

*****JULY 11, 2005*****

The Town Council of the Town of Signal Mountain held its regular monthly meeting on Monday, July 11, 2005, in the Town Hall at 7:00 p.m. Those present were:

Mayor William O. Leonard, III
 Councilmember Robert V. Linehart, Jr.
 Councilmember Robert E. White, II

Also present were: Interim Town Manager and Recorder Diana Campbell
 Town Attorney Phil Noblett
 Town of Signal Mountain Police Officers
 See attached list for others present

The Mayor called the meeting to order, led the Pledge of Allegiance to the Flag, and offered the prayer.

Councilmember White moved that the minutes of the June 13, 2005, regular meeting and the June 27, 2005, public hearing and special called meeting be approved. The motion was seconded by Councilmember Linehart and passed unanimously.

Councilmember White moved that "A RESOLUTION AUTHORIZING THE TOWN RECORDER TO SERVE AS ACTING TOWN MANAGER, UP TO AND UNTIL SUCH TIME AS A NEW TOWN MANAGER IS APPOINTED, PURSUANT TO ARTICLE V OF THE TOWN CHARTER FOLLOWING THE RETIREMENT OF HERSHEL DICK ON JULY 1, 2005" be approved. The motion was seconded by Councilmember Linehart and passed unanimously.

The Council considered "A RESOLUTION AUTHORIZING THE CREATION OF THE POSITION OF POLICE CHIEF FOR THE TOWN AND RECOGNIZING THE AUTHORITY OF THE ACTING TOWN MANAGER TO PROMOTE CAPTAIN BOYD VEAL TO THE POSITION OF POLICE CHIEF FOR THE TOWN". Councilmember White moved that the resolution be approved. The motion was seconded by Councilmember Linehart and passed unanimously. Chief Veal's wife and father pinned his insignia on him. His father praised Chief Veal and those present applauded the Chief. Then Chief Veal thanked the Council, Ms. Campbell, and Hershel Dick for this opportunity, and thanked his family for their support. He said all the officers on the force should be thanked. The Mayor thanked the Police Department for their team effort, and those present applauded them.

The Mayor announced the appointment of Greg Hall to Police Captain, and his wife was present to pin his insignia on him.

The Mayor talked about Signal Mountain support of the D.A.R.E. program. He wanted the community to know that over the period of the summer a youth and community officer would be phased in. He recognized Officer Greg Hill for his work with the D.A.R.E. program. Greg Hill told the citizens that every year students are asked to write

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an essay on what D.A.R.E. means to them, and the D.A.R.E. officers pick the winners. This year Greg Hall's student Shelby Lockhart was the first place winner in the state. She was presented a certificate from the Town and Cops for Kids presented her with \$100 to spend at the D.A.R.E conference in Gatlinburg. Ms. Partelow, one of Shelby's teachers, praised Shelby, and she was given a standing ovation. Shelby would also be attending a banquet in Gatlinburg to be recognized.

Chief Veal introduced two new police officers—Tyler Price and David McCann. All the police officers left the meeting at this time.

The Mayor turned the meeting over to Councilmembers Linehart and White to recognize Signal Mountain All-Star teams. One team was predominately 9-year-old boys and the other predominately 10-year-olds. Councilmember White introduced the 9-year-old boys and said the boys were gentlemen, good sports, and played as a team. Their coaches were Tony Boals, Steve Bandy, and John Stagmaier. They won the Sportsmanship Trophy. He thanked the boys and their coaches for representing the Town in such a fine manner. Councilmember Linehart introduced the 10-year-old team. The coaches were Jeff Daniel, David Anderson and Mike Feher. They won second place in the district tournament. Councilmember White introduced Mark Feemster as the new president of the baseball league.

The Mayor recognized and thanked the July 4th parade committee. He said it was a wonderful event. Ann Ozburn thanked the police department for their help with the parade.

Mayor Leonard recognized Ms. Betty Fassnacht as being named Woman of the Year. He said this award started in 1969. The Recorder read the next resolution "A RESOLUTION RECOGNIZING AND COMMENDING THE YEARS OF PUBLIC SERVICE TO THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, BY BETTY FASSNACHT". The resolution also recognized all the women who had received this award since it's beginning.

The Recorder read "A RESOLUTION APPLAUDING THE MANY YEARS OF VALUABLE SERVICE AND DEDICATION AS A PUBLIC SERVANT FOR THE TOWN FOLLOWING THE RETIREMENT OF HERSHEL DICK AS TOWN MANAGER ON JULY 1, 2005".

The Council next considered "AN ORDINANCE TO AMEND TITLE 5, CHAPTER 4, SECTION 5-401 THROUGH SECTION 5-407 OF THE SIGNAL MOUNTAIN TOWN CODE RELATIVE TO PURCHASING REQUIREMENTS BY THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE". Diana Campbell explained the revision to the ordinance. Phil Noblett explained the ordinance further. This would allow items under \$1500 to be approved by the Department Head making the purchases, purchases between \$1500 and \$4999 could be done without having a quote or a bid unless required by the Town Manager, for anything between \$5000 and \$9999 the Town Manager could require three competitive bids and anything over \$10,000 would require advertising and sealed bids.

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Councilmember Linehart moved that the Council approve the ordinance. The motion was seconded by Councilmember White and passed unanimously.

The Mayor explained that the Town's lease agreement with the Hamilton County Board of Education for the old Signal Mountain Elementary School building used for the Mountain Arts Community Center was up for renewal. The Recorder read the title of the next resolution "A RESOLUTION AUTHORIZING THE MAYOR OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, TO SIGN A NEW LEASE AGREEMENT WITH THE HAMILTON COUNTY BOARD OF EDUCATION FOR THE SIGNAL MOUNTAIN ELEMENTARY SCHOOL FOR A TWENTY-YEAR PERIOD COMMENCING ON AUGUST 1, 2005, TO JULY 31, 2025". Councilmember Linehart moved that the resolution be approved. The motion was seconded by Councilmember White and passed unanimously.

The Recorder read a memo regarding an emergency road situation where a culvert had washed out on Ridge Rock Drive. She explained the Town did not have the time to go through the usual bidding process and the total cost would be approximately \$20,000. The Mayor explained that James Cawthorne was working to come up with a solution to this emergency situation. Mr. Cawthorne then explained the work he had been doing on this project. Councilmember Linehart moved that the emergency action be accepted. Councilmember White seconded the motion and it passed unanimously.

Planning Commission Secretary Lou Oliphant did not have a report since there had been no meeting. She reminded the Council that Ridge Rock Drive was constructed about 25 or 30 years ago and did not go down into St. Ives at the time. She said specifications change over the years, but it had to meet code at the time it was built.

Recreation Director Scott Cook was present to clarify sports that are sanctioned by the Town. The Recreation Board, Recreation Director, and Town Council approve these sports. He explained there was a process for a sport to be sanctioned and approved. He read the list of sanctioned sports that are flag football, boy's baseball, girl's softball, youth basketball, adult softball, swim team, gymnastics, and soccer. Councilmember Linehart asked if the memo Mr. Cook read could be placed on the Town's website. Councilmember White said it is the Council's responsibility to protect the Town's citizens.

Mr. Bill Galloway, resident of Signal Mountain, questioned closing Shoal Creek Road every Sunday. He said he paid taxes to keep Shoal Creek Road opened, he wondered why it could be closed every Sunday. The Mayor explained that a group of citizens came and asked to use it for walking once a month. It was very successful and the Town extended it on an experimental basis from 1 to 5 p.m. for every Sunday. Councilmember Linehart said the people who are walking are cleaning up the road. Councilmember Linehart said the Council might revisit this in the fall if it was not being used. The Mayor explained that when Councilmember White chaired the Mountain Vision process it was found that citizens wanted a walkable and bikeable community.

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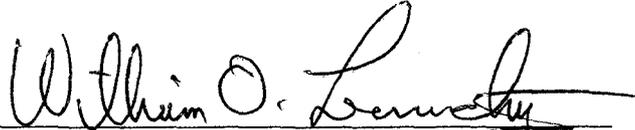
Adam Bock from Albert Road was concerned about the traffic on that road. He was requesting speed bumps or a three-way stop sign. He said Albert Road was the access road to Thrasher School and there were a lot of speeders. The Council promised to take a look at the situation. Phil Noblett said one of the things the Town had to do was be uniform in using traffic devices and use the Uniform Traffic Device Manual and engineering studies to determine where traffic devices should go.

Ms. Pris Shartle thanked the Lions Club for the Fourth of July Barbeque.

Mr. Joe Dumas asked the Council to go on record at some point against the use of eminent domain for private purposes. Phil Noblett advised that the Supreme Court ruling does not apply in Tennessee.

Councilmember Linehart brought up signs that have been placed on Town property. He noted here had been real estate, sports and other signs placed on Tow's property without Town approval. There was a brief discussion. The Council suggested that a letter be written to the real estate offices.

There being no further business, the meeting was adjourned.


William O. Leonard, III, Mayor


Diana Campbell, Recorder

Date: JULY 11, 2005

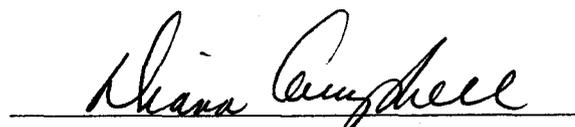
NAME	ADDRESS
1. <u>Coley E. Veal</u>	<u>2905 Anderson Pk</u>
2. <u>Marlene Guernat, 9508</u>	<u>Derrington Ln, Knoxville</u>
3. <u>Barbara A. Veal</u>	<u>830 Zerkas Ave</u>
4. <u>Boyd H. Veal</u>	<u>" " "</u>
5. <u>William B. Veal</u>	<u>1905 Anderson Pike</u>
6. <u>John R. Donstrup</u>	<u>509 Brady Point Rd</u>
7. <u>JAMES CAWTHORNE</u>	<u>2100 MOUNTAIN HOLLOW</u>
8. <u>Petty Fassnacht</u>	<u>923 Glamis</u>
9. <u>Susan Veal</u>	<u>2905 Anderson Pike</u>
10. <u>Tom Casey</u>	<u>2109 Mountain Hollow Dr.</u>
11. <u>Sandy Portelaw</u>	<u>107 Malcolm Lane</u>
12. <u>Lou Olyphant</u>	<u>Cherokee Ln</u>
13. <u>Jean Dolan</u>	<u>Ladder Trail</u>
14. <u>Anne Ogurn</u>	<u>502 Ohio Ave</u>
15. <u>RANDALL RICKETTS</u>	<u>522 Fern Trail</u>
16. <u>Robin Gaylor</u>	<u>1062 Whippoorwill Dr</u>
17. <u>Bill Clow</u>	<u>136 Signal Pt Rd</u>
18. <u>CAZ DEBURN</u>	<u>562 Ohio Ave</u>
19. <u>Rob Philyan</u>	<u>4 Glenarn Court</u>
20. <u>Don Swisher</u>	<u>1316 Brookton Dr</u>
21. <u>V.K Swisher</u>	<u>1316 Brookton Dr</u>

RESOLUTION NO. R-2005-19

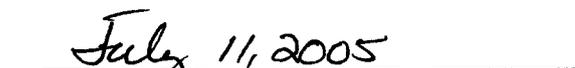
A RESOLUTION AUTHORIZING THE TOWN RECORDER TO SERVE AS ACTING TOWN MANAGER, UP TO AND UNTIL SUCH TIME AS A NEW TOWN MANAGER IS APPOINTED, PURSUANT TO ARTICLE V OF THE TOWN CHARTER FOLLOWING THE RETIREMENT OF HERSHEL DICK ON JULY 1, 2005

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the current Town Recorder, Diana Campbell, is authorized to serve as Acting Town Manager, up to and until such time as a new Town Manager is appointed, pursuant to Article V of the Town Charter following the retirement of Hershel Dick on July 1, 2005. During such period Diana Campbell shall exercise all powers and perform all duties of the Town Manager as set forth in Article V, Section 3 of the Town Charter until a new Town Manager is appointed by a majority of the Town Council.


MAYOR


RECORDER


DATE

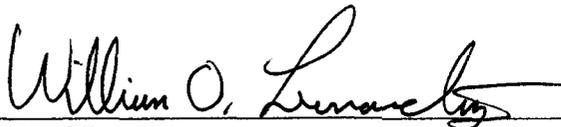

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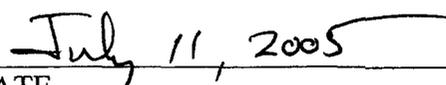
RESOLUTION NO. R-2005-20

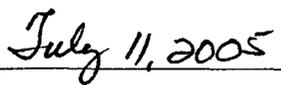
A RESOLUTION AUTHORIZING THE CREATION OF THE POSITION OF POLICE CHIEF FOR THE TOWN AND RECOGNIZING THE AUTHORITY OF THE ACTING TOWN MANAGER TO PROMOTE CAPTAIN BOYD VEAL TO THE POSITION OF POLICE CHIEF FOR THE TOWN

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the position of Police Chief is authorized to be created by the Acting Town Manager for the Town subject to the direction and supervision of the Acting Town Manager under Article V, Section 3 of the Town Charter. The Town Council further recognizes that the Acting Town Manager is authorized to promote Captain Boyd Veal to the position of Police Chief for the Town and that the Police Chief may direct and supervise the administration of the Police Department for the Town of Signal Mountain subject to the direction and supervision of the Acting Town Manager under Article V, Section 3 of the Town Charter.


MAYOR


RECORDER


DATE


DATE

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RESOLUTION NO. R-2005-21

A RESOLUTION RECOGNIZING AND COMMENDING THE YEARS OF PUBLIC SERVICE TO THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE BY BETTY FASSNACHT.

WHEREAS, Betty Fassnacht has been President of the Signal Mountain Community Guild for two (2) terms; and

WHEREAS, Betty Fassnacht formerly taught in the Hamilton County school system for 31 years; and

WHEREAS, Betty Fassnacht is a Past President of the Signal Mountain Playhouse; and

WHEREAS, Betty Fassnacht is President of the Bachman Community Center where she teaches English as a second language; and

WHEREAS, Betty Fassnacht is an active member of the St. Augustine Catholic Church where she helped establish the church library and where she currently volunteers with the Interfaith Community Network; and

WHEREAS, the Woman of the Year Award was instituted in 1969 by the Signal Mountain Community Guild to be presented to a deserving civic woman who has contributed and helped in some outstanding way in the betterment of the Signal Mountain Community; and

WHEREAS, Betty Fassnacht has been chosen Woman of the Year by the Signal Mountain Community Guild for 2005;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that Betty Fassnacht is publicly commended and recognized for her many years of civic service to the Signal Mountain community and that her name be added to the

attached list of other distinguished past recipients of the Woman of the Year Award who have received this civic commendation since 1969.

William O. Lemons
MAYOR

Nissa Campbell
RECORDER

July 11, 2005
DATE

July 11, 2005
DATE

PAN/kac

WOMAN OF THE YEAR

- | | |
|----------------------------------|--------------------------------|
| *1969 – Mrs. Charles Dodd | 1987 – Mrs. Paul V. Nolan |
| 1970 – Mrs. George R. Hanks | 1988 – Mrs. G.W. Oliphant |
| *1971 – Mrs. Irby D. Park | 1989 – Mrs. Lewis Porter |
| 1972 – Mrs. Frank W. Atkinson | *1990 – Mrs. Charles Swafford |
| *1973 – Mrs. Charles F. Wallace | 1991 – Mrs. John A. Goss |
| *1974 – Mrs. Claude R. Givens | *1992 – Mrs. Wm. O. Jones, Jr. |
| 1975 – Mrs. Stanley C. Crewe | 1993 – Mrs. L. J. Morris, Jr. |
| *1976 – Mrs. James C. Caldwell | 1994 – Mrs. C.E. Burke |
| 1977 – Mrs. John N. McClain | - Mrs. Lynn Fallwell |
| *1978 – Mrs. Charles P. Leslie | 1995 – Mrs. Gilbert Smith |
| 1979 – Mrs. Paul Pearce | 1996 – Mrs. Mary M. Pless |
| 1980 – Mrs. Frank Wilson | 1997 – Mrs. W.C. Zimmerman |
| 1981 – Mrs. James E. Summerville | 1998 – Mrs. Jay Heavilon |
| 1982 – Mrs. Calvin Baird | 1999 – Mrs. Martha O. Fanning |
| 1983 – Mrs. Hugh P. Garner | 2000 – Mrs. Karen Shropshire |
| 1984 – Mrs. A. Lee Gurley, III | 2001 – Mrs. Alice Conner |
| 1985 – Mrs. David L. Woodward | 2002 – Mrs. Marilee Stites |
| 1986 – Mrs. Donald Dolan | 2003 – Mrs. John L. Maynard |
| | - Mrs. Marjorie White |
| | 2004 – Mrs. Bruce Brye |
| | 2005 – Mrs. Betty Fassnacht |

**Deceased*

RESOLUTION NO. R-2005-22

A RESOLUTION APPLAUDING THE MANY YEARS OF VALUABLE SERVICE AND DEDICATION AS A PUBLIC SERVANT FOR THE TOWN FOLLOWING THE RETIREMENT OF HERSHEL DICK AS TOWN MANAGER ON JULY 1, 2005

WHEREAS, HERSHEL DICK began service as an employee for the Town of Signal Mountain on May 26, 1965 and has served dutifully and reliably as a Town employee for every year since that date other than one year of military service where he was away for his country; and

WHEREAS, HERSHEL DICK has provided the TOWN with more than Five (5) years of valuable services in his employment as Town Manager since May 22, 2000, and HERSHEL DICK has provided the TOWN with more than Forty (40) years of total service and dedication in all positions of employment such as Director of Public Utilities, Director of Parks Maintenance, and as an employee in the Water and Sewer departments for the TOWN; and

WHEREAS, HERSHEL DICK announced his retirement as Town Manager at a public meeting on June 13, 2005 after his many years of service to be effective on July 1, 2005; and

WHEREAS, HERSHEL DICK should be applauded and recognized for his many years of valuable service and dedication as a public servant for the Town.

BE IT HEREBY RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that HERSHEL DICK is applauded and recognized for his more than forty (40) years of valuable service and dedication as a Town Manager, public servant, and public employee in many positions for the Town of Signal Mountain since May 26, 1965. ALL CITIZENS of the TOWN are encouraged to wish HERSHEL and his family a pleasant retirement and good health to enjoy the fruits of their many years of labor for the citizens of this Town and to recognize

HERSHEL's exhaustive and excellent efforts in supporting all TOWN services as

Town Manager since May 22, 2000.

William O. Leavelle
MAYOR

Niana Campbell
RECORDER

July 11, 2005
DATE

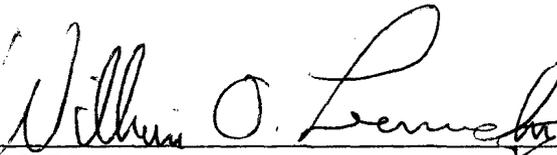
July 11, 2005
DATE

PAN/kac

RESOLUTION NO. R-2005-23

A RESOLUTION AUTHORIZING THE MAYOR OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE TO SIGN A NEW LEASE AGREEMENT WITH THE HAMILTON COUNTY BOARD OF EDUCATION FOR THE SIGNAL MOUNTAIN ELEMENTARY SCHOOL FOR A TWENTY (20) YEAR PERIOD COMMENCING ON AUGUST 1, 2005 THROUGH JULY 31, 2025.

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the Mayor is authorized to sign a new Lease Agreement with the Hamilton County Board of Education for the Signal Mountain Elementary School for a twenty (20) year period commencing on August 1, 2005 through July 31, 2025 pursuant to the terms of the proposed Lease Agreement which is attached hereto.


MAYOR


RECORDER

JULY 11, 2005
DATE

July 11, 2005
DATE

PAN/kac

LEASE AGREEMENT

THIS LEASE AGREEMENT, (hereinafter referred to as "Lease"), made and entered into on this ____ day of _____, 2005, by and between HAMILTON COUNTY BOARD OF EDUCATION, (hereinafter referred to as "Landlord"), and THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, (hereinafter referred to as "Tenant").

WHEREAS, the Hamilton County Board of Education owns a parcel of property located at 809 Kentucky Avenue, Signal Mountain, Tennessee, better known as "the old Signal Mountain Elementary School" (hereinafter referred to as "the Building"); and

WHEREAS, the Town of Signal Mountain requests to lease said Building for use as a community arts center; and

WHEREAS, the Building is located within an established residential community of the Town of Signal Mountain; and

WHEREAS, maintenance and security will be needed for the Building; and

WHEREAS, the Town of Signal Mountain has agreed to provide security and maintenance services for the Building, and to pay for all utilities, insurance, and any miscellaneous costs associated with the use of the Building.

THEREFORE, the parties have entered into the following

LEASE AGREEMENT

**ARTICLE 1
DEFINITIONS**

For the purposes of this Lease Agreement, the following definitions shall apply:

- (a) **Building:** The Building is located at 809 Kentucky Avenue, Town of Signal Mountain, Hamilton County, Tennessee.
- (b) **Premises:** The real property described in Exhibit A (attached hereto) identified as State Tax Map No. 108I-A-007 consisting of approximately 5.2 acres.
- (c) **Landlord:** Hamilton County Board of Education.

- (d) Tenant: Town of Signal Mountain, Tennessee.
- (e) Term: Term is twenty (20) years as approved by the Hamilton County School Board.
- (f) Rent: One (\$1.00) Dollar annually. Beginning August 1, 2005. Due and payable to Landlord.
- (g) Commencement Date: August 1, 2005.
- (h) Permitted Use of the Premises: Non-Profit Community Arts Center, Signal Mountain, Tennessee.

ARTICLE 2 PREMISES

Tenant leases the Premises from the Landlord for the term and upon the conditions and covenants set forth in this Lease.

ARTICLE 3 TERM

- 3.1 The Term of this Lease shall commence on the 1st day of August, 2005 (the Commencement Date). The Lease shall be for a period of twenty (20) consecutive years beginning on the date as stated above; provided, however, if the Commencement Date is not the first day of a month, the initial term shall begin the first business day of that month and shall continue for a period of twenty (20) years thereafter.
- 3.2 Tenant shall give Landlord written notice within at least three (3) months prior to the expiration of the term, if it desires to renew the Lease or purchase the Premises.

ARTICLE 4 USE

The Tenant shall use the premises solely for the specified permitted use as set forth above and for no other purpose. If the Tenant shall discontinue the permitted use for a period of sixty (60) consecutive days, the Landlord, at its sole discretion, may terminate the Lease Agreement. The Tenant shall not use or allow the premises to be used for any unlawful purposes or in any manner that will constitute waste, nuisance, or unreasonable annoyance to the Landlord or any adjoining property owner, including contaminating waste that may violate the Environmental Waste Act or other applicable local, state, or federal laws or regulations. Tenant shall also be responsible for any asbestos abatement of hazardous material, if any, that is required during the term of this lease or any holdover tenancy.

**ARTICLE 5
TENANT'S OBLIGATIONS**

The Tenant covenants and agrees to provide security for the building to the same degree (i.e., manpower) as the Tenant provides to other buildings in the Town of Signal Mountain owned by the Tenant. The Tenant is given permission to erect fencing and gates and/or lighting necessary to secure this objective to either the building or property. Further, the Tenant will provide reasonable, regular, and routine maintenance necessary to keep the building clean and usable at a level equal to or exceeding the conditions existing on the premises on the commencement of this Lease, including that maintenance required to keep operative the fire alarm, electrical system, utilities, heating, ventilation and air conditioning systems. Further, the Tenant agrees to keep the exterior envelopes (i.e., doors, windows, etc.) reasonable secure from the elements and to bear any miscellaneous costs associated with use of the building. Any damage to the premises resulting from the breach of any covenant or conditions contained herein shall be the sole obligation of the Lessee to replace or repair and if not completed within a reasonable time period, the Lessee herein grants the Landlord the right to remedy said breach and replace or repair the damages and seek recovery from the Lessee. Further, the Tenant is responsible for replacing and/or repairing to the extent necessary any and all items in or on the building, including, without limitations, the boiler, piping, HVAC, and/or roof.

**ARTICLE 6
WAIVER**

Acceptance by the Landlord of any breach of any covenant or condition of this Lease Agreement shall not constitute a waiver of any other future breach, regardless of the knowledge thereof.

**ARTICLE 7
HOLDOVER PROVISION**

If the Tenant shall remain in possession of the leased premises after the expiration date of the term of this Lease, such possession shall be as a month-to-month tenant. During such month-to-month tenancy, the same terms and conditions shall remain in effect as were in effect during the last month of the preceding term and the provisions of this Lease shall be applicable as were it in effect during the last month for which there was a term in place.

**ARTICLE 8
RELATIONSHIP OF THE PARTIES**

It is understood and agreed that the relationship of the parties hereto is strictly that of Landlord/Tenant and that the Landlord has no involvement in the Tenant's business and the Tenant has no involvement in the Landlord's business and this Lease and the relationship between the two parties shall not be construed as a joint venture nor a partnership. The Tenant is not and shall not be deemed to be an agent or representative of the Landlord.

**ARTICLE 9
ASSIGNMENT AND SUBLETTING**

The Tenant shall not assign this Lease nor any interest therein nor sublet or assign the leased premises or any part thereof or any right or privilege pertinent thereto, nor permit the occupancy or use of any part of the leased premises by any person or entity other than the Tenant, its employees and day-to-day guests without the prior written consent of the Landlord.

**ARTICLE 10
INDEMNIFICATION AND INSURANCE**

The Tenant hereby agrees to indemnify the Landlord against and hold the Landlord harmless from any and all claims, demands and/or causes of action for: (1) loss of or damage to the leased premises or property with coverage limited to demolition and certain clean-up costs (not to exceed \$300,000.00) and assets thereon, and/or (2) for injury or death to any person or for any cause whatsoever during the term of this Lease and any extension thereof caused by negligence of Tenant. Further, Tenant shall pay Landlord's costs to defend (including attorney's fees) any such claims, demands, or causes of action. The Tenant agrees during the term of this lease and any extensions, renewals or holdovers to take out and maintain insurance that is to be placed with Tennessee admitted insurers or a pooling organization or its re-insurer rated B+X or better by A.M. Best's rating service or as approved by Hamilton County's Risk Manager at its sole cost and expense public liability and personal injury growing out of the use of or occurrence on or about the leased premises with liability for personal injury and property damages in amounts not less than the limitation of liability as set out in the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101, *et seq.*, as amended from time to time. The Landlord shall be named as coinsured on all such policies and shall be provided by the Tenant with a certificate of insurance showing the coverage to be in effect and provided with a thirty (30) day written notice prior to cancellation. Any failure or non-coverage of such policy or judgment that exceeds the policy limits shall not affect the indemnification or hold harmless provisions of this paragraph. The Landlord is a governmental entity and, as such, is subject to the statutory limits imposed under the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101, *et seq.* However, the sole consideration for this Lease is the security which the occupancy by the Tenant of the building will provide for the building.

**ARTICLE 11
UTILITIES**

The Tenant shall pay any charges for electricity, water, gas, sewage, heat, telephone, or other utilities which may be used, rendered or supplied upon or in connection with the leased premises.

**ARTICLE 12
LANDLORD'S COVENANT**

Landlord covenants that the Landlord has good title to the leased premises, that it is unencumbered and that Landlord is under no disability which would impair the Landlord's right to enter into this Lease. The Tenant, upon the performance of all the terms and conditions thereof, shall have the quiet enjoyment of the leased premises during the term of the Lease thereof, including any renewal terms without the hindrance by or disturbance of the Landlord or anyone else claiming under the Landlord. The Tenant shall, upon the termination of this Lease, if it is not in default hereunder, removed from the leased premises all improvements, trade fixtures, structures and equipment provided any damage or other injury to the leased premises resulting from the removal shall be adequately repaired and the leased premises fully restored by the Tenant. All such items not removed promptly by the Tenant upon termination of this Lease shall become the property of the Landlord.

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

LANDLORD:

HAMILTON COUNTY BOARD OF EDUCATION
OFFICE OF THE SUPERINTENDENT
6703 BONNY OAKS DRIVE, BUILDING 200-1
CHATTANOOGA, TN 37421

HAMILTON COUNTY REAL PROPERTY OFFICE
4TH FLOOR MAYFIELD ANNEX
123 EAST SEVENTH STREET
CHATTANOOGA, TN 37402

TENANT:

THE TOWN OF SIGNAL MOUNTAIN
OFFICE OF THE MAYOR
1111 RIDGEWAY AVENUE
SIGNAL MOUNTAIN, TN 37377

**ARTICLE 13
DEFAULTS**

If there is a default by a substantial violation of this Lease, the Tenant shall cure the same within twenty (20) days, or either it be deemed a default in the performance of the covenants, agreements or conditions contained on the part of the Tenant by the Landlord after written notice to the Tenant, in the manner specified in Article 13, this Lease shall hereupon be terminated at the Landlord's option. The Landlord shall have the right to reenter or repossess leased premises

and dispose and remove therefrom the Tenant or other occupants thereof and their effects in a lawful manner without being liable for any prosecution thereof.

The Landlord shall have the right to perform certain environmental tests or studies or other such tests or studies upon the building as they may deem necessary.

All repairs, replacement, or maintenance shall be the responsibility of the Tenant which shall be done in compliance with all applicable local, state and federal rules, regulations and laws. Any such repairs, replacements or maintenance not performed may be repaired, replaced or maintained by the Landlord for which Tenant shall be fully responsible for reimbursing Landlord, all costs and expenses associated with same.

ARTICLE 14 APPLICABLE LAW

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

ARTICLE 15 PROPERTY TAX

In event property taxes or other county, state, or municipal taxes are assessed on the Premises during the term or any holdover period, Tenant shall pay any such taxes.

ARTICLE 16 BINDING EFFECT

The terms and conditions of this Lease shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, assigns, and personal and legal representatives.

ARTICLE 17 ENTIRE AGREEMENT

The entire agreement between the parties hereto is contained in this instrument and it is expressly agreed that no obligation of the Landlord or the Tenant shall be implied in addition to those contained herein. Any amendment to this Lease must be in writing and signed by the parties hereto and adapted in the same fashion as this Agreement.

Nothing in this Lease shall be construed so as to give preference or special standing nor should this Lease be construed so as to exclude the Tenant should the Landlord elect to include the building in a request for sealed competitive proposals or RFP's at any time subsequent to the signing of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Lease on this _____ day of _____, 2005, at Chattanooga, Hamilton County, Tennessee.

Attest:

HAMILTON COUNTY BOARD OF EDUCATION
HAMILTON COUNTY, TENNESSEE (Landlord)

_____ By: _____
JESSE B. REGISTER, Superintendent

By: _____
CHIP BAKER, Chairman

STATE OF TENNESSEE :
COUNTY OF HAMILTON:

Before me, the undersigned authority, personally appeared JESSE B. REGISTER, Superintendent of the Hamilton County Board of Education, and CHIP BAKER, Chairman for the Hamilton County Board of Education, whose names are signed to the foregoing instrument bearing the date of _____, 2005, acknowledged the same before me in the County aforesaid.

Given under my hand and official seal this ____ day of _____, 2005.

NOTARY PUBLIC AT LARGE

My commission expires: _____

Attest:

THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE
(Tenant)

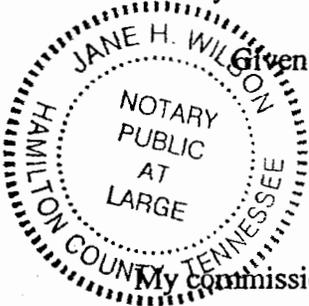
July 13 2005

By: William O. Leonard
WILLIAM O. LEONARD, Mayor

STATE OF TENNESSEE :
COUNTY OF HAMILTON:

Before me, the undersigned authority, personally appeared WILLIAM O. LEONARD, Mayor of the Town of Signal Mountain, Tennessee, whose name is signed to the foregoing instrument bearing the date of July 13th, 2005, acknowledged the same before me in the County aforesaid.

Given under my hand and official seal this 13th day of July, 2005.



Jane H. Wilson
NOTARY PUBLIC AT LARGE

My commission expires: 8/22/08