

This instrument prepared by:
Charles F. Sterchi, III
Deputy Law Director
Knox County Law Department
400 Main Street
Suite 612, City-County Building
Knoxville, TN 37902
(865) 215-2327

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease" or "Lease Agreement") is made and entered into on the _____ day of _____, 2017, by and between **HELEN ROSS MCNABB CENTER, INC.**, a non-profit corporation organized under the laws of the State of Tennessee, hereinafter referred to as "Lessor", and **KNOX COUNTY, TENNESSEE**, a political subdivision of the State of Tennessee, a home rule public corporation and charter government, hereinafter referred to as "Lessee":

WITNESSETH:

1. DEMISE, DESCRIPTION, AND USE OF PREMISES: Lessor leases to Lessee and Lessee hires from Lessor, those certain premises with the appurtenances, situated in Knox County, Tennessee, located at 3343 Dewine Road, Knoxville, Tennessee 37921, and more particularly described in EXHIBIT 1, attached hereto and incorporated herein by reference as if stated verbatim. This Lease is being entered into for the purposes, pursuant to the provisions of the Defined Services Contract executed among Knox County, Tennessee, the City of Knoxville, Tennessee, and Helen Ross McNabb Center, Inc. (Contract No. 17-127), as amended, of enabling the Lessor to develop and manage a Behavioral Health Urgent Care Center to provide an alternate to jail for qualified low risk offenders who, in the opinion of the arresting officer or Judge, have exhibited signs of mental illness and/or substance abuse, and for whom treatment rather than incarceration will be beneficial. All other uses of the property are prohibited.

As used herein, the terms "premises" and "Leased Premises" refer to the real property above described and to any improvements located thereon from time to time during the term thereof.

2. TERM: The Term of this Lease shall be twenty (20) years and three (3) months, commencing on April 1, 2017 and ending on June 30, 2037.

3. RENTAL:

(a) As consideration for the use and occupancy of the Leased Premises, the Lessee shall pay to the Lessor the amount of One Million Two Hundred Thousand Dollars and No Cents (\$1,200,000.00), which money shall be used by the Lessor for the renovation of the building located on the premises and for no other purpose. Said amount

of money shall be paid by Lessee to Lessor no later than June 30, 2017. In the event of the termination of this Lease before June 30, 2037, Lessor shall pay to Lessee the discounted present value of the depreciated value of improvements to the building. Said depreciation shall be calculated in accordance with generally accepted accounting principles.

(b) As additional consideration for the use and occupancy of the Leased Premises, the rental for the Leased Premises is One Dollar (1.00) per year, and Lessor does hereby acknowledge receipt of a rental prepayment from Lessee in the amount of \$20.25, which shall constitute rental payments for the Term. In the event this Lease is terminated sooner, Lessor shall not be obligated to refund any of the rental prepayment.

4. MAINTENANCE AND REPAIRS OF IMPROVEMENTS:

(a) *Maintenance of improvements.* Lessor shall, throughout the term of this Lease, at its own cost, keep, repair, and maintain the premises, including all buildings and other improvements of every kind which may be a part thereof, and all fixtures and appurtenances thereto, in good, sanitary, and neat order, condition and repair (including any such replacement and restoration as is required for that purpose) without limitation, interior and exterior painting, windows, doors, hardware, light fixtures, bulbs and ballasts, and any other routine general and preventive maintenance as may be necessary to keep the premises and the fixtures in good order. Lessee shall not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description whatsoever to the demised premises or any buildings or other improvements thereon. Lessor shall also comply with and abide by all federal, state, county, municipal, and other governmental statutes, ordinances, laws, regulations and deed restrictions affecting the demised premises, the improvements thereon or any activity or condition on or in such premises.

(b) *Janitorial services.* Lessor shall provide routine janitorial maintenance. Lessor shall provide janitorial supplies to all of the restrooms located within the premises.

(c) *Garbage disposal.* Garbage disposal will be handled by Lessor. Lessor has an ongoing responsibility to leave the premises free of trash, garbage and debris by placing such items in the proper receptacles during and after all activities.

(d) *Extermination.* Lessor will provide extermination services on the premises. Such extermination will include preventive spraying, as well as elimination of existing pest problems, if any.

5. UTILITIES: Lessor shall fully and promptly pay for all water, gas, heat, light, power, telephone service, and other public utilities of every kind furnished to the premises throughout the term hereof, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the premises and all activities conducted thereon, and Lessee shall have no responsibility of any kind for any thereof.

6. OTHER COSTS: In addition to its obligations stated in this Lease, Lessor shall pay all other costs necessary for the operations at the Leased Premises.

7. INDEMNITY: Lessor shall defend, indemnify, and hold harmless Lessee, the City of Knoxville, and their agents and employees from any and all liability to Lessor, to its agents and employees, and to any third party for claims, injuries, and damages resulting from, alleged to have arisen from, or in any way connected with the performance or omission of an action pursuant to this Lease. Lessor shall defend, indemnify, and hold harmless Lessee, the City of Knoxville, and their agents and employees from all judgments and shall pay and discharge any judgments rendered against Lessee, the City of Knoxville, and/or their agents and/or employees for all claims, injuries, and damages resulting from, alleged to have arisen from, or in any way connected with the performance or omission of an action pursuant to this Lease. Lessor shall save, indemnify, and hold harmless Lessee, the City of Knoxville, and their agents and employees from the cost of defense of any claim, demand, suit, or cause of action made or brought against Lessee, the City of Knoxville, and/or their agents and/or employees alleging liability as stated in this paragraph, including without limitation attorney fees, costs, and other expenses of every kind and description. Lessor shall assume and take over the defense of Lessee, the City of Knoxville, and their agents and employees upon timely notice and demand by Lessee or the City of Knoxville.

8. RIGHT OF ENTRY: Lessor or Lessor's representative and Lessee or Lessee's representative shall have the right at any time to enter upon any part of the Leased Premises for the purposes of determining whether the conditions and covenants contained in this Lease are being kept and performed.

9. COMPLIANCE WITH LAWS: Lessor shall promptly execute, fulfill and comply with all valid laws, rules and regulations made by any governmental authority which are applicable to the Leased Premises or Lessor's or Lessee's use thereof.

10. LESSEE'S ASSIGNMENT OR SUBLEASE: Lessee may not sublet the Leased Premises in whole or in part without Lessor's prior written consent, and the making of any such Sublease shall not release Lessee from, or otherwise affect in any manner, any of Lessee's obligations hereunder. Lessee shall not assign or transfer this Lease, or any interest herein, without the prior written consent of Lessor, and a consent to an assignment shall not be deemed to be a consent to any subsequent assignment. Any such assignment without such consent shall be void, and shall, at the option of Lessor, terminate this Lease. Neither this Lease nor the leasehold estate of Lessee nor any interest of Lessee hereunder in the Leased Premises or any improvements thereon shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever, and any such attempted involuntary assignment, transfer, or sale shall be void and of no effect and shall, at the option of Lessor, terminate this Lease.

11. FIRE AND CASUALTY DAMAGE: In the event the improvements placed by Lessor on the Leased Premises are wholly or partially damaged or destroyed by fire, storm,

tornado, or other casualty, Lessor shall, within thirty days from the date of the casualty event, give written notice to Lessee that this Lease is terminated, or, alternatively, that Lessor elects to rebuild and/or repair the improvements placed by Lessor on the Leased Premises. The failure of Lessor to give such written notice within thirty (30) days after the occurrence of the casualty shall be deemed a termination of this Lease by Lessor. Within one hundred eighty (180) days following the date of the casualty event, Lessor shall complete the rebuilding and/or repairing of the improvements to substantially the condition in which they were immediately prior to the happening of the casualty. If Lessor fails to complete the same within one hundred eighty (180) days following the date of the casualty event, then at the option of Lessee, this Lease shall terminate without the necessity of further action by Lessee.

12. DEFAULT: The following events shall be deemed to be events of default by Lessor under this Lease:

(a) With the exception of paragraph 11 above, Lessor shall fail to comply with any term, provision, or covenant of this Lease upon the expiration of fifteen (15) days after written notice from Lessee, provided that in the event that the default is of such a nature that it cannot reasonably be cured within such fifteen (15) day period, then no default shall be deemed to have occurred if Lessor commences to cure the default within such fifteen (15) day period and thereafter pursues the cure with reasonable diligence.

(b) Lessor shall make an assignment for the benefit of creditors.

(c) Lessor shall file a petition under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or Lessor shall be adjudged bankrupt or insolvent in proceedings filed against Lessor thereunder and such adjudication shall not be vacated or set aside or stayed within the time permitted by law. This Lease is and shall be construed as a lease of "nonresidential real property" as such term is used in Sections 365(d)(3) & (4) of the Bankruptcy Code.

(d) A receiver or trustee shall be appointed for all or substantially all of the assets of Lessor and that receivership shall not be terminated or stayed within sixty (60) days after such appointment.

13. REMEDIES: Upon the occurrence of any event of default specified in paragraph 12 above, Lessee shall have the option to terminate the Lease without any notice or demand whatsoever.

14. CASUALTY INSURANCE: Lessor shall, throughout the Term of this Lease, maintain such policies of casualty insurance as it deems appropriate with at least the amount of coverage necessary to rebuild the building located on the premises or, in the alternative, to refund to Lessee the One Million Two Hundred Thousand Dollars and No Cents (\$1,200,000.00) paid by Lessee to Lessor for the renovation of the building.

15. **LIABILITY INSURANCE:** Throughout the Term, Lessor agrees to obtain and maintain public liability insurance covering the Leased Premises and Lessor's operations thereon. Such public liability insurance shall be in the limits not less than two times the applicable limits specified in the Tennessee Governmental Tort Liability Act, as those limits may be changed from time to time, and shall name Lessee, the City of Knoxville, and their agents and employees as additional insureds. Lessor shall furnish Lessee and the City of Knoxville certificates of all such insurance issued by a reputable insurance company or companies which shall be licensed to do business in the State of Tennessee, which shall be reasonably acceptable to Lessee and the City of Knoxville and which shall have an A.M. Best Rating of A or better.

16. **WAIVER OF SUBROGATION:** Insofar as and to the extent that this paragraph may be effective without invalidating or making it impossible to secure insurance coverage as provided in this Lease from responsible insurance companies doing business in the state where the Leased Premises are located, Lessor hereby expressly waives any cause of action or right of recovery which it may have hereafter against Lessee, the City of Knoxville, and/or their agents and/or employees for any loss or damage to the Leased Premises or any personal property belonging to Lessor caused by fire, explosion or other risk, and Lessor shall obtain a waiver from any insurance carrier with which it carries fire insurance and/or extended coverage insurance covering the Leased Premises releasing its subrogation rights as against Lessee, the City of Knoxville, and their agents and employees.

17. **CONDEMNATION:** If during the Term hereof, any part of the Leased Premises shall be taken in any condemnation or eminent domain proceedings, this Lease shall thereupon terminate. In such event the obligation to pay rent and Lessee's right of possession hereunder shall terminate on the date of such taking. All damages for any condemnation of all or any part of the Leased Premises shall belong to Lessor. Lessee, however, shall have the right to claim and recover from the condemning authority such compensation as may be separately awarded or recoverable by Lessee in Lessee's own right on account of the taking. In the event that any part of the Leased Premises is taken in any condemnation or eminent domain proceedings, Lessee shall have the right to claim and recover from the condemning authority the One Million Two Hundred Thousand Dollars and No Cents (\$1,200,000.00) Lessee paid to Lessor for the renovation of the building, said amount to be depreciated in accordance with generally accepted accounting principles.

18. **WARRANTY OF POSSESSION:** During the entire Term hereof, Lessor covenants that Lessee, subject to the terms hereof and its performance of all of its covenants and agreements herein contained, shall and may peaceably and quietly have, hold, occupy, use and enjoy the Leased Premises.

19. **TRANSFER BY LESSOR:** Lessor shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder in the Leased Premises, including this Lease.

20. EXPENSES AND PERFORMANCE: Irrespective of whether or not expressly so stated, all of the duties, covenants, obligations and agreements of each party hereto, respectively, and all acts and things done or provided to be done by each party hereto, respectively, shall be fully and punctually kept, performed and complied with by such party at such party's sole risk, cost, expense and liability and without cost, risk, expense or liability to or on the part of the other party.

21. ACCRUED OBLIGATIONS SURVIVE TERMINATION: No termination of this Lease, regardless of how such termination may be brought about or occur, by or insofar as it relates to or affects any party hereto, shall relieve any party hereto of any duties, obligations or liabilities which shall theretofore have accrued or become payable or performable by such party.

22. NOTICE: Any notice, communication, request, reply, advice or other writing (hereinafter severally and collectively, for convenience, called "notice") in this instrument provided or permitted to be given, made or accepted by either party to the other must be in writing and may, unless otherwise in this Lease Agreement expressly provided, be given or be served by depositing the same in the United States Mail, postage prepaid and in registered or certified form and addressed to the party to be notified, with return receipt requested. Notice given in such a manner shall be deemed to be effective three days after it is deposited in the United States Mail or the date of receipt shown on the return receipt, whichever is earlier. Notice given in any other manner shall be effective only if and when received by the party to be notified. For purposes of notice the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to Lessor:

For purposes of U.S. Mail, overnight courier or hand delivery:

Helen Ross McNabb Center, Inc.
201 West Springdale Avenue
Knoxville, TN 37917-5158

If to Lessee:

For purposes of U.S. Mail, overnight courier or hand delivery:

Knox County, Tennessee
Suite 615, City-County Building
400 Main Street
Knoxville, TN 37902

and

Knox County Law Director's Office
Suite 612, City-County Building
400 Main Street
Knoxville, TN 37902

However, the parties hereto and their respective heirs, successors, legal representatives and assigns shall have the right from time to time and at any time to change their respective addresses, and each shall have the right to specify as its address any other address, by at least ten (10) days' written notice to the other party; provided, however, if at any one time more than one person or party owns an interest in the Leased Premises, nevertheless, such persons or parties may not designate more than one place and address to receive notices pursuant to the terms hereof.

23. ESTOPPEL CERTIFICATES: Within fifteen (15) days after the request of either party hereto, the other party agrees to execute an estoppel certificate or other agreement certifying to the requesting party such matters regarding this Lease as the requesting party may reasonably request.

24. HAZARDOUS MATERIALS AND LESSOR'S ENVIRONMENTAL COVENANTS: Lessor shall not use or store any Hazardous Materials on the Leased Premises. In the event Hazardous Materials are discovered on, in, or under the Leased Premises, which are present as a result of Lessor's use or occupancy of the Leased Premises or as a result of any acts or omission of Lessor's employees, agents, contractors, invitees, licensees or any person who comes upon the Leased Premises with Lessor's permission, Lessor, at its sole expense, shall immediately institute and complete, on an emergency basis, all proper, requisite, and thorough procedures for the removal of Hazardous Materials in accordance with all applicable laws, rules, ordinances, and regulations.

Lessor shall indemnify and hold Lessee and Lessee's agents, employees, successors, and assigns harmless from and against any costs, attorney's fees, expenses, fines, or claims arising out of the presence or existence of Hazardous Materials on, in or under the Leased Premises which are present as a result of Lessor's use or occupancy of the Leased Premises or as a result of any acts or omission of Lessor's employees, agents, contractors, invitees, licensees or any person who comes upon the Leased Premises with Lessor's permission. The indemnity obligation stated herein shall survive the termination of this Lease.

For purposes of this Lease, the term "Hazardous Materials" is defined as any substance, chemical or material that is prohibited, regulated or controlled by any federal, state or local statute, law or ordinance enacted for the protection of the environment, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. 5101, et seq.), and the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§6901 et seq.).

25. SUBORDINATION AND ATTORNMEN: Subject to and expressly conditioned upon the execution and delivery by any mortgagee and/or beneficiary of any mortgage or deed of trust covering the Leased Premises (hereinafter referred to as "Mortgagee") to Lessee of a non-disturbance and attornment agreement in the form described below, Lessee agrees to subordinate this Lease to any such mortgage or deed of trust which may now or hereafter encumber all or any portion of the Leased Premises and to all renewals, modifications, consolidations, replacements

and extensions thereof. In the event that any such Mortgagee fails or refuses to deliver such non-disturbance and attornment agreement to Lessee then this Lease shall be and remain prior and superior to such mortgage or deed of trust until such time as such Mortgagee executes and delivers to Lessee a non-disturbance and attornment agreement in the form provided for herein. Subject to and strictly conditioned upon the execution and delivery to Lessee of such non-disturbance and attornment agreement as aforesaid, Lessee agrees, at Lessor's request, to execute and return to Lessor an appropriate certificate or instrument evidencing and confirming such subordination within five (5) business days after receipt of same from Lessor. The above described non-disturbance and attornment agreement shall be in form and content reasonably acceptable to Mortgagee and Lessee and shall provide that in the event of the enforcement by the trustee or the beneficiary under any such mortgage or deed of trust of the remedies provided for by law or by such mortgage or deed of trust, Lessee will attorn to and become the tenant of any person or party succeeding to the interest of Lessor as a result of such enforcement without change in the terms or provisions of this Lease and shall additionally provide that such successor in interest shall not under any circumstances disturb Lessee's possession of the Leased Premises under this Lease so long as Lessee performs its obligations hereunder. Such non-disturbance and attornment agreement shall provide that in no event shall such Mortgagee be liable for (i) any obligations or default by Lessor accruing or occurring prior to the date of foreclosure by the Mortgagee and (ii) any modification, amendment or change in this Lease without the written consent of Mortgagee.

26. MEMORANDUM OF LEASE: At the time of the execution of this Lease Agreement, the parties will also execute a Memorandum of Lease, the form of which is attached as EXHIBIT 2. Either party may record the Memorandum of Lease in the Office of the Register of Deeds for Knox County, Tennessee.

27. WAIVER: No waiver or waivers of any breach or default or breaches or defaults by either party of any term, condition or liability or of performance by the other party of any duty or obligation hereunder, including without limitation, the acceptance by Lessor of payment by Lessee of any rentals at any time or in any manner other than as herein provided, shall be deemed a waiver or waivers of subsequent breaches or defaults of any kind, character or description under any circumstances.

28. CAPTIONS: The paragraph captions appearing in this Lease Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Lease Agreement, or any provision hereof, or in connection with the duties, obligations or liabilities of the respective parties hereto or in ascertaining intent, if any question of intent should arise.

29. REAL RIGHT AND COVENANT: This Lease Agreement shall constitute a real right and covenant running with the Leased Premises, and this Lease and all of its terms and provisions shall be binding upon the parties' successors; and whenever in this Lease a reference to either of the parties hereto is made, such reference shall be deemed to include, wherever applicable, a reference to the successors of said party.

30. NO AGENCY: It is not the intention of the parties hereto to create under any circumstances a partnership or a relationship of master-servant or principal-agent.

31. LIENS:

(a) Lessor shall keep all of the Leased Premises and every part thereof and all improvements at any time located thereon free and clear of any and all mechanics', materialmen's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of Lessor, any alteration, improvement, or repairs or additions which Lessor may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessor on or about the Leased Premises, or any obligations of any kind incurred by Lessor, and at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based, and to indemnify Lessee and all of the Leased Premises and all improvements thereon against all such liens and claims of liens and suits or other proceedings pertaining thereto. Lessor shall give Lessee written notice no less than sixty (60) days in advance of the commencement of any construction, alteration, addition, improvement, or repair estimated to cost in excess of One Thousand Dollars (\$1,000.00) in order that Lessee may post appropriate notices of Lessee's non-responsibility.

(b) If Lessor desires to contest any such lien, it shall notify Lessee of its intention to do so within ten (10) days after the filing of such lien. In such case, and provided that Lessor shall on demand protect Lessee by a good and sufficient surety bond against any such lien and any cost, liability, or damage arising out of such contest, Lessor shall not be in default hereunder until ten (10) days after the final determination of the validity thereof, within which time Lessor shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of Lessor hereunder. In the event of any such contest, Lessor shall protect and indemnify Lessee against all loss, expense, and damage resulting therefrom.

32. FORCE MAJEURE: It is understood and agreed by Lessor and Lessee that neither party hereto shall be liable in damages to the other party in the event such party is delayed or prevented from performing any of its obligations hereunder due to Force Majeure, which as used herein shall mean acts of God, strikes, lockouts or other industrial disturbances and any other causes, whether of the kind herein enumerated or otherwise, which are not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable wholly or in part to prevent or overcome, provided that the foregoing shall not be applicable to relieve any party hereto from the timely payment of any monetary obligation due hereunder.

33. SEVERABILITY: Should any portion of this Lease Agreement be found invalid for any reason the remainder of this Lease Agreement shall remain in full force and effect.

34. GOVERNING LAW AND VENUE: This Lease Agreement shall be governed by the laws of the State of Tennessee both as to interpretation and performance. The Chancery Court and/or the Circuit Court of Knox County, Tennessee shall have exclusive and concurrent jurisdiction of any disputes which arise hereunder.

35. ENCUMBRANCE OF LESSEE'S LEASEHOLD INTEREST: Lessee may not encumber by mortgage or deed of trust, or other proper instrument, its leasehold interest and estate in the Leased Premises, nor any improvements placed by Lessee thereon, as security for any indebtedness of Lessee.

36. TAX EXEMPT STATUS: Lessor shall maintain its tax exempt status regarding any property taxes which would otherwise be levied against the leasehold and any improvements on it. Lessor's failure to maintain said tax exempt status will be considered a default under this Lease.

37. REMEDIES CUMULATIVE: All remedies hereinbefore and hereafter conferred on the parties shall be deemed cumulative and no one exclusive of the other or of any other remedy conferred by law.

38. SURRENDER OF LEASE: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to it of any or all such subleases or subtenancies.

39. WASTE AND NUISANCE PROHIBITED: Neither Lessor nor Lessee shall commit, or allow to be committed, any waste or nuisance on the Leased Premises.

40. VIOLATION OF LEASE: Neither the execution and delivery of this Lease by Lessor nor Lessor's performance of its obligations hereunder will result in a violation or breach of any term or provisions or constitute a default or accelerate the performance required under any other agreement or document to which Lessor is a party or is otherwise bound or to which the leased premises, or any part thereof, is subject, and will not constitute a violation of any law, ruling, regulation, or order to which Lessor is subject.

41. LESSEE'S OPTION TO TERMINATE: Lessee shall have the right, by written notice to Lessor, to terminate this Lease and surrender its leasehold interest hereunder to Lessor. Said written notice shall be given to Lessor at least ninety (90) days prior to the termination date. On such termination date Lessee shall be relieved from all further liability hereunder, and shall deliver possession of the demised premises to Lessor.

42. EFFECT OF LESSEE'S HOLDING OVER: Any holding over after the expiration of the term of this Lease, with consent of Lessor, shall be construed to be a tenancy from month to month, and shall otherwise be on the terms and conditions herein specified, so far as applicable.

43. PARTIES BOUND: The covenants and conditions herein contained shall, subject to the

provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

44. TIME OF THE ESSENCE: Time is of the essence of this Lease, and of each and every covenant, term, condition, and provision hereof.

45. DEFINED SERVICES CONTRACT: Any and all provisions, conditions, covenants and agreements contained herein are subject to the Defined Services Contract ("DSC") executed among Knox County, Tennessee, the City of Knoxville, Tennessee, and the Helen Ross McNabb Center, Inc. (Contract No. 17-127), as amended, and to the extent any of the provisions contained herein conflict with those provisions of the DSC, the DSC shall control and this Lease Agreement shall be construed in a light most favorable to carrying out the effect of the DSC.

46. TERMINATION OF LEASE UPON TERMINATION OF DEFINED SERVICES CONTRACT: If at any time the Defined Services Contract among Knox County, Tennessee, the City of Knoxville, Tennessee, and the Helen Ross McNabb Center, Inc. (Contract No. 17-127), as amended, shall be terminated, this Lease shall terminate as of the same date as the termination of the Defined Services Contract.

47. GOVERNMENTAL AGENCIES: Lessor has no knowledge of any existing conditions in or about the property or otherwise which violate any city, county, state or federal law, ordinance or regulation, including, but not limited to, regulations relating to zoning and use of the property, and Lessor has not received any notice, written or otherwise, from any governmental agency requiring the correction of any condition with respect to the leased premises that might be in violation of any law, ordinance, or regulation.

48. LITIGATION, CLAIMS, OR PROCEEDINGS: There are no existing or pending actions, suits, litigation, claims, proceedings, or governmental investigations with respect to any aspect of any of the lease premises, nor, to the knowledge of Lessor, have any such actions, suits, litigation, claims, proceedings, or governmental investigations been threatened or asserted.

49. ENTIRE CONTRACT: This Lease Agreement embodies the entire contract between the parties hereto relative to the subject matter hereof. No variations, modifications or changes herein or hereof shall be binding upon any party hereto unless executed by it or by a duly authorized officer or a duly authorized agent of the particular party.

50. APPROPRIATIONS BY THE STATE OF TENNESSEE: In the event that the State of Tennessee appropriates less than Four Hundred Thousand Dollars and No Cents (\$400,000.00) for the renovation of the building located on the premises, the parties to this Lease Agreement shall have the option of attempting to renegotiate the Lease Agreement to address the lack of funding, complete or partial, from the State of Tennessee.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease Agreement as of the date stated above.

HELEN ROSS MCNABB CENTER, INC.

By: _____
Jerry Vagnier
President and Chief Executive Officer

KNOX COUNTY, TENNESSEE

By: _____
Tim Burchett
Mayor

Contract No.: 17-126

APPROVED AS TO LEGAL FORM

Knox County Law Director Date

EXHIBIT 1

Legal Description

SITUATED in District Five (5) of Knox County, Tennessee, and being within the 43rd Ward of the City of Knoxville, Tennessee and being more particularly described as follows:

BEGINNING at an iron pin, said iron pin marking the point of intersection of the Southerly margin of the right of way of Ball Camp Pike and the Westerly margin of the right of way of Dewine Road; thence from said Beginning point and with the Westerly margin of Dewine Road, South $2^{\circ}52'26''$ West, 343.50 feet to an iron pin; thence leaving the Westerly margin of the right of way of Dewine Road, North $87^{\circ}37'50''$ West, 209.15 feet to an iron pin; thence North $3^{\circ}13'05''$ East, 343.26 feet to an iron pin in the Southerly margin of the right of way of Ball Camp Pike; thence with the southerly margin of the right of way of Ball Camp Pike, South $87^{\circ}47'42''$ East, 207.19 feet to the point of BEGINNING.

BEING part of the same property conveyed to SUNTRUST BANK, a Georgia banking corporation, by Successor Trustee's Deed from LAURA F. KETCHAM, SUCCESSOR TRUSTEE, dated October 8, 2012, of record as Instrument No. 201210120023937 in the Register's Office for Knox County, Tennessee.

LESS AND EXCEPT the following property as described in that certain Partial Release of Deed of Trust and Consent Agreement dated July 12, 2010 and recorded on February 17, 2011 as Instr. #201102170049927, in the Register's Office of Knox County, Tennessee:

SITUATED, lying and being in Civil District No. 5 of Knox County, Tennessee and being more fully described as follows:

BEGINNING at a point on the south proposed uncontrolled right of way line of State Route #62 at the point of intersection with the common property line between the Helen Ross McNabb Center, Inc. and the grantors herein, said point being 20.15 feet right of centerline station 171+82.39; thence with the said property line N $01^{\circ}20'36''$ West 9.19 feet to a point on the existing south right of way line of East Ball Camp Pike, said point being 10.95 feet right of centerline station 171+81.91; thence with the said existing south right of way line N $87^{\circ}22'04''$ East 207.93 feet to a point on the existing west right of way line of Dewine Road, said point being 36.59 feet left of centerline station 173+73.00; thence with the said existing west right of way line S $01^{\circ}41'15''$ East 97.58 feet to a point on the south proposed uncontrolled right of way line of State Route #62, said point being 20 feet right of centerline station 174+50.48; thence with the said south proposed uncontrolled right of way line on a curve to the left a radius of 110 feet an arc distance of 134.44 feet to a point located 20 feet right of centerline station 172+91.60; thence with the said south proposed uncontrolled right of way line N $88^{\circ}18'57''$ West 109.20 feet to the POINT OF BEGINNING.

Containing 0.125 acres, more or less.

SLOPE EASEMENT

Being a parcel of land lying outside and adjacent to the south proposed uncontrolled right of way line of State Route #62 and extending from a point located 20.15 feet right of centerline station 171+82.39 to a point located 20 feet right of centerline station 174+50.48, and varying in width from 5 to 20 feet, more or less.

Containing 2175 square feet, more or less.

CONSTRUCTION EASEMENT

Being a parcel of land lying outside and adjacent to the proposed slope easement and extending from the common property line between the Helen Ross McNabb Center, Inc. and the grantors herein to a point located 22 feet, more or less, right of centerline station 174+55, more or less, and being 10 feet in width.

Containing 2479 square feet, more or less.

TOGETHER WITH (i) all buildings and improvements now or hereafter erected on the above-described property, (ii) all fixtures attached to the above-described property or any buildings or improvements situated thereon, and (iii) all estates, rights, tenements, hereditaments, privileges, rents, issues, profits, easements and appurtenances of any kind benefiting the above-described property, all means of access to and from the above-described property, whether public or private, and all water and mineral rights (collectively, the "Property").

EXHIBIT 2

This instrument prepared by:
Charles F. Sterchi, III
Deputy Law Director
Knox County Law Department
400 Main Street
Suite 612, City-County Building
Knoxville, TN 37902
(865) 215-2327

MEMORANDUM OF LEASE

This Memorandum of Lease is entered into by and between **HELEN ROSS MCNABB CENTER, INC.**, a non-profit corporation organized under the laws of the State of Tennessee, hereinafter referred to as "Lessor", and **KNOX COUNTY, TENNESSEE**, a political subdivision of the State of Tennessee, a home rule public corporation and charter government, hereinafter referred to as "Lessee":

WITNESSETH:

That Lessor and Lessee have entered into a Lease Agreement, dated _____, 2017, whereby Lessor has demised, leased and let unto Lessee certain real property located in Knox County, Tennessee, being more particularly described in EXHIBIT 1 attached hereto and incorporated herein by reference ("the Leased Premises").

The Term of the Lease shall be twenty (20) years and three (3) months, commencing on April 1, 2017.

This Memorandum of Lease is subject to all conditions, terms and provisions of the Lease Agreement, which is hereby adopted and made a part hereof by reference to the same extent and in the same manner as if all the provisions thereof were stated herein.

This _____ day of _____, 2017.

KNOX COUNTY, TENNESSEE

HELEN ROSS MCNABB CENTER, INC.

By: _____
Tim Burchett
Mayor

By: _____
Jerry Vagnier
President and Chief Executive Officer

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

Before me, the undersigned authority, a Notary Public of the State and County
aforementioned, personally appeared Tim Burchett, with whom I am personally acquainted (or
proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself
to be the Mayor of Knox County, Tennessee, the within named bargainor, a political
subdivision of the State of Tennessee, a home rule public corporation and charter government,
and that he as such Mayor, being duly authorized so to do, executed the foregoing instrument
for the purposes therein contained, by personally signing the name of Knox County, Tennessee,
by himself as such Mayor.

Witness my hand and seal, at office in Knoxville, Tennessee, this _____ day of
_____, 2017.

NOTARY PUBLIC

My Commission Expires: _____

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

Before me, the undersigned authority, a Notary Public of the State and County
aforementioned, personally appeared Jerry Vagnier, with whom I am personally acquainted (or
proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself
to be the President and Chief Executive Officer of the Helen Ross McNabb Center, Inc., the
within named bargainor, a corporation, and that he as such President and Chief Executive
Officer, being duly authorized so to do, executed the foregoing instrument for the purposes
therein contained, by personally signing the name of the corporation by himself as such
President and Chief Executive Officer.

Witness my hand and seal, at office in Knoxville, Tennessee, this _____ day of
_____, 2017.

NOTARY PUBLIC

My commission expires _____