

(20) days following Sublandlord's advice to Subtenant that Subtenant's Plans have been approved by Sublandlord (and the Municipality, if such approval is required), Subtenant shall (i) comply with said insurance requirements, and (ii) commence performing Subtenant's work, which shall be diligently pursued to completion, subject to delays beyond Subtenant's reasonable control.

(g) As a precondition to Subtenant being permitted to perform any of Subtenant's Work, and throughout the entire period Subtenant's Work is being performed, it shall be the obligation of Subtenant to require Subtenant's Contractor to carry and maintain, at no expense to Sublandlord:

(i) Commercial general liability insurance, including, but not limited to, contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection with limits, for each occurrence, of no less than \$3,000,000 with respect to personal injury or death, and \$3,000,000 with respect to property damage; and

(ii) Worker's compensation or similar insurance in form and amounts required by law.

(h) Sublandlord may require as a condition precedent to the commencement of any Subtenant's Work that Subtenant provide such bonds or other security as may be required by the Municipality or Sublandlord's mortgagee in connection with Subtenant's Work pursuant to this Sublease or any applicable Non-Disturbance Agreement.

(i) Subtenant may make no changes, alterations, additions, improvements or decorations in, to or about the Premises without submitting detailed plans and construction schedules to Sublandlord and receiving Sublandlord's and, if applicable, Municipality's prior written consent to such plans (which consent of Sublandlord shall not be unreasonably withheld, conditioned or delayed). If Subtenant shall make any changes, alterations, additions, improvements or decorations that would result in the Municipality charging Sublandlord for the cost of same, including any removal costs associated therewith, then Subtenant shall reimburse Sublandlord for such costs. Subtenant shall comply with all laws and regulations relating to such construction including, but not limited to, receipt of certificates of occupancy, permits, and requirements of the Americans with Disabilities Act, and shall be responsible for all costs associated therewith. Sublandlord may impose guidelines as may be necessary to protect its occupancy and rights provided in the Municipal Lease including, for example, only, placing reasonable



restrictions on times when certain types of work may be performed in order to prevent undue intrusion and noise to other subtenants in the Building.

(j) Subtenant shall have the right, at its cost and subject to Sublandlord's and, if required, the Municipality's prior approval, to provide and install a sign at the interior entrance to the Premises. Subtenant agrees to remove such sign upon surrender of the Premises and restore the surface at Subtenant's expense, normal wear and tear excepted.

9. Remodeling Liens - The Subtenant shall, in no event, however, have power, authority or right hereunder to incur or create any obligations in respect to the Premises, Building, or improvements which shall constitute or create a lien or claim in favor of Subtenant or any third person against the rights, title or interest of the Sublandlord, in or to the Premises, Building, or improvements; and notice is hereby given to all persons furnishing labor and material therefore that any lien shall attach to the leasehold estate hereunder and be subject to and subordinate to all the right, title and interest of the Sublandlord in and to the Premises, Building and improvements under this Sublease.

10. Repairs and Maintenance - (a) The Subtenant agrees to maintain and repair and covenants to pay all of the expenses for maintaining and repairing the Premises, the L & M Subleased Space and the A & E Subleased Space and any improvements to the Premises, including all structures, parking lots, landscaping and plantings so as to maintain the Premises, and the L & M Subleased Space, the A & E Subleased Space, the Building and the land upon which the Building is located at all times in a good, neat, orderly, attractive and safe condition, reasonable wear and tear and damage by fire and other casualty excepted. Such repairs and maintenance shall include all necessary and appropriate repairs, replacements, renewals and betterments thereof, whether ordinary, extraordinary, foreseen or unforeseen and shall include, but not limited to: plumbing, wiring and electrical systems, lighting mechanical systems, heating, ventilating and air conditioning, sprinklers, painting, signage, landscape and grounds keeping, exterior walls, roof, common parking areas, and generally maintaining the Premises, the L & M Subleased Space and the A & E Subleased Space in such condition, order and repair as the same are in at the commencement of the Sublease or may be put in during the term thereof, reasonable wear and tear, and damage by fire, or other casualty as may be insured against in a standard fire policy with extended coverage excepted, and Subtenant covenants and agrees to make good to the Sublandlord any repair, maintenance or damage to the heating, air conditioning, plumbing, electrical apparatus,



replacing of broken glass, doors, hardware and frames, building fixtures or apparatus, roof and exterior walls, caused by any reason whatsoever. The Subtenant agrees to take good care of the Premises and surrender the Premises after the termination of this Sublease, or at the end of any renewal or extension thereof, to the Sublandlord in like good order as received, ordinary wear and tear excepted. Subtenant shall replace carpeting and floor coverings in the Premises, the L & M Subleased Space and the A & E Subleased Space if the same shall become excessively worn as jointly determined by Sublandlord and Subtenant and Subtenant shall in any event replace all carpeting at the end of each ten (10) year period of occupancy with carpeting of equal type, grade and quality as originally installed, except as may be changed by flammability standards or other regulations pertaining to the installation of carpeting. The Subtenant shall also comply with the obligations of Sublandlord and pay for all repairs and maintenance imposed on the Sublandlord under the Municipal Lease. The Sublandlord shall not be required to maintain or make any repairs to the Premises, to the L & M Subleased Space or to the A & E Subleased Space throughout the term of the Sublease.

(b) Bursting of Pipes, etc. Sublandlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, air contaminants or emissions, electricity, electrical or electronic emanations or disturbance, water, rain or snow or leaks from any part of the Building or from any other place or caused by dampness, vandalism, malicious mischief or by any other cause of whatever nature, unless caused by or due to the gross negligence of Sublandlord, its agents, servants or employees. Subtenant shall take all reasonably prudent temporary measures and safeguards to prevent any injury, loss or damage to persons or property. In no event shall Sublandlord be liable for any loss, the risk of which is covered by Subtenant's insurance or is required to be so covered by this Sublease; nor shall Sublandlord or its agents be liable for any such damage caused by other subtenants or persons in the Building or caused by operations in construction of any private, public, or quasi-public work; nor shall Sublandlord be liable for any latent defect in the Premises or in the Building.

11. Security. The Subtenant shall be responsible for the costs of all security in or within the Building, including the L & M Subleased Space and the A & E Subleased Space.

12. Assignability of Sublease. (a) Neither this Sublease or any interest therein, whether legal or



equitable, shall be mortgaged, pledged, hypothecated, assigned or transferred by Subtenant, voluntarily or by operation of law, without the prior written consent of Sublandlord; provided, however, the Subtenant may sublet the Premises with the prior written consent of the Sublandlord, and such permission to sublet shall not be unreasonably withheld, conditioned or delayed. The term sublet shall include, without limitation, the granting of any concessions, licenses, occupancy rights, management agreements and the like. Any assignment, receivership, bankruptcy, or other proceedings by or against the Subtenant, whether voluntary or involuntarily, shall at the option of the Sublandlord constitute a forfeiture of this Sublease, and no court or officers thereof shall have the right or power to transfer this Sublease or exercise control of or use of possession of the Premises, without prior consent in writing from the Sublandlord. Subtenant shall remain liable to Sublandlord during the Term of the Sublease for the payment of Rent and performance of all obligations of Subtenant hereunder.

(b) Without limitation, it shall not be unreasonable for Sublandlord to withhold such approval from any subletting where, in Sublandlord's opinion: (i) the proposed subtenant does not have a financial standing and credit rating reasonably acceptable to Sublandlord; (ii) the proposed subtenant does not have a good reputation in the community; (iii) the business in which the proposed subtenant is engaged could detract from the Building, its value or the costs of ownership thereof; (iv) the use of the Premises by any subtenant (even though a Permitted Use) would otherwise cause Sublandlord to be in violation of its obligations under another sublease or agreement to which Sublandlord is a party; (v) if such subleasing is not approved of by either the Municipality or the holder of any mortgage on the Building (if such approval is required); (vi) a proposed subtenant's business will impose a burden on the Building's parking facilities, common areas facilities, or utilities that is greater than the burden imposed by Subtenant, in Sublandlord's reasonable judgment; (vii) Subtenant is in default of any of its obligations under the Sublease at the time of the request or at the time of the proposed sublease; (viii) if requested by Sublandlord, the Subtenant refuses to sign a non-disturbance and attornment agreement in favor of Sublandlord's lender and the Municipality; or (ix) the subtenant is involved in a business which is not in keeping with the then current standards of the Building. Sublandlord may condition its consent upon such subtenant depositing with Sublandlord such additional security as Sublandlord may reasonably require to assure the performance and observance of the obligations of such party to Sublandlord. In no event, however, shall Subtenant sublet the whole or any part of the Premises to a proposed



subtenant which has been judicially declared bankrupt or insolvent according to law, or with respect to which an assignment has been made of property for the benefit of creditors, or with respect to which a receiver, guardian, conservator, trustee in involuntary bankruptcy or similar officer has been appointed to take charge of all or any substantial part of the proposed subtenant's property by a court of competent jurisdiction, or with respect to which a petition has been filed for reorganization under any provisions of the Bankruptcy Code now or hereafter enacted, or if a proposed subtenant has filed a petition for such reorganization, or for arrangements under any provisions of the Bankruptcy Code now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for the payment of debts.

(c) Any request by Subtenant for such consent shall set forth or be accompanied by, in detail reasonably satisfactory to Sublandlord, the indemnification of the proposed subtenant, its financial condition and the terms on which the proposed subletting is to be made, including, without limitation a signed copy of all sublease documents and clearly stating the rent or any other consideration to be paid in respect thereto; and such request shall be treated as Subtenant's warranty in respect of the information submitted therewith. Subtenant's request shall not be deemed complete or submitted until all of the foregoing information has been received by Sublandlord. Sublandlord shall respond to such request for consent within thirty (30) days following Sublandlord's receipt of all information, documentation and security required by Sublandlord with respect to such proposed sublease.

(d) The foregoing restrictions shall be binding on any subtenant to which Sublandlord has consented, provided, notwithstanding anything else contained in this Sublease, Sublandlord's consent to any further subleasing or any sub-subleasing by any approved subtenant may be withheld by Sublandlord at Sublandlord's sole and absolute discretion.

(e) Consent by Sublandlord to any subleasing shall not include consent to the transferring of any lease renewal, extension or other option, first offer, first refusal or other rights granted hereunder, or any special privileges or extra services granted to Subtenant by separate agreement (written or oral), or by addendum or amendment of the Sublease.

(f) In the case of any subletting of the Premises, the Subtenant named herein shall be and remain fully and primarily liable for the obligations of Subtenant hereunder, notwithstanding such subletting, including, without limitation, the obligation to pay the rent and other amounts provided under this Sublease, and the



Subtenant shall be deemed to have waived all suretyship defenses.

(g) In addition to the foregoing, it shall be a condition to the validity of any such subletting that the proposed subtenant agrees directly with Sublandlord, in form satisfactory to Sublandlord, to be bound by all the obligations of Subtenant hereunder, including, without limitation, the obligations to pay rent and other amounts provided for under this Sublease, the covenant regarding use and the covenant against further subletting and the obligation to be bound by the Municipal Lease.

(h) Subtenant shall, upon demand, reimburse Sublandlord for the reasonable fees and expenses (including legal and administrative fees and costs) incurred by Sublandlord in processing any request to sublet all or any portion of the Premises, whether or not Sublandlord agrees thereto, and if Subtenant shall fail promptly so to reimburse Sublandlord, the same shall be a default in Subtenant's monetary obligations under this Sublease.

(i) Without limitation of the rights of Sublandlord hereunder in respect thereto, if there is any subletting of the whole of the Premises by Subtenant at a rent which exceeds the rent payable hereunder by Subtenant, or if there is a subletting of a portion of the Premises by Subtenant at a rent in excess of the subleased portion's pro rata share of the rent payable hereunder by Subtenant, then Subtenant shall pay to Sublandlord, as additional rent, forthwith upon Subtenant's receipt, one-half of all of any such excess rent. For the purposes of this subsection, the term "rent" shall mean all yearly rent, all monthly rents, additional rent or other payments and/or consideration available by one party to another for the use and occupancy of all or a portion of the Premises, including, without limitation, key money, or bonus money paid by the subtenant to Subtenant in connection with such transaction and any payment in excess of fair market value for services rendered by Subtenant to the subtenant or for assets, fixtures, inventory, equipment or furniture transferred by Subtenant to the subtenant in connection with any such transaction, but shall exclude any separate payments by Subtenant for reasonable attorney's fees and broker's commissions in connection with such subletting.

(j) If the Premises or any part thereof are sublet by Subtenant following the occurrence of a default which has continued beyond the applicable cure period, Sublandlord, in addition to any other remedies provided hereunder or at law, may at its option collect directly from such Subtenants all rents becoming due to the Subtenant under such sublease(s) and apply such rent against any amounts



due Sublandlord by Subtenant under this Sublease, and Sublandlord shall retain the excess thereof, and Subtenant hereby irrevocably authorizes and directs such subtenants to so make all such rent payments, if so directed by Sublandlord; and it is understood that no such election or collection or payment shall be construed to constitute a novation of this Sublease or a release of Subtenant hereunder, or to create any sublease or occupancy agreement between the Sublandlord and such subtenant or impose any obligations on Sublandlord, or otherwise constitute the recognition of such sublease by Sublandlord for any purpose whatsoever.

(k) The following terms and conditions shall apply to any subletting by Subtenant of all or any part of the Premises and shall be deemed included in all subleases under this Sublease whether or not expressly incorporated therein:

Subtenant hereby absolutely and unconditionally assigns and transfers to Sublandlord all of Subtenant's interest in all rentals and income arising from any sublease entered into by Subtenant (excluding rents from the L & M Sublease and rents, if any, from the A & E Sublease which rents shall be paid directly to Sublandlord in each case), and Sublandlord may collect such rent and income and apply same toward Subtenant's obligations under this Sublease; provided, however, that until a default occurs in the performance of Subtenant's obligations under this Sublease, Subtenant may receive, collect and enjoy the rents accruing under any such other sublease other than the L & M Sublease and the A & E Sublease. Sublandlord shall not, by reason of this or any other assignment of such rents to Sublandlord nor by reason of the collection of the rents from any such other subtenant, be deemed to have assumed or recognized any such other sublease or to be liable to such other subtenant for any failure of Subtenant to perform and comply with any of Subtenant's obligation to such other subtenant under such sublease, including, but not limited to, Subtenant's obligation to return any security deposit. Subtenant hereby irrevocably authorizes and directs any such other subtenant, upon receipt of a written notice from Sublandlord stating that a default exists in the performance of Subtenant's obligations under this Sublease, to pay to Sublandlord the rents due as they become due under any such other sublease. Subtenant agrees that any such other subtenant shall have the right to rely upon any such statement and request for Sublandlord, and that such other subtenant shall pay such rents to Sublandlord without any obligation or right to inquire as to whether such default exists and notwithstanding any notice from or claim from Subtenant to the contrary. In the event Subtenant shall default in the performance of its obligations under this Sublease or Sublandlord terminates



this Sublease by reason of a default of Subtenant, Sublandlord at its option and without any obligation to do so, may require any such other subtenant to attorn to Sublandlord, in which event Sublandlord shall undertake the obligations of Subtenant under such sublease from the time of the exercise of said option to the termination of such other sublease; provided, however, Sublandlord shall not be liable for any prepaid rents or security deposit paid by such other subtenant to Subtenant or for any other prior defaults of Subtenant under such sublease.

13. Furnishings. The Subtenant shall at its own expense, furnish all necessary furniture, furnishings, removable fixtures and equipment and shall have the sole responsibility to keep and maintain the same as Subtenant may deem necessary, and proper for its business. All such removable items shall be and remain the property of the Subtenant, and may be removed by the Subtenant upon the termination of this Sublease, further that the Subtenant shall at its own expense repair damage to the Premises caused by the removal of same.

14. Laws and Regulations - During the Term of this Sublease, Subtenant shall be responsible for making any modifications to the Premises, including the elevators and entrances serving the Premises, required pursuant to any applicable federal, state and local laws, ordinances, building codes, and rules and regulations of governmental entities having jurisdiction over the Premises, including, but not limited to, the Americans with Disabilities Act (the "ADA"), and all regulations and orders promulgated pursuant to the ADA and the Knoxville Historic Zoning Commission (collectively, the "Applicable Laws"). Any modifications to the Premises made by Subtenant pursuant to the provisions of this paragraph shall be at Subtenant's sole expense.

Subtenant shall comply with all governmental laws, ordinances, and regulations applicable to the use of the Premises, and shall promptly comply with all governmental orders and directives for the correction, prevention, and abatement of nuisances in, upon, or connected with the Premises, all at Subtenant's sole expense. Subtenant warrants that all improvements or alterations of the Premises made by Subtenant or Subtenant's employees, agents or contractors, at any time during the term of this Sublease, will comply with all Applicable Laws. In addition, Subtenant warrants that its use of the Premises will be in strict compliance with all Applicable Laws.

Subtenant shall indemnify, defend and hold Sublandlord harmless from and against any claims, losses or causes of action arising out of Subtenant's failure to comply with the provisions of this Section 14. The indemnities set forth in this paragraph shall survive the expiration or earlier



termination of this Sublease.

15. Subtenant's Insurance - The Subtenant shall keep in full force and effect and pay for a policy or policies of commercial general liability insurance for personal injury (including wrongful death) and damage to property which coverage shall not be less than Three Million (\$3,000,000.00) Dollars combined single limit, per occurrence. The policy or policies shall contain an endorsement naming as additional insureds the Sublandlord and the Municipality and/or such other persons as they may designate. The policy or policies shall be in form and in such companies as is acceptable to the Sublandlord, and such insurance shall be non-cancelable without thirty (30) days prior notice to the Sublandlord. Subtenant shall, during the term, also keep in full force and effect and pay for, a policy or policies of so called "All Risk" or "All Peril" insurance insuring the Premises and Subtenant's furniture, personal property, fixtures and equipment in the Premises, with coverage in an amount equal to the replacement cost thereof. Subtenant may, with Sublandlord's prior written consent, elect to have a reasonable deductible in connection with such insurance. Subtenant shall also keep in force and effect and pay for any other form or forms of insurance Sublandlord or any mortgagee of Sublandlord may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would protect itself. Notwithstanding the foregoing, Sublandlord agrees to reimburse Subtenant Sublandlord's proportionate share of the premium cost paid by Subtenant for commercial general liability insurance for personal injury and damage to property for Building J only. As used herein, proportionate share means the premium cost for such insurance for the Old City Hall Complex multiplied by a fraction, the numerator of which is 3,000 square feet, representing the square footage of Building J, and the denominator of which is 70,000 square feet, representing the square footage of the Old City Hall Complex. Subtenant shall furnish Sublandlord with its calculation of the reimbursable amount together with a copy of the insurance company's invoice for the premium and such other documentation requested by the Sublandlord evidencing the insurance coverage and the costs of same.

16. Indemnification. Subtenant will save Sublandlord, its agents and employees, and the Municipality harmless and will exonerate, defend and indemnify Sublandlord, its agents and employees and the Municipality from and against any and all claims, liabilities or penalties asserted by or on behalf of any person, firm, corporation or public authority arising from the Subtenant's breach of the Sublease or:

(a) On account of or based upon any injury to person, or loss of or damage to property, sustained or



occurring on the Premises on account of or based upon the act, omission, fault, negligence or misconduct of any person whomsoever (except to the extent the same is caused by the gross negligence of Sublandlord, its agents, contractors or employees);

(b) On account of or based upon any injury to person, or loss of or damage to property, sustained or occurring elsewhere (other than on the Premises) in or about the Building (and, in particular, without limiting the generality of the foregoing, on or about the elevators, stairways, public corridors, sidewalks, concourses, parking areas, approaches, areaways, roof, or other appurtenances and facilities used in connection with the Building or Premises) arising out of the use or occupancy of the Building or Premises by the Subtenant, or by any person claiming by, through or under Subtenant, or on account of or based upon the act, omission, fault, negligence or misconduct of Subtenant, its agents, employees or contractors;

(c) On account of or based upon (including monies due on account of) any work or thing whatsoever done (other than by Sublandlord or its contractors, or agents or employees of either) on the Premises during the term of this Sublease and during the period of time, if any, prior to the Sublease Commencement Date that Subtenant may have been given access to the Premises; and

(d) Subtenant's obligations under this Section 16 shall be insured either under the commercial general liability insurance required under Section 15, above, or by a contractual insurance rider or other coverage; and certificates of insurance in respect thereof shall be provided by Subtenant to Sublandlord upon request.

17. Default - The occurrence of any of the following shall constitute a default under the Sublease subject to any applicable grace periods and rights to cure:

- a. In the event the Subtenant shall fail to pay any one or more of said monthly installments of rents and when the same becomes due or shall violate any of the other terms, conditions or covenants on the part of the Subtenant herein contained, including the covenants to pay real estate taxes, insurance and to pay expenses of maintenance and repair of the Building.
- b. In the event any execution or other legal process is levied upon the goods, furniture, effects, or other property of the Subtenant brought on the Premises or



upon the interest of Subtenant in the Sublease.

- c. In the event that a petition in bankruptcy is filed by or against Subtenant or the Subtenant is adjusted bankrupt, or in the event that Subtenant makes an assignment for the benefit of creditors, or in the event that a receiver is appointed for Subtenant's property.
- d. In the event that Subtenant before the expiration of the term of this Sublease and without the written consent of the Sublandlord vacates the demised premises or abandons possession thereof.
- e. In the event the Subtenant removes, attempts to remove or permits to be removed from the Premises, except in the usual course of trade, the goods, furniture, effects or other property of Subtenant brought thereon.

Subtenant acknowledges that, upon the occurrence of any default described above, which may include the breach of any material provisions of this Sublease by Subtenant, any rights or options granted to Subtenant under this Sublease relating to subletting or any other right, shall not be exercisable while such breach exists. If and whenever there shall occur any uncured event of default of Subtenant under this Sublease following the expiration of any applicable grace period and opportunity to cure, Sublandlord may, at Sublandlord's option, and in addition to any other remedy or right given under or by law or equity, do any one or more of the following:

- (a) Terminate this Sublease upon notice to Subtenant, in which event Subtenant shall immediately surrender possession of the Premises to Sublandlord;
- (b) Terminate Subtenant's right to possession of the Premises under this Sublease without terminating the Sublease itself, by written notice to Subtenant, in which event Subtenant shall immediately surrender possession of the Premises to Sublandlord;
- (c) Enter upon and take possession of the Premises and expel or remove Subtenant and any other occupant therefrom, with or without having terminated this Sublease;
- (d) Alter locks and other security devices at the Premises with or without having terminated this



Sublease or Subtenant's right to possession under the Sublease;

(e) Enter upon the Premises by force if necessary without being liable for prosecution or any claim for damages therefor, and do whatever Subtenant is obligated to do under the terms of this Sublease, to maintain or repair the Premises, or prepare the Premises for reletting; and Subtenant agrees to reimburse Sublandlord on demand for any direct or indirect expenses which Sublandlord may incur in thus effecting compliance with Subtenant's obligations under this Sublease, and Subtenant further agrees that Sublandlord shall not be liable for any damages resulting to Subtenant from such action.

Subtenant hereby expressly stipulates that any of the above listed actions by Sublandlord (including termination of this Sublease, termination of Subtenant's right to possession, and re-entry by Sublandlord) will not affect the obligations of Subtenant for the unexpired Sublease Term, including the obligations to pay unaccrued rent and other charges required by this Sublease for the remaining portion of the Sublease Term. If a default occurs, then after any applicable cure period Sublandlord shall be entitled and is hereby authorized, without notice to Subtenant, to enter upon the Premises by use of a master key, a duplicate key, or other peaceable means, and to change, alter and/or modify the door locks on all entry doors of the Premises, thereby permanently excluding Subtenant and its officers, principals, agents, employees and representatives therefrom. In the event that Sublandlord has either terminated Subtenant's right to possession of the Premises pursuant to the foregoing provisions of this Sublease, or has terminated the Sublease by reason of Subtenant's default, Sublandlord shall not thereafter be obligated to provide Subtenant with a key to the Premises at any time. If Sublandlord elects to exclude Subtenant from the Premises without permanently repossessing the Premises or terminating the Sublease pursuant to the foregoing provisions of this Sublease, the Sublandlord (at any time prior to actual permanent repossession or termination) shall not be obligated to provide Subtenant a key to re-enter the Premises until such time as (a) all delinquent rent and other amounts due under this Sublease have been paid in full (and all other defaults, if any, have been cured to Sublandlord's satisfaction), and (b) Sublandlord has been given assurance reasonably satisfactory to Sublandlord evidencing Subtenant's ability to satisfy its remaining obligations under this Sublease. This remedy of Sublandlord shall be in addition to, and not in lieu of, any of its other remedies set forth in this Sublease, or otherwise available to Sublandlord at law or in equity.



Except to the extent permitted by applicable law, the exercise by Sublandlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises by Subtenant by agreement, it being understood that such surrender can be effected only by the written agreement of Sublandlord and Subtenant.

18. Condemnation - It is mutually agreed that if the whole or any part of the Premises or the Building of which it is a part shall be taken by federal, state, county, or city authority for public use, or under any statute, or by rights of eminent domain, then when possession shall be taken thereunder of the Premises, or any part thereof, the terms hereby granted and all rights or the Subtenant hereunder shall immediately cease and terminate. It is further expressly agreed that the Subtenant shall not have any right or claim to any part of any award made to or received by the Sublandlord for such taking; provided, however, after taking of the whole or any part of the Premises by federal, state, county or city authority for public use, or under any statute, or by right of eminent domain, should the Sublandlord determine that the remainder of the Premises is suitable for use by the Subtenant for its business, the Subtenant shall remain in possession of the remainder of the Premises under this Sublease by continuing to abide by the terms hereof without interruption, and the Premises leased hereunder shall be deemed to be amended to conform to the property remaining after such condemnation.

19. Fire/Casualty Loss - The Subtenant shall use every reasonable precaution against fire, and shall in case of fire or other casualty, give immediate notice thereof to the Sublandlord, who shall, unless the Building be so damaged that Sublandlord shall decide not to recondition, rebuild or repair, thereupon cause the damage to be properly repaired, but if the Building be so damaged that the Sublandlord shall decide not to recondition, repair or rebuild, either temporarily or permanently, then the term or any renewal or extension thereof shall cease and the rent shall be apportioned up to the time of the fire or other casualty with no further obligation of either Party hereunder to recognize this Sublease if the Building be later rebuilt. If the Sublandlord shall decide to rebuild, recondition, or repair, this Sublease shall not terminate and the Sublandlord shall repair, recondition or rebuild with reasonable dispatch. In determining what constitutes reasonable dispatch, consideration shall be given to delays caused by strikes, weather, adjustments of insurance, and other causes.

20. No holding Over - Should the Subtenant continue



to occupy the Premises after the expiration of this Sublease, or after forfeiture incurred, whether with or against the consent of the Sublandlord, such tenancy shall be from month to month, and in no event shall be a holding over by the Subtenant. The Subtenant shall pay, as liquidated damages, a monthly sum equal to the greater of (a) two hundred (200%) percent of the monthly payable hereunder, or (b) two hundred (200%) percent of the prevailing rental rate for comparable buildings in Knoxville, Tennessee; provided, however, acceptance of such payments by the Sublandlord shall not be interpreted as a grant of permission for Subtenant to continue in possession of the Premises.

21. Non-waiver of Breach - The failure of the Sublandlord to insist, in any one or more instances, upon strict performance of any of the covenants, agreements or obligations of the Subtenant hereunder, or to exercise any option herein contained, shall not be construed as a waiver, or a relinquishment for the future of such covenant or option, but the same shall continue and remain in full force and effect. The receipt by the Sublandlord of rent, with knowledge of the breach of any covenant, agreement or obligation hereof shall not be deemed a waiver of such breach, and no waiver of such breach, and no waiver by Sublandlord of any provisions hereby shall be deemed to have been made unless expressed in writing and signed by the Sublandlord.

22. Notices - All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed given when personally delivered to the party to be given such notice or other communication, when sent by facsimile with acknowledgement receipt, within five (5) business days after mailed in the U.S. mail by certified mail return receipt requested or on the business day following the day such notice or other communication is sent by overnight courier, to the following:

If To Sublandlord: Mr. James G. Alexander,  
General Partner  
Anderson Notter Investments  
Associates IV  
77 North Washington Street  
Boston, MA 02114  
(617) 227-9272 x104  
Fax: (617) 227-5582  
Email: [jfa@faainc.com](mailto:jfa@faainc.com)

With a copy to: Lawrence Litwak, Esq.  
Greif & Litwak, P.C.  
20 William Street, Suite 320  
Wellesley, MA 02481



(781) 489-1040  
Fax: (617) 723-9490  
Email: [Larry@qltaxlaw.com](mailto:Larry@qltaxlaw.com)

If to Subtenant: Dr. Nancy B. Moody, President  
Lincoln Memorial University  
6965 Cumberland Gap Parkway  
Harrogate, TN 37752  
(423) 869-6392  
Fax: (423) 869-6250  
Email: [nancy.moody@lmunet.edu](mailto:nancy.moody@lmunet.edu)

With a copy to: Debbi Pressnell, Director  
Risk Management, Contracts  
Lincoln Memorial University  
6965 Cumberland Gap Parkway  
Harrogate, TN 37752  
(423) 869-6390  
Fax: (423) 869-4825  
Email: [debbi.pressnell@lmunet.edu](mailto:debbi.pressnell@lmunet.edu)

or to such other address as the parties may designate in writing.

23. Inspection - The Sublandlord, in person or by agent, shall have the right, at all reasonable times, to enter the Premises, and inspect the same, and during the last one hundred (120) days of the term, to show the Premises to prospective Subtenants, or purchasers, and to display a prominent "For Rent" sign upon the Premises.

24. Estoppel Certificates - Within ten (10) days after written request by Sublandlord, Subtenant shall execute, acknowledge, and deliver, to Sublandlord, or to such other party as may be designated by Sublandlord, a certificate stating that this Sublease is in full force and effect and has not been modified, supplemented or amended in any way, except as indicated in such certificate; that all conditions and agreements hereunder to be performed by Sublandlord have been satisfied or performed, except as set forth in said certificate; that Subtenant is not in default in the payment of Rent or any of the other obligations required of Subtenant hereunder; and that Subtenant has paid Rent as of the date set forth in the certificate.

25. Licenses and Permits. If any governmental license or permit shall be required for the proper and lawful conduct of Subtenant's business, and if the failure to secure such a license or permit would in any way affect Sublandlord, Subtenant, at Subtenant's expense, shall duly procure and thereafter maintain such license or permit and submit the same to inspection by Sublandlord. Subtenant, at Subtenant's expense shall, shall at all times comply with the terms and conditions of each such license or



permit.

26. Exculpation of Sublandlord. Sublandlord's obligations and liability to Subtenant with respect to this Sublease shall be limited solely to Sublandlord's interest in the Premises, and neither Sublandlord nor any joint ventures (if any), partners, officers, directors, employees or shareholders of or in Sublandlord shall have any personal liability whatsoever with respect to this Sublease.

27. Subordination. Subtenant agrees at the request of Sublandlord or any mortgagee to execute and deliver promptly any certificate or other instrument which Sublandlord or such mortgagee may request subordinating this Sublease and all rights of Subtenant hereunder to any mortgagee, and to all advances made under such mortgage and/or agreeing to attorn to such mortgagee in the event that it succeeds to Sublandlord's interest in the Premises; provided, however, Sublandlord shall endeavor to provide that the holder of any such mortgage shall execute and deliver to Subtenant a non-disturbance agreement to the effect that, in the event of any foreclosure of such mortgage, such holder will not name Subtenant as a party defendant to such foreclosure nor disturb its possession under the Sublease.

28. Brokerage. Sublandlord and Subtenant each warrant to the other that it has not dealt with any broker or agent in connection with the negotiation or execution of this Sublease. Subtenant and Sublandlord shall each indemnify the other against all costs, expenses, attorneys' fees, and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party.

29. Amendments. This Sublease contains all the oral and written agreements, presentations and warranties between the parties hereto, and any rights which the respective parties hereto may have had under any previous agreements are hereby canceled and terminated. No representations or warranties are made or implied under this Sublease, except as specifically set forth herein. This Sublease may not be changed or modified except in a writing signed by both parties.

30. Severability. It is the parties' intention that this Sublease be enforceable and that it comply with all applicable laws. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this Sublease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Sublease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be



possible in order to be legal, valid, and enforceable.

31. Terms Of Municipal Lease.

A. Except as herein otherwise provided and except for the obligation to pay rent under the Municipal Lease, all of the terms, covenants, conditions and provisions in the Municipal Lease are hereby incorporated in and made a part of this Sublease as applicable to the Premises and such rights and non-monetary obligations with respect to use and occupancy of the Premises as are contained in the Municipal Lease and imposed on the Sublandlord are hereby imposed upon the Subtenant as applicable to the Premises; provided, however that Subtenant shall not be liable for any defaults by or obligations of Sublandlord as tenant under the Municipal Lease except where such default is caused in whole or in part by the default of Subtenant under this Sublease. Subtenant shall not knowingly take any action or permit any omission that would (a) constitute a default of Sublandlord under the Municipal Lease, (b) increase any of the obligations of Sublandlord under the Municipal Lease, or (c) give the Municipality the right to terminate the Municipal Lease. Upon any termination of this Sublease, whether by forfeiture, lapse of time or otherwise, or upon the termination of Subtenant's right to possession Subtenant will at once surrender and deliver up the Premises in good condition and repair, reasonable wear and tear excepted.

B. This Sublease is subject to, and Subtenant accepts this Sublease subject to, any amendments and supplements to the Municipal Lease hereinafter made between the Municipality and Sublandlord upon written notice to Subtenant, provided that any such amendment or supplement to the Municipal Lease (a) will not prevent or adversely affect the use by Subtenant of the Premises in accordance with the terms of this Sublease, or (b) increase the obligations or decrease the rights of the Subtenant under the Sublease or in any other way adversely affect Subtenant. Sublandlord shall provide a copy of any amendments and supplements to the Municipal Lease to Subtenant.

C. This Sublease is subject and subordinate to the Municipal Lease, to all ground or underlying leases, and to all mortgages which may now hereinafter affect such leases on the real property of which the Premises are a part, as well as all renewals, modifications, replacements and extensions of any of the foregoing. This subsection C shall be self-operative and no further instrument of subordination shall be required to conform such subordination, Subtenant shall execute promptly any certificate that Sublandlord may reasonably request.



32. Consent of Municipality.

A. This Sublease is conditioned upon the consent thereto of the Municipality, which consent shall be evidenced by such party's signature appended hereto or a separate consent in the form utilized by such party for such purposes. Provided the Municipality's consent does not materially affect the terms of this Sublease, Subtenant shall immediately execute any documents requested by the Municipality in order to obtain such party's approval.

B. Sublandlord makes no representation with respect to obtaining the Municipality's approval of this Sublease, but will use reasonable efforts to obtain such approval and in the event that the Municipality notifies Sublandlord that it will not give such approval, Sublandlord will so notify Subtenant and, upon receipt of such notification by Sublandlord of the disapproval by the Municipality, this Sublease shall be deemed to be null and void and without force or effect, and Sublandlord and Subtenant shall have no further obligations or liabilities to the other with respect to this Sublease. Notwithstanding anything contained herein to the contrary, if the consent of the Municipality is not obtained prior to the Sublease Commencement Date, Sublandlord and Subtenant each shall then have the right to terminate this Sublease upon written notice to the other.

C. Except as otherwise provided herein, wherever in this Sublease Subtenant is required to obtain Sublandlord's consent or approval, Subtenant understands that Sublandlord may be required to first obtain the consent or approval of the Municipality, and Sublandlord shall use all reasonable efforts to obtain such consent. If, however, the Municipality should refuse such consent or approval for any reason (whether arbitrary, capricious or otherwise unreasonable), Sublandlord shall have no obligation to grant its consent or approval.

33. Consent of Secured Lender.

A. This Sublease is conditioned upon the consent thereto of the Secured Lender, which consent shall be evidenced by such party's signature appended hereto or a separate consent in the form utilized by such party for such purposes. Provided the Secured Lender's consent does not materially affect the terms of this Sublease, Subtenant shall immediately execute any documents requested by Secured Lender in order to obtain such party's approval.

B. Sublandlord makes no representation with respect to obtaining Secured Lender's approval of this Sublease, but will use reasonable efforts to obtain such approval and, in the event that the Secured Lender notifies



Sublandlord that it will not give such approval, Sublandlord will so notify Subtenant, and, upon receipt of such notification by Sublandlord of the disapproval by the Secured Lender, this Sublease shall be deemed to be null and void and without force or effect, and Sublandlord and Subtenant shall have no further obligations or liabilities to the other with respect to this Sublease. Notwithstanding anything contained herein to the contrary, if the consent of the Secured Lender is not obtained prior to the Sublease Commencement Date, Sublandlord and Subtenant each shall then have the right to terminate this Sublease upon written notice to the other.

C. Except as otherwise provided herein, wherever in this Sublease Subtenant is required to obtain Sublandlord's consent or approval, Subtenant understands that Sublandlord may be required to first obtain the consent or approval of the Secured Lender and Sublandlord shall use all reasonable efforts to obtain such consent. If, however, the Secured Lender should refuse such consent or approval for any reason (whether arbitrary, capricious or otherwise unreasonable), Sublandlord shall have no obligation to grant its consent or approval.

34. Consent of Sublandlord's Limited Partners.

A. This Sublease is conditioned upon the consent thereto of the Sublandlord's Limited Partners, which consent shall be evidenced by the Certificate of a General Partner of the Sublandlord. Provided Sublandlord's Limited Partners' conditions to consent do not materially affect the terms of this Sublease, Subtenant shall immediately execute any documents requested by such Limited Partners in order to obtain such parties' approval.

B. Sublandlord makes no representation with respect to obtaining approval of this Sublease by Sublandlord's Limited Partners, but will use reasonable efforts to obtain such approval and, in the event that the General Partner of the Sublandlord is unable to obtain such approval, Sublandlord will so notify Subtenant, and, upon receipt of such notification by Sublandlord of the disapproval by its Limited Partners, this Sublease shall be deemed to be null and void and without force or effect, and Sublandlord and Subtenant shall have no further obligations or liabilities to the other with respect to this Sublease. Notwithstanding anything contained herein to the contrary, if the consent of the Limited Partners of Sublandlord is not obtained prior to the Sublease Commencement Date, Sublandlord and Subtenant each shall then have the right to terminate this Sublease upon written notice to the other.

C. Except as otherwise provided herein,



wherever in this Sublease Subtenant is required to obtain Sublandlord's consent or approval, Subtenant understands that Sublandlord may be required to first obtain the consent or approval of its Limited Partners and Sublandlord shall use all reasonable efforts to obtain such consent. If, however, the Limited Partners of Sublandlord should refuse such consent or approval for any reason (whether arbitrary, capricious or otherwise unreasonable), Sublandlord shall have no obligation to grant its consent or approval.

35. Rules and Regulations. Subtenant will faithfully observe and comply with the uniformly applied Rules and Regulations, if any, annexed hereto and such other and further reasonable Rules and Regulations as Sublandlord hereafter at any time or from time to time may make and may communicate in writing to Subtenant, which in the reasonable judgment of Sublandlord shall be necessary for the reputation, safety, care or appearance of the Building, or the preservation of good order therein, or the operation, maintenance or repairs of the Building, or the equipment thereof, or the comfort of Subtenant or others in the Building, provided, however, that in the case of any conflict between the provisions of this Sublease and any such Rules and Regulations, the provisions of this Sublease shall control, and provided further that nothing contained in this Sublease shall be construed to impose upon Sublandlord any duty or obligation to enforce the Rules and Regulations or the terms, covenants or conditions in any other sublease as against any other subtenant and Sublandlord shall not be liable to Subtenant for violation of the same by any other subtenant or such other subtenant's servants, employees, agents, contractors, visitors, invitees or licensees.

36. Prohibited Materials and Property. Subtenant shall not bring or permit to be brought or kept in or on the Premises or elsewhere in the Building (i) any inflammable, combustible or explosive fluid, material, chemical or substance including, without limitation, any hazardous substances as defined under Tennessee law or under the Federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC §9601 et seq., as amended, under Section 3001 of the Federal Resource Conservation and Recovery Act of 1976, as amended, or under any regulation of any governmental authority regulating environmental or health matters (except for standard office cleaning supplies stored in proper containers), (ii) any materials, appliances or equipment (including, without limitation, materials, appliances and equipment selected by Subtenant for the construction or other preparation of the Premises and furniture and carpeting) which pose any danger to life, safety or health or may cause damage, injury or death; (iii) any unique,



unusually valuable, rare or exotic property, work of art or the like unless the same is fully insured under all-risk coverage, or (iv) any data processing, electronic, optical or other equipment or property of a delicate, fragile or vulnerable nature unless the same are housed, shielded and protected against harm and damage, whether by cleaning or maintenance personnel, radiations or emanations from other equipment now or hereafter installed in the Building, or otherwise. Nor shall Subtenant cause or permit any potentially harmful air emissions, odors of cooking or other processes, or any unusual or other objectionable odors or emissions to emanate from or permeate the Premises.

37. Requirements of Law--Fines and Penalties. Subtenant at its sole expense shall comply with all laws, rules, orders and regulations, including, without limitation, all energy-related requirements, of Federal, State, County and Municipal Authorities and with any direction of any public officer or officers, pursuant to law, which shall impose any duty upon Sublandlord or Subtenant with respect to or arising out of Subtenant's use or occupancy of the Premises. Subtenant shall reimburse and compensate Sublandlord for all expenditures made by, or damages or fines sustained or incurred by, Sublandlord due to nonperformance or noncompliance with or breach or failure to observe any item, covenant, or condition of this Sublease upon Subtenant's part to be kept, observed, performed or complied with. If Subtenant receives notice of any violation of law, ordinance, order or regulation applicable to the Premises, it shall give prompt notice thereof to Sublandlord.

38. Subtenant's Acts--Effect on Insurance. Subtenant shall not do or permit to be done any act or thing upon the Premises or elsewhere in the Building which will invalidate or be in conflict with any insurance policies covering the Building and the fixtures and property therein; and shall not do, or permit to be done, any act or thing upon the Premises which shall subject Sublandlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon said Premises or for any other reason. Subtenant, at its own expense, shall comply with all rules, orders, regulations and requirements of the Board of Fire Underwriters, or any other similar body having jurisdiction, and shall not (i) do, or permit anything to be done, in or upon the Premises, or bring or keep anything therein, except as now or hereafter permitted by the Fire Department, Board of Underwriters, Fire Insurance Rating Organization, or other authority having jurisdiction, and then only in such quantity and manner of storage as will not increase the rate for any insurance applicable to the Building, or (ii) use the Premises in a manner which shall



increase such insurance rates on the Building, or on property located therein, over that applicable when Subtenant first took occupancy of the Premises hereunder. If by reason of the failure of Subtenant to comply with the provisions hereof the insurance rate applicable to any policy of insurance shall at any time thereafter be higher than it otherwise would be, the Subtenant shall reimburse Sublandlord for that part of any insurance premiums thereafter paid by Sublandlord, which shall have been charged because of such failure by Subtenant.

39. Miscellaneous. Subtenant shall not suffer or knowingly permit the Premises or any fixtures, equipment or utilities therein or serving the same, to be overloaded, damaged or defaced. Subtenant shall not suffer or permit any employee, contractor, business invitee or visitor to violate any covenant, agreement or obligations of the Subtenant under this Sublease.

40. Governing Law. This Sublease is made pursuant to, and shall be governed by, and construed in accordance with, the laws of the State wherein the building is situated and any applicable local municipal rules, regulations, by-laws, ordinances and the like.

41. Representation of Authority. By his/her execution hereof each of the signatories on behalf of the respective parties hereby warrants and represents to the other that he is duly authorized to execute this Sublease on behalf of such party.

42. Expenses Incurred by Sublandlord Upon Subtenant Requests. Subtenant shall, upon demand, reimburse Sublandlord for all reasonable expenses, including, without limitation, legal fees, incurred by Sublandlord in connection with all requests by Subtenant for consent, approvals or execution of collateral documentation related to this Sublease, including, without limitation, costs incurred by Sublandlord in the review and approval of Subtenant's plans and specifications in connection with proposed alterations to be made by Subtenant to the Premises, requests by Subtenant to sublet the Premises, the execution by Sublandlord of estoppel certificates requested by Subtenant, and requests by Subtenant for Sublandlord to execute waivers of Sublandlord's interest in Subtenant's property in connection with third party financing by Subtenant. Such costs shall be deemed to be additional rent under the Sublease.

43. Survival. Without limiting any other obligation of the Subtenant which may survive the expiration or prior termination of the term of the Sublease, all obligations on the part of Subtenant to indemnify, defend, or hold Sublandlord harmless, as set forth in this Sublease shall



survive the expiration or prior termination of the term of the Sublease.

44. Hazardous Materials. Sublandlord and Subtenant agree as follows with respect to the existence or use of "Hazardous Material" in or on the Premises, the Building or the Land.

(a) Subtenant, at its sole cost and expense, shall comply with all laws, statutes, ordinances, rules and regulations of any local, state or federal governmental authority having jurisdiction concerning environmental, health and safety matters (collectively, "Environmental Laws"), including, but not limited to, any discharge into the air, surface, water, sewers, soil or groundwater of any Hazardous Material (as defined in paragraph 44(c) below), whether within or outside the Premises within the Building or on the Land. Notwithstanding the foregoing, nothing contained in this Sublease requires, or shall be construed to require, Subtenant to incur any liability related to or arising from environmental conditions which existed within the Premises, the Building or the Land prior to the date Subtenant takes possession of the Premises.

(b) Subtenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or otherwise in the Building or on the Land by Subtenant, its agents, employees, contractors or invitees, without the prior written consent of Sublandlord, except for Hazardous Materials which are typically used in the operation of offices or laboratories, provided that such materials are stored, used and disposed of in strict compliance with all applicable Environmental Laws and with good scientific and medical practice. Notwithstanding the foregoing, with respect to any of Subtenant's Hazardous Material which Subtenant does not properly handle, store or dispose of in compliance with all applicable Environmental Laws and good scientific and medical practice, Subtenant shall, upon written notice from Sublandlord, no longer have the right to bring such material into the Premises, the Building or the Land until Subtenant has demonstrated, to Sublandlord's reasonable satisfaction, that Subtenant has implemented programs to thereafter properly handle, store or dispose of such material.

(c) As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste or petroleum derivative which is or becomes regulated by any Environmental Law, specifically including live organisms, viruses and fungi, medical waste, and so-called "biohazard" materials. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) designated as a "hazardous substance" pursuant to Section 1311 of the Federal Water



Pollution Control Act (33 U.S.C. Section 1317), (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601), (iv) defined as "hazardous substance" or "oil" under Chapter 21E of the General Laws of Massachusetts, or (v) a so-called "biohazard" or medical waste, or is contaminated with blood or other bodily fluids; and "Environmental Laws" including, without limitation, the laws listed in the preceding clauses (i) through (iv).

(d) Any increase in the premium for necessary insurance on the Premises, the Building or the Land which arises from Subtenant's use and/or storage of these Hazardous Materials shall be solely at Subtenant's expense. Subtenant shall procure and maintain at its sole expense such additional insurance as may be necessary to comply with any requirement of any federal, state or local government agency with jurisdiction.

(e) Subtenant hereby covenants and agrees to indemnify, defend and hold Sublandlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (collectively "Losses") which Sublandlord may reasonably incur arising out of contamination of real estate, the Building, the Land or other property not a part of the Premises, which contamination arises as a result of: (i) the presence of Hazardous Material in the Premises, the presence of which is caused or permitted by Subtenant, or (ii) from a breach by Subtenant of its obligations under this paragraph 44. This indemnification of Sublandlord by Subtenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises based upon the circumstances identified in the first sentence of this paragraph 44 (e). The indemnification and hold harmless obligations of Subtenant under this paragraph 44 shall survive any termination of this Sublease. Without limiting the foregoing, if the presence of any Hazardous Material in the Building or otherwise on the Land caused or permitted by Subtenant results in any contamination of the Premises, Subtenant shall promptly take all actions at its sole expense as are necessary to return the Premises or the Building to a condition which complies with all Environmental Laws; provided that Sublandlord's approval of such actions shall first be obtained, which approval shall



not be unreasonably withheld so long as such actions, in Sublandlord's reasonable discretion, would not potentially have any materially adverse long-term or short-term effect on the Premises or the Building, and, in any event, Sublandlord shall not withhold its approval of any proposed actions which are required by applicable Environmental Laws.

45. Patriot Act.

Subtenant represents and warrants to Sublandlord that:

(A) Subtenant is not in violation of any Anti-Terrorism Law;

(B) Subtenant is not, as of the date hereof:

(i) conducting any business or engaging in any transaction or dealing with any Prohibited Person (as hereinafter defined), including the making or receiving of any contribution of funds, goods or services to or for the benefit of any Prohibited Person;

(ii) dealing in, or otherwise engaging in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224; or

(iii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate any of the prohibitions set forth in, any Anti-Terrorism Law; and

(C) Neither Subtenant nor any of its affiliates, officers, directors, shareholders, members or lease guarantor, as applicable, is a Prohibited Person.

If at any time any of these representations becomes false, then it shall be considered a material default under this Lease.

As used herein, "Anti-Terrorism Law" is defined as any law relating to terrorism, anti-terrorism, money-laundering or anti-money laundering activities, including without limitation the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, Executive Order No. 13224, and Title 3 of the USA Patriot Act, and any regulations promulgated under any of them. As used herein "Executive Order No. 13224" is defined as Executive Order No. 13224 on Terrorist Financing effective September 24, 2001, and relating to "Blocking Property and Prohibiting Transactions With Persons Who




Commit, Threaten to Commit, or Support Terrorism", as may be amended from time to time. "Prohibited Person" is defined as (i) a person or entity that is listed in the Annex to Executive Order No. 13224, or a person or entity owned or controlled by an entity that is listed in the Annex to Executive Order No. 13224; (ii) a person or entity with whom Sublandlord is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; or (iii) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/tllsdn.pdf> or at any replacement website or other official publication of such list. "USA Patriot Act" is defined as the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (Public Law 107-56), as may be amended from time to time.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed on the day and date first above written.

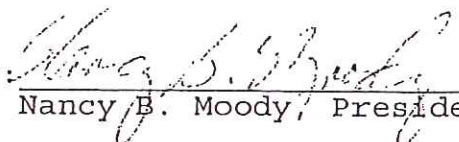
SUBLANDLORD:

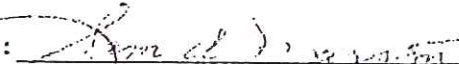
OLD CITY HALL KNOXVILLE  
PARTNERSHIP, a Tennessee  
Limited Partnership  
by its General Partner  
Anderson Notter Investment  
Associates IV

By:   
James G. Alexander, General  
Partner

SUBTENANT:

LINCOLN MEMORIAL UNIVERSITY

By:   
Nancy B. Moody, President

By:   
Sam A. Mars, III, Secretary

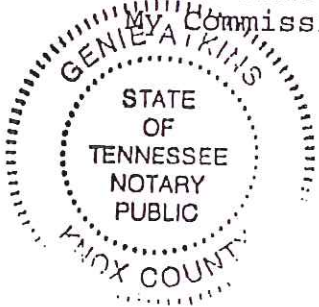
[CONTINUED ON PAGE 43]



COUNTY OF KNOX  
SUFFOLK, SS.  
STATE OF TENNESSEE  
~~COMMONWEALTH OF MASSACHUSETTS~~

On this 25 day of February, 2008, before me, the undersigned notary public, personally appeared James G. Alexander, proved to me through satisfactory evidence of identification, which was [ ] photographic identification with signature issued by a federal or state governmental agency, [ ] oath or affirmation of a credible witness, [ ] personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that he signed it voluntarily of its stated purpose, as General Partner of Anderson Notter Investment Associates, IV, being the General Partner of Old City Hall Knoxville Partnership.

Genie Atkins  
Notary Public  
Print Name: GENIE ATKINS  
My Commission Expires: 5-5-09



LL070578-L



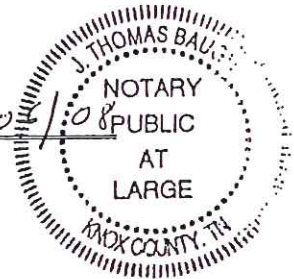
STATE OF TENNESSEE  
COUNTY OF CLAIBORNE

Before me, the undersigned a notary public in and for said county and state, personally appeared Nancy B. Moody with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon such, swore to and acknowledged herself to be President of Lincoln Memorial University, the within bargainer, and that as such President executed the foregoing instrument for the purpose therein contained, by signing Lincoln Memorial University by herself as President.

WITNESS my hand official seal at office, this the 25 day of February, 2008.

[Signature]  
Notary Public

My Commission Expires: 04/04/08



STATE OF TENNESSEE  
COUNTY OF CLAIBORNE

Before me, the undersigned a notary public in and for said county and state, personally appeared Sam A. Mars, III with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon such, swore to and acknowledged himself to be Secretary of Lincoln Memorial University, the within bargainer, and that as such Secretary, executed the foregoing instrument for the purpose therein contained, by signing Lincoln Memorial University by himself as Secretary.

WITNESS my hand official seal at office, this 25 day of February, 2008.

[Signature]  
Notary Public

My Commission Expires: 04/04/08

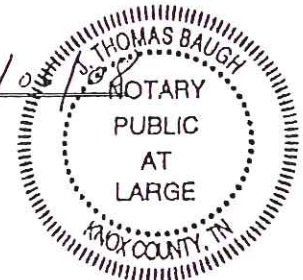




EXHIBIT A  
MUNICIPAL LEASE  
(SEE ATTACHED)



EXHIBIT A

Beginning at a point on the northwest right-of-way line of Summit Hill Drive, said beginning point being located N 65° 45' 01" W, a distance of 50.35 ft. from Station 29+70.13 on the centerline of Summit Hill Drive; thence along the right-of-way line between Summit Hill Drive and County Tax Parcel 94-L, C-1, the following courses: N 65° 45' 01" W, 6.65 ft. to a point; thence southerly and southwesterly along a curve to the left whose radius is 229.18 ft. an arc distance of 265.23 ft. to a point; thence N 87° 40' 58" W, 182.16 ft. to a point; thence along the right-of-way line at the northeast intersection of Summit Hill Drive and Broadway the following courses: N 22° 03' 08" E, 59.15 ft. to a point; thence N 81° 13' 53" W, 84.51 ft. to a point; thence N 61° 14' 04" W, 19.52 ft. to a point; thence along the right-of-way line between Broadway and Parcel C-1 the following courses: northerly along a curve whose radius is 424.41 ft. an arc distance of 162.47 ft. to a point; thence N 9° 18' 34" W, 43.75 ft. to a point; thence S 85° 46' 09" E crossing a portion of Parcel C-1, 37.75 ft. to a point or common corner between Parcel C-1 and the property of Summit Towers, Ltd.; thence along the dividing line between Parcel C-1 and Summit Towers Ltd., the following courses: S 85° 46' 09" E, 224.99 ft. to a point; thence N 4° 13' 51" E, 30 ft. to a point; thence S 85° 46' 09" E, 70.14 ft. to a point; thence S 4° 13' 51' W, 30 ft. to a point; thence S 85° 46' 09" E, 190.23 ft. to a point at the northeast corner of Parcel C-1; thence S 27° 17' 17" E along the northeast line of Parcel C-1, 63.75 ft. to a point on the northwest right-of-way line of Summit Hill Drive; thence S 24° 16' 55" W along said right-of-way line 65.11 ft. to the point of beginning.

Containing approximately 2.75 acres and being a portion of County Tax Parcel 94-L, C-1 and being further described on Map 06081-A on file in the Office of the City Engineer.



An easement is reserved for ingress and egress to the Fire Alarm Headquarters Building, said easement being along the present driveway and parking lot and beginning at the east line of Broadway and extending easterly approximately 60 ft.; thence northerly approximately 130 ft.; thence westerly approximately 110 ft.; thence northwesterly approximately 115 ft. to a point on the dividing line between the property herein described and the tract upon which is located the Fire Alarm Headquarters Building.

EXHIBIT B

Beginning at a point on the northwest right-of-way line of Summit Hill Drive, said beginning point being located N 65° 45' 01" W, a distance of 50.35 ft. from Station 29+70.13 on the centerline of Summit Hill Drive; thence along the right-of-way line between Summit Hill Drive and County Tax Parcel 94-L, C-1, the following courses: N 65° 45' 01" W, 6.65 ft. to a point; thence southerly and southwesterly along a curve to the left whose radius is 229.18 ft. an arc distance of 265.23 ft. to a point; thence N 87° 40' 58" W, 182.16 ft. to a point; thence along the right-of-way line at the northeast intersection of Summit Hill Drive and Broadway the following courses: N 22° 03' 08" E, 59.15 ft. to a point; thence N 81° 13' 53" W, 84.51 ft. to a point; thence N 61° 14' 04" W, 19.52 ft. to a point; thence along the right-of-way line between Broadway and Parcel C-1 the following courses: northerly along a curve whose radius is 424.41 ft. an arc distance of 162.47 ft. to a point; thence N 9° 18' 34" W, 43.75 ft. to a point; thence S 85° 46' 09" E crossing a portion of Parcel C-1, 37.75 ft. to a point or common corner between Parcel C-1 and the property of Summit Towers, Ltd.; thence along the dividing line between Parcel C-1 and Summit Towers Ltd., the following courses: S 85° 46' 09" E, 224.99 ft. to a point; thence N 4° 13' 51" E, 30 ft. to a point; thence S 85° 46' 09" E, 70.14 ft. to a point; thence S 4° 13' 51' W, 30 ft. to a point; thence S 85° 46' 09" E, 190.23 ft. to a point at the northeast corner of Parcel C-1; thence S 27° 17' 17" E along the northeast line of Parcel C-1, 63.75 ft. to a point on the northwest right-of-way line of Summit Hill Drive; thence S 24° 16' 55" W along said right-of-way line 65.11 ft. to the point of beginning.

Containing approximately 2.75 acres and being a portion of County Tax Parcel 94-L, C-1 and being further described on Map 06081-A on file in the Office of the City Engineer.



An easement is reserved for ingress and egress to the Fire Alarm Headquarters Building, said easement being along the present driveway and parking lot and beginning at the east line of Broadway and extending easterly approximately 60 ft.; thence northerly approximately 130 ft.; thence westerly approximately 110 ft.; thence northwesterly approximately 115 ft. to a point on the dividing line between the property herein described and the tract upon which is located the Fire Alarm Headquarters Building.

LL070578-L

EXHIBIT C

DESCRIPTION OF SPACE IN BUILDING "J"  
SUBLEASED TO LINDSAY & MAPLES ARCHITECTS, INCORPORATED

LL070578-L



EXHIBIT D

DESCRIPTION OF SPACE IN BUILDING "B"  
SUBLEASED TO ASSET & EQUITY CORPORATION

EXHIBIT

A

24344

This instrument prepared by:  
David C. Wilburn  
Office of the General Counsel  
Tennessee Valley Authority  
Knoxville, Tennessee 37902

CONTRACT NO. TV-60529A  
ACCOUNT NO. 1260-991-07-41.2  
DIVISION OF PROPERTY AND  
SERVICES, OFFICE SERVICE BRANCH

LEASE  
Between  
OLD CITY HALL KNOXVILLE PARTNERSHIP  
And  
TENNESSEE VALLEY AUTHORITY  
For  
OFFICE SPACE  
At  
KNOXVILLE, TENNESSEE

THIS LEASE, made and entered into this 2nd day of May, 1983,  
between OLD CITY HALL KNOXVILLE PARTNERSHIP, a Tennessee limited partnership,  
having an office located at 107 Main Street, SW., Knoxville, Tennessee 37901  
(hereinafter referred to as "Lessor"), and TENNESSEE VALLEY AUTHORITY, an  
agency and instrumentality of the United States (hereinafter referred to  
as "TVA"),

IN CONSIDERATION of the mutual covenants hereinafter stated,  
the parties agree for themselves, their successors, legal representatives,  
and assigns as follows:

1. Lessor hereby leases to TVA the Old City Hall Building  
(hereinafter referred to as the "Premises"), located at the intersection  
of Broadway and West Summit Hill Drive, Knoxville, Tennessee, which Premises  
are more fully described in Exhibit A, which is attached hereto and made a  
part of this agreement.

STEVE HALL

JUN 9 4 24 PM '83

RECEIVED FOR  
RECORDING  
KNOXVILLE  
TN

ONE EXHIBIT ATTACHED  
OK



The Premises consist of buildings containing a net rentable floor area of 71,612 square feet and grounds containing a land area of approximately 2.75 acres as shown in Exhibit A and are to be used by TVA for offices and uses incidental thereto (hereinafter "Intended Purposes") and/or for such other purpose or purposes as it may deem necessary and/or convenient; provided, however, that use of the Premises for other than the Intended Purposes must be consented to by Lessor in writing, except as defined in article 14, which consent shall not be unreasonably withheld.

2. TVA is to have and hold the Premises with their appurtenances for a term of thirty (30) years beginning May 2, 1983, and ending May 1, 2013.

3. Lessor shall, during the term of this lease unless herein specified to the contrary, maintain the Premises in good repair and tenantable condition, including:

- (1) Maintaining the structural integrity of the buildings and other improvements on the Premises, including but not limited to the structural integrity of the roof, exterior walls, foundation, floors, windows and/or fixed glass, doors, and other building appurtenances and improvements to provide water-tight integrity, structural soundness, and reasonable safety from hazards to occupants and equipment.
- (2) Providing zone heating, air-conditioning, and ventilation systems capable of maintaining a year-round temperature of seventy-five (75) degrees Fahrenheit (plus or minus three (3) degrees) in

summer operation, and sixty-eight (68) degrees Fahrenheit (plus or minus three (3) degrees) in winter operation within the occupied zone which is defined as the interior area of the building from the floor up to 6'-0" above the floor and out to but not including 1'-0" from any wall in accordance with ASHRAE design standards throughout the building structure when occupied.

- (3) Repairing or replacing major mechanical, electrical, and/or plumbing equipment or fixtures that are defined as Lessor responsibilities in the Maintenance Responsibilities List which is attached hereto and made a part of this agreement as Exhibit B; provided that TVA shall perform operations, preventative maintenance, and repair or replacement that are defined as Lessee responsibilities in the Maintenance Responsibilities List.
- (4) Replacing when reasonably necessary any carpeting or other floor covering which becomes excessively worn as determined jointly by Lessor and TVA and replacing all carpeting at the end of each ten (10) year period of occupancy by TVA with carpeting of equal type, grade, and quality as originally installed, except as may be changed by flammability standards or other regulations pertaining to the installation of carpeting;
- (5) Providing the necessary personnel to perform or cause to be performed the maintenance and repair functions hereinabove described in subsections (1), (2), (3), and (4) without causing undue interference with the performance of day-to-day operations of TVA's personnel upon the leased premises.



For the purpose of so maintaining the Premises, Lessor reserves the right, at reasonable times, to enter and inspect the premises and to take any reasonable measures in order to make any necessary repairs thereto. No maintenance and/or services shall be performed by Lessor under conditions which are unsanitary, hazardous, or dangerous to the health and safety of employees or contractors engaged to furnish the services or to employees of TVA occupying the space.

- 4.a. The wage rate of laborers, mechanics, and service personnel employed by Lessor in performance of the maintenance and service obligations stated hereinabove shall be not less than the rates of wages paid by TVA to its employees engaged in similar work. TVA has heretofore furnished Lessor, in writing, its classifications, rates of compensation, and fringe benefits in effect on the date of the beginning of the lease term, stipulated in Article 2 hereof, and TVA agrees to notify Lessor in writing of any changes in classifications, compensation, and fringe benefits.

On each anniversary date of the beginning of the lease term, stipulated in Article 2 hereof, TVA shall pay Lessor one hundred percent (100%) of any increase (or receive credit for one hundred percent (100%) of any decrease) in Lessor's payroll costs occasioned by changes in TVA's pay schedules above referred to, including changes in classification, compensation, and fringe benefits; provided, however, that the foregoing shall not apply to a greater number of such employees than five (5), unless TVA shall approve a larger number in advance of any increase in such number. Lessor shall furnish to TVA such documentation of Lessor's payroll costs as TVA may reasonably require.

b. Lessor shall maintain full replacement cost casualty insurance on the Premises in accordance with the requirements of the Municipal Lease Agreement. On each anniversary date of the beginning of the lease term, TVA shall pay Lessor eighty percent (80%) of any increase (or receive credit for eighty percent (80%) of any decrease) in Lessor's cost of maintaining such insurance coverage occasioned by changes in premium costs based on escalations in the appraised value of the Property by the insurance company.

5. TVA shall have the right, during the term of this lease or any extension thereof, to make alterations, attach fixtures, and erect additions, structures, and signs (hereinafter referred to as "Alterations"), in or upon the Premises hereby leased, which Alterations shall be and remain the property of TVA and may be removed therefrom by TVA prior to the termination of this lease. Any Alterations made by TVA under this section must be made in a first-class workmanlike manner within the applicable design criteria and may not adversely affect the structural integrity of the Premises and must be made in accordance with applicable building codes and requirements, and with any applicable restrictions imposed by any entity relative to historic structures, including but not limited to the requirements of the Knoxville Historic Zoning Commission and the Department of the Interior.

6. Anything in this lease to the contrary notwithstanding, TVA shall have no responsibility or liability for any loss to the Lessor or damage to the Premises resulting from or occasioned by ordinary wear and tear; by circumstances or occurrences which are not directly caused by TVA; or by



any other cause, including, without limitation, the elements, which cause is not the direct result of an act or omission by TVA. Upon termination of the lease, TVA will surrender the Premises in the same condition in which TVA took possession of the Premises, subject to the exceptions contained in this section.

7. TVA shall pay Lessor for the Premises rent at the following rates: ELEVEN DOLLARS AND SIXTY-SEVEN AND FIFTY-TWO HUNDREDTHS CENTS (\$11.6752) per square foot of net rentable area per year, being EIGHT HUNDRED THIRTY-SIX THOUSAND EIGHTY-FOUR DOLLARS AND FORTY-TWO CENTS (\$836,084.42) per annum, payable in equal monthly installments of SIXTY-NINE THOUSAND SIX HUNDRED SEVENTY-THREE DOLLARS AND SEVENTY CENTS (\$69,673.70). Payment of rent accrued hereunder shall be made as soon after the first day of each calendar month as vouchers can be prepared covering rent up to and including the last day of the preceding month. Rent for any period less than one (1) month shall be apportioned on a thirty (30) day basis.

8.a. If any of the services or repairs agreed to be performed by Lessor in accordance with Article 3 hereof are not performed within two (2) business days of receipt by Lessor of written notice from TVA requesting that such services or repairs be performed, TVA may itself perform any such services or repairs with its own or contracted forces and deduct the cost thereof from rentals due Lessor hereunder; provided, however, that prior to making any such deduction, TVA shall first withdraw moneys from Lessor's Escrow Fund established by Lessor in accordance with Article 8.b. (hereinafter referred to as "Escrow Fund") in order to make payment of such costs and shall not deduct any amounts from rentals otherwise due Lessor under this lease agreement until such time as the moneys in said

Escrow Fund are insufficient to pay the cost of services and repairs incurred by TVA hereunder; and provided further that in no event shall such deductions from rentals otherwise due Lessor under this lease agreement reduce said rentals to an amount less than SIXTY-FOUR THOUSAND EIGHT HUNDRED TWENTY-THREE DOLLARS AND TWENTY-FOUR CENTS (\$64,823.24) per month; and provided further that no such deductions shall be made if Lessor is unable to perform said services or repairs within said 48-hour period and Lessor provides to TVA within said 48-hour period a detailed service or repair schedule setting forth, to TVA's reasonable satisfaction, the reasons why said services or repairs cannot be performed within said 48-hour period together with an estimate of the nature, extent, and approximate time of completion of said services or repairs.

b. Lessor's Escrow Fund will be established, prior to execution of this lease agreement, by Lessor with Park National Bank (hereinafter referred to as "Bank"); provided, however, that Lessor with prior written approval by TVA, shall have the right to establish a separate escrow fund with other banks in the event the amount of the Escrow Fund with Park National Bank exceeds the limit of Federal Deposit Insurance. The Escrow Fund shall be an interest-bearing account. TVA shall be permitted to withdraw moneys deposited therein for the purposes indicated in Articles 8.a. and 10.b. upon delivery to Bank of (1) a sworn statement of the Chief, Office Service Branch, specifying the nature and extent of the services or repairs that have been performed or that will be performed and the estimated cost thereof (together with other reasonable evidence substantiating such amounts) and (2) such other documentation as Bank may reasonably



request. TVA shall promptly provide to Lessor a copy of all documentation so delivered to Bank. In addition, Lessor shall be permitted to withdraw moneys deposited in the Escrow Fund for the reasonable costs of performance of Lessor's obligations indicated in Article 3 upon Lessor's delivery to Bank of (1) a sworn statement of an appropriate officer of Lessor specifying the information required by clause (1) above and (2) such other documentation as Bank may reasonably request. Lessor shall promptly provide to TVA a copy of all documentation so delivered to Bank. Lessor shall provide, upon request by TVA, such documentation as is sufficient for TVA to verify the reasonableness of Lessor's costs of performance. Prior to the execution of this lease agreement, Lessor shall deposit the sum of TWENTY-SEVEN THOUSAND DOLLARS (\$27,000.00) into the Escrow Fund and shall thereafter deposit monthly the sum of TWO THOUSAND TWO HUNDRED FIFTY DOLLARS (\$2,250.00) into the Escrow Fund. All interest on moneys accruing on the Escrow Fund and any moneys remaining in the Escrow Fund upon the expiration of the lease term shall be the property of TVA.

c. Notwithstanding anything contained in Article 8, Lessor's obligations under Article 3 shall not be affected. Nothing contained herein shall preclude TVA's resort to remedies against Lessor to recover costs or damages incurred by TVA in accordance with Article 8.a. that may otherwise be allowed by law.

9. TVA agrees that it will, during the term of this lease and any extension thereof, pay and discharge on Lessor's behalf, during the period in which the same shall be payable without penalty, all taxes or payments in lieu of taxes which may be imposed by the United States of America, any State or municipality or political subdivision, or any instrumentality thereof, and all assessments for public improvements

or other assessments (including interest, penalties, and all costs resulting from delayed payment of any of the foregoing attributable to act or omission of TVA) of whatever name, nature, and kind, and whether or not now within the contemplation of the parties (all of the foregoing being hereinafter sometimes referred to as "Taxes"), which are now or may hereafter be lawfully levied, assessed, charged, or imposed upon or which are or may become a lien upon this lease or the leased premises, or upon the owner or occupants in respect thereof or upon the basis of the rent (but not income taxes) thereof and therefrom; it being the intention of the parties that, insofar as the same may lawfully be done, and within the limits aforescribed, Lessor shall be free from all Taxes based upon Lessor's interests and rights in the leased premises except as hereinafter provided, and that TVA shall pay to Lessor such rental as may be due throughout the term of this lease and any extension thereof undiminished by payment of any such Taxes.

Lessor shall furnish TVA copies of all notices which may affect the valuation of the leased premises for tax purposes or Taxes thereon. Such copies shall be delivered or mailed by certified mail, return receipt requested, within three (3) days of receipt thereof by Lessor to Mack B. McCarley, Chief, Office Service Branch, 670 Lupton Building, Chattanooga, Tennessee 37401. Lessor, upon ten (10) days' notice and written request by TVA, shall contest any such valuation of the premises or change in Taxes and in the event of any such request, TVA shall reimburse Lessor for any reasonable costs or expenses in connection with any such contest or proceeding and execute any documents or pleadings required for such purposes, provided that TVA shall be reasonably satisfied that the facts and data set forth in such documents or pleadings are accurate. TVA shall provide an informational



copy of said request to Lessor's mortgagor(s). If Lessor, upon ten (10) days' notice and written request by TVA, fails or refuses to offer reasonable contest to the amount or validity of any such valuation, TVA shall have no obligation to compensate Lessor for payment of any increase in Taxes resulting from such valuation. If Lessor receives any refund of taxes theretofore paid by TVA, Lessor shall promptly rebate to TVA said refund.

10.a. In the event of fire, casualty, taking by eminent domain, or any occurrence of any nature whatsoever which renders the Premises, or any portion thereof untenable as determined by TVA, the rent for the premises or untenable portion thereof shall abate proportionately (to the extent untenable) from the date of such fire, casualty, taking, or occurrence until the Premises or such portion are restored by Lessor to the condition thereof immediately prior to such fire, casualty, taking, or occurrence. In the event the work necessary for the restoration of an untenable portion of the Premises results in additional portions of the Premises being untenable as determined by TVA, the rent for the additional portion of the Premises shall abate for the period of time the portions are untenable.

b. In the event Lessor does not commence promptly to restore the untenable portion of the Premises and any other affected areas to tenable condition and thereafter complete said work within a reasonable time (not more than 26 months for restoration of a totally destroyed building), TVA may:

- (1) Terminate the lease on the entire Premises, or
- (2) Perform or have performed such work as is necessary to restore the untenable portion of the Premises and deduct the cost of such restoration from rent to accrue

on the total Premises after completion of the restoration work; provided, however, that prior to any such deduction TVA shall first withdraw moneys from Lessor's Escrow Fund in accordance with Article 8 hereof; and provided that in no event shall such deductions from rentals under this subsection 10.b.(2) shall reduce said rentals to less than SIXTY-FOUR THOUSAND EIGHT HUNDRED TWENTY-THREE DOLLARS AND TWENTY-FOUR CENTS (\$64,823.24) per month. Notwithstanding anything contained herein, Lessor's obligations to restore such untenable portion of the Premises shall not be affected and nothing contained herein shall preclude TVA's resort to remedies against Lessor to recover costs incurred by TVA in accordance with this article that may otherwise be allowed by law.

11. With respect to the building structure, means of egress, fire protection, and building service equipment for the leased Premises, Lessor shall comply with the current National Fire Protection Association Life Safety Code, the Occupational Safety and Health Act of 1970; the American National Standards Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped, and the Southern Standard Building Code; and all applicable State and local codes, which provisions are incorporated herein by reference and made a part of this lease or any extension thereof; provided that Lessor's compliance with such codes and standards under this section shall be subject to exceptions approved in writing by TVA.



12. The attached Facilities Nondiscrimination clause is hereby made a part of this agreement. Unless this agreement is exempt under rules and regulations issued pursuant to the provisions of Executive Order No. 11246, as amended, Lessor agrees to comply with the provisions of such order and the equal opportunity clause set out therein, which clause is incorporated herein by reference.

13. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall the Partnership offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value; except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.

14. This agreement is subject to the Contract Disputes Act of 1978, Pub. L. No. 95-563, 92 Stat. 2383 ("the Act"), and TVA's implementing regulations published at 18 C.F.R. pt. 1308. Any dispute arising out of or connected in any way with any obligation of the parties arising out of the performance or nonperformance of this agreement whether arising before or after completion of performance, including disputes as to any alleged violation or breach thereof, which is not settled or disposed of by agreement of the parties shall be decided by the Chief, Office Service Branch, Tennessee Valley Authority, on the basis of this agreement and any other facts which he/she may deem pertinent. Within sixty (60) days following submittal of the disputed matter to the Chief, Office Service Branch, by TVA or Partnership, the Chief, Office Service Branch, shall reduce his/her

decision to writing and promptly mail or otherwise furnish a copy thereof to TVA and Partnership. Within ninety (90) calendar days from the receipt of such copy, Partnership may appeal to the Tennessee Valley Authority Board of Contract Appeals by mailing or otherwise furnishing a written notice of appeal. After the filing of a notice of such an appeal, the Tennessee Valley Authority Board of Contract Appeals shall arrange for the decision of the appeal in accordance with the Act and TVA's implementing regulations.

The decision of the Tennessee Valley Authority Board of Contract Appeals on any question of law shall not be final or conclusive, but the decision on any question of fact shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

In lieu of an appeal to the Tennessee Valley Authority Board of Contract Appeals from the decision of the Chief, Office Service Branch, the Partnership may bring an action against TVA directly on the claim in a United States District Court having proper jurisdiction pursuant to 28 U.S.C. § 1337 and having venue. Such an action in a United States District Court or any other Court of competent jurisdiction shall be brought within twelve (12) months from the date of receipt by Partnership of the decision of the Chief, Office Service Branch, hereunder.

Pending final decision of an action or appeal or other final settlement, the decision of the Chief, Office Service Branch, shall govern the respective rights and obligations of the parties as to the matter in dispute, and the parties shall proceed diligently with the performance of



this agreement in accordance with the decision of the Chief, Office Service Branch, provided that any final decision or final settlement shall be retroactive to the extent set forth in such final decision of final settlement, and provided further that the decision of the Chief, Office Service Branch, shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency, unless an appeal or action is timely commenced as authorized herein.

15. TVA may, without Lessor's consent, sublet all or any part of the Premises for any Intended Purposes to any person, firm, or corporation whose business and reputation is not of a nature that can reasonably be expected to harm, or tend to harm, the business or reputation of Lessor. However, any subletting hereunder shall not release or discharge TVA of or from this agreement, and TVA shall continue to be fully liable hereunder. TVA may not assign its right, title, interest, or benefits under this agreement.

16.a. The following shall be "Events of Default" under this lease, and the term "Event of Default" shall mean any one or more of the following events:

- (1) Failure by TVA to pay, at the times specified, the rental required to be paid under Article 7 or any other sum otherwise required to be paid to Lessor under this lease.
- (2) The dissolution or liquidation of TVA by act of Congress or pursuant to a final judgment of any court of competent jurisdiction, or otherwise; or failure by TVA promptly to lift any execution, garnishment, or attachment or effect a stay of any judgment or order of any court or administrative tribunal or