

WASHINGTON COUNTY, TENNESSEE BOARD OF COUNTY COMMISSIONERS

RESOLUTION No. 24-09-03

RESOLUTION APPROVING GRAY LIBRARY LEASE, AMENDING FISCAL YEAR BUDGET 2024-2025, AND APPROVING AND AUTHORIZING CERTAIN CAPITAL PROJECTS FUND SPENDING UP TO \$1,507,000.00 FOR FY24-25 FOR WASHINGTON COUNTY LEASE PAYMENTS ASSOCIATED WITH GRAY BRANCH LIBRARY RELOCATION AND DESIGN OF AND RENOVATIONS TO THE CITI BUILDING

WHEREAS, on January 22, 2024 the Washington County Board of County Commissioners approved Resolution 24-01-08 (*Resolution Declaring Surplus of County-Owned Property at 1526 Bobby Hicks Hwy, Map 012p, Parcel 003.00*) which conditioned the sale upon (1) the County Commission approval of a new site for the Gray Branch of the Washington County Library further to a Request for Proposals that comports with The County Purchasing Law of 1957; and (2) County Commission approval funding specific to the new location of the Gray Branch of the Washington County Library; and

WHEREAS, on April 22, 2024, the Washington County Board of County Commissioners approved Resolution 24-04-09 (*Resolution Approving and Authorizing A Purchase Agreement Between Washington County, Tennessee And RBM Properties Group For The Property Described As Lot 2 Of Map 012 Parcel 065.00 & Map 012 Parcel 063.00 In Johnson City, Tennessee And Amending Fiscal Year Budget 2023-2024 Re: Building Purchase*); and

WHEREAS, in order for Washington County to provide the Gray Branch of the Washington County Library the time required to move to the new location, a short-term lease of the property being sold (See Exhibit A) is necessary to address the use of the property after the closing on the sale which is scheduled for September 30, 2024 (See Exhibit B – Settlement Statement); and

WHEREAS, the Mayor requests approval of the Lease Agreement by and between Taylor Properties #3, LP, (Landlord), and Washington County, Tennessee, (Tenant), for the property located at 5026 Bobby Hicks Hwy, Gray, Tennessee (Exhibit A); and

WHEREAS, the Mayor requests the following amendments to Fiscal Year Budget 2024-2025:

1. Increase \$66,000.00 to expense line item 171-91110-330 (General Administration Projects- Lease Payments);
2. Increase \$1,441,000.00 to expense line item 171-91110-707 (General Administration Projects- Building Improvements);

3. Increase \$1,507,000.00 to revenue line item 101-44540 (Sale of Property); and

WHEREAS, at its September 5, 2024 meeting the County Owned Property Committee recommended consideration and approval of this request; and

WHEREAS, the Capital Projects Funds Policy, adopted August 29, 2016 (Resolution 16-08-14), requires an enabling Resolution approved by the County Commission, identifying a specific project or use of capital funds prior to expenditure or transfer from the Capital Projects Fund; and

WHEREAS, the Mayor has requested funding to make the lease payments; and

WHEREAS, the Mayor requests authorization to spend up to \$66,000.00 for lease payments from the County's Capital Project Fund line item 171-91110-330, General Administration Projects-Lease Payments and \$1,441,000.00 for Citi building design and renovation costs from the County's Capital Project Fund line item 171-91110-707, General Administration Projects-Building Improvements; and

WHEREAS, the Budget Committee at its September 11, 2024 meeting recommended consideration and approval of this request to the Board of County Commissioners; now therefore

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, TENNESSEE THAT:

SECTION 1. The lease agreement between Taylor Properties #3, LP, (Landlord), and Washington County, Tennessee, (Tenant), (Exhibit A) is hereby approved and the County Mayor is authorized to execute it and any related documents necessary to effectuate the intent of this Resolution, subject to review and approval by the County Attorney.

SECTION 2. Fiscal Year Budget 2024-2025 is amended to:

1. Increase \$66,000.00 to expense line item 171-91110-330 (General Administration Projects- Lease Payments).
2. Increase \$1,441,000.00 to expense line item 171-91110-707 (General Administration Projects- Building Improvements).
3. Increase \$1,507,000.00 to revenue line item 101-44540 (Sale of Property).

SECTION 3. The County Purchasing Agent and County Mayor are authorized to execute all necessary documents, subject to the approval of the County Attorney.

SECTION 4. The Board of County Commissioners approves and authorizes the expenditure in an amount not to exceed \$66,000.00 for lease payments from the County's Capital Project Fund line item 171-91110-330, General Administration Projects-Lease Payments and \$1,441,000.00 for Citi building design and renovation costs from the County's Capital Project Fund line item 171-91110-707, General Administration Projects-Building Improvements;

SECTION 5. This Resolution shall take effect from and after the date on which it is approved by the County Mayor or as indicated by certification of the County Clerk, as hereinafter set forth.

Introduced by Commissioner: *Jones*

Seconded by Commissioner: *Malone*

Commissioners Voting FOR: *Tucker, Fitzgerald, Edens, Matherly, England, Malone, Stout, Tomita, Jones, Wexler, Huffine, Wheeler, Carder*

Commissioners Voting AGAINST: *Johnson*

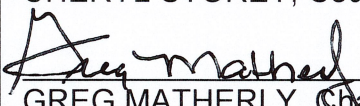
Commissioners Abstaining: *None*

Commissioners Absent: *Davenport*

ADOPTED BY THE COUNTY LEGISLATIVE BODY, in session duly assembled, on this the 23rd day of September, 2024.

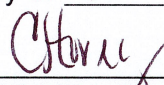


CHERYL STOREY, County Clerk



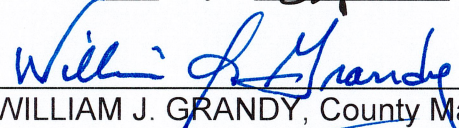
GREG MATHERLY, Chair of the Board

REFERRED to County Mayor this the 25 day of Sept. 2024



CHERYL STOREY, County Clerk

APPROVED by County Mayor on this the 25 day of Sept 2024.



WILLIAM J. GRANDY, County Mayor

The County Mayor having declined to approve this Resolution, the same became effective on the __ day of _____ 2024, pursuant to Tennessee Code Annotated § 5-6-107(b)(5).

CHERYL STOREY, County Clerk

Approved as to form by the County Attorney this 24th day of September 2024.



ALLYSON L. WILKINSON, County Attorney

LEASE

(5026 Bobby Hicks Hwy, Gray, Tennessee)

THIS LEASE (herein the "Lease"), is made and entered into to be effective this ____ day of _____, 2024 ("Effective Date"), by and between **TAYLOR PROPERTIES #3, LP**, a Tennessee limited partnership, hereinafter referred to as "Landlord", and **WASHINGTON COUNTY, TENNESSEE**, hereinafter referred to as "Tenant". Landlord and Tenant may be referred to jointly herein as the "Parties" or if singular, the "Party."

W I T N E S S E T H:

1. GRANT OF LEASE. In consideration of the payment by Tenant of the rent hereinafter set out, the performance by Tenant of the covenants and agreements herein contained, and subject to all the provisions hereinafter set forth, Landlord does hereby let and demise to Tenant and Tenant does hereby take and hire from Landlord the property hereinafter described as the Premises.

2. PREMISES. The Premises consists of the property described in Exhibit "A" attached hereto, together with all improvements located thereon (the "Premises"). The Premises are rented and let without representation or warranty, express or implied, by Landlord, as to the state of title thereto existing at the commencement of the Term of this Lease, except that Landlord has fee simple title to the Premises. Except as provided herein below, the Premises are leased, and Tenant accepts the Premises, **AS IS, WHERE IS, WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE.**

3. TERM. The term shall commence on the Effective Date of this Lease and shall end unless sooner terminated as herein provided six (6) months from the Effective Date (the "Term"). Tenant shall have the option to renew this Lease on a month-to-month basis for up to four (4) additional months upon the same terms and conditions set forth herein if Tenant's new space located at Lot 2, Elevate Gray, a Planned Unit Development is not ready for Tenant to occupy. Tenant shall give written notice to Landlord prior to the expiration of the then existing Term and

notify Landlord if such additional months will be needed. Notwithstanding the foregoing, Tenant, at any time during the Term of this Lease may terminate this Lease by the giving of no less than thirty (30) days' written notice to Landlord. If Tenant terminates this Lease as provided herein, Monthly Base Rent, Additional Rent and all other sums due Landlord will be prorated to the date of termination, Tenant shall return the Premises to Landlord in the condition required herein, and thereafter both parties shall be relieved of all further obligations as set forth under this Lease except for those obligations that survive the termination of this Lease which are specifically set forth in this Lease.

4. RENT.

(a) Rent shall be due and payable commencing from the Effective Date of this Lease, ("Rent Commencement Date") and if the Rent Commencement Date shall occur on any date other than the first day of the month, all Monthly Base Rent and Additional Rent shall be prorated based on the number of days in the month that the Rent Commencement Date occurs. Monthly Base Rent shall be Ten Thousand Eight Hundred Thirty-Four and 70/100 Dollars (\$10,834.70) per month during the Term of this Lease.

(b) Commencing on the Rent Commencement Date, Tenant shall pay, as Additional Rent, the following:

(i) The ad valorem taxes, assessments and other governmental charges ("Taxes") if any, assessed against the Premises shall be paid by the Tenant directly to the county taxing authority.

(d) All Base Rent and Additional Rent shall be paid without any prior demand therefor and without any deduction or set-off whatsoever. If Tenant is delinquent in any monthly installment of Monthly Base Rent or Additional Rent, and such delinquency continues for five (5) days after the due date, Tenant shall pay to Landlord on demand a late charge equal to five (5) percent of such delinquent sum. The provision for such late charge shall be in addition to all of Landlord's other rights and remedies hereunder or at law or in equity and shall not be construed as a penalty. As used herein the term "Rent" shall be deemed to include both Base Rent and Additional Rent.

5. USE OF PREMISES. Tenant shall use and occupy the Premises for public library purposes and for no other purpose without the written consent of Landlord.

6. UTILITIES AND PEST CONTROL. Commencing with the Effective Date of this Lease, Tenant shall pay all charges for electricity, heat, water, sewer, telephone, internet and all other utilities for Tenant's use and occupancy of the Premises. Additionally, Tenant shall pay for janitorial services, trash removal and shall employ a pest control service on a monthly basis.

7. TENANT'S ALTERATIONS, SIGNAGE AND MATERIALMEN'S LIENS.

(a) Alterations. At any time during the Term, and subject to Landlord's written consent as set forth below and the other conditions herein set forth, Tenant shall be permitted to make, at its own expense, any alterations, additions or improvements in and to the Premises, provided that all such alterations (i) shall be made in a good and workmanlike manner in quality and class at least equal to that existing at the time improvements are made, (ii) shall not weaken or impair the structural integrity of the Premises, lessen the value of the Premises, or change the purpose for which the Premises may be used, and (iii) have been approved by all governmental agencies or departments having authority and/or jurisdiction, and all work shall be done in accordance with the requirements of local regulations. Additionally, before any alterations are commenced, Landlord must be notified in writing with a detail of the desired alterations and Landlord shall have the right to approve or disapprove such alterations by written notice given to Tenant. Tenant shall not place weights on any portion of the Premises beyond the safe carrying capacity of the structure, nor shall it overload or alter the electric wiring.

(b) Signage. Any signage and all costs of maintenance shall be at Tenant's expense. All signage shall be in compliance with all governmental rules and regulations. Tenant, at Tenant's expense, shall remove all signage at the expiration or earlier termination of this Lease and fix any damage to the Building as a result of such removal.

(c) Materialmen's Liens. Tenant shall not allow any liens for materials furnished and/or labor performed to attach to the Premises as a result of any work performed by or on behalf of Tenant. Tenant agrees to immediately discharge (either by payment or by filing of the necessary bond, or otherwise) any mechanic's, materialmen's or other lien against the Premises which may

arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies or equipment alleged to have been furnished to or for Tenant in, upon or about the Premises which may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies or equipment alleged to have been furnished to or for Tenant in, upon or about the Premises within fifteen (15) days of such lien being filed, failing which, Landlord, shall have the right but not the obligation, to bond or pay any such lien, without inquiring into the validity thereof, and Tenant shall, upon demand, reimburse Landlord the total expense incurred by Landlord in connection therewith (including reasonable attorney fees), together with a ten percent (10%) administrative charge thereon, as Additional Rent hereunder. Failure of Tenant to reimburse Landlord within thirty (30) days of written notice to Tenant shall be deemed an Event of Default as set forth in Section 13 of this Lease.

8. SURRENDER.

(a) Tenant shall surrender the Premises to Landlord upon expiration or termination of the Term, in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by casualty, and (iii) loss by condemnation. Tenant shall, at Landlord's request, and at Tenant's sole expense, remove Tenant's property, including but not limited to Tenant's FF&E (defined below), by the expiration date or termination date. After vacation of the Premises by Tenant, any of Tenant's property left on the Premises shall be deemed to be abandoned and, at Landlord's option, title shall pass to Landlord. If Landlord elects to remove any of Tenant's property, the cost of removal, including repair of any damage to the Premises caused by such removal, shall be paid by Tenant.

(b) Landlord agrees that all trade fixtures, signs, trade equipment, furniture or other personal property of whatever kind and nature kept or installed in the Premises by Tenant (Tenant's "FF&E") shall not become the property of Landlord or a part of the realty no matter how affixed to the Premises and may be removed by Tenant, in its discretion, at any time and from time to time during the Term of this Lease.

9. REPAIR AND MAINTENANCE OF PREMISES.

(a) Tenant shall maintain and keep in good repair, at its sole cost and expense, the interior of the Premises, including without limitation, fixtures, walls, floors and ceilings, meters.

the HVAC, plumbing and electrical systems, and all installations made by Tenant. Tenant shall use all reasonable precaution to prevent waste, damage or injury to the Premises. Tenant shall maintain all component parts of the fixtures and equipment located within the Premises. Tenant shall be responsible for replacing any glass breakage. Tenant, at Tenant's expense, shall also be responsible for maintaining the exterior of the building, the parking lot, outside lighting and all shrubbery, landscaping and lawn.

(b) Landlord shall be responsible for maintaining the roof and all structural components of the Premises. Tenant shall notify Landlord in writing if any repairs to the roof or structural components of the Premises that are required and provided such repairs or maintenance are non-emergent, Landlord shall have thirty (30) days from the date of such written notice to address such maintenance or repairs provided however, if such maintenance or repairs cannot be completed in such thirty (30) day period, provided that Landlord has commenced such repairs or maintenance and is diligently pursuing to completion, Landlord shall be deemed to be in compliance with this provision.

(c) Landlord, or its representatives, shall have the right, at all reasonable times during the Term, to enter the Premises for the purpose of examining or inspecting the same to assure itself that Tenant is repairing and maintaining the improvements required of it and pursuant to the covenants set forth in this Lease. Landlord shall use all reasonable effort not to disturb Tenant's use and occupancy during such inspections. In the event Landlord shall become aware that Tenant is not performing its covenants of maintenance and repair, as provided in this Lease, Landlord shall have the right, but not the obligation, to perform the maintenance and repairs which Tenant has not performed and to immediately invoice Tenant for all costs and expenses incurred by Landlord, together with interest thereon at the highest contract rate allowed by law. Failure of Tenant to reimburse Landlord within thirty (30) days of receipt of such invoice shall constitute an Event of Default as defined in Paragraph 13.

10. INSURANCE.

(a) Landlord shall maintain, at its cost and expense, throughout the Term of the Lease, fire and extended risk insurance coverage insuring the full replacement value of the Premises.

Tenant shall maintain all insurance which it deems necessary for its protection against loss of or damage to any of its property located within the Premises.

(b) Tenant shall obtain and maintain, at its cost and expense during the Term of the Lease, public liability insurance for the use and benefit of Landlord and Tenant in an amount not less than Two Million Dollars (\$2,000,000.00) for any one injury and Three Million Dollars (\$3,000,000.00) for any one casualty. The insurance policy shall name Landlord as an additional insured and shall contain provisions against cancellation without Landlord being given at least thirty (30) days prior written notice. Tenant shall furnish Landlord with a certificate of insurance issued by Tenant's insurance company prior to the commencement of the Term of this Lease and at least thirty (30) days prior to any insurance policy expiring or terminating.

(c) Nothing contained in this Lease shall be construed to require Landlord to repair, replace, reconstruct or pay for any property of Tenant which may be damaged or destroyed by fire, flood, windstorm, earthquake or other acts of God.

(d) Tenant shall maintain workers compensation insurance as required by the laws of Tennessee.

(e) Landlord and Tenant hereby release each other and their respective authorized representatives, from any claims for injury, loss, or damage to any person, the Premises, and to the fixtures, personal property, improvements, and/or alterations of either Party in or on the Premises, that are caused by or result from any of the risks insured against under any insurance policy(ies) carried by the Parties as required under the terms of this Lease and in force at the time of any such injury, loss, or damage, provided that such waiver is permitted by each Party's insurance policies or endorsements thereon without invalidation of such policies. The foregoing reciprocal releases are, however, limited to the extent by which any such claims are covered by said insurance policy(ies). The Parties shall cause each insurance policy obtained by it to provide that the insurer waives all right of recovery by way of subrogation against either Party in connection with any injury, loss, or damage covered by such policy.

11. TAXES. During the Term of this Lease, Tenant agrees to pay the annual ad valorem real estate taxes due for the land and improvements of which the Premises is a part, prior to delinquency. Such annual taxes shall encompass all taxes assessed with respect to the ownership, management, or operation of the Premises and levied on real estate owners as such rather than persons generally and shall include, by way of illustration and not limitation, all real estate taxes.

ad valorem taxes and assessments, general and special assessments, and taxes on real estate rental receipts ("Taxes"). Tenant shall be responsible for the payment of all taxes levied against personal property of Tenant located on the Premises plus all business, license, sales and excise taxes levied against Tenant or Tenant's occupancy of the Premises. Notwithstanding the foregoing, Taxes shall not include income or other taxes due from Landlord or its owners as a result of Landlord's receipt of any income from Tenant. In the event the method of taxation applicable to rental property shall be modified, a modification agreement with respect to this Paragraph 11 shall be executed by Landlord and Tenant to equitably apply to said revised tax system. Real estate taxes shall be prorated for any period of time of less than one year.

12. TENANT'S OBLIGATIONS. Tenant shall be responsible for any and all expenses and claims of every kind, including court costs and reasonable attorney's fees, by or on behalf of any other person or entity arising out of either: (a) A failure by Tenant to perform any of the terms or conditions of this Lease; (b) Any injury to or death of persons or loss or damage to property caused by the negligent acts or omissions of Tenant or its agents, employees, licensees or invitees, or caused by Tenant's failure to properly perform the maintenance, repairs and replacements required to be performed by it under the provisions of this Lease; (c) Failure to comply with any law or regulations of any governmental authority; or (d) Any mechanic's lien or security interest filed against the Premises or equipment, materials or alterations of the Premises brought about by some act or failure to act on the part of Tenant. Landlord understands that Tenant is subject to the Governmental Tort Liability Act, and such liability is limited in accordance with the laws of the State of Tennessee.

13. DEFAULT.

- (a) The following shall constitute an Event of Default by Tenant:
 - (i) Failure to pay any Rent to Landlord within five (5) days after same is due;
 - (ii) Failure to perform any other provisions of this Lease where such failure is curable and continues uncured for thirty (30) days after notice by Landlord. However, if the nature of the default is such that it cannot reasonable be cured within thirty (30) days, the default shall not be deemed to have occurred if a cure is commenced within such thirty (30) day period and is diligently pursued to completion. The notice provided under this

paragraph is the only notice required to be given by Landlord to Tenant with respect of these defaults and is not in addition to any statutory notice required by Tennessee law;

(iii) Being adjudged bankrupt or making a general assignment for the benefit of its creditors or if a receiver of any property of Tenant in or upon the Premises shall be appointed in any action to or a proceeding by or against Tenant, and the appointment shall not be vacated or annulled within sixty (60) days.

(b) Landlord shall have the following remedies if Tenant commits an Event of Default. These remedies are not exclusive; they are cumulative in addition to all other remedies available to Landlord:

1. Termination of Lease. Landlord shall have the right to immediately terminate this Lease by giving written notice to Tenant. No act by Landlord other than written notice to Tenant shall terminate this Lease. Upon termination, Landlord may recover the amount of any unpaid Monthly Base Rent, Additional Rent, and any other amounts due and owing by Tenant to Landlord, which had been earned at the time of termination together with interest thereon at the maximum legal rate of interest.

2. Lease Not Terminated. This Lease will continue in full force and effect unless and until Landlord gives Tenant written notice of termination, except as otherwise set forth herein. While Tenant is in default, Landlord may enter the Premises and re-rent them for Tenant's account. In addition to Monthly Base Rent and Additional Rent, Tenant shall be liable to Landlord for all costs Landlord incurs in repairing the Premises.

3. Landlord's Right to Cure Tenant's Default. Upon default by Tenant, Landlord may cure the default at the expense of Tenant. If Landlord, because of Tenant's default, incurs any expense including reasonable attorney's fees for enforcing Landlord's rights under this Lease, all such expenses plus interest at the maximum legal rate shall be deemed to be Additional Rent and shall be due from Tenant upon demand of Landlord.

4. Waiver. No delay or omission in the exercise of a right or remedy of Landlord shall impair such right or be deemed to be a waiver. Acceptance by Landlord of delinquent Monthly Base Rent or Additional Rent shall not be a waiver of any other default: it shall only be a waiver of timely payment of the Monthly Base Rent or Additional Rent received. Acceptance by Landlord of any late performance by Tenant shall not be a waiver of the default unless stated in writing by Landlord. No act of Landlord shall be acceptance of a surrender of the

Premises by Tenant before expiration of the Term, except written acceptance of surrender signed by Landlord. Landlord's consent to any act requiring consent shall not be deemed to waive Landlord's right to consent to subsequent acts requiring consent. Any waiver by Landlord of a default must be in writing.

5. No Accord and Satisfaction; Application of Payments. No receipt by Landlord of a lesser amount than the Base Rent or Additional Rent required under this Lease shall be deemed to be other than on account of the earliest amount due, nor shall any endorsement or statement on any check or letter accompanying a payment or check be deemed an accord and satisfaction. Landlord may accept checks or payments without prejudice to Landlord's right to recover all amounts due and pursue all other remedies provided for in this Lease.

14. CASUALTY TO BUILDING. In the event of a partial destruction of the Premises during the Term, Landlord shall have the right to repair the same, at its option, provided the repairs can be made within sixty (60) calendar days under the laws and regulations of applicable governmental authorities. If Landlord exercises its option to repair, it shall provide Tenant notice thereof within thirty (30) days from the date of the destruction. Any partial destruction of the Premises wherein Landlord shall elect to repair the same shall not terminate the Lease except Tenant shall be entitled to a proportionate reduction of Monthly Base Rent while the repairs are being made based on the extent to which the making of repairs shall interfere with the business carried on by Tenant in the Premises, subject to mediation if the Parties cannot agree on the extent of interference. In the event the repairs cannot be made by Landlord within such sixty (60) calendar day period, or the repairs cannot be made under the laws and regulations of the applicable governmental authorities, this Lease may be terminated at the option of either Party. Should the Premises be destroyed to the extent of fifty (50%) percent or more of the replacement costs thereof, this shall be deemed total destruction of the Premises and this Lease shall be terminated, provided, however, if the total destruction is a result of negligence of Tenant, its agents or employees, Landlord, at its option, shall have the right to repair the same, at Tenant's sole cost and expense, and Tenant shall be entitled to a proportionate reduction of Monthly Base Rent as set out in this paragraph until the repairs are complete. Any factual dispute between Landlord and Tenant relative to the provisions of this paragraph shall be subject to arbitration.

15. CONDEMNATION. In the event twenty-five (25%) percent or more of the Premises is taken by condemnation or by right of eminent domain, this Lease shall terminate and expire on the date possession is taken by the condemnor, and the Monthly Base Rent and Additional Rent shall be apportioned and paid in full to this date. In the event of a partial taking of less than twenty-five (25%) percent of the Premises, this Lease shall continue unless the continuation shall not be economically feasible. If the Parties cannot otherwise agree, the determination of economic feasibility shall be determined by mediation. Any compensation for loss of land and improvements constructed thereon shall belong to Landlord and any compensation for loss of business and for moving expense shall belong to Tenant.

16. SUBLETTING AND ASSIGNMENT. Tenant shall not assign or encumber this Lease or permit the Premises to be used or occupied by others, nor shall this Lease be assigned or transferred by operation of law without the prior written consent of Landlord.

17. ENVIRONMENTAL PROTECTION. Tenant covenants and agrees as follows:

(a) As used in this Lease: (i) "Hazardous Waste" means all waste materials, including petroleum by-products, natural or synthetic gas products and/or any hazardous substance, material, waste, pollutant or contaminant that is subject to regulation under or as defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §6901 et seq., the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §2601, et seq., the Clean Water Act of 1977, as amended, 33 U.S.C. §1251 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. §7401 et seq., the National Environmental Policy Act, 42 U.S.C. §4321 et seq., the Tennessee Hazardous Waste Management Act, as amended, the Tennessee Hazardous Substances Act, as amended, the Tennessee Petroleum Underground Storage Tank Act, as amended, and any other state, federal or local law and all rules, regulations or policies relating thereto or promulgated thereunder which are now in force or which are hereafter enacted relating to Hazardous Waste. (ii) "Toxic Substances" means and includes any materials present on the Premises which have been shown or which may be shown to have significant adverse effects on human health or which are subject to regulation under the Toxic Substances Control Act referenced above, all applicable state laws and any other applicable federal, state or local laws and all rules, regulations, or policies

related thereto or promulgated thereunder now in force or hereafter enacted relating to Toxic Substances. Toxic Substances include, without limitation, asbestos, polychlorinated biphenyls (PCBs), petroleum products and lead-based paints. (iii) All laws relating to Hazardous Waste and Toxic Substances are collectively referred to herein as "Environmental Laws".

(b) Neither Tenant nor its employees, agents, licensees, or invitees of Tenant shall be involved in any activity at or near the Premises which could involve or lead to: (i) the use, manufacture, storage or disposal of Hazardous Waste or Toxic Substances; (ii) the violation of any Environmental Laws; or (iii) the imposition of liability on Landlord or any subsequent owner of the Premises or the creation of a lien on the Premises under any Environmental Laws.

(c) Tenant shall strictly comply in all respects with the requirements of all Environmental Laws and shall promptly notify Landlord in the event of the discovery of Hazardous Waste or Toxic Substances on or at the Premises. Tenant shall further promptly forward to Landlord copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge, spillage, use or the discovery of Hazardous Waste, Toxic Substances or any other matters relating to any Environmental Laws as they may affect the Premises, directly or indirectly.

(d) Tenant agrees that if Tenant at any time has reasonable cause to believe there is Hazardous Waste or Toxic Substances upon the Premises, Tenant shall notify Landlord within twenty-four (24) hours after Tenant becomes aware of the facts or circumstances giving rise to this belief. Upon receiving a written notification, Landlord may obtain, at Tenant's expense, an Environmental Site Assessment or Environmental Audit Report from a firm acceptable to Landlord to assess with a reasonable degree of certainty: (i) the presence of any Hazardous Waste or Toxic Substances; (ii) whether the presence exceeds the minimum acceptable levels of contamination as established by the Tennessee Department of Environment and Conservation; and (iii) the potential cost that will be incurred to abate, clean up and remove the contamination.

(e) Tenant agrees that in the event of the presence of Hazardous Waste or Toxic Substances on or at the Premises or if Tenant shall fail to comply with any of the requirements of any Environmental Laws, Landlord may, at its option, but without the obligation to do so, give any notices or cause any work to be performed within the Premises or take any other action as Landlord shall deem necessary or advisable in order to abate, remove and clean up the Hazardous

Waste or Toxic Substances or otherwise cure Tenant's non-compliance at Tenant's sole cost and expense.

(f) Tenant agrees to hold harmless Landlord, its successors and assigns, from and against all damages, claims, losses, liabilities and expenses including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses, which may be imposed upon or incurred by Landlord, its successors and assigns or asserted against Landlord, its successors or assigns, by any other party or parties, including private individual or entity or any governmental entity or entities, arising out of or in connection with any Hazardous Waste or Toxic Substances existing on the Premises or off the Premises as a result of the operation and use of the Premises at any time during the Term, or which may have been placed at, on or under the Premises by Tenant or its employees, agents, licensees or invitees or any permitted sublessee of Tenant or a permitted sublessee's employees, agents, licensees or invitees during the Term, further including, without limitation, any action or inaction taken by Tenant with respect to the violation by Tenant or any permitted sublessee of Tenant of any Environmental Laws. All of the representations, warranties, and covenants of this Paragraph 17 shall survive the expiration of the Term of this Lease.

18. WAIVER. The failure of Landlord to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the right or remedies Landlord may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

19. NOTICES. All notices required or permitted by the terms of this Lease shall be in writing and shall be personally delivered, or sent by nationally recognized overnight commercial delivery service (provided a receipt is available with respect to such delivery), or mailed by first-class registered or certified mail, return receipt requested, postage prepaid. Any such notice, request, consent or other communications shall be effective on the date when it is received, if personally delivered, or on the date three (3) days after it is deposited in the United States Mail or on the next business day if delivered by overnight delivery service, in accordance with the provisions of this Paragraph. All notices shall be addressed as follows:

If to Landlord: Taylor Properties #3, LP
1043 Fordtown Road
Kingsport, Tennessee 37663
Attention: Stewart Taylor

If to Tenant: Washington County, Tennessee

Jonesborough, Tennessee 37659
Attention:

Any address herein specified may be changed from time to time by either Party by written notice given to the other Party as above provided.

20. HOLDING OVER. If Tenant remains in possession of the Premises after expiration or termination of the Term, Tenant shall become a tenant from month to month only, upon all the provisions of this Lease except as to Term and Monthly Base Rent. The Monthly Base Rent shall be increased to one hundred twenty-five percent (125%) of the monthly installments of Monthly Base Rent payable at the expiration of the Term. The month-to-month tenancy may be terminated by either Party upon thirty (30) days' notice.

21. COURT COSTS AND ATTORNEY FEES. Tenant agrees to pay all costs of collection, including court costs and reasonable attorney fees, if all or any part of the Monthly Base Rent, Additional Rent, or any other sums due reserved herein is collected after maturity through the employment or with the aid of an attorney. In the event it becomes necessary for either Party to employ an attorney to successfully compel the other Party to comply with or perform any of the covenants, obligations or conditions imposed on a Party by this Lease, the Party failing to perform the covenants, obligations or conditions shall pay all reasonable attorney fees incurred by the other Party and all costs of litigation necessary to compel performance.

22. REAL ESTATE BROKERAGE FEE AND COMMISSION. Each of the Parties represents and warrants to the other that neither Party has dealt with, negotiated through or communicated with any broker in connection with this Lease. Each Party shall defend and hold harmless the other Party from and against any and all other claims, loss, costs and expenses.

including reasonable attorneys' fees, resulting from any claims that may be made against such Party by any other broker claiming a commission or fee by, through or under the other Party.

23. QUIET ENJOYMENT. Tenant, upon the paying of Monthly Base Rent, Additional Rent and performing all of its obligations under this Lease shall have quiet possession of the Premises subject to the terms of this Lease.

24. EXCUSABLE DELAYS. The time for a Party's performance of an obligation, except for the payment of Monthly Base Rent or other monetary obligations as set forth in this Lease, shall be extended for the period during which the Party is prevented from performing or acting by the act, omission or delay of a governmental authority, adverse weather, fire, earthquake, strikes, lockouts, labor disputes, failure of power or other utilities or services, war, acts of public enemies or terrorists, riots, insurrection, civil commotion, inability to obtain labor or materials, acts of God, or other cause beyond such Party's reasonable control (each of the foregoing, an "Excusable Delay").

25. REPRESENTATIONS AND WARRANTIES.

(a) Landlord represents and warrants to Tenant, as of the Effective Date through the Term of this Lease that:

(i) Landlord is duly organized, validly existing and in good standing in the state of its formation, has all requisite power and authority to enter into and perform under this Lease in accordance with its terms, and the individuals executing this Lease have been duly authorized to do so:

(ii) Landlord is the fee simple owner and record title holder of the entire Premises.

(b) Tenant represents and warrants to Landlord, as of the Effective Date through the Term of the Lease that:

(i) Tenant is duly organized, validly existing and in good standing in the state of its formation. Tenant has all requisite power and authority to enter into and perform

under this Lease in accordance with its terms, and the individuals executing this Lease have been duly authorized to do so.

26. MISCELLANEOUS.

(a) This Lease contains the entire agreement between the Parties and cannot be changed or altered except by a written instrument subsequently executed by the Parties.

(b) The terms and conditions of this Lease shall apply to and are binding upon the heirs, legal representatives, successors and permitted assigns of both Parties.

(c) This Lease shall be governed by and construed in accordance with the laws of Tennessee.

(d) The Parties acknowledge that time is of the essence in the performance of provisions of this Lease.

(e) This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute a single document.

(f) Nothing in this Lease: (a) creates any right or remedy for the benefit of any person not a Party hereto nor (b) creates a fiduciary relationship, an agency, partnership, or joint venture. Further, notwithstanding anything to the contrary contained herein, neither affiliates of Landlord or Tenant, nor any disclosed or undisclosed officers, shareholders, principals, directors, employees, partners, servants or agents of Landlord, Tenant or of their respective affiliates, successors and assigns, nor any general or limited partner in or of such parties, whether direct or indirect, nor any investment adviser or other holder of any equity interest in or of such parties, shall have any personal liability with respect to any provisions of this Lease.

(g) The provisions of this Lease shall be interpreted to give effect to their fair meaning and shall be construed as though prepared by both Parties. The entire agreement of the Parties is set forth in this Lease, and all prior negotiations, documents and discussions are superseded hereby. The Parties acknowledge there are no applicable representations, warranties or terms that are not stated in this Lease. The invalidity of any provision shall not affect the validity of any other provision. Section headings are for convenience only and may not be used in interpretations. All interpretations are to be made in accordance with the laws of the state in which the Premises is located.

(h) Under no circumstances shall either Landlord or Tenant be liable to the other under any theory of tort, contract, strict liability or other legal or equitable theory for any punitive, special, incidental, indirect or consequential damages, each of which is excluded by agreement of the Parties regardless of whether or not any Party has been advised of the possibility of such damages.

(i) Landlord and Tenant each waive the right to trial by jury in any action, suit or proceeding brought by either against the other arising out of this Lease, the relationship between Landlord and Tenant created by this Lease, Tenant's use and occupancy of the Premises, and all related matters.

IN WITNESS WHEREOF, this Lease has been duly executed by the Parties as of the day and year first above written.

LANDLORD:

TAYLOR PROPERTIES #3, LP

By: _____
Stewart Taylor, General Partner

TENANT:

WASHINGTON COUNTY, TENNESSEE

By: _____

EXHIBIT "A"

All that tract or parcel of land, lying and being in the 12th Civil District of Washington County, Tennessee, and being more particularly described as follows:

BEGINNING at a concrete monument located in the southeasterly right-of-way line of Suncrest Drive (Route 16), corner to Douglas L. White (Deed Book 621, Page 383); thence with White's line, the following two courses and distances: South 60 deg. 06 min. East, 327.81 feet to a concrete monument and South 8 deg. 50 min. West, 212.0 feet to an iron pin set in the line of William Cole (Deed Book 469, Page 333); thence with Cole's line, the following two courses and distances: North 65 deg. 47 min. West, 275.11 feet to an iron pin set and North 53 deg. 54 min. 16 sec. West, 150.10 feet to a concrete monument located in the southeasterly right-of-way line of Suncrest Drive; thence with the southeasterly right-of-way line of Suncrest Drive, the following two courses and distances: North 30 deg. 51 min. 43 sec. East, 57.92 feet to a concrete monument and North 36 deg. 39 min. 36 sec. East, 152.02 feet to the point of BEGINNING, containing 1.8641 acres, more or less, according to map entitled "Washington County Library" dated October 9, 1992, prepared by Joe A. Hale, TRLS No. 95, Route 14, Box 335, Johnson City, Tennessee 37615.

BEING the same property conveyed to Washington County, Tennessee, by deed from State Farm Mutual Automobile Insurance Company, dated October 19, 1992, and recorded in **Roll 19, Image 1739** in the Register's Office for Washington County, Tennessee.

Hunter, Smith & Davis, LLP
1212 N. Eastman Rd
Kingsport, TN 37664
Phone: (423)378-8800

Settlement Statement

Settlement Date: 09/30/2024
Disbursement Date: 09/30/2024
Order Number: TAYS-16268 (Comm)
Buyer: Taylor Properties #3, LP
Seller: Washington County, Tennessee
Property: 5026 Bobby Hicks Hwy.
Gray, TN 37615
Washington County

Seller			Buyer	
Debit	Credit		Debit	Credit
		Total Consideration		
	1,507,000.00	Purchase Price	1,507,000.00	
		Title/Escrow Charges		
		Closing Fee	500.00	
		Courier Fee	25.00	
		Search Fee	350.00	
		Owner's Policy Premium	4,055.97	
		ERecording Fee	5.00	
		Recording Charges		
		Deed Recording Fee to Washington County Register of Deeds	25.00	
		State Tax Stamps - Deed to Washington County Register of Deeds	5,575.90	
		Miscellaneous Charges		
		Auction Fee to GovEase	22,605.00	
0.00	1,507,000.00	Subtotals	1,540,141.87	0.00
		Balance Due FROM Buyer		1,540,141.87
1,507,000.00		Balance Due TO Seller		
1,507,000.00	1,507,000.00	Totals	1,540,141.87	1,540,141.87

BUYER:
Taylor Properties #3, LP
BY: _____

Settlement Statement

SELLER:

Washington County, Tennessee

BY: _____