# Prepared by:

State of Tennessee Real Estate Asset Management 312 Rosa L. Parks Ave. 24<sup>th</sup> Floor Nashville, TN 37243

## **Lease Agreement**

This Lease Agreement ("Agreement") is made and entered into as of this the <a href="24th">24th</a> day of <a href="November 2021">November 2021</a> ("Effective Date"), by and between the State of Tennessee, on behalf of the Department of Mental Health and Substance Abuse Services ("Landlord") and THE NEXTDOOR, INC., a nonprofit corporation ("Tenant").

#### WITNESSETH:

1) <u>LEASED PREMISES</u>: Landlord hereby leases to Tenant and Tenant hereby leases from Landlord premises commonly known as the "Pine Breeze Building" and depicted on "Exhibit A", attached hereto (the "Leased Premises") located at 100 Moccasin Bend Road, Chattanooga, Tennessee. Tenant shall also have the right to use, in common with all other tenants of the Moccasin Bend facility, all common areas located at that address for their intended purpose.

## 2) RENTAL:

- a) As annual rent for the Leased Premises, Tenant shall pay Landlord the sum of One and No/100 Dollars (\$1.00) per calendar year ("Annual Rent"). The Annual Rent for each year shall be paid by Tenant, in advance, on or before July 1 of such year, except that the installment of Annual Rent for the period between March 1, 2021 and the Commencement Date shall be paid by Tenant on the Commencement Date (as hereinafter defined). The Annual Rent shall be prorated for any partial calendar year during the Term (as hereinafter defined).
- b) Tenant's obligation to pay rent is an independent covenant, and Landlord's failure to perform any of its obligations or responsibilities under this Agreement shall not result in an abatement of rent, entitle Tenant to withhold rent or otherwise affect Tenant's liability for the payment of rent. All rent shall be paid by Tenant to Landlord without deduction, demand, notice, or offset. Except as otherwise expressly provided herein, Tenant shall not be entitled to any abatement or reduction of the rent. Tenant shall deliver all rent to Landlord at the address specified in Section 7 or such other place as Landlord may designate to Tenant by written notice.
- c) Except as otherwise expressly provided herein, Tenant shall pay, when due, all costs, expenses and other liabilities related to the Leased Premises or the ownership, operation, use, improvement, maintenance, repair or replacement thereof, that are allocable to periods falling within the Term (as herein defined). In the event Landlord inadvertently pays any cost or expense that the Tenant is obligated to pay under the terms of this Agreement, Tenant shall reimburse Landlord for such expense or cost within fifteen (15) days after its receipt of a written demand from the Landlord.
- d) Tenant acknowledges that utilities (water, gas, electricity, sewer, and internet) at the Leased Premises are not separately metered and that Landlord will determine, in its reasonable discretion,

Tenant's share of the utility costs assessed on each meter during the Term. Landlord will also determine, in its reasonable discretion, Tenant's share of the costs assessed for waste removal at the Moccasin Bend facility. Tenant shall remit payment to Landlord at the address set forth in Section 7 below within 30 days of receipt of an invoice for Tenant's share of the utility and waste removal costs. Tenant shall also be responsible for all hook- up charges, connection costs and tap fees required to obtain such utility services at the Leased Premises. No disruption or cessation of any utility or waste removal service to the Leased Premises shall render Landlord liable to Tenant for damages, be construed as a constructive eviction of Tenant, result in abatement of rent or relieve Tenant from any of its obligations or liabilities under this Agreement.

3) <u>TERM</u>: The term of this Agreement ("Term") commenced on March 1, 2021 (the "Commencement Date") and shall expire on the earlier to occur of (i) June 30, 2026 and (ii) the date upon which there is no longer an effective grant contract between Tenant and the Tennessee Department of Mental Health and Substance Abuse Services for the provision of addiction, substance related and co-occurring conditions or addiction recovery services to women incarcerated in Tennessee Department of Correction facilities (a "TDMHSAS Contract"), unless terminated earlier in accordance with the provisions of this Agreement.

#### 4) Paragraph Intentionally Deleted

#### 5) REPAIRS AND MAINTENANCE:

- a) Tenant shall, at its sole cost and expense perform all routine maintenance, repairs and replacements including but not limited to carpet installation and cleaning, interior and exterior painting, light bulbs, light fixtures, filters, doors, locks, cabinets, counters building interior security systems, driveways, parking lots, lawn mowing, ice and snow removal and landscaping required to keep the Leased Premises, its appurtenance(s), and any facilities exclusively serving the Leased Premises (whether or not located therein) in good, neat, clean and safe condition, and in compliance with applicable codes and laws at all times. Tenant shall be responsible for major maintenance, repairs and replacement of, including but not limited to, the roof, foundation, structural elements, plumbing, piping, system, electrical system, mechanical systems, HVAC system in order to keep the same in a good, safe and working condition following practices of a reasonably prudent person, but shall first obtain written approval of proposed work from State of Tennessee Real Estate Asset Management (STREAM) at the address set forth in Section 7. Landlord shall have no obligation to maintain, repair, replace, alter or improve the Leased Premises or any part thereof.
- b) Tenant shall comply, and cause the Leased Premises to comply, with all applicable laws and the rules and regulations of the Board of Fire Insurance Underwriters or other similar body, and Tenant shall not use the Leased Premises or permit anything to be done on or about the Leased Premises, that will in any way conflict with or violate the same.

#### 6) TERMINATION:

a) Either party may terminate this Agreement during the Term by providing at least 90 days advance written notice to the other party.

- b) Upon expiration or earlier termination of this Agreement, Tenant shall surrender the Leased Premises to Landlord in good order and repair, ordinary wear and tear excepted. If Tenant is not then in default under any of the covenants and conditions thereof, Tenant may remove all personal property and equipment of Tenant, other than permanent fixtures, from the Leased Premises prior to the date of any termination or expiration of this Agreement; thereafter all such personal property and equipment not removed shall belong to Landlord without the payment of any consideration.
- c) In the event that the related contract between the parties (the "Mental Health Agreement") is not executed within ninety (90) days after the Effective Date, then this Agreement shall automatically terminate and be of no further force and effect, and neither party will have any further obligations to the other, except for those obligations that expressly survive termination of this Agreement.
- 7) **NOTICES:** All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage pre-paid, and addressed as follows:

TO TENIANT	TOLANDIODD
TO TENANT	TO LANDLORD
THE NEXTDOOR, INC., a	Commissioner
nonprofit corporation	Tennessee Department of Mental Health and Substance
P.O. Box 2336	Abuse Services
Nashville, TN 37202	500 Deaderick Street, 6 <sup>th</sup> Floor
(615) 251-8805	Nashville, TN 37243
	(615) 532-6500
With copy to:	With copy to:
	Cynthia Tyler, Assistant Commissioner
	TDMHSAS
	Division of Administrative and Regulatory Services
	500 Deaderick Street, 6 <sup>th</sup> Floor
	Nashville, TN 37243
	(615) 218-9821
	With copy to:
	Assistant Commissioner – STREAM
	24th Floor Tennessee Tower
	312 Rosa L. Parks Ave.
	Nashville, Tennessee 37243

- **8) ASSIGNMENT**: Tenant shall not assign this Agreement or sublet all or any portion of the Leased Premises without the prior written approval and consent of the Landlord.
- 9) <u>INSPECTION</u>: Landlord reserves the right to enter the Leased Premises, at reasonable times, in order to perform its obligations under this Agreement or to inspect the Leased Premises.

10) PERMITTED USE: The Leased Premises shall be continuously used and occupied by Tenant throughout the Term only to provide services set forth in a TDMHSAS Contract (the "Permitted Use"). Tenant shall not have the right to use the Leased Premises for any other purpose unless it obtains Landlord's prior written consent, which consent may be granted or withheld by Landlord in its sole and absolute discretion. Tenant shall not use or permit the Leased Premises to be used in a manner that: (i) unreasonably disturbs any other person or entity; (ii) is illegal or immoral; (iii) damages the reputation of Landlord; (iv) constitutes a nuisance (public or private); or (v) violates or increases the cost of any insurance policy covering the Leased Premises.

#### 11) INDEMNITY/INSURANCE:

- a) Pursuant to this Agreement, Tenant shall indemnify and hold the State harmless from any and all claims, costs, damages and judgments of whatsoever nature, including, but not limited to, costs and expenses incurred by the State in the defense of any action, arising wholly or in part by any act, omission, or negligence of Tenant, its agents, contractors, employees, servants, invitees, or licensees on the Leased Premises, and to assume all responsibility and liability therefore and to discharge any judgment that may be rendered therein.
- b) Throughout the Term, Tenant shall maintain, at its sole cost and expense, commercial general liability insurance or its equivalent, written on an occurrence basis, with a combined single limit for personal injury, death and property damage with a limit not less than the One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Three Million and no/100 Dollars (\$3,000,000.00) annual aggregate against any and all liability. Landlord shall be named as additional insured under the liability insurance policy. Tenant's insurance shall provide primary coverage. In no event shall the amount of Tenant's insurance coverage limit the liability of the Tenant under this Agreement.
- c) The insurance policies that Tenant is required to obtain under this Agreement (i) shall be issued by licensed and reputable insurance companies reasonably acceptable to Landlord; and (ii) shall provide that it cannot be amended, cancelled, terminated or not renewed unless Landlord has been given thirty (30) days' prior written notice. Landlord shall have the right to require, from time to time, that Tenant increase the amount of its insurance coverage and/or obtain additional insurance coverage so long as Landlord is acting in a commercially reasonable manner. If Tenant fails to maintain any of the insurance required under this Agreement, then, in addition to its other rights and remedies, Landlord may (but shall not be obligated to) purchase such insurance, on behalf of Tenant, in which event Tenant shall reimburse Landlord for the cost of such insurance, upon demand. On the Commencement Date and each anniversary thereof, Tenant shall provide Landlord with certificates evidencing that the insurance Tenant is required to maintain hereunder is in full force and effect. Upon request, Tenant shall furnish Landlord with the original (or a certified copy) of each policy of insurance.
- d) Furthermore, Tenant shall indemnify, hold harmless and, not excluding the Landlord's right to participate, defend the Landlord and its officers, officials, agents, and employees (hereinafter referred to as "Landlord Parties") from and against any and all liabilities, claims, actions, damages, losses, or expenses including without limitation reasonable attorneys' fees and costs, (hereinafter referred to as "claims") for bodily injury or personal injury including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Tenant or any of its, officers, directors,

agents, employees or contractors, arising out of or related to Tenant's occupancy and use of the Leased Premises. It is the specific intention of the parties that the Landlord Parties shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Landlord Parties, be indemnified by Tenant from and against any and all claims. It is agreed that Tenant will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration for the use and occupancy of the Leased Premises, the Tenant agrees to waive all rights of subrogation against the Landlord Parties for losses arising from the use, occupancy or condition of the Leased Premises.

- **12) CASUALTY**: If during the Term of this Agreement, the Leased Premises are so damaged by fire, tornado, or other catastrophe or casualty as to render the same unusable then this Agreement shall terminate. If the Leased Premises are not rendered unusable for the Permitted Use, then the Lease is not terminated in accordance with previous sentence, then Tenant shall promptly commence repairs and restoration of the Leased Premises to put the Leased Premises in a usable condition, at its sole cost and expense.
- 13) ALTERATIONS: Tenant shall not make or allow to be made any alterations, additions, or improvements to the Leased Premises, unless the same have been previously approved by the Landlord, in writing. Landlord agrees not to unreasonably withhold, qualify or delay its approval of any alterations, additions or improvements that Tenant proposes to make to the Leased Premises, except Landlord may withhold its approval, in its sole and absolute discretion, of any such alterations, additions or improvements that affect any of the plumbing, mechanical or electrical systems, or the roof, foundation or structural components of the Leased Premises. All alterations, additions and improvements to the Leased Premises must be made by Tenant in a good and workmanlike manner, using new materials, and must comply with Applicable Laws (as hereinafter defined). Prior to making any alterations, additions or improvements to the Leased Premises, Tenant shall (i) obtain Landlord's written approval of the contractor selected by Tenant to make such alterations, additions or improvements, which approval shall not be unreasonably withheld, qualified or delayed, and (ii) submit to Landlord evidence, reasonably satisfactory to Landlord, that Tenant has sufficient funds to complete such alterations, additions or improvements. All alterations, additions and improvements to the Leased Premises made by or on behalf of Tenant shall remain and become the property of Landlord upon the expiration or earlier termination of this Agreement.

# 14) **DEFAULT & REMEDIES**:

- a) <u>Events of Default</u>. The following shall each be deemed to be a default by Tenant under this Agreement ("Event of Default"):
  - 1) Tenant's failure to pay any rent when due, unless such failure is cured by Tenant within ten (10) days after it receives written notice from Landlord; or
  - 2) Tenant's failure to comply with any of the terms of this Agreement related to assignment or subletting; or
  - 3) Tenant's failure to comply with any of the other terms of this Agreement, unless such failure is cured within thirty (30) days after Tenant receives written notice from Landlord; provided Landlord shall not be required to send written notice of the same violation more

than two (2) times in any calendar year. Notwithstanding the foregoing, if such failure cannot reasonable be cured within thirty (30) days, no Event of Default shall be deemed to have occurred so long as Tenant commences to cure such failure within thirty (30) days after receiving written notice from Landlord and completes such cure within a reasonable time thereafter, not to exceed ninety (90 days; or

- 4) The Bankruptcy or insolvency of Tenant; or
- 5) The filing by or against Tenant of a petition seeking to have Tenant declared bankrupt or insolvent or seeking to reorganize Tenant, unless the petition is dismissed within sixty (60) days after its filing; or
- 6) The appointment of a receiver or trustee for all or a substantial portion of Tenant's assets; or
- 7) The assignment of all or substantially all of Tenant's assets for the benefit of its creditors; or
- 8) The breach or violation of any of the terms of a TDMHSAS Contract.
- b) Remedies. Upon the occurrence of an Event of Default, Landlord may, in addition to other remedies available hereunder, at law or in equity:
  - 1) Terminate this Agreement, in which event Tenant shall immediately surrender possession of the Leased Premises, and Landlord shall have the right to recover its damages from Tenant. If Tenant fails to surrender the Leased Premises to Landlord after the termination of this Agreement, Landlord shall have the right, without notice, to retake possession of the Leased Premises and to expel Tenant and its effects therefrom, without being liable for prosecution or any claim for damage.
  - 2) Enter upon the Leased Premises and do whatever Tenant is obligated to do under the terms of this Agreement, without being liable for prosecution or any claim for damages, and Tenant agrees to reimburse Landlord for all costs and expenses that Landlord incurs in connection therewith.
  - 3) Obtain specific performance of the terms of the Agreement or injunctive relief.
  - 4) The foregoing remedies are cumulative and non-exclusive, and the exercise by Landlord of any of its remedies under this Agreement shall not prevent the subsequent exercise by Landlord of any other remedies provided herein or by Applicable Laws. All remedies provided for in this Agreement may, at the election of Landlord, be exercised alternatively, successively or in any other manner. Landlord's acceptance of rent following any Event of Default shall not be construed as a waiver of such Event of Default. No custom or practice between the parties in connection with the terms of this Agreement shall be construed to waive or lessen Landlord's right to insist upon strict performance of the terms hereof. Tenant shall indemnify, defend, and hold harmless Landlord from and against any and all damages, penalties, expenses, claims, losses, and liabilities arising as a result of any

violation of this section. The foregoing indemnity shall include, without limitation, an obligation on Tenant's part to reimburse Landlord for any and all costs, expenses and reasonable attorneys' fees incurred by Landlord as a result of Tenant's violation of this section. No act by Landlord with respect to the Leased Premises shall be deemed to terminate this Agreement, including, but not limited to, the acceptance of keys or the institution of dispossessory proceedings; it being understood that this Agreement may only be terminated by express written notice from Landlord to Tenant.

#### 15) MISCELLANEOUS:

- a) Tenant acknowledges and agrees that:
  - 1) Landlord has not made, is not making and specifically disclaims any representation, warranty, guarantee or assurance to Tenant regarding the Leased Premises, express or implied, including, but not limited to, any representation, warranty, guaranty or assurance regarding title, physical condition, value, suitability, economic prospects, traffic flow, profit potential, compliance with all applicable governmental constitutions, statutes, laws, orders, ordinances, codes, rulings, regulations and decrees, now in force or hereafter enacted (collectively, "Applicable Laws"), zoning, environmental matters or Hazardous Substances;
  - 2) The Leased Premises are being leased to Tenant "AS IS WHERE IS" and with all faults; and
  - 3) Tenant is responsible for all costs associated with placing the Leased Premises in a condition fit for the Permitted Use, including, without limitation, the cost of all repairs, replacements, alterations, additions and improvements required to cause the Leased Premises to comply with Applicable Laws.
- b) Whenever the context may require, any pronoun used in this Agreement shall include the masculine, feminine and neuter forms. All references to articles, sections and paragraphs shall be deemed references to the articles, sections, and paragraphs of this Agreement, unless the context shall indicate otherwise. The terms "hereof', "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular article, section or paragraph contained herein. The titles of the articles, sections and paragraphs of this Agreement are for convenience only and shall not affect the meaning of any provision hereof. Landlord and Tenant have agreed to the particular language of this Agreement, and any question regarding the meaning of this Agreement shall not be resolved by any rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS LEASE, TIME SHALL BE CONSIDERED OF THE ESSENCE.
- Notice is hereby given that the Landlord will not be liable for any work, services, materials, or labor furnished to Tenant, and no mechanic's materialmen's or other lien arising or resulting from Tenant's acts or omissions (collectively, "Tenant Liens") shall attach to or affect Landlord's interest or estate in the Leased Premises. Tenant shall keep the Leased Premises and its interest under this Agreement free and clear of all Tenant Liens, including, but not limited to, liens for work, services, materials, or labor furnished to Tenant or alleged to have been so furnished. If Tenant fails to discharge any Tenant Lien encumbering the Leased Premises or Tenant's interest in this Agreement within twenty (20) days after the filing thereof, then, in addition to its other rights and remedies, Landlord may (but shall not be obligated to) cause such lien to be released

and discharged, in which event Tenant shall reimburse Landlord for all costs it incurs in connection therewith.

- d) Any sign that can be seen from outside of the Leased Premises must be approved by Landlord in writing, which approval shall not be unreasonably withheld or delayed. All of Tenant's signs must be tasteful and professionally prepared. Tenant shall keep all of its signs (interior and exterior) in first class condition and in good repair at all times. Upon the expiration or earlier termination of this Agreement, Tenant shall remove all of its signs (interior and exterior) and promptly repair any damage to the Leased Premises resulting therefrom.
- e) Subject to Landlord's rights and remedies under this Agreement, Tenant shall peaceably and quietly hold and enjoy the Leased Premises without hindrance or interruption by Landlord or anyone claiming by, through or under Landlord so long as Tenant complies with the terms hereof.
- f) No waiver by Landlord or Tenant of any provision of or default under this Agreement shall be deemed to have been made, unless the same is in writing and signed by the party charged with making the waiver, and no waiver of any provision of or default under this Agreement shall be deemed a waiver of any other provision or default. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act.
- g) This Agreement shall be binding on the Landlord, Tenant and their respective successors and assigns; provided the foregoing shall not be construed to permit any assignment of this Agreement by Tenant. If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Agreement will not be affected, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision will be added as a part of this Agreement that is as similar to the illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. This Agreement constitutes the entire agreement between the parties with respect to the Leased Premises, and all prior negotiations and understandings shall be deemed incorporated herein. This Agreement may only be amended or modified by a written instrument signed by both Landlord and Tenant. All of Tenant's indemnification obligations and, to the extent not fully performed, all other obligations of Tenant under this Agreement, shall survive the expiration or termination hereof.

#### **16) HAZARDOUS SUBSTANCES:**

- a) "Hazardous Substances" means all hazardous or toxic substances, materials, wastes, pollutants, and contaminants that are listed, defined or regulated under Applicable Laws pertaining to health, safety or the environment, including, but not limited to
  - 1) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended,42 U.S.C. § 9601 et seq.;
  - 2) the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. § 5101 et seq.;

- 3) the Resource, Conservation and Recovery Act of 1976, as amended, 42 U.S.C. § 6901 et seq.;
- 4) the Clean Water Act, as amended, 33 U.S.C. § 1251 et seq.;
- 5) the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq.;
- 6) the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.;
- 7) any so-called "superfund" or "superlien" law; and,
- 8) the laws of the State of Tennessee. Without limiting the generality of the foregoing, Hazardous Substances shall specifically include medical waste, polychlorinated biphenyl (commonly known as PCBs), asbestos (friable and non-friable), radon, urea formaldehyde, gasoline, diesel fuel, oil and other petroleum products or derivatives.
- b) Except for Hazardous Substances and other toxic materials brought, kept or used in the Leased Premises by Tenant in commercial quantities similar to those quantities usually kept on similar premises by others in the same business or profession, and which are used and kept in strict compliance with all Applicable Laws, no Hazardous Substances or other toxic materials shall be used, stored, generated, handled, manufactured or released by Tenant or any of Tenant's employees, agents, contractors, representatives, subtenants or invitees on or about the Leased Premises. Tenant shall indemnify, defend, and hold harmless Landlord from and against any and all damages, penalties, expenses, claims, losses, and liabilities arising as a result of any violation of this section. The foregoing indemnity shall include, without limitation, an obligation on Tenant's part to reimburse Landlord for any and all costs, expenses and reasonable attorneys' fees incurred by Landlord as a result of Tenant's violation of this section.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on this the
24th November , 2021.
TENANT: THE NEXTDOOR, INC., a nonprofit corporation
BY: ZSS
NAME: Ray Brocato
TITLE: CEO
LANDLORD: State of Tennessee
By: Christi W. Branscom, Commissioner, Department of General Services
APPROVED:
Herbert H. Slatery III, Attorney General & Reporter
Date:
Bill Lee, Governor

# **TENANT NOTARY** STATE OF TENNESSEE COUNTY OF DAVIDSON Before me, FVIVI FUY 10 Mg, Notary Public in and for the County and State aforesaid, personally appeared Ray BVDCAFD, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself/herself to be the (FD of THE NEXTDOOR, INC., a nonprofit corporation, the within named Tenant, and that he/she as such $\bigcirc CED$ , executed the within instrument for the purposes therein contained by signing the name of THE NEXTDOOR, INC., a nonprofit corporation, by himself/herself as such CEO Witness my hand and seal at office in Nachville Tennessee, on this the 24 day of, <u>NIVEMBEY</u>2021. (seal) LANDLORD NOTARY STATE OF TENNESSEE **COUNTY OF DAVIDSON** For the purposes of my acknowledgement and authentication of her signature upon this instrument, came Christi W. Branscom, with whom I, \_\_\_\_\_\_ Notary Public, am personally acquainted, and who, having verified and acknowledged that she is the Commissioner of The State of Tennessee Department of General Services, and that she as such Commissioner, being authorized to do so, affirmed that she executed the foregoing instrument on the date below within the State of Tennessee for the purposes therein contained by signing her name for the State of Tennessee Department of General Services by herself as Commissioner. Witness my hand and seal at office this \_\_\_\_\_day of \_\_\_\_\_, 2021. **Notary Public**

My Commission Expires

Exhibit A
Depiction of I eased
Premises

