

LEASE AGREEMENT
COF Contract No. 2015-0315

This Lease Agreement made as of _____, 2015, to be effective as of _____, 2015 by and between the CITY OF FRANKLIN, TENNESSEE a municipal governmental entity of the State of Tennessee (hereinafter referred to as "City" or "Lessor"), and GRACEWORKS MINISTRIES, INC. (hereinafter referred to as "Lessee").

WITNESSETH:

(1) **DEMISE, TERM AND RENT.** The Lessor leases to the Lessee the northern portion (approximately 2,500 square feet) of the building located at 108 Southeast Parkway in the City of Franklin, Tennessee ("Building" or "Premises"), for the term of one (1) year from _____, 2015 to _____, 2016, at a monthly rental of One Thousand and No/100 Dollars (\$1,000.00), payable at the office of the Lessor in the City of Franklin, in advance, on the first day of each month during the Term. Rent payments commence on November 1, 2015. Lessor hereby grants to Lessee an option to extend this Agreement in writing by the parties for one (1) additional term of one (1) year upon the same terms as set forth herein. No extension shall be effective without the signature of the parties hereto. Additionally, at any time after the execution of the Lease, Lessor shall have the right to terminate the Lease with ninety (90) days prior written notice to Lessee.

(2) **APPURTENANCES.** Lessor grants to Lessee and covenants that Lessee shall have during the term of this Lease, at no additional cost to Lessee, the use of parking spaces in the lot ("Parking Area") adjoining the Building marked on Exhibit A.

(3) **LESSEE'S COVENANTS.** Lessor and Lessee agree:

a) **Rent.** That Lessee will pay the said rent at the times and in the manner aforesaid.

b) **Maintenance, Housekeeping.** That Lessee will maintain the Premises and pay all housekeeping expenses of the interior of Premises, which shall include, but not be limited to the purchase and replacement of light bulbs when needed. Lessee will maintain mechanical, electrical and plumbing systems, heating, ventilation and air conditioning, common areas, including restrooms. The parties will complete a walk-through of the Premises within ten (10) days of execution of this Lease, noting the present condition of the premises. An additional walk-through will be conducted after Lessee has vacated the premises in order to determine the extent of damage, if any.

c) **Payment of Utilities.** That Lessor shall pay for gas, electric, water, and sewer throughout the term of the Lease. If Lessee is billed for any other utilities or services for which Lessor is responsible by the provider thereof, Lessor shall reimburse Lessee for the amount thereof within forty-five (45) days' of being furnished with a statement from Lessee with respect thereto. If the amount due as shown on such statement is not paid when due, it shall bear interest at the lesser of the maximum legal contract rate or twelve percent per annum (12%) until paid.

d) **Permitted Use.** That the Premises shall be used as office space for Lessee and for no other use without Lessor's written consent, not to be unreasonably withheld, conditioned or delayed.

e) **Obligation to Repair.** That Lessee will keep the Premises, mechanical, electrical or plumbing maintenance and those matters set forth in Section 4(c) of this Agreement, in such

repair as the same are at the commencement of the said term or as may be installed, attached or affixed during the continuance thereof, reasonable wear and tear only excepted other than the exterior Building. Lessee agrees to promptly notify Lessor of any repairs that are not covered within this section and are the responsibility of the Lessor.

f) Not to Injure; Renovations and Alterations of Premises. That Lessee will not injure, overload, or deface or suffer to be injured, overloaded, or defaced the Premises or any part thereof. Lessor shall approve of all plans and specifications for material renovations and alterations, subject to reasonable conditions and any and all Franklin Municipal Code requirements. Lessee shall allow no lien to be placed against the Premises or the Building. All alterations, additions, repairs, replacements and improvements made to or upon the Premises shall be deemed to be part of the Premises and shall become the property of Lessor upon the expiration or termination of this Lease; provided, however, that trade fixtures, machinery, and equipment that are installed by Lessee and removable without materially injuring the Premises shall remain the property of Lessee.

g) Liability Insurance. Without limiting its liability under this Lease Agreement, that Lessee shall procure and maintain at its expense during the life of the Lease Agreement insurance of the types and in the minimum amounts stated as follows:

i) Comprehensive or Commercial General Liability

A. Bodily Injury:

\$1,000,000 Each Occurrence

\$2,000,000 Aggregate

B. Property Damage

\$1,000,000 Each Occurrence

\$1,000,000 Aggregate

ii) Personal Injury, with Employment Exclusion deleted

A. \$1,000,000 Aggregate

iii) If the General Liability coverage is provided by a Commercial Liability Policy the

(1) General Aggregate shall not be less than \$1,000,000 and shall apply, in total, to this Lease Agreement only.

(2) Medical Expense Limit shall not be less than \$1,000,000 on anyone person.

iv) Proof of Workers' Compensation Coverage

v) Auto Liability Limit of \$1,000,000

Lessee's insurance policy, if applicable, shall name the City of Franklin as an "Additional Insured with respects to the Lease only." Said insurance shall be written by a company(s) licensed to do business in the State of Tennessee and satisfactory to City of Franklin Risk Management. Prior to occupying a City owned, leased or rented space, a Certificate of Insurance evidencing the maintenance of said insurance shall be furnished to City of Franklin Risk Management and shall contain the following statement: "Insurer will endeavor to notify the City of Franklin Risk Management before coverage is canceled or altered."

h) Personal Property Insurance. That it shall be Lessee's sole responsibility to insure and keep insured, at Lessee's expense, all personal property which is owned by Lessee, or any other authorized occupant of the Premises, and which is placed or stored in the Premises or elsewhere in the building of which they are a part.

i) Unlawful, Improper, or Offensive Use. That Lessee will not make or suffer any unlawful, improper, or offensive use of the Premises, or any use or occupancy thereof contrary to any law of the State of Tennessee or any ordinance or regulation of the City of Franklin now or hereafter made, or which shall be injurious to any person or property, or which shall be liable to endanger or affect any insurance on the said building or to increase the premium thereof, nor shall Lessee make or suffer any sale of any intoxicating beverages within the Premises; provided, however, that nothing shall prevent the storage of wine and spirits in the Premises for sale or consumption off the Premises.

j) Alterations, Additions, Signs, Newsracks, etc. That Lessee will not make any alterations or additions in or to the Premises without the written consent of the Lessor, or cause any holes to be made or drilled in the outside stone or brick work, or place any signs upon the Building except such as the Lessor shall in writing approve. No fixtures such as newsracks or other receptacles shall be placed outside the Building.

k) Assignment. That Lessee will not assign, sublet, or in any way part with the possession of the whole or any part of the Premises without first obtaining the written consent of the Lessor.

l) Permission of Lessor to Enter. That the Lessor at all reasonable times may enter to view the Premises and to make repairs which the Lessor may see fit to make, or within the last six months of the term to show the Premises to persons who may wish to lease the Premises or buy the Building.

m) Yield up Premises at Expiration of Term. That at the expiration of the said term Lessee will peaceably yield up to the Lessor the Premises and all erections and additions made upon the same, in condition no worse than the current condition of the Premises, reasonable use and wear excepted, as the same now are or may be installed, attached or affixed by the Lessor.

n) Indemnification and Hold Harmless. Lessee shall indemnify and hold harmless Lessor, its officers, agents and employees from:

- 1) Any claims, damages or suits for loss of or damage to property, including loss of use thereof, or injuries, including death to persons and from all judgments recovered therefore and from all expense in defending said claims or suits, including court costs and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of Lessee, its officers, employees and/or agents, including its sub or independent contractors and patrons, in connection with this Lease Agreement.
- 2) Any claims, damages, penalties, costs and attorney fees arising from any failure of Lessor, its officers, employees and/or agents, including its sub or independent contractors, to observe applicable laws, including, but not limited to, labor laws and minimum wage laws.

- 3) Lessor will not indemnify, defend or hold harmless in any fashion the Lessee from any claims arising from any failure, regardless of any language in any attachment or other document that the Lessee may provide.
- 4) Any claims, damages, penalties, costs and attorneys fees arising from any action brought against the City of Franklin by any of Lessee's officers, employees and/or agents arising out of any injury incurred by such officer, employee and/or agent but only to the extent arising out of the performance of this Agreement, regardless of the cause of such injury.
- 5) Lessee shall pay Lessor the reasonable expenses incurred as a result of Lessee's failure to fulfill any obligation in a timely manner under this Lease Agreement; but not in any event consequential or punitive damages.
- 6) Enforcement Expenses. In the event it becomes necessary for Lessor to employ an attorney to enforce collection of the rents agreed to be paid, or to enforce compliance with any of the covenants or agreements herein contained, Lessee shall be liable for reasonable attorney's fees, costs and expenses incurred by the Lessor.
 - o) Assent Not Waiver of Future Breach of Covenants. That no assent, express or implied, by the Lessor to any breach of any of the Lessee's covenants, shall be deemed to be a waiver of any succeeding breach of the same covenant.
 - p) Maintenance of Records. The books, records and documents of Lessee, insofar as they relate to this Lease Agreement (i.e., Agreement, maintenance records, invoices, etc.), shall be maintained for a period of three (3) full years from the date of expiration of this Lease Agreement and will be subject to audit, at any reasonable time and upon reasonable notice by Lessor or its duly appointed representatives. The records shall be maintained in accordance with Lessee's consistently applied accounting principles.
 - q) Employment. That Lessee shall not subscribe to any personnel policy which permits or allows for the promotion, demotion, employment, dismissal or laying off of any individual due to race, creed, color, national origin, age, sex, or which is in violation of applicable laws concerning the employment of individuals with disabilities.

(4) **LESSOR'S COVENANTS**. The Lessor agrees:

- a) Covenant for Quiet Enjoyment. That the Lessee shall peaceably hold and enjoy the Premises, subject to the terms of this Lease Agreement.
- b) Payment of Taxes. That the Lessor will pay the general taxes, if any, which shall be assessed and levied upon the Premises during the said term as they may fall due.
- c) Obligation to Repair. That Lessor will keep the exterior Building, , parking areas, windows, roof, sidewalks, and landscaped areas in good and serviceable condition and repair, including without limitation compliance with all applicable codes, statutes, regulations and ordinances, including without limitation the Americans With Disabilities Act. All repairs that are the duty of Lessor shall be made within a reasonable time after notice from Lessee of the need for such repair.
- d) Insurance. That Lessor shall insure, at the Lessor's sole expense, the Building on the demised Premises against the risk of fire and hazard.

- e) Utilities. That Lessor agrees to pay all amounts due for utilities such as gas, electric, water and sewer per paragraph (3)(c) above.

(5) **DEFAULT, INSOLVENCY, ETC. OF LESSEE.**

- a) If Lessee shall neglect or fail to perform and observe any of the covenants in this instrument, which on its part are to be performed and such default shall continue for a period of thirty (30) days after the mailing of a written notice, postage prepaid from the Lessor to the Lessee specifying such default, or the Lessee shall be declared bankrupt or insolvent according to law, or if any assignment shall be made of any of its property for the benefit of creditors, then, and in any of the said cases, the Lessor or those having their estate in said Premises, lawfully may immediately or at any time thereafter, and while such neglect or default continues and without further notice or demand, enter into and upon the Premises or any part thereof in the name of the whole and repossess the same as of their former estate and expel the said Lessee and those claiming under it, and remove their effects (forcibly if necessary) without being taken or deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent, or preceding breach of covenant and, at the Lessor's election, the said term shall cease and be ended.
- b) If Lessor shall neglect or fail to perform and observe any of the covenants in this instrument, which on its part are to be performed and such default continues for thirty (30) days after notice of such default, Lessee may correct such condition and subtract from rent otherwise due hereunder the reasonable costs of such correction or may terminate this Agreement by written notice to Lessor.

(6) **DAMAGE BY FIRE.** In case the Premises or any part thereof shall at anytime during the said term be destroyed or damaged by fire or other unavoidable casualty so as to be unfit for occupancy and use, within Thirty (30) days Lessor must provide Lessee with written notice if the Premises cannot be rebuilt or restored by the Lessor within One Hundred Twenty (120) days thereafter. If Lessor cannot rebuild or restore within One Hundred Fifty (150) days and Lessor provide notice to Lessee within Thirty days, then this Lease Agreement shall terminate, I If the Premises can be rebuilt or restored within One Hundred Fifty (150) days, the Lessor will at its own expense and with due diligence shall so rebuild or restore the Premises, and rent shall abate under this Agreement until the Premises shall have been so rebuilt or restored.

(7) **TAKING BY EMINENT DOMAIN.** In the event the whole or a substantial part of the Premises shall be taken by the City of Franklin, the State of Tennessee or other entity with the authority to exercise eminent domain for any public use by condemnation or agreement upon the threat of condemnation, then this Lease Agreement shall terminate from the time when possession of the whole or of the part so taken shall be required for such public use, and the rents, properly apportioned, shall be paid up to that time; and the Lessee shall not claim or be entitled to any part of the award to be made for damages for such taking for public use; and such taking shall not be deemed a breach of the Lessor's covenant for quiet enjoyment hereinbefore contained.

(8) **SURRENDER OF PREMISES.** At the expiration of the term of this Lease, Lessee shall peaceably yield up to Lessor the Premises and all erections and additions made thereto except as hereinbefore provided, in good repair in all respects, reasonable use, wear and tear and damage by fire or other casualty or by condemnation excepted.

(9) **HOLDING OVER.** Should Lessee hold over the term hereby created with the consent of Lessor, Lessee shall become a Lessee from month to month at the monthly rental then payable hereunder and otherwise upon the covenants and conditions in this Lease contained, and shall continue to be such Lessee until thirty (30) days after either party serves upon the other notice of intention to terminate such monthly tenancy.

(10) **COVENANT AND AGREEMENTS.** All of the covenants, agreements and conditions of this Lease shall accrue to the benefit of and be binding upon the respective parties hereto and their successors and assigns as if they were in every case named and express.

(11) **CHOICE OF LAW.** This Lease Agreement shall be governed by the laws of the State of Tennessee.

(12) **NOTICES.** Any notice provided pursuant to this Lease, if specified to be in writing, will be in writing and will be deemed given: (a) if by hand delivery, then upon receipt thereof; (b) if mailed, then three (3) days after deposit in the mail where sender is located, postage prepaid, certified mail return receipt requested; (c) if by next day delivery service, then upon such delivery; or (d) if by facsimile transmission or electronic mail, then upon confirmation of receipt. All notices will be addressed to the parties at the addresses set forth below (or such other address as either party may in the future specify in writing to the other):

Lessor:

City of Franklin
Attn.: City Administrator

109 Third Ave. South

P.O. Box 305
Franklin, TN 37065-0305

Lessee:

Graceworks Ministries, Inc.
Attn.: Tina Edwards, Executive Director
AND
Attn: Tom Miller, Board Chairman
104 Southeast Parkway
Franklin, TN 37064-3969

(13) **SEVERABILITY.** Should any provision of this Lease Agreement be declared to be invalid by any court of competent jurisdiction, such provision shall be severed and shall not affect the validity of the remaining provisions of this Lease Agreement.

(14) **ENTIRE AGREEMENT.** This Lease Agreement and its attachments contain the entire agreement between the parties, and no statement, promises, or inducements made by either party or agent of either party that is not contained in this Lease Agreement shall be valid or binding; and this Lease Agreement may not be enlarged, modified or altered except in writing signed by the parties and attached hereto.

(15) **VENUE.** In the event that any term of this Lease Agreement or its attachments become subject to litigation, the venue for such action will be in Williamson County, Tennessee.

(16) **WAIVER.** No waiver of any provision of this Lease Agreement shall be valid unless in writing and signed by the parties against whom charged.

(17) **LIMITATION OF LIABILITY.** Notwithstanding any provision hereinto the contrary, Lessee shall look solely to the equity of Lessor in and to the premises in the event of a breach or default by Lessor pursuant to the provisions of this Lease, and lessee agrees that the liability of Lessor under this Lease shall not exceed the value of such equity of Lessor in the premises. No

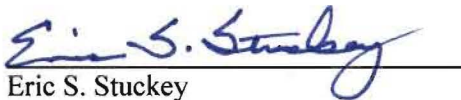
other properties or assets of Lessor shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) arising out of, or in connection with this Lease Agreement.

(18) **PARTNERSHIP-JOINT VENTURE**. Nothing herein shall in any way be construed or intended to create a partnership or joint venture between the parties or to create the relationship of principal and agent between or among any of the parties. None of the parties hereto shall hold itself out in a manner contrary to the terms of this paragraph. No party shall become liable for any representation, act or omission of any other party contrary to the terms of this paragraph.



(19) **EFFECTIVE DATE**. This Lease Agreement shall not be binding upon the parties until it has been signed first by the Lessee and then by the authorized representatives of the City of Franklin and has been filed in the office of the Mayor. When it has been so signed and filed, this Agreement shall be effective as of the date first written above.


IN WITNESS WHEREOF, the parties hereto have hereunto caused their names to be signed to multiple copies of this Lease Agreement as of the day and date last written below in Acknowledgements, all copies constituting, however, but one Lease Agreement.

Lessor:
CITY OF FRANKLIN, TENNESSEE


Eric S. Stuckey

Lessee:
GRACEWORKS MINISTRIES, INC.

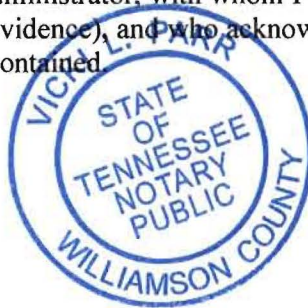

Tina Edwards, Executive Director

Tom Miller, Board Chairman


Approved as to form by
Kristen L. Corn
Assistant City Attorney

ACKNOWLEDGMENTS

STATE OF TENNESSEE
COUNTY OF WILLIAMSON

The foregoing instrument was acknowledged before me this 1st day of October 2015 by **Eric S. Stuckey**, City Administrator, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.



Vicki L Parr

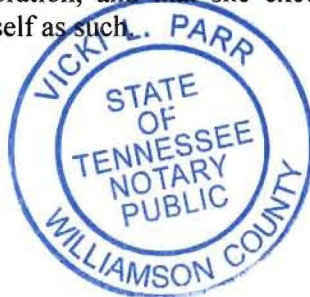
NOTARY PUBLIC

3-21-16

My Commission Expires:

STATE OF TENNESSEE
COUNTY OF WILLIAMSON

The foregoing instrument was acknowledged before me this 29 day of September 2015 by **Tina Edwards**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she is the Executive Director of Graceworks Ministries, Inc., a corporation, and that she executed the within instrument for the purposes therein contained by herself as such.



Vicki L Parr

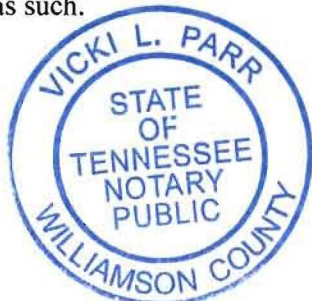
NOTARY PUBLIC

3-21-16

My Commission Expires:

STATE OF TENNESSEE
COUNTY OF WILLIAMSON

The foregoing instrument was acknowledged before me this 29 day of September 2015 by **Tom Miller**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he is the Chairman of the Board of Graceworks Ministries, Inc., a corporation, and that he executed the within instrument for the purposes therein contained by himself as such.



Vicki L Parr

NOTARY PUBLIC

3-21-16

My Commission Expires:

Former Streets Dept.
Office Area



Southeast Pkwy

104

108

FRANKLIN, TENNESSEE
This map was prepared by the
Department of Planning and Economic Development
for the purpose of showing the location of the
property. It is not intended to be used for any other
purpose. All rights reserved.

COF CIS Dept.

Exhibit A