of Default on behalf of Landlord, and the reasonable costs of such cure shall be paid to Tenant by Landlord within fifteen (15) days after receiving a bill therefor accompanied by invoices or other reasonable documentation to substantiate the amount paid on the account of Landlord.

12.5 No Remedy Exclusive.

No remedy herein conferred upon or reserved to Landlord or Tenant is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease, or now or hereafter existing at law or in equity or by statute. No delay or omission by Landlord or Tenant in exercising any right or power accruing upon any default of Tenant or Landlord shall impair any such right or power or be construed to be a waiver thereof, but any such right and power may be exercised by Landlord or Tenant at any time, from time to time and as often as may be deemed expedient. In order to entitle Landlord and Tenant to exercise any remedy reserved to them in this Section 12.5, it shall not be necessary to give any notice, other than such notice as is herein expressly required by this Lease.

12.6 Landlord’s Successor.

If any person to whom Tenant shall not then be paying Rent under this Lease shall demand payment of Rent from Tenant or any other amount payable by Tenant under this Lease alleging its right to receive such Rent or other amount as a result of a transfer of Landlord’s interest in this Lease or otherwise, Tenant shall not be obligated to honor such demand unless Tenant shall receive written instructions to do so from Landlord or the person to whom Tenant shall then be paying Rent or shall otherwise receive written evidence satisfactory to Tenant of the right of the person making the demand. The payment of Rent to Landlord (the person or entity to whom Tenant shall then be paying Rent) or any other amount payable by Tenant under this Lease by Tenant pending the determination of the right of the party making the demand shall not be deemed to be a default on the part of Tenant.

ARTICLE XIII
COMMON AREAS

13.1 Right to Use Common Areas.

Landlord grants to Tenant, its agents, employees, customers, invitees, licensees and concessionaires the non-exclusive right during the term of this Lease to use the Common Areas. Tenant’s use of the Common Areas shall be in common with others entitled to the use thereof and subject to the provisions of this Lease. Tenant and all persons having business with Tenant shall have the non-exclusive right to use all Common Areas of the Building, for parking and access, and for no other purpose.

13.2 Landlord's Management of Common Areas.

Landlord shall operate, manage, equip, light, insure, repair, clean, maintain and replace the Common Areas in a condition comparable to similar buildings in the area in which the Building is located and such Common Areas shall at all times be subject to the exclusive control and management of Landlord. Landlord may, at any time, temporarily close all or any part of the Common Areas to make repairs or changes, to prevent the acquisition of public rights in the Common Areas, and to perform such other acts in or to the Common Areas to improve the benefit thereof to Tenant and other Occupants of the Building as Landlord, in its discretion, shall deem appropriate. Landlord shall use reasonable efforts to arrange any temporary closing of the Common Areas at such times and in such manner as to minimize interference with or disruption of the conduct of Tenant's business in the Premises.

ARTICLE XIV
SUBORDINATION AND ATTORNMENT

14.1 Subordination.

(a) Tenant's rights shall be subordinate to the interest of any ground lessor and to the lien of any mortgage or deed of trust in force or later placed against the Building, and to all advances made upon the security thereof. The ground lessor or the mortgagee or beneficiary named in the mortgage or trust deed shall agree that Tenant's peaceable possession of the Premises shall not be disturbed if Tenant is not in default under this Lease. Any mortgagee or beneficiary of Landlord may, at its option, subordinate its mortgage or trust deed to this Lease. This Section 14.1(a) is self-operative, and no further documentation of Tenant's subordination and attornment is required; however, within twenty (20) days after written request from Landlord, Tenant shall execute and deliver to Landlord any subordination and attornment agreement so requested by Landlord, any ground lessor, mortgagor or beneficiary of Landlord.

(b) If any proceedings are brought for foreclosure, or if the power of sale under any mortgage, deed of trust or deed to secure debt made by Landlord covering the Premises is exercised, Tenant shall attorn to the purchaser, or to Lender, as purchaser (which attornment Lender may accept or reject), upon the foreclosure or sale and recognize the purchaser as the Landlord under this Lease.

(c) Landlord may be or become a party to and/or the Building is subject to documents, title matters and/or agreements that affect the Building and/or the Premises and may include restrictions on the use and operation of the Building (the "**Agreement(s)**"), which Agreement(s) may be amended from time to time. The Agreements shall not prevent Tenant from using the Premises for the Permitted Use. This Lease is subject and subordinate to the Agreements and any amendments to or modifications of the Agreements.

ARTICLE XV
ASSIGNMENT AND SUBLETTING

15.1 Assignment and Subletting.

(a) Assignment. Tenant acknowledges that the Landlord is entering into this transaction because of the Landlord's confidence that Tenant can fulfill its obligations under this Lease. Tenant acknowledges that the Landlord shall not be expected to consent to a proposed assignment by Tenant of its interests under this Lease to any person or entity in whom the Landlord does not have similar confidence. Any attempt by Tenant to assign or otherwise transfer its interests under this Lease to a third party without the Landlord's prior written consent shall be null and void and shall, at the option of the Landlord, constitute a default of Tenant under this Agreement. The foregoing notwithstanding, if Tenant transfers its interests under this Lease to another governmental agency or instrumentality of Tenant, or a non-profit, such transfer shall not constitute a prohibited assignment for purposes of this section.

ARTICLE XVI
MISCELLANEOUS

16.1 Severability.

It is agreed that if any provision of this Lease or the application of any provision hereof to any person or any circumstance shall be determined to be invalid or unenforceable, such determination shall not affect any other provisions of this Lease or the application of such other provision to any other person or circumstance, and all of such other provisions shall remain in full force and effect. It is the intention of the Parties hereto that if any provision of this Lease is capable of two (2) constructions, one of which would render the provision valid, the provision shall have the meaning which renders it valid.

16.2 Successors and Assigns.

The words "Landlord" and "Tenant" and the pronouns referring thereto, as used in this Lease, shall mean, where the context requires or permits, the persons named herein as Landlord and as Tenant, respectively, and their respective heirs, legal representatives, successors and assigns, irrespective of whether singular or plural, or masculine, feminine or neuter. The agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and its successors and assigns and shall inure to the benefit of Tenant and its successors and assigns, and the agreements and conditions in this Lease on the part of Tenant to be performed and observed shall be binding upon Tenant and its successors and assigns and shall inure to the benefit of Landlord and its successors and assigns. If Tenant shall be more than one person or entity, the obligations of Tenant hereunder shall be joint and several.

(a) In the event Landlord's interest in the Premises passes to a successor (the "**Successor**") by sale, lease, foreclosure or in any other manner, Tenant shall be bound to the Successor under all of the terms of this Lease for the balance of the Term (and any Renewal Term) , unless terminated in accordance with Section 4.4 with the same force and effect as if the Successor

were Landlord under this Lease, and Tenant hereby agrees to attorn to such Successor as its landlord, such attornment to be effective upon written notice thereof given by Landlord to Tenant. In the event that Landlord's interest in the Premises passes to a Successor, Landlord shall be released from all future obligations to Tenant hereunder arising after the date Landlord's interest so passes.

16.3 Force Majeure.

“**Force Majeure Event**” shall mean any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, acts of terrorism, fire or other casualty, pandemic or epidemic and other causes beyond the reasonable control of the Party obligated to perform, shall excuse the performance by that Party for a period equal to the prevention, delay or stoppage, including the financial ability of Tenant to pay Rent provided the Party prevented, delayed or stopped shall have given the other Party written notice thereof within thirty (30) days after the occurrence of such event causing the prevention, delay or stoppage.

16.4 Holding Over.

Tenant shall surrender the Premises to Landlord at the expiration of the term of this Lease, or upon other termination of this Lease which surrender shall be in accordance with Section 8.2. If Tenant shall default in so surrendering the Premises, Tenant's occupancy subsequent to such expiration or termination shall be deemed to be that of a Tenant at will, and in no event from month-to-month or from year-to-year, but Tenant also shall be subject to all of other terms, covenants and conditions of this Lease, and no extension or renewal of this Lease shall be deemed to have occurred by such holding over.

16.5 Waivers.

Failure of either Party to complain of any act or omission on the part of the other Party, no matter how long the same may continue, shall not be deemed to be a waiver by such Party of any of its rights hereunder. No waiver by either Party at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either Party shall require the consent or approval of the other Party, the other Party's consent to or approval of such action on any one or more occasions shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. Unless expressly and specifically limited herein, any and all rights and remedies which either Party may have under this Lease or by operation of law, either at law or in equity, upon any breach shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other and no one of them, whether exercised by such Party or not, shall be deemed to be in exclusion of any other. Any two (2) or more or all of such rights and remedies may be exercised at the same time.

16.6 Time.

Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

16.7 Quiet Enjoyment.

Landlord agrees that upon Tenant's payment of Rent and performing and observing the agreements and conditions on its part to be performed and observed hereunder, and except as otherwise provided in this Lease, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises and all rights of Tenant hereunder during the term of this Lease without disturbance of its possession of the Premises.

16.8 Notices and Payments.

(a) Any notice, consent or approval provided for herein shall be deemed duly given by the sender thereof to the addressee thereof only if in writing and mailed to such addressee at the "Notice Address" of such addressee (as set forth below) by first class, registered or certified mail, postage prepaid, return receipt requested, or by Federal Express or other overnight courier service. Notice may also be provided by email provided that a hard copy of such notice is also sent pursuant to one of the other delivery methods provided in the immediately preceding sentence. If there is more than one Tenant, any notice required or permitted hereunder may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof. Notice shall be deemed given (i) three (3) business days after deposit in the United States Mail as set forth above, (ii) one (1) business day after sending by Federal Express or similar overnight courier, and (iii) on the same business day if email notice is sent prior to 6:00 P.M. eastern on a business day (or the following business day, if sent after 6:00 P.M. eastern or on a day that is not a business day) and a hard copy is also sent the same day by one of the methods described above in the first sentence of this Section 16.8(a).

The Notice Address of Landlord shall be:

Urban Story Ventures
c/o OBC Properties Delaware, LLC
PO Box 1298
Chattanooga, TN 37401
Attention: James K White III

with a copy to:

Urban Story Ventures
c/o OBC Properties Delaware, LLC
PO Box 1298
Chattanooga, TN 37401
Attention: Brad Shumpert

The Notice Address of Tenant shall be:

City of Chattanooga
Real Property Office
1001 Lindsay Street, Suite G4
Chattanooga, TN, 37402

with a copy to:

Office of the City Attorney
100 E. 11th Street, Suite 200
Chattanooga, TN 37402

If the sender of any notice to any addressee shall have previously been given notice by said addressee of a change of address of said addressee, such changed address shall thereafter, as to such sender, be deemed the Notice Address of such addressee.

(b) All payments of Rent and other monetary obligations of Tenant will be sent to the address set forth below, or to such other address as notified by Landlord to Tenant in writing.

The Payment Address of Landlord shall be:

OBC Properties Delaware, LLC
c/o Urban Story Ventures
735 Broad Street, Suite 1100
Chattanooga, TN 37402

16.9 Prior Agreements.

This Lease contains the entire agreement of the Parties hereto and any and all oral and written agreements, understandings, representations, warranties, promises and statements of the Parties hereto and their respective officers, directors, partners, agents and brokers with respect to the subject matter of this Lease and any matter covered or mentioned in this Lease shall be merged in this Lease and no such prior oral or written agreement, understanding, representation, warranty, promise or statement shall be effective or binding for any reason or purpose unless specifically set forth in this Lease. No provision of this Lease may be amended or added to except by an agreement in writing signed by the Parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any Party until fully executed by both Parties hereto.

16.10 Hazardous Materials.

Landlord represents that as of the Effective Date and to the best of Landlord's knowledge, the Premises are in compliance with all laws, rules and regulations governing its construction, condition, use and occupancy; the premises are free from the contamination of hazardous wastes or materials, including but not limited to, asbestos and asbestos containing materials (collectively "Hazardous Materials"). For the purposes of this paragraph, Hazardous Materials shall include but not be limited to, substances defined, as "hazardous substances", "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, *et. seq.*; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 1801 *et seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 *et seq.* and any applicable state laws, and the regulations adopted pursuant to said laws.

(a) Definitions.

(i) **“Environmental Laws”** – All present and future federal, state and municipal laws, ordinances, rules and regulations applicable to the environmental and ecological condition of the Premises and the Building, if applicable, including, without limitation, the

Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Federal Resource Conservation and Recovery Act; the Federal Toxic Substance Control Act; the Clean Air Act; the Clean Water Act; the rules and regulations of the Federal Environmental Protection Agency, or any other federal, state or municipal agency or governmental board or entity having jurisdiction over the Premises.

(ii) **“Hazardous Substances”** – includes:

(A) those substances included within the definitions of **“hazardous substances”**, **“hazardous materials”**, **“toxic substances”**, **“solid waste”**, or **“infectious waste”** in any of the Environmental Laws;

(B) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or which are classified as hazardous, toxic or infectious under Environmental Laws; and

(C) asbestos and asbestos-containing material (regardless of its condition); mold; any chemical, material or substance at any time defined as or included in the definition of **“hazardous substances”**, **“hazardous wastes”**, **“hazardous materials”**, **“extremely hazardous waste”**, **“biohazardous waste”**, **“pollutant”**, **“toxic pollutant”**, **“contaminant”**, **“restricted hazardous waste”**, **“infectious waste”**, **“toxic substances”** or any other term or expression intended to define, list or classify substances by reason of its properties being harmful to health, safety or the indoor or outdoor environment (including harmful properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity or words of similar import) under any Legal Requirements; any oil, petroleum fraction or petroleum derived substance; urea formaldehyde foam insulation; electrical equipment which contains any oil or dielectric fluid containing polychlorinated biphenyls.

(b) Tenant, at its sole cost and expense, shall promptly comply with all Environmental Laws which shall impose any duty upon Tenant with respect to the use, occupancy or maintenance of the Premises. Tenant shall promptly comply with any notice from any source issued pursuant to the Environmental Laws pertaining to Tenant’s use, occupancy or maintenance of the Premises, whether such notice shall be served upon Landlord or Tenant.

(c) From and after the Effective Date, Tenant shall not cause or permit to occur:

(i) any violation of the Environmental Laws related to environmental conditions on, under or about the Premises, or arising from Tenant’s use, occupancy or maintenance of the Premises; and

(ii) the use, generation, release, manufacture, refining, production, processing, storage or disposal of any Hazardous Substances (in actionable levels) on, under or about the Premises, or the transportation to or from the Premises of any Hazardous Substances, except as necessary and appropriate for general use in which case the use, storage or disposal of such Hazardous Substances shall be performed in compliance with the Environmental Laws.

(d) Tenant shall immediately notify Landlord of (i) any violation by Tenant, its employees, agents, representatives, or contractors of the Environmental Laws on, under or about the Premises, or (ii) the presence or suspected presence of any Hazardous Substances on, under or about the Premises and shall immediately deliver to Landlord any notice received by Tenant relating to Subsections (i) and (ii) above from any source.

(e) Upon reasonable belief that Hazardous Substances are present in, under or about the Premises and upon advance notice (except in the case of emergency when no notice shall be required), Landlord and its agent shall have the right, but not the duty, (unless it is reasonably believed that such Hazardous Substances first existed prior to the Effective Date or originated outside the Premises, in which cases, Landlord shall have a duty) to inspect the Premises and conduct tests thereon at any time to determine whether, or the extent to which, there has been a violation of Environmental Laws by Tenant or whether there are Hazardous Substances on, under or about the Premises. In exercising its rights herein, Landlord shall use commercially reasonable efforts to minimize interference with Tenant's business but such entry shall not constitute an eviction of Tenant, in whole or in part, and Landlord shall not be liable for any interference, loss or damage to Tenant's Personal Property or business operations caused thereby unless such Hazardous Substances first existed prior to the Effective Date or originated outside the Premises, and was not caused by Tenant or anyone claiming by, through or under Tenant.

16.11 Headings and Captions.

The marginal notes used as headings for the various provisions of this Lease are used only as a matter of convenience for reference and are not to be considered a part of this Lease or used in determining the intent of the Parties to this Lease.

16.12 Brokers.

Landlord and Tenant each warrant and represent to the other that it has not dealt with any broker or real estate representative or consultant in connection with this Lease ("**Broker**"). In connection therewith, Landlord agrees to be responsible to pay a commission to Broker, pursuant to a separate agreement between Landlord and Broker. Otherwise, each Party shall defend, indemnify and hold the other Party harmless from and against any and all such indemnified costs relating to a breach of the foregoing representation by the indemnifying Party in bringing about this Lease, including, without limitation, reasonable attorneys' fees.

16.13 Relationship of the Parties.

Nothing contained in this Lease shall be deemed or construed by the Parties hereto, nor by any third party, as creating the relationship of principal and agent, partnership or joint venture between the Parties hereto. It being understood and agreed that no provision contained in this Lease, nor any acts of the Parties hereto, shall be deemed to create any relationship between the Parties hereto other than Landlord and Tenant.

16.14 Memorandum of Lease.

Tenant shall not record this Lease, a memorandum, "short form" or other reference to this Lease, without the written consent of Landlord which may be withheld in Landlord's discretion.

16.15 Security Deposit. Intentionally Deleted.

16.16 Attorney's Fees.

If either Party is required to bring or maintain any action (including assertion of any counterclaim or cross-claim, or claim in a proceedings in bankruptcy, receivership or any other proceeding instituted by a Party hereto or by others), or otherwise refers this Lease to an attorney for the enforcement of any of the covenants, terms or conditions of this Lease, the prevailing Party in such action shall, in addition to all other payments required herein, receive from the other, to the extent allowed by law, all the costs incurred by the prevailing Party including reasonable attorneys' fees and such costs and reasonable attorneys' fees which the prevailing Party incurred on any appeal.

16.17 Waiver of Trial by Jury.

Landlord and Tenant mutually, expressly, irrevocably and unconditionally waive the right to trial by jury for any proceedings arising out of or in connection with this Lease, or any conduct or course of dealing of the Parties, or any statements or actions of any person related to this Lease.

16.18 Landlord's Right to Expand.

Landlord may, at its election and at its sole cost and expense (but shall in no event be obligated to) modify or expand the Building. Tenant acknowledges that such construction, modification or expansion if and when it may occur, will involve barricading, materials storage, noise, the presence of workmen and equipment, rearrangement of parking areas, roadways and lighting facilities, and other inconveniences typically associated with construction. Notwithstanding the foregoing, in no event will Landlord's expansion unreasonably interfere with Tenant's use of the Premises for the purpose set forth in Section 1.4 above.

16.19 Access.

Upon reasonable notice, Landlord shall have access to the Premises at all reasonable times during Tenant's regular business hours for purposes of making inspections, exercising any cure rights as set forth in Article XII above and showing the Premises to prospective tenants, mortgagees or purchasers. Landlord will endeavor to give Tenant's manager on duty reasonable advance oral notice before entering the Premises, but in an emergency situation no such notice shall be necessary.

16.20 Estoppel Certificate.

Tenant shall, at any time and from time to time, within twenty (20) days after written request from Landlord, execute and deliver to Landlord and any other parties designated by

Landlord (including, without limitation, lenders, investors, prospective purchaser and their lender(s)) and , a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the Rent and other charges are paid in advance, if any; (b) acknowledging that there are not, to Tenant’s knowledge, any uncured defaults on the part of Landlord or Tenant hereunder, or specifying such defaults if any are claimed; (c) setting forth the rent commencement date and date of the expiration of the term of the Lease; and (d) certifying as to such other matters as Landlord may reasonably request. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Building.

16.21 Legal Requirements.

“**Legal Requirements**” shall mean all applicable law, including without limitation and by way of illustration, all statutes, ordinances, orders, rules, regulations, code standards and requirements of governmental or quasi-governmental entities having jurisdiction over the Premises and the Building. The necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships or individuals, men or women, as the case may be, shall in all cases be assumed as though in each case fully expressed.

16.22 Plats, Riders and Exhibits.

Clauses, plats, riders, addenda and exhibits, if any, affixed to this Lease are hereby incorporated herein by reference as if fully set forth and are expressly made a part hereof.

16.23 Governing Laws.

This lease shall be governed by the laws of the State of Tennessee.

16.24 Counterparts.

This Lease may be executed in several counterparts, each of which shall be deemed to be an original and all of which, collectively, shall be deemed to constitute one and the same instrument. Further, the Parties hereby confirm and agree that this Lease may be (i) executed electronically, with such electronic signature deemed to constitute an original signature, and (ii) delivered by facsimile or other electronic transmission.

[signatures on the following page]

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be executed as of the Effective Date.

LANDLORD:
OBC Properties Delaware, LLC

WITNESSES

Name: _____

By: _____
Name: James K. White III
Title: *President*

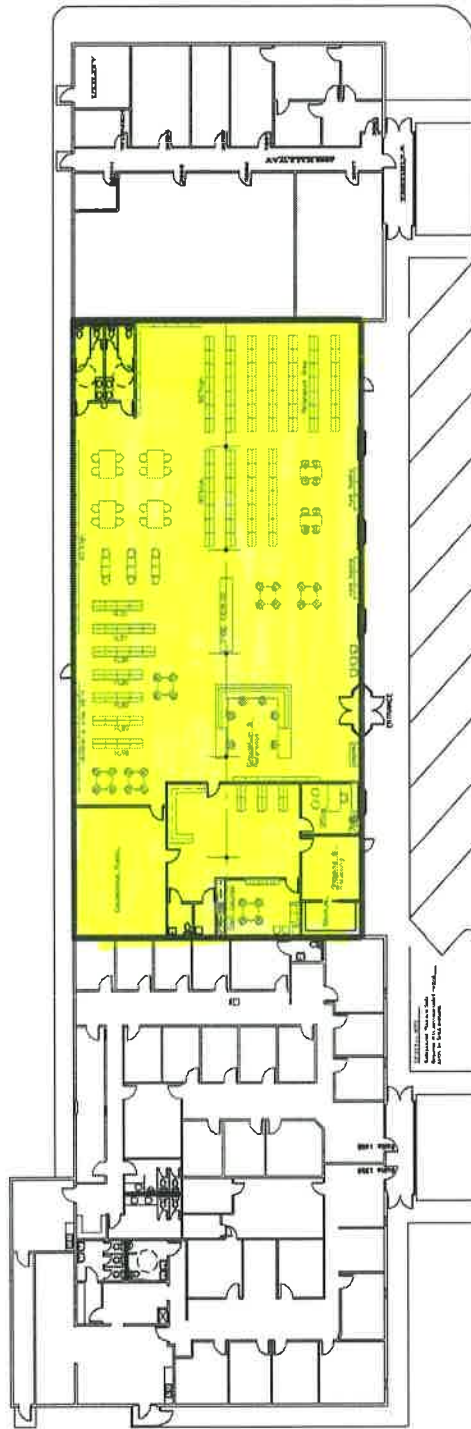
TENANT:
City of Chattanooga

WITNESSES

Name: _____

By: _____
Name: Jermaine E. Freeman
Title: *Senior Advisor for Economic Opportunity*

EXHIBIT "A"
FLOOR PLAN



5900 BUILDING

SCALE: 3/32" = 1'-0"

Exhibit "B" Parking



Legend
□ Parcels



Disclaimer: This map is to be used for reference only, and no other use or reliance on the same is authorized. This map was automatically generated using HCGIS Mapping System. Parcel lines are shown for reference only and are not intended for conveyances, nor is it intended to substitute for a legal survey or property abstract.

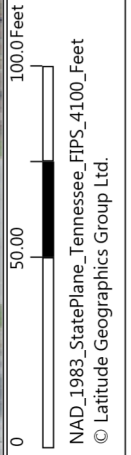


EXHIBIT "C"
Self-Insured Certificate of Insurance



City of Chattanooga
Human Resources Department

Tim Kelly, Mayor

CERTIFICATE OF SELF-INSURANCE

This is to certify that the City of Chattanooga Government is a self-insurer in accordance with the Tennessee Governmental Tort Liability Act.

The funded Self-Insurance Plan is established under the provisions of the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-403, et. seq., which establishes the limits of liability for governmental entities in the State of Tennessee. For all claims against a self-insuring governmental entity, the Act establishes a maximum limit of liability of Three Hundred Thousand (\$300,000.00) Dollars for bodily injury or death of any one (1) person in any one (1) accident, occurrence or act, and Seven Hundred Thousand (\$700,000.00) Dollars for bodily injury or death of all persons in any one (1) accident, occurrence or act, and One Hundred Thousand (\$100,000) Dollars for injury or destruction of property of others in any one (1) accident, occurrence or act. The provisions of the above limits shall apply to any action arising on or after July 1, 2007.

A handwritten signature in blue ink, appearing to read "Michael Anthony", is written over a horizontal line.

Michael Anthony
Director of Safety, Compliance, & Risk Management