

RESOLUTION NO. 29611

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A LEASE AGREEMENT WITH SECOND LIFE OF CHATTANOOGA, INC., IN SUBSTANTIALLY THE FORM ATTACHED, FOR ONE HUNDRED EIGHT (108) SQUARE FEET OF OFFICE SPACE IN A PORTION OF THE FAMILY JUSTICE CENTER AT 5705 UPTAIN ROAD, IDENTIFIED AS TAX PARCEL NO. 157M-A-012, FOR A TERM OF TWO (2) YEARS, WITH THE OPTION TO RENEW FOR AN ADDITIONAL TERM OF TWO (2) YEARS, IN THE AMOUNT OF TWO THOUSAND THREE HUNDRED SEVENTY-SIX DOLLARS (\$2,376.00) PER TERM.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that it is hereby authorizing the Mayor to enter into a Lease Agreement with Second Life of Chattanooga, Inc., in substantially the form attached, for 108 sq. ft. of office space in a portion of the Family Justice Center at 5705 Uptain Road, identified as Tax Parcel No. 157M-A-012, for a term of two (2) years, with the option to renew for an additional term of two (2) years, in the amount of \$2,376.00 per term.

ADOPTED: September 4, 2018

/mem

OFFICE LEASE

THIS OFFICE LEASE (“Lease”) is entered into by and between the City of Chattanooga, Tennessee (“Landlord”) and Second Life of Chattanooga, Inc. (“Tenant”), to be effective as of July 1, 2018, (“the “Effective Date”), when approved and authorized by the parties’ respective governing body or legal entity, and in compliance with applicable laws, signed by the parties, and approved by their respective attorneys, as follows:

1. Definitions.

“**Term**” shall have that meaning ascribed to it in Section 3 of this Lease.

“**Rent**” shall have that meaning ascribed to it in Section 4(B) of this Lease.

“**Building Operating Hours**” means between the hours of 8:00 a.m. to 6:00 p.m., Monday through Friday, with recognized legal holidays excepted.

“**Tenant Operating Hours**” means the hours of 8:00 a.m. to 6:00 p.m. and 8:00 a.m. to 8:00 p.m. two days per week, Monday through Friday, with recognized legal holidays excepted.

“**Building**” means the entire Building comprising approximately 32,310 square feet, or any additions thereto, commonly known as The Family Justice Center located at 5705 Uptain Road, Chattanooga, Tennessee.

“**Premises**” means the approximately 108± rentable square feet comprising the entire Tenant space in the Building, as shown on the premises floor plan attached as **Exhibit A** and incorporated herein by reference.

“**Facility**” means the Building, Premises, Employee and Public Parking Areas, landscaping, walks and associated improvements commonly known as The Family Justice Center located at 5705 Uptain Road, Chattanooga, Tennessee.

“**Employee and Client Parking Area**” means the adjacent parking lot located on the northwest corner of the Building and the “head-in” parking off of Debra Road at the rear of the Building. Employee and Client Parking Area is for the nonexclusive use by Tenant’s employees, clients, and guests during Tenant Operating Hours. No leasehold estate is created by this Lease, or otherwise, for the Employee and Client Parking Areas or any portion of it.

“**Public Parking Area**” means the adjacent parking lot along Eastgate Loop Road and Uptain Road and is for the temporary use of Tenant’s customers and vendors in support of their business operations and shall be limited to 2-hour maximum parking. Tenants and their employees are precluded from using the Public Parking Area during Building Operating Hours.

“Facility Rules and Regulations” means the rules and regulations which may hereafter be adopted by the Landlord for the care, protection, cleanliness, and operation of the Facility, and any reasonable modifications or additions to such rules and regulations adopted by Landlord so long as the same does not negatively impact the Facility or Tenant’s use, occupancy and enjoyment thereof or Tenant’s rights under this Lease. Notwithstanding the foregoing, Landlord and Tenant agree that the terms and conditions of this Lease shall control the rights and responsibilities of the parties and shall supersede any and all provisions of the Facility Rules and Regulations which may now or in the future conflict with the terms and conditions of this Lease. Landlord shall not be responsible to Tenant for failure of any other tenant(s) or occupant(s) of the Building to observe or comply with any of the Facility Rules and Regulations except to the extent that Landlord’s contribution to any such failure to observe or comply with any of the Facility Rules and Regulations exceeds the contribution of any other tenant(s) or occupant(s) of the Building. The term “Facility Rules and Regulations” shall be deemed to include any and all reasonable amendments made by Landlord to the Facility Rules and Regulations after the date of this Lease as Landlord may deem necessary, in Landlord’s reasonable discretion, for the proper and efficient operation and maintenance of the Facility. Such rules and regulations may include, without limitation requirements and or restrictions in Building Operating Hours during which the Building will be open for use so long as the same does not negatively impact the Facility or Tenant’s use, occupancy and enjoyment thereof or Tenant’s rights under this Lease.

“Hazardous Material” means:

A. Those substances included within the definitions of “hazardous substance,” “hazardous waste,” “hazardous material,” “toxic substance,” “solid waste,” “pollutant,” or “contaminant” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Clean Water Act (33 U.S.C. § 2601 et seq.); the Toxic Substances Control Act (15 U.S.C. § 9601 et seq.); the Hazardous Material Transportation Act (49 U.S.C. §1801 et seq.); or under any other applicable environmental law;

B. Those substances within the definitions of “Oil” or a “Hazardous Substance” listed or identified pursuant to §311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321, as well as any other hydrocarbonic substance or by-product;

C. Any material which due to its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, damages or threatens to damage, health, safety, or the environment, or is required by any law or public agency to be remediated, including remediation which such law or public agency requires in order for the property to be put to any lawful purpose;

D. Pesticides, regulated under the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et seq.;

E. Asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.;

F. Any radioactive material, including without limitation, any “source material,” “special nuclear material,” “by-product material,” “low-level wastes,” “high-level radioactive waste,” “spent nuclear fuel,” or “transuranic waste,” and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act, 42 U.S.C. §2011, et seq., the Nuclear Waste Policy Act, 42 U.S.C. §10101 et seq.;

G. Those substances listed in the United States Department of Transportation Table (49 CFR Part 172.101), or by the Environmental Protection Agency, or any successor agency, as hazardous substances (40 CFR Part 302);

H. Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state or local laws or regulations;

I. Any material, waste or substance that is:

- (i) a petroleum or refined petroleum product;
- (ii) asbestos;
- (iii) polychlorinated biphenyl;
- (iv) designated as a hazardous substance pursuant to 33 U.S.C. § 1321 or listed pursuant to 33 U.S.C. § 1317;
- (v) a flammable explosive; and
- (vi) a radioactive material;

J. Substances defined, or as may be defined, as “hazardous substances,” “hazardous materials,” or “toxic substances” in the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), any and all amendments and recodifications of the foregoing laws and any rules or regulations adopted and publications promulgated pursuant to said laws; and

K. (i) Any other substance which results in liability to any person or entity from exposure to such substance under any statutory or common law theory; (ii) any matter or substance which is in excess of relevant and appropriate levels set forth in any applicable federal, state, or local laws or regulations pertaining to the regulation of any hazardous or toxic substance, material or waste, or for which any applicable federal, state or local agency orders or otherwise requires the removal, treatment or remediation; (iii) asbestos; (iv) urea formaldehyde foam insulation; (v) transformers or other equipment which contains dielectric fluid containing levels of polychlorinated biphenyls (PCBs) in excess of fifty (50) parts per million; or (vi) any other chemical material, or substance, to which exposure is prohibited, limited or regulated by any governmental authority or agency or which may or could pose a hazard to the health and safety of the occupants of the Facility or the owners of the Property adjacent to the Facility.

L. Medical waste is not included in this definition of “Hazardous Material” and is to be disposed of per governing laws and regulations.

“Internet Access Agreement” means the Agreement executed by Landlord and Tenant contemporaneous with this Lease evidencing Landlord’s agreement to provide nonexclusive, dedicated high-speed Internet access to Tenant during the term of the Lease, a copy of which is attached as **Exhibit B** and incorporated herein by reference. Landlord and Tenant agree that the terms and conditions of this Lease shall control the rights and responsibilities of the parties and shall supersede any and all provisions of the Internet Access Agreement which may now or in the future conflict with the terms and conditions of this Lease.

2. Lease of the Premises. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord.

3. Term. Unless sooner terminated pursuant to the terms of this Lease, the term of this Lease (“Term”) shall be for a period of two (2) years beginning on the Effective Date of this Lease, and shall not renew automatically, but may be renewed for one (1) additional two-year term upon mutual agreement of the parties.

A. Termination. Either party may terminate this Lease upon one hundred eighty (180) days’ written notice to the other party.

4. Rent.

A. Base Rent. Tenant shall, during the Term, pay to Landlord rent in the amount of Ninety-nine and No/100 Dollars (\$99.00) per month beginning on the Effective Date of this Lease. The funds deemed appropriated by Landlord to Tenant during the Term shall be based upon a fair market rental value of approximately Twenty-two and 27/100 Dollars (\$22.27) per square foot (108± square feet) less Base Rent (defined below) paid by Tenant (\$2,376.00) for a total appropriated amount of \$2,434.32 (the “Appropriated Funds”). Rent may be paid by check and delivered personally or by First Class Mail to Landlord at City of Chattanooga, Attention: Public Works Administration, 101 E. 11th Street, Suite G4, Chattanooga, TN 37402.

B. Common Area Costs. Included in the calculation of Base Rent as defined by Section A shall be Tenant’s pro rata share (the “Tenant Share”) of the Landlord’s operating expense of the Common Areas of the Facility. The Tenant Share shall be calculated by dividing the rentable square footage of the Premises for each Tenant by the total rentable square footage of the Facility as indicated on the premises floor plan to calculate a percentage Common Area Cost allocation to be multiplied by the Landlord’s operating expense of the Facility. (i.e. Tenant A with a Premises rentable square footage of 5,000 square feet divided by the total rentable square footage of 20,000 shall have a Common Area Cost allocation of 25% of the Landlord’s operating expense of the facility) The direct “Operating Expenses” (defined below) shall be adjusted to reflect one hundred percent (100%) occupancy of the Building.

- i. Operating Expenses Defined. "Operating Expenses" shall mean the reasonable cost of insurance required and obtained by Landlord pursuant to this Lease, and the aggregate of all costs and expenses payable by Landlord in connection with the ownership, operation, management, maintenance, cleaning, and repair of the Facility. Operating Expenses shall include without limitation, the costs of: (a) landscaping, repaving, resurfacing, repairing, replacing, painting, lighting, cleaning, pest control, and removing trash and similar items with respect to the Common Areas; (b) all taxes; (c) utilities, including water, electricity, phone, and internet access; (d) trash disposal service; (e) operating, repairing, and maintaining life-safety systems, including, without limitation, sprinkler systems; (f) operating, repairing, and maintaining the heating and air conditioning ("HVAC") system and elevator services; (g) painting, window washing, general cleaning, and janitorial services for the Facility; (h) monitoring services, if provided by Landlord, including, without limitation, monitoring or control devices used by Landlord in regulating the parking areas; (i) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, and repair of the Facility or Common Areas; (j) energy allocation, energy use surcharges, or environmental charges; (k) municipal inspection fees or charges; (l) any other costs or expenses incurred by Landlord in connection with the Common Areas which are not otherwise reimbursed directly by tenants; (m) management fees; (n) that part of office rent or rental value of space used or furnished by Landlord to enhance, manage, operate, and maintain the Facility; (o) accounting, consulting, and legal fees and expenses incurred in connection with the operation and maintenance of the Facility or any other costs related thereto; (p) water quality fees; (q) debt retirement; and (r) any additional services which Landlord reasonably deems necessary in connection with the management or operation of the Facility. The computation of Operating Expenses shall be made in accordance with generally accepted accounting principles consistently applied. Charges for any services, goods, or materials furnished by Landlord at Tenant's request and charges for services, goods, and materials furnished by Landlord as a result of uses or demands by Tenant in excess of those charges which are normally furnished to other tenants in the Facility, and all other sums payable by Tenant under this Lease shall not be included in Operating Expenses, but shall be payable by Tenant within sixty (60) days after Landlord delivers a statement for such services, goods, or materials to Tenant. Operating Expenses shall not include any brokerage fees or costs with respect to the Facility, or costs of acquisition of new land or construction of new Buildings, any expenditures for which Landlord is reimbursed from any source (e.g., other reimbursements from tenants for common expenses), including, without limitation, insurance and condemnation proceeds, and

expenses in connection with services or other benefits of a type that are not provided to another tenant or occupant of the Facility.

- ii. Operating Expense Exclusions. Operating Expenses shall expressly exclude the following without limitation:
- (a) Repairs or other work to the Facility occasioned by any uninsured fire, windstorm, or other casualty;
 - (b) Leasing commissions, attorney's fees, costs and disbursements and other expenses incurred in connection with negotiations or disputes with tenants, other occupants or prospective tenants or other occupants of the Facility;
 - (c) Costs of Landlord's general administrative expenses, which costs would not be charged to the Operating Expenses of the Facility in accordance with generally accepted Governmental Accounting Standards Board (GASB) accounting principles, consistently applied;
 - (d) Costs incurred due to the violation by Landlord or any tenant of the terms and conditions of any lease pertaining to the Facility of any valid, applicable Facility code, regulation or law or incurred due to the Facility being in violation of any such code, regulation or law;
 - (e) The management fee, overhead, and/or profit increments paid to subsidiaries or affiliates of Landlord for services on or to the Facility, to the extent the costs of such services exceed reasonable costs for such services rendered by unaffiliated or entities of similar skill, competence, and experience;
 - (f) Any compensation paid to clerks, attendants, or other persons in commercial concessions, if any, operated by Landlord;
 - (g) Landlord's costs of general electricity and other services sold to tenants, which services are not standard for the Facility;
 - (h) Any other expenses which, under generally accepted Governmental Accounting Standards Board (GASB) accounting principles, consistently applied, would not be rendered as a normal maintenance or operating expense of the Facility;
 - (j) The cost of any repair necessitated by a total or partial taking by eminent domain, excluding any costs of any repair necessitated by a total or partial taking.

- (i) Insurance premiums to the extent of any refunds thereof; and
 - (j) Any expenses for repairs or maintenance which are reimbursed through warranties or service contracts.
- iii. Disputed Landlord's Statement. If Tenant disputes a Landlord's Statement, Tenant may at any time deliver to Landlord a written notice of such dispute ("Dispute Notice"). The Dispute Notice shall specify the items in the Landlord's Statement claimed to be incorrect. If Landlord disagrees with the Dispute Notice, Landlord and Tenant shall mutually agree on an independent certified public accountant (a "Neutral Accountant") not compensated on a contingency fee or similar basis relating to the results of such audit. Tenant shall pay the Neutral Accountant's costs and fees unless in the Neutral Accountant's opinion the Tenant is found to have overpaid items as disputed by Tenant and such Neutral Accountant's costs and fees shall be paid by the Landlord. The Neutral Accountant shall review Landlord's Statement and any pertinent supporting documentation and render an opinion regarding the items in dispute. The Neutral Accountant's opinion shall be deemed correct and shall be conclusively binding on both Landlord and Tenant. If Tenant is found to have overpaid items disputed in the Landlord's Statement, the amount of overpayment, plus interest at the rate of eight percent (8%) per annum, shall be credited against Tenant's obligations to pay Rent next becoming due, or reimbursed to Tenant if no such amounts shall become owing. If Tenant is found to have underpaid items disputed in the Landlord's Statement, Tenant shall pay the amount of such underpayment to Landlord plus interest at the rate of eight percent (8%) per annum within sixty (60) days after receipt of the Neutral Accountant's opinion.

C. Delinquent Rent.

- i. Grace Period. No Rent or other monetary obligation of Tenant's under this Lease shall be delinquent until after the fifth (5th) day following the applicable payment's due date. All late charges allowed under this Lease shall be calculated as of the due date of the applicable payment and not from the date of expiration of any grace period.
- ii. Interest. Any amount due from Tenant to Landlord which is not paid when due shall bear interest at eight percent (8%) per annum from the date such payment was due until paid.
- iii. Late Charges. Tenant acknowledges that in addition to lost interest, the late payment by Tenant to Landlord of Rent or any other sums due hereunder will cause Landlord to incur other costs not contemplated in this

Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such other costs include, but are not limited to, processing, administrative, and accounting costs. Accordingly, if any installment of Rent or other sum due from Tenant to Landlord shall pay to Landlord as Additional Rent, a late charge equal to four percent (4%) of such delinquent amount. The parties agree that: (a) such late charge represents a fair and reasonable estimate of the costs Landlord will incur in processing such delinquent payment by Tenant; (b) such late charge shall be paid to Landlord as liquidated damage for each delinquent payment; and (c) the payment of late charges and the payment of interest are distinct and separate from one another in that the payment of interest is to compensate Landlord for the use of Landlord's money by Tenant, while the payment of late charges is to compensate Landlord for the additional administrative expense incurred by Landlord in handling and processing delinquent payments.

iv. No Waiver. Neither assessment nor acceptance of interest or late charges by Landlord shall constitute a waiver of Tenant's breach or default with respect to any overdue amount, nor prevent Landlord from exercising any of its other rights and remedies under this Lease. Nothing contained in this Section 4(E) shall be deemed to condone, authorize, sanction or grant to Tenant an option for the late payment of Rent or other sums due hereunder. This section shall not enlarge the rights and remedies of Landlord as set forth in this Lease, by law, or otherwise.

D. Returned Checks. Any checks returned by Tenant's bank shall be assessed a handling charge not to exceed thirty (\$30.00) dollars.

5. Improvements.

A. Improvements or Renovations by Tenant. Tenant shall not make any alterations, improvements, renovations or additions to or install any fixtures on or in the Facility without Landlord's written consent where necessary under the **Facility Rules and Regulations**. Any fixtures, alterations, improvements, renovations or additions consented to by Landlord shall be constructed without cost to Landlord in a first-class, good, workmanlike and defect-free manner by licensed contractors with experience in construction of tenant improvements in Class-A office buildings and approved by Landlord, which approval may be withheld by Landlord in its reasonable discretion. Tenant shall obtain all required permits or licenses required by applicable governmental authorities and Tenant shall be solely responsible for the effect of any alterations made by Tenant on the Premises or the Facility, regardless of Landlord's consent to such alterations. Excepting improvements to the Premises made by Landlord, in no event shall Landlord be responsible for repair of or liability to Tenant for any defects in any alterations, improvements or additions to the Premises made or caused to be made

by Tenant, except to the extent Landlord damages or otherwise devalues such alterations, improvements, or additions. Tenant shall give Landlord fifteen (15) days advance notice before beginning any work on alterations to allow Landlord time to file a "Notice of Non-responsibility" and take any other actions in anticipation of such work. Upon completion of the alterations, Tenant shall provide Landlord with a complete set of "as-built" plans. A list of mutually agreed upon décor and wall hangings permitted by Landlord is attached hereto as **Exhibit C** and incorporated by reference.

B. Alterations by Landlord. Landlord may make alterations or other changes to the Premises which Landlord determines in its sole and absolute discretion are necessary or desirable without notice to or consent of Tenant provided the same does not negatively impact or interrupt the Facility or the Premises or Tenant's use, occupancy and enjoyment thereof or Tenant's rights under this Lease. Tenant shall reasonably cooperate with Landlord if Landlord elects to make alterations or other changes to the Facility.

C. Removal of Personal Property. Tenant, at its sole expense, shall remove from the Premises all of Tenant's personal property (except such items as Landlord shall have expressly permitted to remain, which property shall become the property of Landlord) on or before the expiration of the Term or renewal thereof, or as soon as practicable after the expiration or earlier termination of this Lease, but in no event later than thirty (30) days after the expiration or earlier termination of this Lease. Tenant shall pay to Landlord rent calculated on a per diem basis using the Base Rent in effect just prior to such expiration or earlier termination for any period of time needed to remove Tenant's personal property after the expiration or earlier termination of this Lease. Tenant shall repair any damage to the Premises or the Facility caused by such removal, including, without limitation, patching and filling holes. Tenant shall not be responsible for normal wear and tear. Notwithstanding the foregoing, Tenant shall not remove or be required to remove, any HVAC systems, restroom fixtures, flooring, plumbing, ceilings, walls, or utility or electrical components. Any of Tenant's personal property that remains on the Premises after the expiration or earlier termination of this Lease, or within thirty (30) days following an earlier termination date, may at the option of Landlord, be deemed to have been abandoned, and in such case any such items may be retained by Landlord as its property or disposed of by Landlord, without accountability, in such manner as Landlord shall determine, at Tenant's expense.

6. Signs. Tenant may attach its usual signs and the signs of its sub-tenants on or about the Premises, providing such signs comply with all legal requirements, with the prior written approval of Landlord. Tenant agrees, that upon the termination of this Lease, to remove any signs which Tenant may have painted or erected upon or attached to the Premises, and Tenant further agrees to repair any damage to the Premises because of the removal of the signs.

7. Use.

- A. Permitted Use. Tenant represents and warrants to Landlord that Tenant shall use the Premises only as general office and uses related to the operation of its business as of the Effective Date. Landlord recognizes that Tenant's business necessarily involves providing for the needs of children and their families, guidelines and/or regulations who are often required to be on the Premises, and while Tenant will use its best efforts to ensure those individuals comply with the requirements of this provision, the presence and/or behavior of those individuals may not constitute an interference, nuisance, annoyance, or other violation by Tenant with regard to this provision or any other provision of this Lease unless such behavior constitutes a violation of a federal, state or local law.
- B. Additional Use Limitations. Tenant shall not permit the occupancy of the Premises at any time during the Term to exceed that allowed by the applicable codes and regulations concerning occupancy. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Facility or injure or unreasonably annoy them or use or allow the Premises to be used for any unlawful purpose. Tenant's use and occupancy of the Premises shall not create a nuisance. Tenant shall not commit or permit to be committed any waste in or upon the Premises.
- C. Compliance with Laws, Covenants and Requirements. Tenant shall comply with, and shall not use the Premises in any way, or permit or suffer anything to be done in or about the Premises, which will conflict with: (i) any law, rule, or regulation applicable to Tenant and affecting the Premises, now in force or which may hereafter be promulgated, including, without limitation, the provisions of any city or county zoning codes regulating the use of the Facility or any transportation management program established by any governmental or quasi-governmental entity that is either voluntarily or involuntarily made applicable to the Facility; (ii) any covenant, condition or restriction of public record and now in force affecting the Facility, including, without limitation, any notices, letters or other such documentation affecting the Facility; (iii) the Americans with Disabilities Act, including, without limitation, the architectural barrier removal requirements of said Act; or (iv) any licensing requirements of any city, county, or other governmental or quasi-governmental entity regulating Tenant's use of the Premises (collectively referred to as "Applicable Laws, Covenants and Requirements"). If at any time during the term of this Lease or renewal thereof Tenant becomes subject to the Tennessee Open Records Act ("TORA"), Tenant shall promptly notify Landlord and will provide Landlord with true, correct and legible copies of all records which are deemed "public records" under TORA within the time period set forth therein. Tenant shall, at its sole cost and expense, promptly comply with all Applicable Laws, Covenants and Requirements insofar as they relate to the specific manner of Tenant's use and occupancy of the

Premises. The judgment of any court of competent jurisdiction or the admission by Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any Applicable Laws, Covenants and Requirements, shall be conclusive of the fact as between Landlord and Tenant. The Building is a non-smoking Building and Tenant shall use reasonable efforts to ensure that its employees, agents, contractors, subcontractors, clients, invitees do not smoke in the Premises or anywhere on the Facility except for areas designated for smoking. Any areas designed for smoking shall be at least 50 feet from any entrance to the Building.

D. Hazardous Material.

- i. Except with respect to commercially packaged products used and stored by Tenant at the Leased Premises, such as common cleaning fluids and supplies, neither Tenant nor Tenant's agents, employees, contractors, invitees, or licensees shall engage in any activity in, on or about the Premises, nor permit others to engage in any such activity, which will result in the Premises containing any Hazardous Substance. For purposes of this Lease, "**Hazardous Substance**" shall have the meaning set forth at 42 U.S.C. Section 9601 (14), as well as the meaning(s) set forth in any applicable state law or regulation. If at any time after the Commencement Date it is determined that Tenant or Tenant's agents, employees, contractors, invitees or licensees, have been responsible for the Leased Premises containing any Hazardous Substance, then Tenant shall be solely responsible for and shall pay for all costs incurred in connection with the removal of the Hazardous Substance to the extent directly or indirectly caused or allowed by Tenant, or any agent, employee, contractor, invitee or licensee of Tenant. The obligations set for in this Section 7D shall survive the expiration or the earlier termination of this Lease.
- ii. In addition to any other indemnity contained in this Lease, Tenant shall defend, indemnify, and hold Landlord harmless from and against any and all losses, liabilities, general, special, consequential and/or incidental damages, injuries, costs, expenses, claims of any and every kind whatsoever, including without limitation court costs, reasonable attorneys' fees, damages to any person or the Premises incurred or suffered by or asserted against Landlord with respect to, or as a direct or indirect result of (i) the breach by Tenant of any of the covenants set forth in this Section 6D or (ii) the presence on, under or the escape, seepage, leakage, spillage, discharge, emission, release from, onto or into the Leased Premises, of any Hazardous Substance to the extent directly or indirectly caused or allowed by Tenant, or any agent, employee, contractor, invitee or licensee of Tenant after the Effective Date. Tenant's indemnification obligations under this Section 7D shall survive the expiration or the earlier termination of this Lease.

- E. Compliance with Americans with Disabilities Act and Other Disability, Health and Safety Requirements. Tenant shall comply with all applicable requirements of the ADA, Title 24 and any other Applicable Laws, Covenants and Requirements relating to disabled access and safety regulations (collectively, “Disability and Safety Laws”) with respect to the Premises, including, any future tenant improvement work performed by Tenant. Notwithstanding the foregoing, compliance with all Disability and Safety Laws with respect to the shell and core of the Premises and all portions of the Facility other than the Premises shall be solely the responsibility of the Landlord. Tenant shall indemnify, defend and hold Landlord harmless from and against all liabilities, losses, demands, actions, expenses or claims, including reasonable attorneys’ fees and court costs to the extent directly arising out of or in any manner connected with Tenant’s failure to comply with Disability and Safety Laws, including, without limitation, the costs of making any alterations, renovations or accommodations required by Disability and Safety Laws or any governmental enforcement agency, to the extent compliance is directly related to tenant improvement work performed by Tenant. Tenant’s indemnification obligations under this Section 7E shall survive the expiration or earlier termination of this Lease except for circumstances that become noncompliant after the expiration or earlier termination of this Lease.
- F. Annual Reporting Requirements; Appropriation of Funds. Lessee shall comply with all federal, state, and local laws governing annual reporting requirements of Tenant’s business affairs and transactions, which includes, but is not limited to, compliance with T.C.A. § 6-54-111 and Chattanooga City Code Sec. 2-526 as to City of Chattanooga appropriations, outlining the procedures for receiving appropriations from governmental entities. All reports required by state and local law shall be submitted by March 1 of each year annually during the term of this Lease and any holdovers or renewals. During the Term of this Lease, Tenant must, within ninety (90) days after the end of each fiscal year submit to Landlord a copy of its annual audited financial report for that fiscal year. For the purposes of this section, the amount of funds deemed appropriated to Tenant shall be based upon net of a fair market rental value of approximately \$22.27 per square foot (108± square feet constituting usable leased space) less the Base Rent per square foot paid by Tenant. For the Term, the Appropriated Funds are \$2,434.32.
- G. Additional Prohibited Actions of Tenant. Tenant shall not commit or suffer the commission of any acts on the Premises or in the Facility, nor use or allow the use of the Premises or the Facility in any way that increases the existing rates for, or causes cancellation of, any fire, casualty, liability, or other insurance policy insuring the Facility or its contents. The service or sale of alcohol on the Premises is prohibited unless Tenant and any sublessees approved by Landlord and/or vendors hold a State of Tennessee A.B.C. Liquor and Wine License and a current City of Chattanooga Beer License.

H. Facility Rules and Regulations. Tenant shall use its best efforts to cause its agents, servants, employees, invitees, and licensees to, observe and comply fully and faithfully with the Facility Rules and Regulations. Landlord shall not be responsible to Tenant for failure of any other tenant or occupant of the Facility to observe or comply with any of the Facility Rules and Regulations, except to the extent that Landlord was the primary cause of any such failure to observe or comply with any of the Facility Rules and Regulations.

I. Inspection of Premises. With prior notice Landlord may enter upon the Premises at all reasonable times for the purpose of inspecting the condition of the Premises and to determine whether Tenant is complying with its obligations hereunder, to supply any service to be provided by Landlord to Tenant hereunder, to exhibit the Premises to prospective purchasers, mortgagees or tenants, to post notices of nonresponsibility, and to repair the Premises and any other portion of the Facility, without abatement of rent, and may for that purpose erect scaffolding and other necessary structures that are reasonably required by the character of the work to be performed by Landlord, provided that the business of Tenant shall not be interfered with unreasonably. With prior notice, Landlord may at all times access the cable trays, wireways and conduit above the ceiling and within walls and floor areas of the Premises. Landlord acknowledges the sensitive and confidential nature of Tenant's operations and shall take all steps reasonably necessary to ensure that access to the cable trays, wireways and conduit above the ceiling and within walls and floor areas of the Premises, does not unreasonably interfere with Tenant's operations. For each of the aforesaid purposes, Landlord shall have and retain a key with which to unlock all of the doors in, upon and about the Premises, in the event of any emergency. Any entry to the Premises or portions thereof obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises, or any portion thereof. Any such inspections shall be performed with as little disturbance and inconvenience to Tenant as reasonably possible.

8. Landlord Warranties and Duties.

A. Compliance. Landlord warrants and represents that the Facility is in compliance with all laws, rules and regulations, including, without limitation, all environmental laws and the Americans with Disabilities Act of 1990, as amended, and shall be responsible hereafter for any legal requirements applicable to the Facility.

9. Services and Utilities.

A. Utilities. Landlord shall furnish to the Premises, during Tenant Operating Hours, water and electricity suitable for Tenant's permitted use of the Premises, and HVAC required in Landlord's reasonable judgment for the comfortable use and

occupation of the Premises, all of which shall be subject to the Facility Rules and Regulations, as well as any governmental requirements or standards relating to, among other things, energy conservation. Tenant may request that Landlord provide HVAC to the Premises at any time outside of Tenant Operating Hours., HVAC shall be provided outside Tenant Operating Hours upon request at Landlord's standard charge, which shall be no more than is reasonably necessary to cover the costs of providing such HVAC by Landlord.

- B. Energy Provider. Tenant acknowledges and agrees that the decision whether to change the provider of electricity to the Facility and the selection of the provider of electricity to the Facility shall be made by Landlord in its sole and absolute discretion. Tenant shall cooperate with Landlord (including providing Landlord upon request at no charge with information regarding Tenant's electrical consumption) to facilitate Landlord's decision-making process. Tenant shall cooperate with Landlord in any present or future government-mandated conservation requirements.

B. Breaks in Utility Services. Landlord shall not be liable for and Tenant shall not be entitled to any abatement or reduction of rent by reason of Landlord's failure to furnish any utilities and services, including, without limitation, electricity, water and HVAC, when such failure is caused by any of the following and to the extent beyond the reasonable control of Landlord: (i) accidents, breakage or repairs; (ii) strikes, brownouts, blackouts, riots, civil disturbances, lockouts, or other labor disturbances or labor disputes of any character; (iii) governmental regulation, moratorium or other governmental action; (iv) limitation, rationing, curtailment or restriction on the use of water, electricity, gas heating, cooling or other forms of service or utility provided to the Premises; or (v) by any other cause, similar or dissimilar, and beyond the reasonable control of Landlord, nor shall such failure under such circumstances be construed as a constructive or actual eviction of Tenant.

10. Taxes. Real and personal property owned by the City are exempt from taxation; however, to the extent that as a result of this Lease any such taxes are levied against the Building, Tenant shall be responsible for (and shall pay prior to delinquency) all such taxes and assessments owed on the Premises, which shall be calculated by Landlord based on the number of square feet of real property. Tenant will only be responsible for paying its pro-rata portion of the total taxes owed on real property. Leasehold and personal property taxes of property owned by Tenant shall be the responsibility of Tenant and shall be paid prior to delinquency.

11. Maintenance.

- A. Landlord's Maintenance Obligations. Landlord shall keep the Facility in a neat, clean, and orderly condition at all times and shall not permit rubbish, waste, or garbage to accumulate at any time. Landlord shall not commit or permit any waste on the Premises or any acts to be done in violation of any law. Landlord shall repair and maintain, in a first-class manner, in accordance with the practices of

other first-class office buildings located in Chattanooga, the structural portions of the Facility, the systems and equipment, the base-Facility plumbing, heating, ventilating, air conditioning and electrical systems, mechanical, fire/life safety systems, facilities and components (excluding those systems that are located in the Premises, solely serve the Premises, and are reasonably accessible to Tenant), the common areas of the Facility, and the windows, doors, plate glass and exterior surfaces of all walls that are adjacent to the common areas serving the Facility and not located in the Premises.

- B. Tenant's Maintenance of the Premises. Tenant shall keep the Premises in a neat, clean and orderly condition, and shall not permit rubbish, waste or garbage to accumulate at any time.
- C. Repair of the Premises. Tenant shall make all repairs and replacements to the Premises, as and when necessary to preserve in a first-class order, condition and repair (less normal wear and tear) the Premises and every part thereof, including, without limitation, all fixtures, interior walls, interior surfaces of exterior walls, ceilings, windows, doors, cabinets, draperies, window coverings, carpeting and other floor coverings and plate glass located within the Premises, and all utility systems and facilities located within and solely serving the Premises.
- D. Landlord's Right to Make Repairs. If Tenant fails to maintain the Premises in a first-class order, condition and repair as required by this Lease or fails to comply with any applicable laws, regulations or requirements as required by this Lease, then within a reasonable time following written notification to Tenant (except in the case of an emergency, in which case no prior notification shall be required), Landlord may, but shall not be obligated to, enter the Premises at a reasonable time and with an authorized Tenant escort to do such reasonable acts and expend such reasonable funds at the expense of Tenant as required to place the Premises in the condition required by this Lease. The amount so expended by Landlord shall be paid by Tenant within sixty (60) days after demand. Landlord shall have no liability to Tenant for any reasonable inconvenience or interference with Tenant's use of the Premises resulting from Landlord's performance of such maintenance or repair work. Landlord recognizes that the urgent and confidential nature of Tenant's business must be considered in determining the reasonableness of any inconvenience or interference caused by Landlord's performance of any maintenance or repair work.

12. Casualty Damage and Casualty Insurance.

- A. Non-insured Casualties. If the Premises or Facility, or any portion thereof, is materially damaged or destroyed by any casualty not covered by Landlord's insurance, then Landlord may, at its option, either (i) rebuild or restore the Premises or Facility, as the case may be, and repair the damaged portions thereof at Landlord's own expense; or (ii) terminate this Lease effective as of the date the

damage or destruction occurred. Within sixty (60) days after the material damage or destruction occurs, Landlord shall notify Tenant of its election to either rebuild or restore the Premises and repair the damaged portions thereof, or to terminate this Lease. Notwithstanding the foregoing, unless Tenant's actions or omissions are the primary cause of the damage, Tenant may terminate this Lease upon thirty (30) days prior written notice if Landlord elects to perform such repair or restoration and either: (1) such repair or restoration cannot be completed within one hundred eighty (180) days; or (2) the damage or destruction occurs within the last twelve (12) months of the Term. To the extent Tenant's actions or omissions are the cause of the damage, Tenant shall be liable to and shall reimburse Landlord for any and all damages caused thereby. If Landlord elects to rebuild or restore the Premises or Facility, as the case may be, it will use its best efforts to return the Premises or Facility to substantially the same condition as existed before the damage or destruction occurred.

- B. Minor Casualties. If the Premises are not rendered substantially unfit for the occupancy or use herein contemplated as a result of any insured casualty, Landlord shall promptly and diligently restore the Premises at Landlord's expense to the condition existing prior to the occurrence of the casualty, and the Rent shall be abated to the extent the Premises are not usable as contemplated by this Lease during such restoration period.
- C. Abatement of Rent. Provided this Lease is not terminated as provided in Sections (A) or (B), above, Tenant shall be entitled to an abatement of Rent by reason of the damage to or destruction of the Premises, only to the extent that: (i) the floor area of the Premises cannot be reasonably used by Tenant for the conduct of its business; or (ii) Tenant does not have the approximate area of the damaged or destroyed portion of the Premises bears to the total area of the Premises commencing upon the date the damage to or destruction of the Premises or Facility occurred until substantial completion of the repair of such damage or destruction.
- E. For any such casualty that occurs as described in this Section, Landlord shall be under no obligation to provide interim space for the operation of Tenant's business.

13. Insurance. At its sole expense, Tenant shall procure and maintain during the term of this Lease insurance of the types and in the amounts described below against claims for injuries to persons or damages to property which may arise from or in connection with this Lease.

- A. Commercial General Liability Insurance. Tenant agrees during the term of this Lease to maintain occurrence version commercial general liability insurance or equivalent form with a limit of not less than One Million Dollars (\$1,000,000) each occurrence for bodily injury, personal injury and property damage. If such insurance contains a general aggregate limit, it will apply separately to this Lease,

or be no less than two (2) times the occurrence limit. Tenant agrees to provide the insurance policies at its sole expense, with commercially reasonable increases in coverage, but in no event shall the insurance coverage be less than the limits set by the Tennessee Governmental Tort Liability Act, as may be amended. Such insurance will:

- i. Contain or be endorsed to contain a provision that includes the Landlord, its officials, officers, and employees as insureds with respect to liability arising out of work or operations performed by or on behalf of Tenant including materials, parts, or equipment furnished in connection with such work or operations. The coverage will contain no special limitations on the scope of protection afforded to the above listed insureds. Liability coverage can be provided in the form of an endorsement to Tenant's insurance or as a separate owner's policy; and
 - ii. For any claims related to this Lease, be primary insurance as respects the Landlord, its officials, officers and employees. Any insurance or self-insurance programs covering the Landlord, its officials, officers and employees will be in excess of insurance and will not contribute with it.
- B. Professional Liability Insurance Policy. Tenant agrees to provide professional errors and omissions ("E&O") liability insurance with policy limits of not less than Two Million Dollars (\$2,000,000.00), combined single limits, per occurrence and aggregate. Tenant shall obtain and maintain said E&O liability insurance during the term of this Lease and for one (1) year following the termination or expiration of this Lease.
- C. Sexual Abuse and Molestation Policy. Tenant agrees to provide Sexual Abuse and Molestation liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Tenant shall obtain and maintain said policy during the term of this Lease and for one (1) year following the termination or expiration of this Lease.
- D. Additional Insurance Requirements. Tenant shall include Landlord as additional insured on all business and property insurance. Proof of said insurance shall be provided to Landlord's Risk Manager.
- i. Prior to the Effective Date, furnish Landlord with original certificates of insurance and any amendatory endorsements effecting coverage required by this Section, and provide that such insurance will not be cancelled, allowed to expire, or be materially reduced in coverage except on thirty (30) days' prior written notice to the City Attorney and Risk Manager of Landlord;
 - ii. If requested by Landlord, provide certified copies of endorsements and policies in lieu of or in addition to certificates of insurance;

- iii. Place such insurance with an insurer that is licensed to do business in Tennessee and has an A.M. Best Company rating of no less than AV; and
- iv. Require all contractors to maintain during the terms of this Lease, commercial general liability insurance, business automobile liability insurance and workers' compensation/employers' liability and furnish contractor's certificates of insurance to Landlord prior to the commencement of work.

Furthermore, any deductibles or self-insured retentions must be declared to and approved by Landlord.

Landlord shall insure the Building against the risk of fire.

14. Indemnity. Tenant, as a material part of the consideration to be rendered to Landlord, hereby waives all claims against Landlord for injuries or damage for any cause arising at any time to persons in or about said Premises where said injuries or damage occurs as a result of the use of the Premises by Tenant or from the failure of Tenant to keep the Premises in good condition and repair, as herein provided. Tenant will indemnify Landlord, its officials, employees, and agents and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of the occupancy or use by Tenant of the Premises or any part thereof occasioned wholly or in part by any act or omission of Tenant, its invitees, agents, employees, or contractors unless such act or omission results is primarily caused by Landlord. Tenant further agrees to defend, pay all costs of defense, including attorney's fees, and/or any judgment or cost for any claim or suit brought against Landlord as a result of any claim brought against Tenant, its invitees, agents, employees, or contractors. Tenant and its approved sublessees and/or vendors shall hold Landlord and its officials, employees, and agents harmless from all costs, loss and expenses, including reasonable attorneys' fees, arising out of any liability or claim for injury or damage to person(s) or property sustained or claimed to have been sustained as a result of alcohol consumption on the Premises. This indemnification of Landlord shall survive the expiration or sooner termination of this Lease but such indemnification shall only apply to an injury, damage or claim that occurred or arose before such expiration or termination of this Lease.

15. Catastrophic Funding Loss. Landlord understands and acknowledges that Tenant is a non-profit organization and receives its funding through fundraising and government grant sources. In the event Tenant experiences a catastrophic funding loss of fifty (50)% or greater of the Tenant's annual operating budget, Tenant shall have the right to terminate this Lease with ninety (90) days' written notice to Landlord. Written notice of pending loss should be provided to Landlord immediately upon knowledge of loss by Tenant.

16. Assignment and Sublease. Tenant may assign this Lease, or sublease any portion of the Premises to any Tenant-related entity, subsidiary, or successor (“Affiliate”), without Landlord’s consent, but with notice to Landlord. As to any person or entity that is not an Affiliate, Tenant shall not directly or indirectly, voluntarily or by operation of law, sublease, sell, assign, encumber, pledge or otherwise transfer or hypothecate all or any part of the Premises or this Lease, without the prior written consent of Landlord, which may be withheld by Landlord in its reasonable discretion; provided, however, that Landlord shall not unreasonably withhold, condition, or delay the approval of any proposed assignment or sublease. Any assignment or sublease shall be subject to all of the terms and conditions of this Lease. In no event, shall any sublease, sale, assignment, encumbrance, pledge, transfer or hypothecation relieve Tenant of its obligations hereunder. Tenant shall remain primarily liable for performance of Tenant’s obligations hereunder, whether this Lease is assigned, sublet, and/or otherwise transferred, including, without limitation, the payment of Rent. No reasonable withholding of consent by Landlord shall give rise to any claim by Tenant or any proposed assignee, or entitle Tenant to terminate this Lease, to recover contract damages or to any abatement of Rent. Landlord shall not have to recapture right in the event of an assignment or sublease to an Affiliate or to a third-party assignee or sublessee. In connection with any assignment or sublease of the Premises to a third-party sublessee not heretofore mentioned, as a condition to Landlord’s consent, Tenant shall pay to Landlord as Rent as and when received by Tenant an equal to fifty percent (50%) of all “Profit” (as hereinafter defined) derived from such assignment or sublease. “Profit” shall mean the difference between (i) the sum of any and all amounts payable by the proposed assignee or sublessee under the terms of the proposed assignment or sublease, and (ii) the sum of the Rent and other payment obligations payable to Landlord by Tenant under the terms of this Lease, less Tenant’s costs incurred and related to the sublease, including, without limitation, tenant improvements, commissions, downtime if vacant, legal expenses, and other leasing concessions. For all purposes under this Section 16, a sub-sublease, assignment of sublease or any similar intent of the parties in negotiating this Lease was not to create any bonus value or allow Tenant to profit as a result of any favorable terms contained herein or any future changes in the market for the Premises. Tenant further acknowledges that any such value shall be shared with Landlord as set forth in this Section 16. Landlord reserves the right to review and approve financial statements of all prospective assignees and to approve the form of the assignment and/or sublease involved in each transaction, as a condition to the approval of any and all assignments and subletting. Any assignment or sublease must be to a governmental entity or an Internal Revenue Code Section 501(c)(3) entity, must maintain a tax exempt status during the term of this Lease and must have the same or similar expertise necessary to perform and ensure the Tenant’s obligations hereunder.

17. Eminent Domain.

- A. Total Taking. If all or substantially all of the Premises are condemned or taken in any manner for public or quasi-public use, including, without limitation, a conveyance or assignment in lieu of the condemnation or taking, or if so much of the Premises is so taken or condemned so as to render the remaining portion of the Premises unusable by Tenant for the conduct of Tenant’s business, as determined by the condemning authority, this Lease shall automatically terminate

on the earlier of the date on which actual physical possession is taken by the condemner or the date of dispossession of Tenant as a result of such condemnation or other taking.

- B. Partial Taking. If less than all or substantially all of the Premises is so condemned or taken, rendering the remaining portion of the Premises usable by Tenant for the conduct of its business as originally contemplated under this Lease, as determined by the condemning authority, this Lease shall automatically terminate only as to the portion of the Premises so taken as of the earlier of the date of which actual physical possession is taken by the condemner or the date of dispossession of Tenant as a result of such condemnation or taking. If such portion of the Facility is condemned or otherwise taken so as to require, in the reasonable opinion of the Landlord, a substantial alteration or reconstruction of the remaining portions thereof, this Lease may be terminated by Landlord, as of the date of which actual physical possession is taken by the condemner or dispossession of Tenant as a result of such condemnation or taking, by written notice to Tenant within sixty (60) days following notice to Landlord of the date on which such physical possession is taken or dispossession will occur. If in the reasonable opinion of the Tenant, the taking renders the remaining portion of the Premises unusable for Tenant to conduct its business, Tenant may terminate this Lease as of the date of which actual possession is taken by the condemnation or dispossession of Tenant as a result of such condemnation or taking, by written notice to Landlord within sixty (60) days following notice to Tenant on the date on which such physical possession is taken or dispossession will occur.
- C. Award. Landlord shall be entitled to the entire award of any condemnation proceeding or other proceeding for taking for public or quasi-public use, including, without limitation, any award made for the value of the leasehold estate created by this Lease. No award for any partial or total taking shall be apportioned, and Tenant hereby assigns to Landlord any award that may be made in such condemnation or other taking, together with any and all rights of Tenant now or hereafter arising in or to the same of any part thereof. Although all damages in the event of any condemnation shall belong to Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or to the fee of the Premises, Tenant may claim and recover from the condemner, but not from the Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of damage to Tenant's business by reason of the condemnation and for or on account of damages to Tenant's business by reason of the condemnation and for or on account of any cost or loss which Tenant might incur to remove Tenant's personal property, including, without limitation, furniture, fixtures, and equipment for the interruption of or other damage to Tenant's business.

- D. Rent Abatement. In the event of a partial condemnation or other taking that does not result in a termination of this Lease as to the entire Premises, the Rent and all other charges shall abate in proportion to the portion of the Premises taken by such condemnation or other taking. If this Lease is terminated, in whole or in part, pursuant to any of the provisions of this Section 16, all Rent and other charges payable by Tenant to Landlord hereunder and attributable to the Premises taken shall be paid up to the date upon which actual physical possession is taken by the condemner or the date of dispossession of Tenant.
- E. Temporary Taking. If all or any portion of the Premises is condemned or otherwise taken for public or quasi-public use for a limited period of time, this Lease shall remain in full force and effect and Tenant shall continue to perform its obligations under this Lease; provided, however, the Rent and all other charges payable by Tenant to Landlord hereunder shall abate during such limited period in proportion to the portion of the Premises that is rendered unusable as a result of such condemnation or other taking. Landlord shall be entitled to receive the entire award made in connection with any such temporary condemnation or other taking.
- F. Transfer of Landlord's Interest to Condemner. Landlord may, without any obligation to Tenant, agree to sell and/or convey to the condemner the Premises, the Project, or any portion thereof, sought by the condemner, subject to this Lease and the rights of Tenant hereunder, without first requiring that any action or proceeding be instituted or, if instituted, pursued to a judgment.

18. Attorneys' Fees. If any action shall be instituted by either Landlord or Tenant for the enforcement or interpretation of any of its rights or remedies in or under this Lease, the prevailing party shall be entitled to recover from the losing party all costs incurred by the prevailing party in said action and any appeal therefrom, including reasonable attorneys' fees and court costs to be fixed by the court therein. The "prevailing party" shall be that party who obtains substantially the result sought, whether by settlement, dismissal or judgment.

19. Default.

- A. Tenant's Default. The occurrence of any one or more of the following shall constitute a default hereunder by Tenant:
 - i. Tenant abandons the Premises;
 - ii. Tenant is delinquent three (3) times within a twelve (12) month period in paying any Rent or other charges required under this Lease.
 - iii. Tenant fails to promptly and fully perform any other of its obligations contained in this Lease and such failure continued for thirty (30) days (or such shorter time provided herein) after written notice thereof from Landlord; provided, however, that if the obligation to be performed by

Tenant is of such nature that the same cannot reasonably be performed within thirty (30) days and if Tenant commences such performance within said thirty (30) day period and thereafter diligently undertakes to complete the same, then such failure shall not be a default hereunder.

- iv. A trustee, disbursing agent or receiver is appointed to take possession of all or substantially all of Tenant's assets or of Tenant's interest in this Lease and Tenant or any guarantor of Tenant's obligations under this Lease does not regain possession within sixty (60) days after such appointment; Tenant makes an assignment for the benefit of creditors; or all or substantially all of Tenant's assets in, on or about the Premises or Tenant's interest in this Lease are attached or levied upon under execution and Tenant does not discharge the same within sixty (60) days thereafter;
- v. A petition in bankruptcy, insolvency or for reorganization or arrangement is filed by or against Tenant or any guarantor of Tenant's obligations under this Lease pursuant to any federal or state statute and, with respect to any such petition filed against it, Tenant or such guarantor fails to secure a stay or discharge thereof within sixty (60) days after the filing of the same;
- vi. Immediately, in the event of any assignment, subletting or other transfer for which the prior written consent of Landlord has not been obtained;
- vii. Immediately, in the event of discovery or any false or misleading statement concerning financial information submitted by Tenant and/or any guarantor of Tenant's obligations to Landlord in connection with obtaining this Lease or any other consent or agreement by Landlord;
- viii. Immediately, in the event Tenant admits in writing its inability to pay its debts as they mature; or
- ix. Immediately, upon the suspension of Tenant's right to conduct its business, caused by the order, judgment, decree, decision or other act of any court or governmental agency.

In the event of default, Landlord may terminate this Lease. If Landlord terminates this Lease, Tenant shall immediately surrender the Premises, use of the Facility, Parking Lot and related assets of the Facility to Landlord. If Tenant fails to do so, Landlord may, without prejudice to any other remedy Landlord may have either by law or by this Lease, enter upon the Premises and expel or removed Tenant and Tenant's personal property. Furthermore, Landlord may remove any approved sublessees without or without force and without being liable to Tenant or any approved sublessees in any manner whatsoever for damages. Tenant shall

be responsible for Landlord's reasonable attorney's fees and costs for any legal action taken by Landlord due to Tenant's breach of any terms of this Lease.

20. Landlord Exclusive Control.

- A. Facility Alterations. Landlord shall have sole and exclusive control of the Facility, as well as the right to make changes to the Facility, provided the same does not negatively impact the Facility or Premises or Tenant's use, occupancy, and enjoyment thereof or Tenant's rights under this Lease. Landlord may, but shall not be obligated to: (i) restrain the use of the Facility by unauthorized persons; (ii) utilize from time to time any portion of the Facility (except the Premises without Tenant's prior written consent) for promotional and related matters; (iii) temporarily close any portion of the Facility (except the Premises without Tenant's prior written consent) for repairs, improvements or alterations; (v) change the location of improvements within the Facility (except the Premises without Tenant's prior written consent), including, without limitation, parking structures and other parking facilities, roadways, and curb cuts. Landlord may determine the nature, size, and extent of the common areas as well as make changes to the common areas from time to time which, in Landlord's opinion, are deemed desirable provided the same does not negatively impact the Facility or Premises or Tenant's use, occupancy, and enjoyment thereof or Tenant's rights under this Lease.
- B. Landlord's Rights. Landlord may install, use, maintain, repair, relocate, and replace pipes, ducts, conduits, wires, and appurtenant meters and equipment including in the Premises or outside the Premises, and install, use, maintain, repair, alter, or relocate, expand and replace any common areas. Such rights of Landlord shall include, without limitation, temporarily designating from time to time certain portions of the common areas as exclusively for the benefit of certain tenants in the Facility.

21. Parking.

- A. Tenant Parking. Landlord shall provide nonexclusive parking spaces in the Employee Parking Area as indicated on the premises floor plan on a first-come first-served basis beginning on the Effective Date and for use throughout the Term.
- B. Use of Parking Spaces. All parking shall be on the terms and conditions set forth in any parking rules and regulations established by Landlord (the "Facility Rules and Regulations"). Landlord may establish such additional reasonable rules and regulations as may be deemed desirable, at Landlord's sole discretion, for the proper and efficient operation and maintenance of the Employee and Public Parking Areas. Nothing contained in this Lease shall be deemed to impose liability upon Landlord for personal injury or theft, for damage to any motor

vehicle, or for loss of property from within any motor vehicle, which is suffered by Tenant or any of its employees, customers, service suppliers, or other invitees in connection with their use of parking spaces in the Employee or Public Parking Areas or elsewhere.

- C. Landlord Control of Parking Areas. Landlord shall at all times have the sole and exclusive control of the Parking Areas, and may at any time exclude and restrain any person from use or occupancy thereof, The rights of the Tenant and its employees shall at all times be subject to: (i) the rights of Landlord and other tenants in the Building to use the same in common with Tenant and its employees; (ii) the availability of parking spaces in the Parking Areas; and (iii) Landlord's right to change the location of any assigned reserved parking spaces, in Landlord's sole discretion.

22. Roof Rights. Tenant shall have the right, without rental or other charge, to use its pro-rata share of the roof of the Building, to the extent reasonably practicable, to install, operate, and maintain telecommunications antennas, microwave dishes, television satellite dishes, and other communications equipment, subject to such screening as may be required by Landlord and/or other governmental or quasi-governmental entities. Such use shall be subject to receipt of all required governmental approvals and shall not unreasonably interfere with the Building and shall not adversely affect the roof and/or the roof warranties provided to Landlord.

23. Access and Security. Tenant and Tenant's employees shall have access to the Premises, Building, and Parking Lot twenty-four (24) hours per day, seven (7) days per week, and fifty-two weeks per year. The Building shall be equipped with a card-key controlled access system for after-hours access.

24. Subordination. Tenant's leasehold interest hereunder shall be subordinate to any mortgages now on, or hereafter to be placed on, the Premises. Tenant shall comply with reasonable requests of Landlord's lenders, for execution of documentation to effect such subordination of Tenant's leasehold interest, including, without limitation, subordination, non-disturbance, and attornment agreements. Tenant shall obtain any and all non-disturbance agreements in favor of Tenant from the holders of all mortgages, deeds of trust, ground leases and other encumbrances against the Facility that Tenant, in its sole discretion, deems necessary.

25. Estoppel Certificates. Tenant, at any time and from time to time, upon not less than ten (10) days prior written notice from Landlord, shall execute and deliver to Landlord in a timely manner, a statement evidencing the status of this Lease by: (i) 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; and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord hereunder, or specifying such defaults if they are claimed.

26. Financial Statements. Landlord has reviewed financial statements if so requested of Tenant and has relied upon the truth and accuracy thereof with Tenant's knowledge and representations of the truth and accuracy of such statements and that said statements accurately and fairly depict the financial condition of Tenant as of the date of the Financial Statements so provided. Said financial statements are an inducing factor and consideration for the making of this Lease by Landlord with Tenant. Tenant shall, at any time and from time to time upon no less than thirty (30) days prior written notice from Landlord, furnish Landlord with Tenant's most current audited financial statements which accurately reflect Tenant's then financial condition.

27. Notices. Each notice required or permitted by this Lease shall be in writing and delivered in person to the other party or by a nationally recognized overnight courier such as FedEx, or United States Certified Mail, Return Receipt Requested, postage fully prepaid, to the addresses set forth below or to such other address as either party may designate in writing and deliver as provided in this Section.

Landlord: City of Chattanooga
101 E. 11th Street, Suite G4
Chattanooga, TN 37402
ATTN: Real Property of ECD

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

Tenant: Second Life of Chattanooga, Inc.
ATTN: CEO
5705 Uptain Road
Chattanooga, TN 37411

28. Force Majeure and Landlord Delay. Neither party shall be required to perform any obligation under this Lease so long as such performance is delayed or prevented by force majeure, which shall mean any acts of God, civil riot, and any other cause not reasonably within the control of such party and which by the exercise of due diligence such party is unable, wholly or in part, to prevent or overcome.

29. Holdover. Tenant may hold over beyond the expiration of this Lease for a period of up to three (3) months ("Initial Holdover Period") on a per diem basis under all the same terms and conditions of this Lease, including rental rate, by providing Landlord with ninety (90) days prior written notice. Occupancy after the Initial Holdover Period shall be on a month-to-month basis at one hundred twenty five percent (125%) of the Base Rent in effect at the end of the Initial Holdover Period.

30. Contingencies. Notwithstanding the execution and delivery of this Lease, this Lease shall not be binding on either party unless and until the Chattanooga City Council approves and authorizes it.

31. General Conditions.

- A. Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- B. Captions. The captions in this Lease are inserted for convenience of reference and in no way define, describe, or limit the scope or intent of this Lease or any provision of this Lease.
- C. Partial Invalidity. Any provision of this Lease which is unenforceable, invalid, or the inclusion of which would adversely affect the validity, legality, or enforcement of this Lease shall have no effect, but all the remaining provisions of this Lease shall remain in full effect.
- D. No Third-Party Rights. Nothing in this Lease, express or implied, is intended to confer any rights or remedies upon any person, other than the parties to this Lease and their respective successors and assigns.
- E. Time of Essence. Time is of the essence in this Lease.
- F. Relationship. Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between Landlord and Tenant or between either or both of them and any third party.
- G. Exhibits Incorporated. All exhibits referred to in and attached to this Lease are hereby incorporated in this Lease.
- H. Further Assurances. Landlord and Tenant shall execute and deliver all such instruments and documents and to take all actions reasonably required by this Lease or otherwise to accomplish its intent.
- I. Entire Agreement. This Lease contains the entire understanding of the parties. There is no other written or oral understanding between the parties with respect to this Lease or the Premises. Each party has relied solely on the advice from its own attorneys and experts in entering into this Lease. No other party, agent, or attorney of any other party has made any promise, representation, or warranty whatsoever which is not contained in this Lease. No modification, amendment, or alteration of this Lease shall be valid unless it is in writing and signed by all parties hereto.

- J. No Continuing Waiver. No waiver by either party of any provision, breach, or default of this Lease shall be deemed a waiver of any other provision, the same provision in another instance, or any subsequent breach or default hereof. Landlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of such act in another instance. No waiver by either party shall be effective unless it is in writing and signed by the waiving party.
- K. Consents. All consents to be given by either party shall be reasonably and timely given.
- L. Leasehold Mortgages. Tenant shall not encumber its leasehold interest in the Premises without Landlord's prior written approval.
- M. Discrimination. Tenant covenants to comply with all federal, county, and city laws and ordinances in regard to discrimination due to handicap, age, race, color, religion, sex, national origin, or any other classification protected by said laws.
- N. Signature Authority. Each individual signing this Lease for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, represents and warrants to each other party hereto that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

[Signature Page Follows]

IN WITNESS WHEREOF, this Lease is executed to be effective as of the Effective date.

TENANT:

SECOND LIFE OF CHATTANOOGA, INC.

By: _____
JERRY REDMAN, Chief Executive Officer

LANDLORD:

CITY OF CHATTANOOGA, TENNESSEE

By: _____
ANDY BERKE, Mayor

Second Life of Chattanooga, Inc.

108 Square Feet

(Depicted in the darkest shaded area)

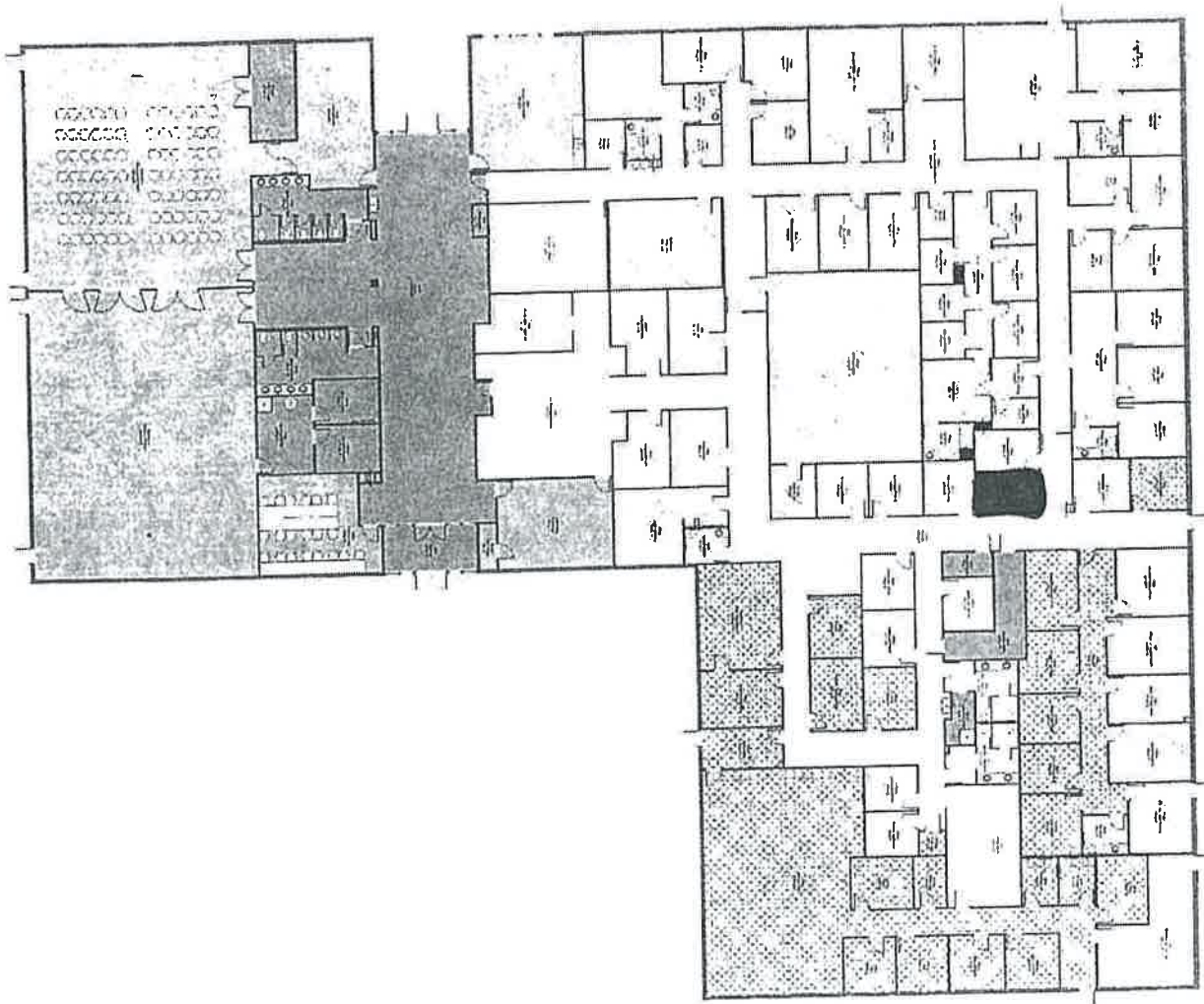


EXHIBIT "A"

Page 1 of 2

Common Space

4,684 Square Feet

(Depicted in the darkest shaded area)

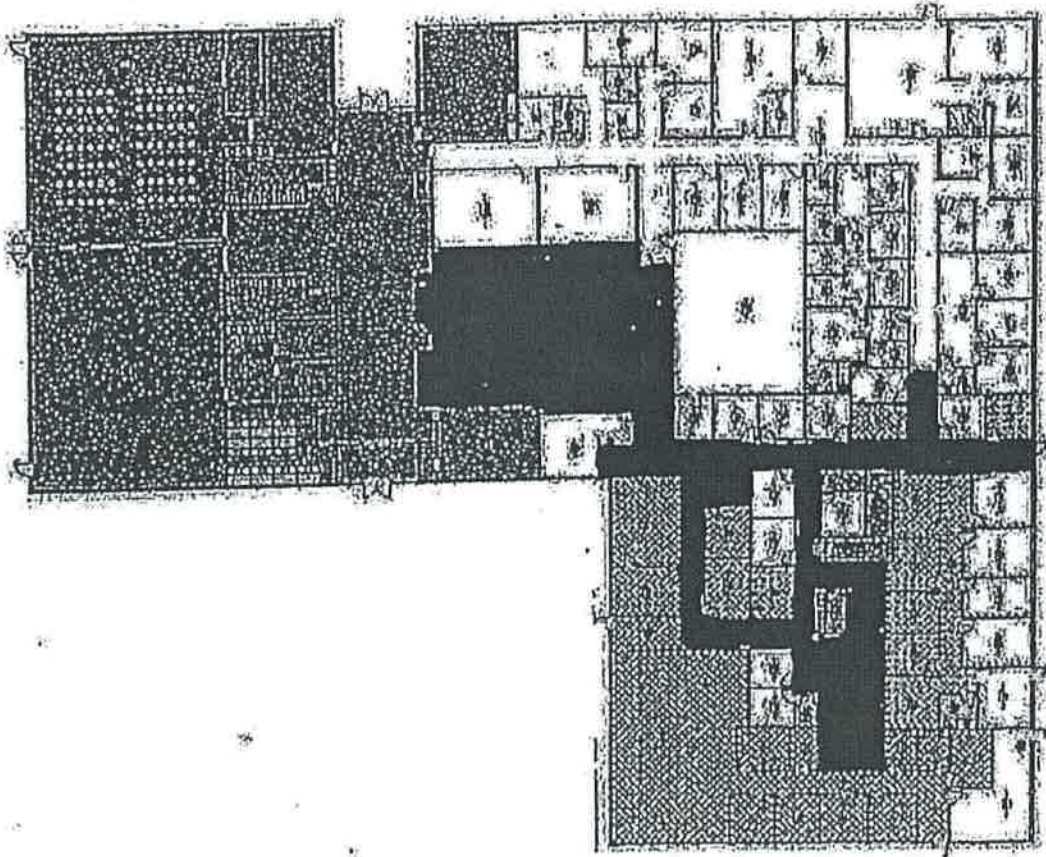


EXHIBIT "A"

Page 2 of 2

Exhibit "B"

Internet Access Agreement

This Internet Access Agreement ("Agreement") is entered into this ___ day of _____, 2018 by and between Second Life of Chattanooga, Inc. ("Tenant") and the City of Chattanooga ("Landlord").

1. INTRODUCTION

1.1 Service Description: Landlord agrees to provide non-exclusive, dedicated high-speed Internet access ("Internet Access") to Tenant during the term of that certain Lease between Landlord and Tenant with an Effective Date of January 1, 2017 (the "Lease"), subject to the terms and conditions of this Agreement.

1.2 Lease Controlling. Except as otherwise set forth in this Agreement, the terms and conditions of the Lease shall control the relationship and rights of the parties. Any terms not defined herein shall be accorded the meaning set forth in the Lease. In the event of any conflict, inconsistency or ambiguity between the Lease and this Agreement, such conflict shall be resolved by reference to the Lease.

2. TERM AND TERMINATION

2.1 Term and Termination. The effective date of this Addendum shall be the date of its execution and delivery by both parties. This Agreement shall remain in effect throughout the term of the Lease unless terminated earlier in accordance with paragraph 2.2.

2.2 Termination. This Agreement may be terminated as follows:

- a. By written consent of both parties;
- b. By Landlord if Tenant breaches any obligation hereunder;
- c. By Landlord if Tenant breaches any obligation under the Lease and fails to cure same in accordance with the applicable cure provision set forth therein, if one is designated;
- d. Upon termination of the Lease for any reason;
- e. Immediately in the event Tenant becomes involved in any voluntary or involuntary bankruptcy proceeding, appoints or has appointed a receiver for the benefit of its creditors, makes an assignment for the benefit of creditors, or is involved in any other insolvency proceeding.
- f. By Tenant in accordance with paragraph 5.5 below.

2.3 Rights Upon Termination. Upon termination of this Agreement: (i) any amounts due to Landlord hereunder shall be accelerated and be due and payable immediately; (ii) Landlord shall terminate Tenant's Internet Access; and (iii) Landlord shall be entitled to pursue any and all remedies available hereunder, under the Lease, or at law, or in equity including the right of injunctive relief.

3. Connection Services

3.1 Set-Up. Landlord shall ensure that the wireless access point for the Internet Access is accessible to Tenant from within the Premises (including all required cabling, hub, switch, router, firewall, wireless access point, etc.). Landlord shall provide a logically segmented LAN and SSID for use by the Tenant.

Tenant shall be responsible at its sole cost and expense for all costs and expenses associated with establishing a connection between the wireless access point and Tenant's computer systems.

3.2 Equipment. Landlord shall be responsible for the configuration and maintenance of network equipment onsite. Tenant agrees to not implement any network or security device that could disrupt service to other Tenants or that violates this agreement. The Landlord will in good faith work to meet new compliance standards documented and submitted by Tenant, but reserves the right to require reimbursement of costs associated with meeting additional network requirements outside the scope of this agreement. Landlord reserves the right to reject any network modifications that puts unreasonable burden on the Landlord or other Tenants.

3.3 Cloud Services Landlord shall work with Tenant to establish a logically segmented network connection (such as a VPN connection) to logical LAN and SSID and to a cloud hosted service such as Amazon Web Services or Google Cloud Platform since Tenant servers are not to be hosted onsite.

3.4 Use Monitoring and Limitations. Tenant is allocated use of the Internet Access on a shared bandwidth basis, sharing bandwidth with other tenants within the building. Tenant agrees to abide by the Acceptable Use Policy of the internet service provider (ISP). Internet access may be terminated at the discretion of the Landlord should it be determined that the Acceptable Use Policy is violated, or if excessive bandwidth usage causes regular disruption of service to other Tenants of building.

3.5 IP Address. The Tenant shall not be given a static IP Address. All IP addresses will be owned by and remain the sole responsibility of the Landlord.

3.6 Maintenance. Landlord shall be responsible for maintenance of central internet access equipment (including hub, switch, router, firewall, wireless access point, etc.). Maintenance and repairs will be provided in a reasonable time frame. Landlord shall not be responsible for service issues beyond the demarcation point, defined as the Wide Area Network (WAN) port on the equipment (router, hub, or firewall) which connects the premises network to the internet. Landlord shall report ISP service issues directly to the ISP. Tenant shall be responsible for reporting service issues to Landlord.

4. Limitation of Liability and Disclaimer of Warranty

4.1 Limitation of Liability. LANDLORD DISCLAIMS ALL LIABILITY WHATSOEVER FOR INDIRECT, CONSEQUENTIAL AND INCIDENTAL DAMAGES, ARISING OUT OF THE FAILURE OR INABILITY OF LANDLORD TO PROVIDE ACCESS TO OR USE OF THE INTERNET ACCESS OR OTHERWISE IN RESPECT OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, LOSSES OR DAMAGES RESULTING FROM THE LOSS OF DATA OR SERVICES.

4.2 Disclaimer of Warranties. LANDLORD MAKES ABSOLUTELY NO WARRANTIES WHATSOEVER WITH RESPECT TO THE INTERNET ACCESS OR ANY OTHER SERVICES PROVIDED HEREUNDER, AND SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR AN INTENDED PURPOSE. TENANT ACKNOWLEDGES THAT THE INTERNET ACCESS IS PROVIDED BY THIRD PARTIES TO

LANDLORD. USE OF THE INTERNET ACCESS AND ITS OPERATION MAY BE SUBJECT TO EVENTS OVER WHICH LANDLORD HAS NO CONTROL, INCLUDING BUT NOT LIMITED TO, EQUIPMENT FAILURE, TELECOMMUNICATIONS INTERRUPTIONS, INTERNET SERVICE INTERRUPTIONS, AND POWER OUTAGES. TENANT HAS SOLE RESPONSIBILITY FOR ENSURING THE SECURITY OF ITS COMPUTER EQUIPMENT, SOFTWARE AND DATA. LANDLORD DOES NOT PROVIDE ANY SECURITY OR PROTECTION AGAINST UNAUTHORIZED ACCESS TO TENANT'S COMPUTERS, SOFTWARE OR DATA VIA THE INTERNET, OR FROM VIRUSES OR OTHER ACTS BY THIRD PARTIES WHICH MAY BE COMMITTED VIA THE INTERNET.

4.3 Indemnification. Tenant shall indemnify, defend and hold harmless Landlord from and against any and all losses, liabilities, damages, costs of suit, attorney fees and any other expenses which may be incurred by or asserted against Landlord or its partners in connection with Tenant's use of the Internet Access.

4.4 No Responsibility for Content. Tenant should be aware that there may be some information on the Internet or otherwise available through the Internet Access which may be offensive, or which may not be in compliance with laws of certain jurisdictions. Landlord assumes no responsibility for the content contained on the Internet or made available by others and shall have no liability whatsoever for any claims, losses, actions, damages, suits or proceedings arising out of or otherwise relating to access to such content by Tenant. The Landlord assumes no obligation to monitor or filter transmissions made on the Internet Access.

4.5 High Risk Activities. The Internet Access is not fault-tolerant and is not designed or intended for use in situations requiring fail-safe performance or in which an error or interruption in the Internet Access could lead to injury to business, persons, property or environment ("High Risk Activities"). Such High Risk Activities may include, without limitation, vital business or personal communications, or activities where absolutely accurate data or information is required. Tenant expressly assumes the risks of any damages resulting from High Risk Activities.

5. Use of the Internet Access

5.1 Use Restrictions. Tenant shall not use the Internet Access for: (I) any purpose which is in violation of any copyright, trademark, patent or trade secret rights of any person; or (ii) any purpose which is in violation of any state or federal laws or regulations presently existing or hereinafter enacted.

5.2 Resale. Tenant agrees not to resell the Internet Access or otherwise charge others to use the Internet Access, in whole or in part, directly or indirectly, or on a bundled basis. The Internet Access is to be used solely by the Tenant.

5.3 Application Hosting. The Internet Access is for Tenant's general use only. Tenant shall not use the Internet Access to provide access to the Internet by third parties. Tenant agrees not to use the Internet Access for operation as an Internet Service Provider, a server site for FTP, Telnet, Rlogin, E-Mail hosting, other web or server hosting, or other similar applications.

5.4 Interference with the Service. Tenant agrees not to restrict, inhibit or otherwise interfere with, or knowingly disrupt the Internet Access.

5.5 Additional Rules or Conditions of Use. Landlord may in the future adopt additional rules or conditions of use for the Internet Access. In the event such rules or conditions are adopted, then Landlord shall: (i) notify Tenant of the URL address for reviewing said rules and conditions; and (ii) such rules and conditions shall become a part of and be incorporated into this Agreement. Tenant shall be obligated to periodically review the additional terms and conditions (if adopted) to ensure its compliance therewith, and its continued use of the Internet Access shall be deemed its agreement to the additional terms and conditions. In the event Tenant does not agree to any terms and conditions which may be adopted in the future, then Tenant shall be permitted to terminate this Agreement and its use of the Internet Access by providing written notice of same to Landlord.

6. Audit.

Landlord, or its assigns, may audit all financial and related records (including digital) associated with the terms of this Agreement, including timesheets, reimbursable out of pocket expenses, materials, goods and equipment claimed by the Tenant. Landlord may further audit any of Tenant's records to conduct performance audits (to identify waste and abuse or to determine efficiency and effectiveness of this Agreement or to identify conflicts of interest. The Tenant shall at all times during the term of this Agreement and for a period of seven (7) years after the end of the Agreement, keep and maintain records applicable to the terms of this Agreement. This shall include proper records of quotations, contracts, correspondence, invoices, vouchers, timesheets, and other documents that support actions taken by the Tenant. Documents shall be maintained by the Tenant, which are necessary to clearly reflect all actions taken. All such records shall be maintained in accordance with general accepted accounting principles. The Tenant shall, at its own expense, make such records available for inspection and audit (including copies and extracts of records as required) by the Landlord at all reasonable times and without prior notice. The obligations of this Section shall be explicitly included in any subcontracts or agreements formed between the Tenant and any contractor or subcontractors or suppliers of goods or services to the extent that those subcontracts or agreements relate to fulfillment of Tenant's obligations to the City, if any. Costs of any audits conducted under the authority of this section and not addressed elsewhere will be borne by the Landlord, unless the audit identifies significant findings that would benefit the Landlord. The Tenant will reimburse Landlord for the total costs of an audit that identifies significant findings that would benefit Landlord. This Section shall not be construed to limit, revoke, or abridge any other rights, powers, or obligations relating to audit which the Landlord may have by Federal, State, or Municipal law, whether those rights, powers, or obligations are express or implied.

7. Dispute Resolution. Claims, disputes, or other matters in question between the parties to this Agreement arising out of or relating to this Agreement, or breach thereof, shall be subject to mediation in Chattanooga, Tennessee, in accordance with the following provisions:

- a. The mediation shall be conducted by a mediator mutually acceptable to both parties.
- b. The parties agree to share equally in the expense of the mediation.
- c. Such mediation may include the Tenant or any other person or entity who may be affected by the subject matter of the dispute.
- d. Unless the parties agree otherwise, mediation shall be a condition precedent to the exercise of any legal remedy other than a proceeding seeking an immediate injunction or restraining order to protect the rights of a party pending litigation. Notwithstanding the issuance of an injunction or restraining order, or the refusal of a court to issue such an order, the dispute shall continue to be subject to mediation.

8. Delays in Performance.

Neither Landlord nor Tenant shall be considered in default of the Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonconforming party. For purposes of this Agreement, such circumstances include abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, or other civil disturbances; sabotage; judicial restraint; discovery of unanticipated hazardous wastes; and inability to procure permits, licenses, or authorizations from any local, state, or federal agency

9. General

9.1 Entire Agreement and Understanding. This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein.

9.2 Modifications in Writing. This Agreement may be modified or amended only by written instrument signed by each of the parties hereto.

9.3 Governing Law. This Agreement shall be binding upon the successors, heirs and assigns of the parties and shall be governed by and interpreted according to the laws of the State of Tennessee. Any legal action brought with regard to this contract shall be brought only in the court of appropriate jurisdiction within the State of Tennessee.

9.4 Headings. Headings used in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

9.5 Notices. All notices or other documents under this Agreement shall be in writing and delivered personally or fax received, or mailed, postage prepaid, addressed to Landlord and the Tenant at their addresses as set forth in the Lease.

9.6 Severable. The total invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

9.7 No Waiver. The failure of Landlord to enforce any term or condition of this Agreement shall not be deemed a waiver thereof and shall not prevent its later enforcement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, and in consideration of the covenants and agreements contained herein, do hereby agree to the terms of this Agreement.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

LANDLORD:

City of Chattanooga

By: _____ Date: _____
ANDY BERKE, Mayor

TENANT:

SECOND LIFE OF CHATTANOOGA, INC.

By: _____ Date: _____
JERRY REDMAN, Chief Executive Officer

Approval by Department of Information Technology _____

Exhibit "C"

At the current time, the list of mutually agreed upon décor and wall hangings permitted by Landlord have not been specified; however, the Landlord reserves the right to provide at a later date.

FAMILY JUSTICE BUILDING
RULES AND REGULATIONS

- A. **Purpose.** The following Rules and Regulations have been adopted by the Family Justice Center Board of Directors for the safety, benefit and convenience of all tenants and other persons in the Family Justice Building (the "Building"). The Tenant shall at all times comply with the Rules and Regulations that are currently in effect.
- B. **Rules and Regulations.**
1. The Tenant shall not permit in the Building any cooking or the use of any apparatus for the preparation of food or beverages (except for the use of coffee makers, kettles, microwave ovens or refrigerators or where the Landlord has approved of the installation of cooking facilities as part of the Tenant's Leasehold Improvements) nor the use of any electrical apparatus likely to cause an overloading of electrical circuits.
 2. The sidewalks, entries, passages, corridors, lobbies, elevators and staircase shall not be obstructed or used by the Tenant, its agents, servants, contractors, invitees or employees for any purpose other than ingress to and egress from the offices. The Landlord reserves entire control of the Common Area for the common benefit of the tenants.
 3. The Tenant, its agents, servants, contractors, invitees or employees, shall not bring in or take out, position, construct, install or move any safe, business machine or other heavy office equipment without first obtaining the consent in writing of the Landlord. In giving such consent, the Landlord shall have the right in its sole discretion, to prescribe the weight permitted and the position thereof, and the use and design of planks, skids or platforms to distribute the weight thereof. All damage done to the Building by moving or using any such heavy equipment or other office equipment or furniture shall be repaid at the expense of the Tenant.
 4. The moving of all heavy equipment or other office equipment or furniture shall occur between 6:00 p.m. and 8:00 a.m. or any other time consented to by the Landlord and the persons employed to move the same in and out of the Building must be acceptable to the Landlord. Safes and other heavy office equipment will be moved through the halls and corridors only upon steel bearing plates. No deliveries requiring the use of an elevator for freight purposes will be received into the Building or carried in the elevators, except during hours approved by and scheduled through the Landlord. Only elevators so designated by the Landlord shall be used for deliveries of workmen and materials, furniture and other freight. The Tenant shall pay, as additional rents, any costs incurred by the Landlord in connection with the moving of the Tenant's equipment, furniture, etc.

RULES & REGULATIONS ARE SUBJECT TO BE AMENDED

5. All persons entering and leaving the Building at any time other than during normal business hours shall register in books kept by the Landlord at or near the entrance or entrances and the Landlord will have the right to prevent any person from entering or leaving the Building unless provided with a keycard to the Building to which such person seeks entrance and a pass in a form to be approved by the Landlord and provided at the Tenant's expense. Any persons found in the Building at such times without such keycards or passes will be subject to the surveillance of the employees and agents of the Landlord. The Landlord shall be under no responsibility for failure to enforce this rule.
6. The Tenant shall not place or cause to be placed any additional locks upon any doors of the Building without the approval of the Landlord, which approval shall not be unreasonably withheld, and subject to any conditions imposed by the Landlord. Additional keycards may be obtained from the Landlord at the cost of the Tenant.
7. Plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting from misuse shall be repaired at the cost of the Tenant by whom or by whose agents, servants or employees the same is caused. Tenants shall not let the water run unless it is in actual use, and shall not deface or mark any part of the Building or drive nails, spikes, hooks or screws into the walls or woodwork of the Building.
8. No one shall use the Building for sleeping apartments or residential purposes, or for any illegal purpose, or for the storage of personal effects or articles other than those required for business purposes.
9. Canvassing, soliciting and peddling in the Building or Common Areas are prohibited.
10. Any hand trucks, carry alls, or similar appliances used in the Building shall be equipped with rubber tires, side guards and such other safeguards as the Landlord requires.
11. The Tenant shall not install or permit the installation or use of any machine dispensing goods for sale in the Building or permit the delivering of food or beverages to the Building without the approval of the Landlord or in contravention of any regulations made by the Landlord. Only persons authorized by the Landlord shall be permitted to deliver or to use the elevators in the Building for the purpose of delivering food or beverages to the Building. The Landlord acknowledges that the Tenant, acting reasonably will be permitted to have small quantities of food and beverages delivered to the Building provided such delivery does not interfere with the traffic flow to the Building.

RULES & REGULATIONS ARE SUBJECT TO BE AMENDED

12. The Tenant shall not perform any acts or carry on any practice which may damage the Building or the Common Areas or be a nuisance to any tenant in the Building.
13. The Tenant shall keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Building.
14. The Tenant shall not use or permit the use of any objectionable advertising medium such as without limitation, loud speakers, stereos, public address systems, sound amplifiers, radio broadcast or television apparatus within the Building which is in any manner audible or visible outside of the Building.
15. The Tenant shall not mark, drill into, bore or cut or in any way damage or deface the walls, ceilings, or floors of the Building. No wires, pipes, conduits, telephonic, electronic wire service or other connections shall be installed in the Building without the prior written approval of the Landlord.
16. The Tenant shall not, except with the prior written consent of the Landlord, install any blinds, drapes, curtains or other window coverings and shall not remove, add to or change the blinds, curtains, drapes or other window coverings installed by the Landlord from time to time. So that the Building may have a uniform appearance from the outside, the Tenant shall cooperate with the Landlord in keeping window coverings open or closed at various times as the Landlord may reasonably from time to time direct.
17. The Tenant shall not use any janitor, telephone or electrical closets for anything other than their originally intended purposes.
18. The Tenant shall abide and be bound by the Security Services in force in the Building from time to time. For the purpose of this clause, the term "Security Services" shall mean all aspects of security for the Building, including equipment, procedures, rules and regulations pertaining to such security.
19. No public or private auction or other similar type of sale of any goods, wares or merchandise shall be conducted in or from the Building.
20. All glass and trimmings in, upon or about the doors and windows of the Building shall be kept whole, and whenever any part thereof shall become broken, the same shall be immediately replaced or repaired under the direction and to the satisfaction of the Landlord and shall be paid for by the Tenant as additional rents.
21. No Tenant shall use or keep in the Building any kerosene, gasoline or inflammable or combustible fluid or material other than limited quantities reasonably necessary for the operation and maintenance of office equipment. No Tenant shall use or keep any noxious gas or substances objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, or interfere in any way with other tenants or those having businesses therein.

RULES & REGULATIONS ARE SUBJECT TO BE AMENDED

22. The Building prohibits smoking within fifty (50') feet of the entrances and exits. Vapor/electronic cigarettes are prohibited from use in the Building.
23. All contractors and technicians rendering any installation service to Tenant shall be subject to Landlord's approval, submission of proof of insurance requirements, and supervision prior to performing services. This applies to all work performed in the Building, including, but not limited to, installation of telephone and data wiring, related equipment, and electrical devices, windows, ceilings, and any other physical portion of the Building.
24. Nothing shall be swept or thrown into the corridors, halls, elevator shafts, or stairways. No birds, fish or animals of any kind shall be brought into or kept in, on or about any Tenant's leased premises, excluding service animals.
25. Landlord will furnish each new Tenant with a reasonable number of initial keycards for entrance doors into the Building, and may charge for additional keycards thereafter. All such keycards shall remain the property of Landlord. Tenant shall not make any duplicate keycards, except those provided by Landlord. Upon termination of the Lease, each Tenant shall surrender to Landlord all keycards to its leased premises, and give to Landlord the combination of all locks for safes and vault doors, if any, in the Building.
26. Landlord reserves the right to modify or rescind any of these rules and regulations and to make future rules and regulations required for the safety, protection, and maintenance of the Building, the operations and preservation of good order thereof, and the protection and comfort of the Tenants and their employees and their visitors. Such rules and regulations, when made and written notice given to a Tenant shall be binding upon such Tenant as if originally herein prescribed.
27. The sidewalks, doorways, halls, stairways, vestibules and other similar areas shall not be obstructed or used for any purpose other than ingress to and egress from Tenant's respective leased premises and for going from one part of the Building to another part.
28. Landlord will provide and maintain an alphabetical director board for all office tenants of the Building in accordance with each Tenant's lease on the first floor (main lobby) of the Building. The size, design and location are to be determined by Landlord. No other directory will be allowed.
29. All services requests are to be reported promptly and directly to Landlord's designated agent during normal office hours, excepting emergencies which shall be reported as soon as practicable.
30. Tenant shall not bring or permit to be brought or kept in the Building corrosive, caustic, poisonous, explosive or hazardous substance or cause or permit any odors to permeate in or emanate from the Building or permit or by reason of light,

RULES & REGULATIONS ARE SUBJECT TO BE AMENDED

radiation, magnetism, noise, odors and/or vibrations, or interfere in any way with other tenants or those having business in the Shopping Center.

31. Landlord reserves the right to deny entrance to the Building or remove any person from the Building in any case where the conduct of such person involves a hazard or nuisance to any Tenant or to the public or in the event of fire or other emergency, riot, civil commotion or similar disturbance involving risk to the Building, Tenants or general public.
32. Tenant shall at all times keep the Building neat and orderly.
33. Tenant shall be responsible for the compliance with these rules and regulations by the employees, agents, customers and invitees of Tenant.
34. In the event of any conflict between the terms of these rules and regulations and the express provisions of Tenant's Lease, the express, applicable provisions of the Lease shall control.
35. Tenant shall not use any method of heating or air conditioning other than as provided by Landlord or any dedicated system approved by Landlord.
36. Tenant shall comply with all safety, fire protection and evacuation regulations established by Landlord or any applicable governmental agency.
37. Landlord reserves the right to waive any one of these rules or regulations, and/or as to any particular tenant, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such tenant.
38. Tenant assumes all risks from theft or vandalism to the Building and agrees to keep the Building locked as may be required.
39. Copy machines have been installed by Landlord in the building. Each Tenant agrees to replace the approximate amount of paper used on a monthly basis at Tenant's expense.

C. Parking Rules.

1. Parking areas shall be used only for parking vehicles no longer than full size passenger automobiles.
2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such activities.

RULES & REGULATIONS ARE SUBJECT TO BE AMENDED

3. Landlord reserves the right to refuse the sale of monthly identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.
4. Users of the parking areas will obey all posted signs and park only in the areas designated for vehicle parking.
5. Unless otherwise instructed, every person using the parking areas is required to park and lock his own vehicle. Landlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking areas.
6. The maintenance of vehicles in the parking areas or Commons Areas is prohibited.
7. Tenant shall be responsible for seeing that all its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.
8. Landlord reserves the right to modify these rules and/or adopts such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the property operation of the parking area.
9. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.