

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH SIGNAL CENTERS, INC. FOR THE PROPERTY LOCATED AT 1714 DUNCAN AVENUE, TAX MAP NO. 146J-Q-032, IN SUBSTANTIALLY THE FORM ATTACHED, FOR THE FACILITIES TO BE USED FOR THE PURPOSE OF PROVIDING EDUCATIONAL OUTREACH TO YOUNG FAMILIES THROUGH A BABY UNIVERSITY, WHICH WILL AID PARENTS OR CAREGIVERS WITH THE INFORMATION AND SUPPORT NECESSARY TO PREPARE CHILDREN FOR LIFE-LONG SUCCESS.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That the Mayor is hereby authorized to execute a Lease Agreement with Signal Centers, Inc. for the property located at 1714 Duncan Avenue, Tax Map No. 146J-Q-032, in substantially the form attached, for the facilities to be used for the purpose of providing educational outreach to young families through a Baby University, which will aid parents or caregivers with the information and support necessary to prepare children for life-long success.

ADOPTED: _____, 2015

/mem

City of Chattanooga



Resolution/Ordinance Request Form

Date Prepared: December 4, 2015

Preparer: Cary Bohannon

Department: General Services

Brief Description of Purpose for Resolution/Ordinance: Res./Ord. # _____ Council District # 9

A RESOLUTION REQUEST AUTHORIZING THE MAYOR TO ENTER INTO A LEASE AGREEMENT WITH SIGNAL CENTERS, INC. FOR THE PROPERTY AT 1714 DUNCAN AVENUE, STATE TAX MAP NO. 146J-Q-032, IN SUBSTANTIALY THE FORM ATTACHED, FOR THE FACILITIES TO BE USED FOR THE PURPOSE OF PROVIDING EDUCATIONAL OUTREACH TO YOUNG FAMILIES THROUGH A BABY UNIVERSITY, WHICH WILL AID PARENTS OR CAREGIVERS WITH THE INFORMATION AND SUPPORT NECESSARY TO PREPARE CHILDREN FOR LIFE-LONG SUCCESS.

Name of Vendor/Contractor/Grant, etc.	<u>Signal Centers, Inc.</u>	New Contract/Project? (Yes or No)	<u>YES</u>
Total project cost \$	<u>N/A</u>	Funds Budgeted? (YES or NO)	<u>N/A</u>
Total City of Chattanooga Portion \$	<u>N/A</u>	Provide Fund	<u>N/A</u>
City Amount Funded \$	<u>N/A</u>	Provide Cost Center	<u>N/A</u>
New City Funding Required \$	<u>N/A</u>	Proposed Funding Source if not budgeted	<u>N/A</u>
City's Match Percentage %	<u>N/A</u>	Grant Period (if applicable)	<u>N/A</u>

List all other funding sources and amount for each contributor.

<u>Amount(s)</u>	<u>Grantor(s)</u>
\$ _____	_____
\$ _____	_____
\$ _____	_____

Agency Grant Number _____

CFDA Number if known _____

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

THIS WILL BE HEARD FOR APPROVAL AT THE PLANNING COMMISSION ON MONDAY, DECEMBER 14, 2015.

Approved by: _____

DESIGNATED OFFICIAL/ADMINISTRATOR

Reviewed by: FINANCE OFFICE

Please submit completed form to @budget, City Attorney and City Finance Officer

Revised: 1/26/09

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made and entered into as of the 1st day of January, 2016, by and between the City of Chattanooga, Tennessee, a municipal corporation (“Lessor”), and Signal Centers, Inc., a Tennessee nonprofit corporation, whose address is 109 N. Germantown Road, Chattanooga, Tennessee 37411 (“Lessee”).

RECITALS

WHEREAS, Lessee desires to lease facilities from Lessor to be used exclusively for the purpose of providing educational outreach to young families through a Baby University, which will aid parents or caregivers with the information and support necessary to prepare children for life-long success; and

WHEREAS, Lessor has the appropriate authority to, and hereby agrees to, lease to Lessee that certain building containing approximately 1965 square feet located at 1714 Duncan Avenue, situated in the City of Chattanooga, Hamilton County, Tennessee;

NOW, THEREFORE, in consideration of the faithful performance of the terms, covenants, and conditions and the mutual obligations of the parties as set forth herein, the parties agree as follows:

SECTION 1. Leased Premises. Lessor leases to Lessee that certain building containing approximately 1950 square feet located at 1714 Duncan Avenue, situated in the City of Chattanooga, Hamilton County, Tennessee, identified as Tax Map No. 146J-Q-032, more particularly described on Exhibit “A” attached hereto and incorporated herein by reference (the “Leased Premises”). The Leased Premises shall not include the 12x16 storage building located thereon, which is owned by Highland Park Neighborhood Association.

SECTION 2. Use of the Leased Premises. It is expressly agreed to and understood by the parties that the Leased Premises shall be used exclusively for the purpose of providing

educational outreach to young families through a Baby University, which will aid parents or caregivers with the information and support necessary to prepare children for life-long success. Lessee shall not utilize the Leased Premises for any other purposes without the express written approval of Lessor, which hereby designates its Director of General Services as Lessor's agent for this purpose. Lessee shall neither engage in nor allow illegal activities on the Leased Premises nor allow alcoholic beverages to be sold or consumed on the Leased Premises.

SECTION 3. Term. The term of this Lease shall commence on January 1, 2016 (the "Commencement Date"), shall be for a period of three (3) years, and shall not renew automatically, but may be renewed for two (2) additional one (1) year periods upon mutual agreement of the parties. Either party may terminate this Lease at any time without cause upon giving the other party written notice of its intention to terminate, and such notice shall be received at least sixty (60) days prior to the termination date.

SECTION 4. Lease Payments. Lessee shall, during the term of this Lease, pay to Lessor the net annual rent of One Dollar (\$1.00) per year, with the first annual payment due on the Commencement Date of this Lease and thereafter shall be paid annually on each anniversary date. As additional consideration, the Lessee agrees to use the property exclusively for the purpose set forth in SECTION 2. All rentals payable by Lessee to Lessor under this Lease shall be paid to Lessor at the address herein designated in SECTION 32.

SECTION 5. Improvements. Lessee agrees that no improvements, additions, or alterations ("Improvements") shall be made to the Leased Premises without obtaining Lessor's written approval. If Lessee desires to make Improvements to the Leased Premises, it shall be required to submit a detailed description of the Improvements to be made to Lessor (the "Lessee's Plan"). The Lessee's Plan shall be subject to Lessor's written approval. Lessor's

approval of Lessee's Plan shall in no event, unless expressly set forth in such approval, be deemed to create any obligations on the part of the Lessor to do any work or make the Improvements or to authorize Lessee to make any further additions, improvements, or alterations to the Leased Premises. In the event Lessor approves Lessee's Plan, the parties shall execute an amendment to this Lease setting forth the obligations of the Lessee with respect to the construction of Improvements in accordance with Lessee's Plan, which shall be attached as an exhibit to the lease amendment. Upon termination of the Lease, Lessee shall return the Leased Premises to its original condition. At Lessor's sole discretion, Lessor may accept any or all Improvements made by Lessee and allow the Improvements to remain on the Leased Premises

SECTION 6. Annual Reporting Requirements; Appropriation of Funds Lessee shall comply with all federal, state, and local laws governing annual reporting requirements of Lessee's business affairs and transactions, which includes without limitation 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 during the term of this Lease and any holdovers or extensions. During the term of this Lease, Lessee must, within ninety (90) days after the end of each fiscal year submit to Lessor 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 Lessee shall be based upon a fair market rental value of \$5.00 per square foot (1965 ± square feet constituting usable leased space) for a total annual amount of \$9,825.00, net of utilities and other provisions included herein.

SECTION 7. Quiet Possession. The Lessor covenants to keep the Lessee in quiet possession of the Leased Premises during the term of this Lease.

SECTION 8. Termination and Holding Over. Upon termination of this Lease, at the expiration of the term hereof or any extension thereof, Lessee shall surrender the Leased Premises to Lessor in as good condition as received, ordinary wear and tear and damage by fire or other casualty excepted. Lessee covenants to Lessor that it shall vacate the Leased Premises on or before thirty (30) days following the expiration of the term hereof or any extension thereof including removal of all personal property. Any personal property of Lessee which is not removed from the Leased Premises after termination of this Lease shall be deemed abandoned and may be disposed of by Lessor in any manner without accounting or being liable to Lessee. Lessee shall surrender all keys to the Leased Premises at or before the termination of this Lease.

SECTION 9. Indemnity. Lessee, as a material part of the consideration to be rendered to Lessor, hereby waives all claims against Lessor for injuries or damage for any cause arising at any time to persons in or about said Leased Premises where said injuries or damage occurs as a result of the use of the Leased Premises by Lessee or from the failure of Lessee to keep the Leased Premises in good condition and repair, as herein provided. Lessee will indemnify Lessor 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 Lessee of the Leased Premises or any part thereof occasioned wholly or in part by any act or omission of Lessee, its invitees, agents, employees, or contractors. Lessee 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 Lessor as a result of any claim brought against Lessee, its invitees, agents, employees, or contractors. This indemnification of Lessor shall survive the expiration or sooner termination of this Lease.

SECTION 10. Insurance. At its sole expense, Lessee 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

Lessee 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. Lessee 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:

- (1) Contain or be endorsed to contain a provision that includes the Lessor, its officials, officers, and employees as insureds with respect to liability arising out of work or operations performed by or on behalf of Lessee 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 Lessee's insurance or as a separate owner's policy; and
- (2) For any claims related to this Lease, be primary insurance as respects the Lessor, its officials, officers and employees. Any insurance or self-insurance programs covering the Lessor, its officials, officers and employees will be in excess of insurance and will not contribute with it.

(b) Professional Liability Insurance Policy

Lessee agrees to provide professional errors and omissions (“E&O”) liability insurance with policy limits of not less than Three Million Dollars (\$3,000,000.00), combined single limits, per occurrence and aggregate. Lessee 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

Lessee 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. Lessee 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.

Lessee shall include Lessor as additional insured on all business and property insurance. Proof of said insurance shall be provided to Lessor.

- (1) Prior to the Commencement Date, furnish Lessor 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 Lessor;
- (2) If requested by Lessor, provide certified copies of endorsements and policies in lieu of or in addition to certificates of insurance;
- (3) Place such insurance with an insurer that is licensed to do business in Tennessee and has an A.M. Best rating of no less than “A” (Excellent) and a Financial Size Category of Class V or higher and
- (4) 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 Lessor prior to the commencement of work.

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

At Lessor's sole cost, Lessor shall insure the building on the Leased Premises against the risk of fire.

SECTION 11. Assignment or Sublease. Lessee shall neither assign nor transfer this Lease or any interest herein nor sublease the Leased Premises or any part thereof to anyone during the term of this Lease or any extensions or holdovers. Notwithstanding the foregoing, Lessor agrees to allow Lessee to sublease a portion of the Leased Premises to Highland Park Neighborhood Association, Inc; provided, however, that Lessee shall remain fully liable on this Lease.

SECTION 12. Discrimination. Lessee 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.

SECTION 13. Nonprofit Status. Lessee shall provide evidence of its status as a charitable organization under Section 501(c)(3) of the Internal Revenue Code prior to the Commencement Date and maintain its status as a nonprofit civic organization at all times during the term of this Lease. Lessee's failure to maintain its nonprofit status shall constitute a material breach of this Lease.

SECTION 14. Licenses and Permits. Lessee shall be responsible for all necessary state and municipal permits and licenses required by law or regulation to operate the Leased Premises

for the purpose set forth in SECTION 2. Lessee shall provide Lessor with copies of all required licenses and permits prior to the Commencement Date.

SECTION 15. No Warranties. Lessee takes and accepts the Leased Premises from Lessor “AS IS,” that is at its condition as of the Commencement Date of this Lease, upon the terms and conditions herein contained.

SECTION 16. Utility Services and Water Quality Fees. Any applications and connections for necessary utility services on the Leased Premises shall be made in the name of Lessee only. Lessee shall be solely liable for utility charges as they become due, including, but not limited to, those for water, gas, electricity, cable, internet and telephone. Lessee shall also be responsible for the payment of water quality fees charged to the Leased Premises. It shall be a breach of this Lease to fail to keep such payments current.

SECTION 17. Alarm System. Within three (3) business days of the Commencement Date, Lessee shall transfer the Action Alarm service from Lessor’s name to Lessee’s name and shall be responsible for payment of all service fees during the term of this Lease.

SECTION 18. Repairs and Maintenance; Door Locks

(a) Lessor shall make necessary repairs to the roof and exterior walls of the building, except such repairs made necessary by any act or negligence of Lessee or its invitees, agents, employees, or contractors. Notwithstanding anything contained in this Lease to the contrary, in no event shall Lessor be required to make repairs exceeding the sum of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) per fiscal year. In the event that repairs required to be made by Lessor exceed the sum of \$10,000.00 in any given fiscal year during the term of this Lease, Lessee shall have the option of making the repairs at its sole expense or terminating this Lease upon sixty (60) days’ written notice to Lessor.

(b) Lessee shall make and pay for any other repairs, maintenance, supplies and replacements to the Leased Premises which are necessary to keep the same in good state of repair and operating order. Lessee shall not suffer or permit any waste or neglect of the Leased Premises and will take such steps as often as may be necessary to keep the buildings, and other improvements on the Leased Premises in a first-class and model condition. Any repairs made by both parties shall be done in a workmanlike manner and within a reasonable period of time.

(c) Lessor shall not be liable for the cost of any repairs made by or through Lessee, unless there is an express written agreement to the contrary between the parties, or unless the repair involves any appliance or fixture which is provided by Lessor and which is covered by a warranty, guaranty, or other similar instrument running to Lessor, and then only to the extent covered by said warranty or guaranty.

(d) On the part of Lessee in making any repairs or replacements required to protect the Leased Premises against waste or deterioration, Lessor may, but shall not be required to, make such repairs and replacements on Lessee's account and the expense of such repairs and replacements shall constitute and be collectable as additional rent.

(e) On or after the Commencement Date, Lessee shall be responsible for re-keying the door locks on the Leased Premises at its sole expense and shall provide Lessor with a key schedule and a set of keys the same day the locks are changed by Lessee.

SECTION 19. Limitation of Lessor's Liability.

(a) Lessor shall not be liable to Lessee in any manner whatsoever for failure to furnish or delay in furnishing any service or services provided for in this Lease and no such failure or delay shall constitute actual or constructive eviction of Lessee nor operate to relieve from prompt and punctual performance of each and all of the covenants to be performed herein by Lessee.

- (b) Lessor shall not be liable to Lessee, its invitees, agents, employees, or contractors for damage to person or property caused by defects in the cooling, heating, electric, water or other apparatus or systems located in, on, or about the Leased Premises.
- (c) Lessor shall not be liable for any theft or loss of property of Lessee, invitees, agents, employees, or contractors.

SECTION 20. Laws and Ordinances. Lessee covenants to comply with all state, county, and city laws and ordinances, including those regarding nuisances insofar as the Leased Premises are concerned, and that the Lessee will not by any act of its agents or officers render the Lessor liable therefor.

SECTION 21. Possession. If this Lease should at any time become void or forfeited, no demand shall be necessary to a recovery of possession of the Leased Premises, and the Lessor shall be entitled to immediate possession.

SECTION 22. Attorney's Fee for Right to Recover Possession Should the Lessor at any time rightly seek to recover possession of the Leased Premises, and be obstructed or resisted therein, and any litigation thereon ensues, the Lessee shall be bound to pay the Lessor a reasonable attorney's fee.

SECTION 23. Right to Enter. The Lessor shall have the right to enter into and upon said Leased Premises or any part thereof, at all reasonable hours for the purpose of examining the same, or making such repairs, additions, or alterations as may be necessary for the safety, comfort, and preservation thereof.

SECTION 24. Damage or Destruction. In the event the Leased Premises shall be damaged by fire, or other casualty, the Lessee shall give immediate notice thereof to the Lessor. This Lease shall, unless notice is given as set forth below, continue in full force and effect, and

the Lessor shall, at its own expense, with reasonable promptness, subject to force majeure as defined in SECTION 31 and delays in making of insurance adjustments by Lessor, repair the Leased Premises. Lessor need not restore fixtures and improvements owned by Lessee or floor coverings, furnishings, personal property, and other decorative features furnished by Lessee. In the event the Leased Premises shall, before or after the Commencement Date, be so damaged that the Lessor shall decide not to repair the same, or if the Lessor shall decide to demolish or rebuild the Leased Premises for any reason whatsoever, upon notice to Lessee, the term of this Lease shall cease and terminate effective as of the time of the damage, and the accrued rent, if any, shall be paid up to the time of the damage. All proceeds of insurance payable as a result of fire or other casualty shall be the sole property of the Lessor.

SECTION 25. Eminent Domain.

- (a) Total Taking. If all or substantially all of the Leased 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 Leased Premises is so taken or condemned so as to render the remaining portion of the Leased Premises unusable by Lessee for the conduct of Lessee'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 Lessee as a result of such condemnation or other taking.
- (b) Partial Taking. If less than all or substantially all of the Leased Premises is so condemned or taken, rendering the remaining portion of the Leased Premises usable by Lessee for the conduct of its business, as determined by the condemning authority, this Lease shall automatically terminate only as to the portion of the

Leased Premises so taken as of the earlier of the date on which actual physical possession is taken by the condemner or the date of dispossession of Lessee as a result of such condemnation or taking. If such portion of the Leased Premises is condemned or otherwise taken so as to require, in the opinion of Lessor, a substantial alteration or reconstruction of the remaining portions thereof, this Lease may be terminated by Lessor, as of the date on which actual physical possession is taken by the condemner or dispossession of Lessee as a result of such condemnation or taking, by written notice to Lessee within sixty (60) days following notice to Lessor of the date on which such physical possession is taken or dispossession will occur.

- (c) Award. Lessor shall be entitled to the entire award in 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 Lessee hereby assigns to Lessor any award that may be made in such condemnation or other taking, together with any and all rights of Lessee now or hereafter arising in or to the same or any part thereof.

SECTION 26. Hazardous Substance.

- (a) Except with respect to commercially packaged products used and stored by Lessee at the Leased Premises, such as common cleaning fluids and supplies, neither Lessee nor Lessee's agents, employees, contractors, invitees, or licensees shall engage in any activity in, on or about the Leased Premises, nor permit others to engage in any such activity, which will result in the Leased 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 Lessee or Lessee’s agents, employees, contractors, invitees or licensees, have been responsible for the Leased Premises containing any Hazardous Substance, then Lessee 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 Lessee, or any agent, employee, contractor, invitee or licensee of Lessee. The obligations set for in this SECTION 26 (a) shall survive the expiration or the earlier termination of this Lease.

- (b) In addition to any other indemnity contained in this Lease, Lessee shall defend, indemnify, and hold Lessor 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 Leased Premises incurred or suffered by or asserted against Lessor with respect to, or as a direct or indirect result of (i) the breach by Lessee of any of the covenants set forth in this SECTION 26 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 Lessee, or any agent, employee, contractor, invitee or licensee of Lessee after the Commencement Date. Lessee’s indemnification obligations under this SECTION 26(b) shall survive the expiration or the earlier termination of this Lease.

SECTION 27. Defaults. The occurrence of any of the following acts shall constitute an immediate, material, non-curable default by Lessee:

- (a) The occurrence of any of the following acts shall constitute an immediate, material, non-curable default by Lessee:
 - (i) Abandonment of the Leased Premises, except for causes of force majeure, as defined in SECTION 31; and
 - (ii) Any attempted assignment, transfer, or sublease in violation of SECTION 11 above;
- (b) Failure to pay rent as provided for herein or failure to perform any term, covenant, or condition of this Lease, other than those set forth in subparagraph A above, shall not constitute a default unless such breach is not cured within the time periods set forth below. Lessor shall give written notice to Lessee of such default and if Lessee does not cure any rent default within five (5) days, or other default within twenty (20) days, after the giving of such notice (or, if such default is of such a nature that it cannot be completely cured within such twenty (20) days), if Lessee does not commence such curing within twenty (20) days and thereafter proceed with reasonable diligence and in good faith to cure such defaults, then Lessor may terminate this Lease on not less than three (3) days' written notice to Lessee, and on the date specified in said notice the term of this Lease shall terminate, and Lessee shall then quit and surrender the Leased Premises to Lessor. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Leased Premises by any lawful means and remove Lessee or other occupants and their effects.

SECTION 28. Remedies. The parties' remedies hereunder are not exclusive but cumulative to other remedies provided by law or in equity in the event of default.

SECTION 29. Surrender of Leased Premises on Termination. Lessee shall peaceably deliver possession of the Leased Premises to Lessor on the date of expiration or termination of this Lease, whatever the reason for termination. Lessor shall have the right to re-enter and take possession of the Leased Premises on the date termination becomes effective without further notice of any kind and without instituting summary or regular legal proceedings.

SECTION 30. No Waiver. Any waiver by the parties of any default or breach of any one or more of the terms, conditions, or covenants of this Lease shall be in writing and shall not be construed to be a waiver of any subsequent or other breach or default of the same or of any other term, covenant, or condition of this Lease. No delay, failure, or omission of Lessor to re-enter the Leased Premises, to insist on strict enforcement of any term, covenant, or condition, or to exercise any right, privilege or option arising from any breach or default shall impair any such right, privilege or option or be construed as a waiver of or acquiescence in such breach of default.

SECTION 31. Force Majeure. Lessor shall be excused for the period of any delay in the performance of any obligation hereunder when prevented by doing so by cause or causes beyond Lessor's control which shall include, without limitation, all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power sabotage, governmental regulations or controls, fire or other casualty, inability to obtain any material, services, or financing or through acts of God.

SECTION 32. Notices. All notices and other communications given hereunder by the parties shall be in writing and shall be delivered personally or by mail, postage prepaid, and the date of any notice by certified mail shall be deemed the date of certification thereof delivered by or addressed to the parties as follows:

Lessor: City of Chattanooga, Tennessee
ATTN: General Services Department
101 E. 11th Street, Suite G4
Chattanooga, TN 37402

With a copy to: City Attorney
100 E. 11th Street, Suite 200
City Hall Annex
Chattanooga, TN 37402

Lessee: Signal Centers, Inc.
ATTN: _____

Chattanooga, Tennessee _____

With a copy to: _____

SECTION 33. Miscellaneous Provisions.

33.1 Applicable Law. This Lease shall be construed and interpreted pursuant to the laws of the State of Tennessee. Should there be any provision thereof to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the legality, validity, and enforcement of the remaining provisions shall not be affected, but shall continue in full force and effect. Any disputes between the parties and/or default by Lessee may only be submitted to a court of competent jurisdiction in Hamilton County, Tennessee, and the prevailing party shall be entitled to recover all costs, expenses, and legal fees in defending such legal action.

33.2 Entire Agreement. This Lease represents and constitutes the entire understanding between the parties and supersedes all other leases, agreements, and communications between the parties, whether oral or written, concerning the subject matter herein. Any amendment to this Lease must be in writing and adopted by lawful resolution of the respective governing bodies to be bound thereby.

33.3 Binding Effect. The terms and conditions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

33.4 Headings. Section headings are for convenience of reference only and shall not limit or otherwise affect the meanings of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease on the ____ day of _____, 2016, at Chattanooga, Hamilton County, Tennessee.

LESSOR:

CITY OF CHATTANOOGA, TENNESSEE

BY: _____
Andy Berke, Mayor

LESSEE:

SIGNAL CENTERS, INC.

BY: _____
(Type in Name and Title)

EXHIBIT "A"

State Tax Map No. 146J-Q-032
1714 Duncan Avenue
Chattanooga, Tennessee

IN THE CITY OF CHATTANOOGA, HAMILTON COUNTY, TENNESSEE:

Lot Eight (8), Block Eighteen (18), Highland Park Addition No. One (1), as shown by plat recorded in Plat Book 1, Page 23, of the Register's Office of Hamilton County, Tennessee.

DRAFT