

Workshop Meeting March 20, 2018

The workshop meeting of the City Commission of the City of Lakesite was held on March 20, 2018 at 5:00 p.m. at the Lakesite City Hall, 9201 Rocky Point Road, Lakesite, TN

Meeting was CALLED TO ORDER by Mayor David Howell at 5:00 p.m. City Commission members present were Vice Mayor Valerie Boddy, Commissioners William Neighbors and Curtis Jones. Commissioner Kenneth Wilkerson was absent. Also present were City Manager Dr. David Edwards, City Recorder Jodi LaCroix, Utilities and Maintenance Official David Tate, Building Code Officer, Dan Maxwell. City Attorney Sam Elliott.

Also present were Mack McCarley, Jay Bell, Phil Rowland and Darrell Jones. David DiStefano arrived at 6:00 p.m.

Mayor Howell reviewed the agenda for the 7:00 meeting. Dr. Edwards asked that item under business, Amended Internal Financial Controls Police be tabled until next meeting as Vice Mayor Boddy has some additional items should would like to add.

David Edwards, City Manager

Budget: Dr. Edwards reviewed the [budget update](#) with the Commission. Revenues are up substantially and expenses under. We still have work that needs to be done and that will change the expenses.

Knox Boxes: Dr. Edwards turned this over to Vice Mayor Boddy as she has been checking on this. The Vice Mayor said she met with Fire Chief Markus Fritts and Mitch McConnell. The Knox Box on Amazon is not the same type and is for post office entry use only. The ones quoted are for fire and police. The smaller box is for up to 10 keys while the bigger ones hold quite a bit more. The price misunderstanding came from Mr. McConnell give us numbers from 7 or so years ago. Vice Mayor Boddy said each building has a box. The smaller strip malls may have only 1 box instead of a bigger one. She stated she has the appropriate back up material to justify the pricing.

Dr. Edwards stated we have money in the fire department line but he did not want to spend without the Commission's approval as the price was higher than originally believed.

Commissioner Neighbors thought the initial presentation had a capacity for more than we needed. He does not want to over buy.

Dr. Edwards said the amount would be slightly over \$10,000 which would necessitate going out to bid but because this is a sole source we won't have to.

Dallas Crossing: Jay Bell, the developer of the new subdivision introduced Phil Rowland, the builder of the homes. He stated he wanted to update and give a progress report and talk about the landscaping plan. The first thing is that Dallas Crossing will be known as **Presley Park**. Presley being Mr. Rowland's granddaughter's name.

We are approximately 6 weeks or less from paving. All utilities are installed. The landscaping calls for different types for different roads. Our ordinance calls for something a bit different than what he would like to do and thinks a variance may be needed.

Mr. Elliott asked Mr. Maxwell if we have a variance procedure for landscaping. Mr. Maxwell was unsure. Mr. Elliott suggested that Mr. Bell put this in an email so that we can check our ordinances and procedures.

Commissioner Neighbors asked for a copy of everything as he has had experience with this when he worked for the City of Chattanooga.

Mr. Bell said we have run into only a few problems but things have been going along well. He spoke about putting more townhouses in. He and Mr. Rowland anticipate they will begin pulling permits in 6 to 8 weeks and will begin to build 8 to 12 houses.

Mr. Maxwell stated that all permit applications are on the website, though you can't pay for them there. We are discussing about issuing permits on certain days of the week.

Mr. Bell said there is a shortage of housing in Hamilton County. There has been very little development for so long.

Engineering: Mack McCarley from PDM Engineering spoke first about the Daisy Dallas Culvert. He gave a packet to the Commission containing the bid specs. He spoke about the options that are available to them: 1) replace with a concrete pipe; 2) use a concrete box; 3) slip line.

Dr. Edwards would like to get this done as soon as possible.

Mr. McCarley and Ms. LaCroix will work together and get this out as soon as possible.

Darrell Jones, from Jones Marina, said he spoke with Mr. Maxwell about his culvert issue. He realizes that it is his problem. He would like to know the best method to go.

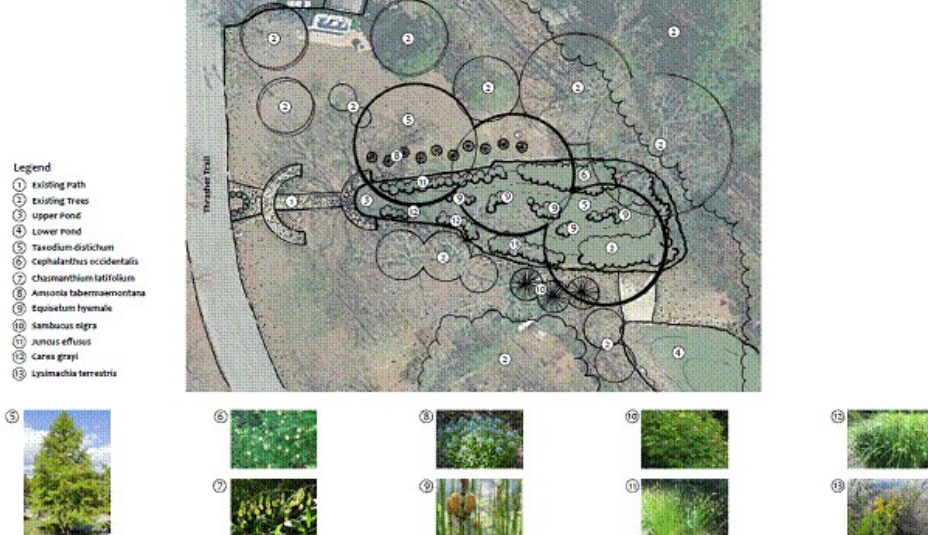
Mr. McCarley said the city pipe under the Dockside is not failing. Mr. Jones' problem is corrosion on his end and now starting on the city end. Mr. McCarley spoke on the interior coating process. He recommends we proceed looking at those options for the city section. Mr. Jones said he is going to replace his pipe.

Tennis Court Lighting: Mr. McCarley stated he sent the packet over to Mr. Maxwell and will email everything over to Ms. LaCroix and will get together with her to get it out as well.

Upper Pond: Mr. McCarley worked with a landscape architect on making it a bio-retention pond.

BIORETENTION POND





Dr. Edwards and the Commission expressed their approval for this idea.

Audit: David DiStefano reviewed the audit with the Commission. Ms. LaCroix asked if she was reading the annual property tax revenue correctly. The tax revenue for Lakesite were only \$109,985? Both Dr. Edwards and Mr. Distefano said yes, that is all we collect in property taxes. The rest of the revenue for the city is from sales taxes.

Jodi P. LaCroix, CMC, City Recorder

Ms. LaCroix stated that the dumpsters will be brought in April 2 through the 16th. She told the Commission that she received a question from a resident about doing a craft day at the park where vendors come in and sell their wares and maybe have a little band or perhaps some kind of little festival like other communities do. Ms. LaCroix said TML would have to be spoke to because of insurance but she was insure of how the Commission felt. She was told to have the resident come to the Commission with a concrete proposal so that we can discuss this with TML.

David Tate, Utilities and Maintenance

Mr. Tate stated that Amanda Epperson from Bliss Products came in to see us with books showing all their new products, including dog parks and nature trails. He gave the catalogs to Mayor Howell for his review.

Dan Maxwell, Building and Code Official

Mr. Maxwell spoke about the ASA Engineering Contract. Mr. Elliott reviewed and it needs the Mayor’s signature.

Mr. Maxwell went to Nashville for the kickoff meeting on the grant. He asked if we could merge the two grants together and was told no. We could allocate some of the funds from the second grant into the first. Neil Hanson recommended we draw up an email stating what our budgetary problems were in the first phase and he may or may not be able to find the funds. Mr. Maxwell stated it would be approximately \$130,000 more and we would be responsible for 20%.

Dr. Edwards expressed concern over the 2nd Phase as proposed, spending money in front of the TVA park, shouldn’t we spend money on that first.

Commissioner Neighbors stated his concern is that it is called a Pedestrian Enhancement Grant and well, there are really no pedestrians.

Dr. Edwards said maybe there would be once the Bell development goes in.

Commissioner Neighbors also stated he is worried about getting into a situation and we can’t get out of it. Dr. Edwards said we are already there.

Vice Mayor Boddy asked if we are obligated to do the whole thing as mapped out or can we cut back. Mr. Maxwell said we are not obligated to use it all. We can scale back as long as we enhance pedestrians.

Dr. Edwards said we spent a lot of money on Phase 1 and have seen nothing.

Mr. Maxwell said it is ready to go to bid.

Mayor Howell said this is not on the agenda for 7:00.

Mr. Elliott said you just need to authorize the signing of the contract.

Mr. Maxwell said we need to have an immediate meeting with ASA and the Commission. They need a broad scope of the work you want.

Mr. Elliott cautioned everyone about the Sunshine Laws. Ms. LaCroix said she needed to advertise 7 to 10 days ahead of time. Mr. Elliott suggested during a Commission workshop would be best.

Commissioner Curtis Jones

Commissioner Jones said that at the last WWTA meeting the budget was discussed. The sewer bills are going to go up 14% per year for the next 10 years.

Sam Elliott, City Attorney

Mr. Elliott said we do have a court date in April for the Blaylock case.

As there was no other business, meeting adjourned at 6:40 p.m.

ATTEST: _____
Jodi P. LaCroix, CMC
City Recorder

Minutes Approved by the City
Commission on April 17, 2017

David Howell, Mayor

Regular Meeting March 20, 2018

The **regular meeting** of the City Commission of the City of Lakesite was held on March 20, 2018 at 7:00 p.m. at the Lakesite City Hall, 9201 Rocky Point Road, Lakesite.

Meeting was **CALLED TO ORDER** by Mayor David Howell 7:00 p.m. City Commission members present were Vice Mayor Valerie Boddy, William Neighbors and Curtis Jones. Commissioner Ken Wilkerson was absent. Also present were City Attorney Sam Elliott, City Recorder Jodi P. LaCroix, Maintenance, Utilities Official David Tate, and Building, Codes Official Dan Maxwell. City Manager David Edwards was absent.

Also present were: Matt Lea, Sheriff’s Department, Miss Madison Lea, Jack Brellenthin, Dallas Bay Fire Department, Robert and Kathy Johannes, Renee Andrews, Johnny, Carolyn and Laura Horne, Lori Howell, Scott and Belinda Rogers, Nicky Kellam, Joan Kirby, Marie Carver, David DiStefano, G.R. Rush, Darrell Jones, Dennis Powell

Approval of Minutes

Motion made by Commissioner Jones, seconded by Commissioner Neighbors and approved unanimously the minutes of [February 20, 2018](#).

Communications

City Manager: Mayor Howell stated that Dr. Edwards was not here this evening. He introduced David DiStefano from G.R. Rush.

Mr. DiStefano presented Mayor Howell with the audit and management letter. No difficulties were encountered, no disagreements with management and no other audit findings or issues. He thanked Dr. Edwards and Ms. LaCroix for their assistance. There were no questions from the Commission or the audience.

Sheriff’s Department:

Matt Lea gave the Sheriff’s Department report for February. He reminded everyone that with warmer weather, we tend to leave mowing equipment out – don’t. Keep everything put up, locked up. He also stated that April is National Distracted Driving Awareness Month and reminded everyone of the 9:00 p.m. Campaign. Check to make sure your vehicles are locked at 9:00 p.m. each night.

Lakesite Total Service Calls		
Month to Month Calls		
Month	2017	2018
January	115	152
February	154	124
March	183	
April	183	
May	174	
June	175	
July	209	
August	157	
September	135	
October	172	
November	150	
December	155	

Dallas Bay Volunteer [Fire Department](#) Report:
Deputy Chief Brellenthin gave his report for the month:

Lakesite Total Service Calls		
Year to Date Calls		
Month	2017	2018
January	45	43
February	36	83
March	120	
April	166	
May	211	

May	211	
June	251	
July	299	
August	341	
September	368	
October	417	
November	456	
December	450	

Darrell Jones stated that several members of the fire department came to see him about getting the trucks up Geneva Trail from Hixson Pike. The fire department could not get the trucks up there. Mr. Jones said they spoke to him about a hydrant. They asked if the city would upgrade to a 4" pipe because it is a city road.

Deputy Chief Brellenthin stated he would look into this. He said he thought Hixson Utility required a 6" pipe.

Citizens wishing to be heard:

None

Committee Reports:

Public Safety: Mayor Howell reiterated to people to keep their valuables locked up.

Public Utilities: Commissioner Jones stated that at the last WWTa meeting the budget was discussed. The sewer bills are going to go up 14% per year for the next 10 years. He stated we should all be thankful that we don't have sewers here in Lakesite.

Budget and Finance: Vice Mayor Boddy reported that actual revenues were \$689,251.78, an increase of 7.77% and that is a 4.34% change from last year. Actual expenses were \$545,779.67, which were below budget expenses by 24.52%. This is an increase of 7.46% from the previous year. Net revenue is \$143,472.11. The three biggest revenue increases are County Sales Tax at \$18,803.63 change from last year, Gas 2017 tax payment at \$5,206.46 and Property Tax at \$3,632.14. Under Expenses: road Shoulders and Drainage at \$38,446.25, Hazardous Trees at \$12,250 and Parks and Playgrounds at \$17,238.93.

Public Works: Commissioner Neighbors said at the last meeting there was mention of a hazardous tree on Collins Lane. He believes it has been taken care of. With the change in the weather coming, we will be paving soon.

Parks and Recreation: Mayor Howell said we have a beautiful playground. If you see something at the park you want to see enhanced, let him know.

Old Business

2nd Reading on [Ordinance 257](#) to amend the Lakesite Zoning Ordinance, Chapter III, General Regulations, Section 305.04 Recreational Vehicle Park, Chapter V, Section V Provisions for Flood Hazard Reduction and Chapter 1, Application and Authority of Regulations. Mayor Howell stated we held the 1st Reading and Public Hearing on February 20th.

Motion made by Vice Mayor Boddy, seconded by Commissioner Jones **to approve and accept** Ordinance 257 to amend the Lakesite Zoning Ordinance, Chapter III, General Regulations, Section 305.04 Recreational Vehicle Park, Chapter V, Section V Provisions for Flood Hazard Reduction and Chapter 1, Application and Authority of Regulations.

ROLL CALL: Vice Mayor Boddy-yes; Commissioner Neighbors-yes; Commissioner Jones-yes; Mayor Howell-yes. **Motion Carries.**

New Business

Approval of [Resolution 104.1](#) – Amended Internal Financial Controls Policy as requested by TML.

Nicky Kellam asked what Ordinance 257 was about. Mr. Elliott stated this ordinance keeps restrictions in place, an RV Park won't turn into a trailer park. There was an issue in a neighboring municipality that he is the City Attorney for and he felt it was a good idea to have the same here.

Motion made by Vice Mayor Boddy, seconded by Commissioner Neighbors and approved unanimously to defer Resolution 104.1 until the next meeting.

Commissioner Jones brought up about the ASA Engineering contract that needs a signature. Mayor Howell stated that we were granted two grants from the State. Phase 1 is from Arby's/Taco Bell to Ace/Regions Bank and Phase 2 is CVS to Total Storage. This contract is for ASA Engineering for Phase 2.

Motion made by Commissioner Jones, seconded by Vice Mayor Boddy and approved unanimously to authorize the Mayor to sign the contract with ASA Engineering and Consulting Inc.

The next meeting will be held on April 17, 2018.

Adjournment took place at 7:25

ATTEST:

Jodi P. LaCroix, CMC
City Recorder

Minutes Approved by the City
Commission on April 17, 2017

David Howell, Mayor

Beer Licensing Board March 20, 2018

A meeting of the Lakesite City Commission sitting as the **Beer Licensing Board** of the City of Lakesite was held on **March 20, 2018** at p.m. at the Lakesite City Hall, 9201 Rocky Point Road, Lakesite. Members present were: Chairman David Howell, Vice-Chairman Valerie Boddy, Board Members: William Neighbors and Curtis Jones. Kenneth Wilkerson was absent.

Also present was Darrell Jones and Dennis Powell

Chairman Howell stated that this meeting is being held to consider the [application](#) from Dennis L. Powell Jr., d/b/a D & C Quick Stop for an On/Off Premise Beer Permit for premises located at 9546 Hixson Pike, Lakesite. This application has been advertised and the appropriate background checks have been done and no items of issue have come back.

Board Member Jones stated several residents had expressed displeasure that people were walking around outside with open bottles.

Mr. Elliott stated that we had looked at this when Jones Bay Marina first got their license. The law permits this.

Mayor Howell cautioned Mr. Powell that the police department does check to make sure underage sales do not take place and urged Mr. Powell to take all necessary steps to make sure all his clerks are trained properly.

Motion made by Board Member Neighbors, seconded by Board Member Jones and approved unanimously to approve the application from Dennis L. Powell Jr., d/b/a D & C Quick Stop for an On/Off Premise Beer Permit for premises located at 9546 Hixson Pike, Lakesite.

Adjournment from Meeting

As there was no other business the meeting adjourned at 7:30 p.m.

ATTEST:

Jodi P. LaCroix, CMC
City Recorder

Minutes Approved by the City
Commission on April 17, 2017

Chairman David Howell

REVENUES	Current Month Actual	Current Month Budget	Variance Amount	Variance Percent	Current Month Last Year	Change from Last Year	Percent Change
SALE OF SURPLUS PROPERTY	1,112.00	950.00	162.00	17.05	950.00	162.00	17.05
STATE SALES TAX	104,727.28	96,666.64	8,060.64	8.34	102,415.97	2,311.31	2.26
STATE MIXED DRINK TAX	2,319.64	2,666.64	-347.00	-13.01	2,951.50	-631.86	-21.41
STATE STREET & TRANS.	2,453.88	2,333.36	120.52	5.17	2,463.26	-9.38	-0.38
STATE INCOME TAX	11,917.92	5,333.36	6,584.56	123.46	12,371.21	-453.29	-3.66
STATE BEER TAX	460.99	633.28	-172.29	-27.21	469.99	-9.00	-1.91
TVA REPLACEMENT	10,352.96	13,333.36	-2,980.40	-22.35	10,301.34	51.62	0.50
STATE TELECOMM SALES TAX	49.75	120.00	-70.25	-58.54	113.97	-64.22	-56.35
STATE EXCISE TAX	48.48	0.00	48.48	0.00	0.00	48.48	0.00
BUILDING PERMITS	7,936.68	5,333.36	2,603.32	48.81	5,941.75	1,994.93	33.57
LIQUOR LICENSE FEE	0.00	500.00	-500.00	-100.00	850.00	-850.00	-100.00
LIQUOR TAX	25,811.89	26,666.64	-854.75	-3.21	24,092.15	1,719.74	7.14
LIQUOR PRIVILEGE TAX	850.00	100.00	750.00	750.00	100.00	750.00	750.00
BUSINESS LICENSE TAX	1,355.77	1,666.64	-310.87	-18.65	1,737.53	-381.76	-21.97
BUSINESS BEER LICENSE	0.00	166.64	-166.64	-100.00	0.00	0.00	0.00
BUSINESS BEER PRIVILEGE	700.00	400.00	300.00	75.00	500.00	200.00	40.00
BUSINESS BEER WHOLESALE	85,777.24	83,333.36	2,443.88	2.93	86,631.83	-854.59	-0.99
COUNTY SALES TAX	260,925.26	243,333.36	17,591.90	7.23	242,121.63	18,803.63	7.77
PROPERTY-LTAX	83,010.73	73,333.36	9,677.37	13.20	79,378.59	3,632.14	4.58
GROSS RECEIPTS	12,558.43	16,000.00	-3,441.57	-21.51	14,772.35	-2,213.92	-14.99
CABLE TV FRANCHISE	23,328.80	21,000.00	2,328.80	11.09	21,952.78	1,376.02	6.27
FINES & FORFEITURES	72.04	333.36	-261.32	-78.39	2,732.80	-2,660.76	-97.36
INTEREST EARNED	11,969.18	8,000.00	3,969.18	49.61	11,782.39	186.79	1.59
LATE TAX & REBATES	1,337.22	333.36	1,003.86	301.13	1,124.74	212.48	18.89
A89 INCREASE GAS TAX	3,842.88	3,666.64	176.24	4.81	3,834.88	8.00	0.21
STATE ADD 3% GAS TAX	7,123.54	6,666.64	456.90	6.85	7,117.57	5.97	0.08
STATE GAS TAX	24,002.76	26,666.64	-2,663.88	-9.99	23,865.70	137.06	0.57
GAS 2017 TAX PAYMENT	5,206.46	0.00	5,206.46	0.00	0.00	5,206.46	0.00
TOTAL REVENUES	\$689,251.78	\$639,536.64	\$49,715.14	7.77	\$660,573.93	\$28,677.85	4.34

EXPENSES	Current Month Actual	Current Month Budget	Variance Amount	Variance Percent	Current Month Last Year	Change from Last Year	Percent Change
PAYROLL EXPENSE TAX	15,160.51	21,935.16	-6,774.65	-30.88	13,935.16	1,225.35	8.79
EMPLOYEE BENEFITS EXPENSE	5,259.38	6,666.64	-1,407.26	-21.11	6,095.82	-836.44	-13.72
ACCOUNT & AUDIT FEE-G	10,010.91	9,000.00	1,010.91	11.23	9,669.56	341.35	3.53
JUDGE FEE-GG	0.00	1,333.36	-1,333.36	-100.00	0.00	0.00	0.00
LEGAL ANNOUNCEMENTS-G	1,771.20	2,000.00	-228.80	-11.44	1,284.65	486.55	37.87
MISCELLANEOUS-GG	1,251.25	3,333.36	-2,082.11	-62.46	651.04	600.21	92.19
OFFICE SUPPLIES	2,120.76	3,333.36	-1,212.60	-36.38	4,176.67	-2,055.91	-49.22
PAY, CITY REC-GG	18,336.64	18,336.64	0.00	0.00	17,453.36	883.28	5.06
PAY, CITY MANAGER-GG	25,176.00	25,176.00	0.00	0.00	16,784.00	8,392.00	50.00
ADMINISTRATIVE SUPPORT	0.00	3,466.64	-3,466.64	-100.00	0.00	0.00	0.00
BANK SERV CHARGES-G	36.00	166.64	-130.64	-78.40	108.60	-72.60	-66.85
UTILITIES-GG	9,361.47	6,666.64	2,694.83	40.42	6,058.64	3,302.83	54.51
WORKERS COMP INS-GG	4,047.00	3,000.00	1,047.00	34.90	4,301.00	-254.00	-5.91
TRAINING & DEVELOPMENT	1,767.67	4,000.00	-2,232.33	-55.81	1,609.39	158.28	9.83
COMMUNICATIONS-GG	6,655.00	10,666.64	-4,011.64	-37.61	8,773.71	-2,118.71	-24.15
DONATIONS	0.00	18,666.64	-18,666.64	-100.00	0.00	0.00	0.00
ATTORNEY RETAINER	4,350.00	5,569.00	-1,219.00	-21.89	5,569.00	-1,219.00	-21.89
COMMISSION EXPENSES	16,610.30	18,666.64	-2,056.34	-11.02	16,379.48	230.82	1.41
CONSULTING FEE	4,500.00	6,666.64	-2,166.64	-32.50	0.00	4,500.00	0.00
ATTORNEY FEE-GG	5,843.50	5,000.00	843.50	16.87	4,038.00	1,805.50	44.71
ECONOMIC DEVELOPMENT	0.00	6,666.64	-6,666.64	-100.00	0.00	0.00	0.00
COMMISSION DISCRETIONARY	1,000.00	13,333.36	-12,333.36	-92.50	0.00	1,000.00	0.00
RECORDS MANAGEMENT	3,100.91	13,333.36	-10,232.45	-76.74	6,196.03	-3,095.12	-49.95
CAPITAL OUTLAY-GG	0.00	3,333.36	-3,333.36	-100.00	1,093.50	-1,093.50	-100.00
DUES & BOOKS-GG	2,115.00	2,333.36	-218.36	-9.36	1,671.95	443.05	26.50
ELECTIONS-GG	0.00	0.00	0.00	0.00	2,364.71	-2,364.71	-100.00
INSURANCE & BOND- GG	5,499.00	6,000.00	-501.00	-8.35	4,885.00	614.00	12.57
ANIMAL PICK-UP-PS	7,336.00	7,500.00	-164.00	-2.19	7,496.00	-160.00	-2.13
SECURITY	690.00	1,333.36	-643.36	-48.25	360.00	330.00	91.67
PAY, CODES ENFORCEMENT OF	14,416.64	14,416.64	0.00	0.00	14,016.64	400.00	2.85
DONATIONS, FIRE DEPT.	39,191.25	53,333.36	-14,142.11	-26.52	64,191.25	-25,000.00	-38.95
SHERIFF-PERS	91,947.00	93,333.36	-1,386.36	-1.49	95,250.00	-3,303.00	-3.47
BUILDING MAINT & REPAIR	3,756.31	13,333.36	-9,577.05	-71.83	13,485.50	-9,729.19	-72.15

EXPENSES CONTINUED	Current Month Actual	Current Month Budget	Variance Amount	Variance Percent	Current Month Last Year	Change from Last Year	Percent Change
UNIFORM ALLOWANCE	0.00	666.64	-666.64	-100.00	0.00	0.00	0.00
CONSULTANTS AND SERVICES	0.00	6,666.64	-6,666.64	-100.00	12,875.00	-12,875.00	-100.00
CHRISTMAS LIGHTING	16,856.00	13,500.64	3,355.36	24.85	20,251.50	-3,395.50	-16.77
CAPITAL OUTLAY-PW	0.00	3,333.36	-3,333.36	-100.00	1,093.50	-1,093.50	-100.00
CONTRACT LABOR (GR)-PW	405.05	2,000.00	-1,594.95	-79.75	22.50	382.55	1700.22
PARKS & PLAYGROUNDS	35,748.31	43,333.36	-7,585.05	-17.50	18,509.38	17,238.93	93.14
SUPPLIES- PW	3,397.41	5,000.00	-1,602.59	-32.05	2,868.66	528.75	18.43
UTILITY PERSON SALARY	27,328.64	27,328.64	0.00	0.00	26,862.00	466.64	1.74
SANITATION	80,009.80	86,666.64	-6,656.84	-7.68	79,045.16	964.64	1.22
INSPECTIONS (BUILDING)	4,593.00	3,333.36	1,259.64	37.79	2,887.50	1,705.50	59.06
EMERGENCY FUND-SSA	0.00	4,000.00	-4,000.00	-100.00	176.00	-176.00	-100.00
ROAD SHOULDERS AND DRAIN	39,876.25	23,333.36	16,542.89	70.90	1,430.00	38,446.25	2688.55
HAZARDOUS TREE REMOVAL	16,250.00	9,333.36	6,916.64	74.11	4,000.00	12,250.00	306.25
EQUIPMENT-SSA	4,069.00	1,333.36	2,735.64	205.17	0.00	4,069.00	0.00
PAVING & REPAIR-SSA	2,000.00	66,666.64	-64,666.64	-97.00	0.00	2,000.00	0.00
RIGHT OF WAY MAINT-SS	5,820.08	8,000.00	-2,179.92	-27.25	2,100.00	3,720.08	177.15
STREET LIGHTS	7,737.49	9,333.36	-1,595.87	-17.10	7,389.13	348.36	4.71
STREET SIGNS	378.94	3,333.36	-2,954.42	-88.63	0.00	378.94	0.00
TRAFFIC LIGHTS	0.00	4,000.00	-4,000.00	-100.00	487.26	-487.26	-100.00
TOTAL EXPENSES	\$545,779.67	\$723,062.88	-\$177,283.21	-24.52	\$507,896.25	\$37,883.42	7.46

City of Lakesite Current Assets February 28, 2018

LGIP	\$ 1,674,952.83
EDWARD JONES RESERVE ACCOUNT	802,237.27
FIRST TENNESSEE GENERAL FUND	18,614.95
FIRST TENNESSEE STREET AID	460.23
FIRST TENNESSEE SAVINGS	171,128.85
TOTAL CURRENT ASSETS	\$2,667,394.13

3-15-18 at 6:47 p.m. Unaudited for Management Purposes Only

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

**Lakesite Commission
City Hall**

**Book 5 Page
Workshop**

February 20, 2018

The workshop meeting of the City Commission of the City of Lakesite was held on February 20, 2018 at 5:00 p.m. at the Lakesite City Hall, 9201 Rocky Point Road, Lakesite, TN

Meeting was CALLED TO ORDER by Mayor David Howell at 5:00 p.m. City Commission members present were Vice Mayor Valerie Boddy, Commissioners Kenneth Wilkerson, William Neighbors and Curtis Jones. Also present were City Manager Dr. David Edwards, City Recorder Jodi LaCroix, Utilities and Maintenance Official David Tate, Building and Code Officer, Dan Maxwell. City Attorney Sam Elliott arrived at 5:20. Yuen Lee and John Bridger from the Regional Planning Agency arrived at 5:52.

Also present were: Kenny Freer from Ragan Smith, Kaitlin Pilgrim and Glen Craig from Craig Design, Rene Andrews, Darrell Jones, Scott Walther and Connie Scott Walther arriving at 5:25 p.m.

Mayor Howell reviewed the agenda for the 7:00 meeting.

No questions were asked on the Public Hearing on Ordinance 258.

Ordinance 257, to amend the Lakesite Zoning Ordinance Chapter II, General Regulations, Section 305.04 Recreational Vehicle Park, Chapter V section V Provisions for Flood Hazard Reduction and Chapter 1 Application and Authority of Regulations. Commissioner Wilkerson stated this is for clarifications and additions of what a “stay is”, electrical issues, and ruling out extension cords.

Mayor Howell stated Darrell Jones did not like this. Mr. Jones was going to come up with other options which he believes Mr. Jones did not do.

Mayor Howell stated the next item is a public hearing for a Special Use Permit from Jones Bay Marina for mini storage in a C-1 Commercial Zone for part of the property at 9546 Hixson Pike. Dr. Edwards said under light industrial zoning it is allowed. Under 408.02.J Commercial it says it is ok if it is consistent with area. Mr. Maxwell stated that Ms. Lee told him it was under his interpretation. In retrospect he would not do it again. Ms. Lee also said a zoning change would have been cleaner but there was more time and money involved in that.

Dr. Edwards stated Jones Bay is asking for a special use permit not a zoning change.

Mayor Howell noted that the Planning Staff denied this but the Planning Commission approved this. The whole area is being asked for storage but Jones Bay is asking for three small buildings, why?

Dr. Edwards said when Total Storage went in many years ago, the Commission asked for plans and changes and received them.

Commissioner Wilkerson said once we open this without support or backup, we are setting ourselves up a precedent.

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

Mayor Howell stated that without knowing the plan, he is not comfortable with this.

Commissioner Wilkerson said you can table this, deny it so that Jones Bay can re-present this again with more information. If Jones Bay resubmits the plans, does it go back to the RPA? Dr. Edwards said he did not think so.

Commissioner Jones asked Mr. Elliott if the real “right” way here was to request a rezone to M-2, whereas Jones Bay wants a special permit under the existing C-1. Will this create more trouble for us?

Mayor Howell said he wants no blowback because a mistake is made.

Vice Mayor Boddy stated that whatever decision the commission makes, she just wants it to be legal and appropriate.

Mr. Elliott said the Building Official interprets it on the front end. If you are inclined for special use, the staff feels it should not be granted, you have grounds either way. Is it a legal use? It is a C-1. Is it ok under a special use? You have to make that determination based on a factual basis.

Commissioner Wilkerson stated we have no plans, no views. If it were entered into the record with no motion then he could re-present this for consideration.

David Edwards, City Manager

Dr. Edwards provided the Commission with a yearend budget through January 31, 2018. The liquor tax collections have caught up and are higher than budgeted. The audit for the liquor has not been completed. If Food City does not comply, he can suspend their wine license. He will reach out to them again. Expenditures are well under but we still have paving to do. Mack McCarley has a meeting with Bell Development in the next few days to see where they are at. Mr. McCarley is looking at replacing the culvert on Daisy Dallas and the culvert on Shoreline Drive at Hixson Pike.

Commissioner Jones stated that the WWTAA asked him to notify them when the paving begins as they need to know beforehand.

Dr. Edwards said he received a letter from Doug McGill of Waste Connections. They have offered to extend the contract three (3) more years and reduce the price per household by \$1.00 per house per month. Mr. Elliott reviewed the contract and it is backed up by MTAS opinion. We have had no real complaints. They have supported us during our yearly cleanups. They are pretty responsive on the cans and we get twice a week service. Dr. Edwards feels we can't get better service.

C. Jones asked about businesses and if they pay their own waste disposal and was told yes.

Dr. Edwards said we have 5 dumpsters. Two (2) are at the apartments behind Food City and three 3 at the marina/cabins. We have talked about providing for businesses but there is no way to do it.

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

Mr. Elliott stated we should do a 1 page renewal.

Commissioner Neighbors said any renewal results in an increase in a new bid so this is a good idea.

Mr. Elliott stated someone would have to make a motion to grant the City Manager to enter into an agreement with Waste Connection for another 3 years.

Dr. Edwards spoke on the Knox Boxes. They are 2 ½ times more expensive than he thought. He believed they were approximately \$100 each. Instead they are approximately \$481. Vice Mayor Boddy stated the price difference is on 2 different boxes totaling \$10,673.90. Mayor Wilkerson would like to find out the difference of the 2 types of boxes.

Dr. Edwards mentioned there is a legislation reception in Nashville if anyone would like to attend.

Jodi P. LaCroix, CMC, City Recorder

Ms. LaCroix stated that on Friday the floors in the building will be stripped and waxed for a cost of \$1,351.50.

Ms. LaCroix also spoke on the draft newsletter and asked that everyone review it for content so that corrections could be made.

Commissioner Jones asked that we differentiate between himself and Darrell Jones in future minutes.

Ms. LaCroix went on to state that the newsletter contained the usual info for residents about the cleanup, yard sale, calendar, pool information and fire department information.

David Tate, Utilities and Maintenance

Nothing to add

Dan Maxwell, Building and Code Official

Deferred to Ragan Smith and Craig Design.

Mr. Freer stated that TDOT reviewed plans and the budget proposed. It was not to their liking. He handed out a sheet spelling out changes:

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

SIDEWALK ENHANCEMENT PROJECT	TOTAL 100%	Federal 80%	Local 20%	Description of Changes
Original Estimated Construction Cost 3-10-16	\$604,683	\$483,746	\$120,937	Submitted with Grant Application
Estimated Cost @ ROW Submitted 11-14-17	\$621,245	\$496,996	\$124,249	Included larger project footprint than in original concept
Revised Estimated Cost After TDOT Comments 1-31-18	\$633,204	\$506,563	\$124,641	Driveway Width & Grade Changes, Sidewalk Widening & New sidewalk Deparated-Widening Assigned Higher Unit Cost
Revised Estimated Cost After More TDOT Comments 2-12-18	\$663,554	\$530,843	\$132,711	Pedestrian Pedestals, Push Buttons, and Signal Heads, Necessitated by TDOT Ramp Changes

The \$663,554 is the total construction cost, which includes everything. Overlaps can be shifted into Phase 2 if TDOT agrees. Another increase is the proposed widening of the sidewalk at the Reeves property.

Mayor Howell asked if Phase 2 is scaled down, this can shift money down? Mr. Freer said if TDOT approves. Mr. Maxwell noted that Sam Saieed is also on board with this.

Dr. Edwards said we won't know if the State will be ok with this until we are already in it? Mr. Maxwell said yes.

Mr. Craig said they know they screwed up and are willing to help fix the issues.

Mr. Maxwell stated that Ragan Smith and Craig Design are here to give us an update on where we are.

Commissioner Wilkerson had to leave the meeting at 5:50, stating to Ms. LaCroix and Mayor Howell he needed to attend a security event.

Mr. Elliott said the contract he was sent, requires a full time employee to observe all this. Mr. Maxwell said he designated David Tate. Mr. Elliott said this is a standard contract.

Mr. Tate questioned the push buttons and the lights. Our boxes at the traffic lights are outdated and we are having quite a few problems with them. Mr. Freer said it is an upgrade to the existing.

Kaitlin Pilgrim explained everything to Commissioner Jones for clarification purposes.

Mayor Howell asked Mr. Tate if he had everything scheduled for spring down at the park and was told yes. He asked about what was going on with the alarm system. Dr. Edwards stated Turner has been called and will be out to check on it. We suspect a spider has gotten into the controls again.

Mayor Howell spoke to John Bridger regarding a special use permit. Mr. Bridger said a special permit gives the city another layer of review on how you want to go with a project.

Mr. Elliott said you should consider all evidence then make a decision.

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

Sam Elliott, City Attorney

Mr. Elliott reported that he still has the lawsuit against the Blaylocks. He got a default judgement as not a single thing has been done on the property. A hearing has been set down for April 17th.

Vice Mayor Valerie Boddy

Vice Mayor Boddy reported that the committee reviewing the Phase 2 Design Consultant met and recommends ASA Engineering for the 2nd phase.

Mayor Howell asked if this was going to cause a problem. Mr. Maxwell said it could.

As there was no other business, meeting adjourned at 6:30 p.m.

ATTEST: _____
Jodi P. LaCroix, CMC
City Recorder

Minutes Approved by the City
Commission on March 20, 2018

David Howell, Mayor

**Lakesite Commission
City Hall**

**Book 5 Page
Regular Meeting**

February 20, 2018

The **regular meeting** of the City Commission of the City of Lakesite was held on February 20, 2018 at 7:00 p.m. at the Lakesite City Hall, 9201 Rocky Point Road, Lakesite.

Meeting was **CALLED TO ORDER** by Mayor David Howell 7:00 p.m. City Commission members present were Vice Mayor Valerie Boddy, Kenneth Wilkerson, William Neighbors and Curtis Jones. Also present were City Manager Dr. David Edwards, City Recorder Jodi P. LaCroix, Maintenance, Utilities Official David Tate, Building, Codes Official Dan Maxwell and City Attorney Sam Elliott.

Also present were: John McPherson, Lori Howell, Deputy Fire Chief Jack Brellenthin, Joan Kirby, Nicky Kellam, Carolyn Horne, Yuen Lee and John Bridges from RPA, Darryl Jones, Nicole Jones and family, Renee Andrews, Marie Carver, Kevin Fix, Shawna Mitchell, Scott and Connie Walther and several other women that did not sign in.

Mayor Howell recognized former Commissioner John McPherson in the audience this evening and told those in attendance that did not know that Mr. McPherson served the community for 22 years. He thanked Mr. McPherson for his service to the community.

Approval of Minutes

Motion made by Commissioner Jones, seconded by Commissioner Neighbors and approved unanimously the minutes of November 21, 2018.

Communications

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

City Manager: Dr. Edwards stated we received an offer from our garbage hauler, Waste Connection to extend our contract an additional three (3) years in return they will reduce their monthly fee \$1.00 per household. We have received good service from them for many years. Our biggest complaint is about garbage cans. The last time bids were solicited they were extremely high. He was asking for the Commission's blessing.

Carolyn Horne stated that the hauler is getting later and later in picking up the trash.

Mr. Elliott stated since it is a reduction, we can do this.

Motion made by Commissioner Neighbors, seconded by Commissioner Jones and approved unanimously to allow the City Manager to execute a one (1) page renewal contract with Waste Connection.

Dr. Edwards spoke about the Knox Boxes for businesses. These boxes will allow the fire department to get into a business should there be a fire. The Commission agreed to purchase them and the fire department will install them. Dr. Edwards understood the cost was much lower than it came out to be. The cost from the company was \$10,674. Vice Mayor Boddy said she would find out if there was a cheaper way. Amazon has them much cheaper.

Commissioner Jones questioned the two different types of boxes. Commissioner Neighbors said the quote was for 18 boxes that holds 10 and 10 that holds 50. He is not comfortable until we know what we are buying.

Jack Brellenthin said we will check into this. No action is needed.

Dr. Edwards stated the next thing he had was a contract from the State regarding Phase 2 of the Pedestrian Grant. Mr. Maxwell said this is a standard contract for funds. They have shortened the contract life.

John McPherson asked who is going to do the design work. Mayor Howell stated that vote is coming up later on the agenda.

Commissioner Jones made a motion to appoint Asa Engineering. Mayor Howell stopped him as this was coming up later on in the evening.

Motion made by Vice Mayor Boddy seconded by Commissioner Jones and approved unanimously to approve the contract.

Mayor Howell introduced Deputy Bell, who lives in Lakesite and Deputy Lawson.

Sheriff's Department: Matt Lea was not in attendance as he and his family have the flu. Mayor Howell summarized his report:

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

HCSD CITY OF LAKESITE SUMMARY NOV THROUGH JAN			
CALL	Nov-17	Dec-17	Jan-18
Traffic Citations	9	9	9
Traffic Warnings	49	61	47
Arrests	9	14	12
Watchlist	0	0	0
Robbery	0	0	0
Disorder	14	12	14
Assault	3	14	1
Park and Walk	2	3	5
Traffic Crash	12	7	7
Burglary/Burglary in Progress			
Attempted Burglary	2	3	6
Theft	8	7	5
Burglar Alarms	7	7	9
Major Calls	115	137	115
Total Service Calls	150	155	152

Nicky Kellam commented that there are a lot of auto thefts. Mayor Howell said they look for cars that are unlocked. Deputy Bell stated people need to make sure their valuables are not in the vehicle.

Dallas Bay Volunteer Fire Department Report: Chief Brellenthin gave the monthly report for November, December and January. Ladder 3 truck was purchased for approximately \$9,000. The ladders on the truck are worth around \$12,000.

Citizens wishing to be heard:

Mr. McPherson said there is a tree on Collins that leans over the road and asked if this could be looked at. Mayor Howell said we have had a tree study done. He asked Dave Tate to check on this.

Committee Reports:

Public Safety – As Commissioner Wilkerson was not here, Mayor Howell stated to please keep valuables out of your vehicle and to keep your vehicle locked at all times.

Public Utilities – Commissioner Jones had nothing to report.

Budget and Finance – Vice Mayor Boddy said at the end of January the actual revenues were \$588,062.97 which were over budget by 5.06%. Actual expenses were \$507,826.98 which were below budget by 19.73%. The excess is \$80,235.99. Revenues are up by 3.86% over the previous year. Expenses are up by 7.17% over last year's amount.

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

Public Works – Commissioner Neighbors spoke about the Hazardous Tree Cutting that is going on. He would like to be more involved and asked Mr. Tate to notify him. He would like to know if the tree on Collins was on the list and if it was not, why.

Parks and Recreation – Mayor Howell stated during the winter there is not a lot going on. Dave Tate has his schedule ready for getting the park ready for spring.

Old Business

2nd Reading and Public Hearing of **Ordinance 258 Establishing Procedures for Roadway Standard Requirements by amending 'Title 16 and adding Chapter 3 Roadway Standard Requirements.** Mayor Howell declared the public hearing open. There were no questions or comments from the audience or commission. The public hearing was closed.

Motion made by Commissioner Neighbors, seconded by Vice Mayor Boddy to approve and adopt **Ordinance 258** Establishing Procedures for Roadway Standard Requirements by amending Title 16 and adding Chapter 3 Roadway Standard Requirements.

ROLL CALL: Vice Mayor Boddy-yes; Commissioner Neighbors-yes; Commissioner Jones-yes; Mayor Howell-yes. **Motion Carries.**

New Business

1st Reading and Public Hearing on **Ordinance 257** to amend the Lakesite Zoning Ordinance, Chapter III, General Regulations, Section 305.04 Recreational Vehicle Park, Chapter V, Section V Provisions for Flood Hazard Reduction and Chapter 1, Application and Authority of Regulations. The 2nd reading will be held on March 20th. Mayor Howell declared the Public Hearing open.

Mr. Elliott stated this ordinance keeps restrictions in place. There was an issue in a neighboring municipality and he felt it was a good idea to have the same here.

Darrell Jones asked what it required. Mr. Elliott reviewed the ordinance for him.

Darrell Jones commented if the permits are issued by the city, this would mean the big vehicles would go through the city and would cause a problem. Mr. Elliott suggested that a city employee could issue the permit on site.

As there were no more questions or comments the Public Hearing was closed.

Motion made by Vice Mayor Boddy, seconded by Commissioner Jones to **approve and adopt Ordinance 257** to amend the Lakesite Zoning Ordinance, Chapter III, General Regulations, Section 305.04 Recreational Vehicle Park, Chapter V, Section V Provisions for Flood Hazard Reduction and Chapter 1, Application and Authority of Regulations.

ROLL CALL: Vice Mayor Boddy-yes; Commissioner Neighbors-yes; Commissioner Jones-yes; Mayor Howell-yes. **Motion Carries.**

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

Public Hearing for a **Special Use Permit request from Jones Bay Marina for Mini Storage** in C-1 Commercial Zone for part of the property at 9546 Hixson Pike. All that part of an unplatted tract of land being part of Tax Map 075-136 and located at 9546 Hixson Pike which is currently zoned C-1 and being part of the property described in Deed Book 9116, Page 465, ROHC. This was originally advertised in the Times Free Press on January 5, 2018 for the January 16, 2018 Commission meeting. As this meeting was cancelled, it was re-advertised on February 9, 2018. Mayor Howell declared the Public Hearing open. He asked Darrell Jones to present his request.

Darrell Jones stated he had gotten requests from his apartment residents for storage. He cleared out the area in order to facilitate this. It is his understanding the Building Official has full right to his interpretation. The RPA voted to approve. No homes will see the storage units. It will be fenced in and organized. It will be clean and well kept. Mr. Jones stated that this would bring lots of money to the City.

Mayor Howell said he did not get a copy of the plans. John Bridger from RPA gave him a packet.

Mayor Howell asked about fencing.

Mr. Bridger from RPA spoke to the Commission. He stated that there are several things the Planning Staff look at. Zoning Regulations, Site Description, and Land Use Plan. If the property is zoned specifically for the use, then it is a can do. If the property is C-1 then the use may be by special permit. It is a "could be" but it needs to be looked at as it may be similar in use or in character. RPA looks at all this. Land Use Plan, the zoning of the area and the land uses of the area. The land use calls for a light business mix, small commercial compatible with commercial offices, limited residential or similar uses. We felt it was not a good fit. The staff denied the request. There was one person who spoke in opposition to this proposal.

The Planning Commission recommended approval of this. There is already a commercial building on the site. This proposal would be an improvement to what is already there.

Mayor Howell stated that the staff recommended denial while the Commission recommended approval.

Joan Kirby said she thought Lakesite had a moratorium on storage facilities. If you approve this, what is your criteria to make it more appealing?

Mr. Elliott stated we can approve, we can deny, we can defer, we can allow Mr. Jones time to improve or we can impose conditions.

Mr. Kellam said he is not in a position to question anything as he has not seen any plans on this. Mayor Howell gave Mr. Kellam his copy of the plan submitted to the RPA. Mr. Kellam stated he didn't have enough time to look the plans over to make a decision one way or the other. The way it has been in the past has not been acceptable. Whatever he wants to do has to be better.

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

Mr. Bridger said you have landscaping requirements that could pick up some elements.

Mr. Elliott said you could defer back to Planning and ask Mr. Bridger for conditions.

There were no other questions or comments. The public hearing was closed.

Motion made by Commissioner Jones to defer until we find out more details and input to make this work. There was no second. Motion failed.

There were no other motions.

Mr. Elliott said as there are no other motions there can be no action taken on the special use permit.

Selection of a **Design Consultant** for Phase 2 of the **Pedestrian Enhancement Grant**.

Commissioner Jones stated that there was a meeting with himself, Vice Mayor Boddy, Mr. Maxwell and the two engineering firms. The firm selected was ASA Engineering Consultants. He feels they are more attentive to saving us money.

Mr. McPherson said that both are equally capable and would prefer the other as a continuation of Phase 1 for possible savings. But both are equally capable.

Motion made by Commissioner Jones, seconded by Vice Mayor Boddy to approve **ASA Engineering Consultants** as the design consultant for Phase 2 of the Pedestrian Enhancement Grant. Mayor Howell asked for a roll call vote.

ROLL CALL: Vice Mayor Boddy-yes; Commissioner Neighbors-yes; Commissioner Jones-yes; Mayor Howell-yes. **Motion Carries.**

Mayor Howell asked if there was any other business to be brought before the Commission.

Darrell Jones asked the Commission what they wanted. Nothing he has done has been acceptable to them. The Vice Mayor makes public accusations against him stating that the property was not his, the company was not his. What do they want? He asked if the Commission could have a re-vote when Commissioner Wilkerson was present. Mr. Elliott said no as there was a legal quorum present and this was a valid vote.

Mr. Jones accused Mayor Howell of being a dictator. Mr. Jones also accused the city of raising his taxes \$19,000 per year. He angrily stated that they won't like what he will put down there and he fully intends to use his property as R3. The Mayor asked if that were a threat. At this point, Mr. Jones was speaking rapidly with a raised voice. Mayor Howell banged the gavel several times as Mr. Jones was being discourteous to the Commission and addressed Mr. Jones telling him that he was out of order. Mayor Howell also asked Mr. Jones to allow him to give him some guidance to which Mr. Jones stated that he neither needed nor wanted any advice or help from the Commission.

DRAFT MINUTES FOR THE MARCH 20, 2018 MEETING

The next meeting will be held on March 20, 2018

Adjournment

ATTEST: _____
Jodi P. LaCroix, CMC
City Recorder

Minutes Approved by the City
Commission on March 20, 2018

David Howell, Mayor

DRAFT



Hamilton County Sheriff's Department

CITY OF LAKESITE

CALLS FOR SERVICE – February 2018

TRAFFIC CITATIONS (6)

- 8611 Camp Columbus Road
- 8610 Berkley Lane

TRAFFIC WARNINGS (33)

ARRESTS (16)

TOTAL CALLS FOR SERVICE: 124

WATCHLIST (0)

ROBBERY (0)

DISORDER (11)

ASSAULT (3)

PARK & WALK (0)

TRAFFIC CRASH (6)

- 8424 Hixson Pike
- 1900 Hixson Pike
- 9100 Hixson Pike
- 8800 Prairie Schooner Circle
- 9100 Dallas Hollow Road
- Hixson Pike @ Camp Columbus Road

BURGLARY/BURGLARY IN PROGRESS/ATTEMPTED BURGLARY (2)

- 1925 Wilkes Avenue
- 2231 Geneva Trail

THEFT (2)

- 9438 Hixson Pike
- 1714 Apple Street (Theft from Vehicle)

BURGLAR ALARMS (12)

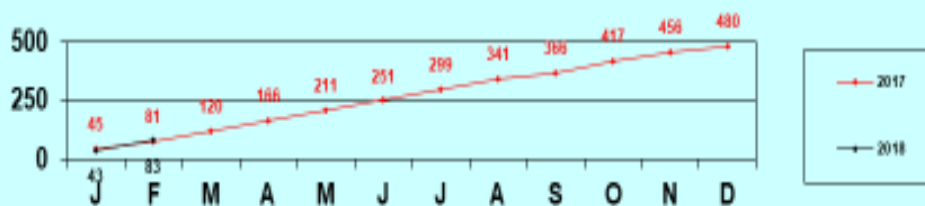
- 9201 Rocky Point Road
- 1901 Carolina Circle
- 2113 Driftwood Road
- 8598 Dallas Oaks Lane
- 8531 Hixson Pike
- 9201 Rocky Point Road
- 2030 Port Royal Road
- 8819 Dallas Hollow Road
- 9201 Rocky Point Road
- 9259 Hixson Pike

Lakesite Total Service Calls		
Month	2017	2018
January	115	152
February	154	124
March	183	
April	183	
May	174	
June	175	
July	209	
August	157	
September	135	
October	172	
November	150	
December	155	

DALLAS BAY VFD CALL SUMMARY - 2018



CALLS YEAR-TO-DATE - CITY OF LAKESITE



Av. Response Time (All Calls) - **4 Min 50 Sec** First Engine Response Time (2 Calls) - **5 Min 08 Sec**

< 5 Minute Response - **54%**

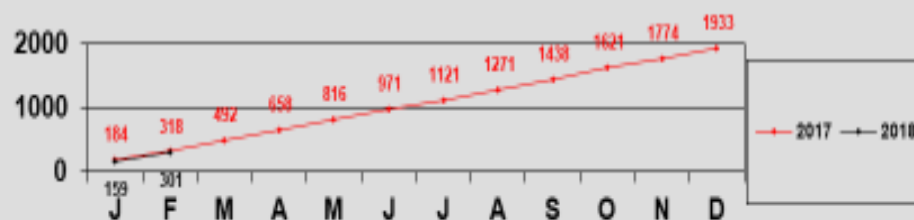
< 8 Minute Response (NFPA Standard) - **98%**

Property Saved YTD - **\$982,100** Property Lost YTD - **\$288,900** % of Property Saved (YTD) - **77%**

Man-Hours (Month) Responses Only - **455.6** Man-Hours (YTD) Responses Only - **946.1 (39.4 Days)**

50 Members Made at Least One Call 2017 Man-Hours (Responses Only) - **6917.2 (288.2 Days)**

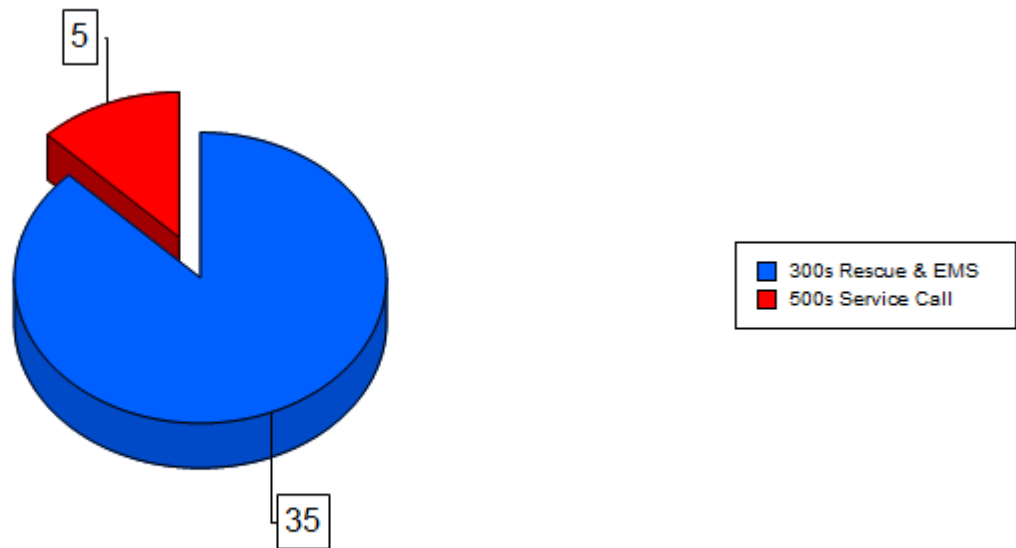
CALLS YEAR-TO-DATE - ENTIRE DISTRICT



Incident Reports By Incident Type, Summary Lakesite

Page 1 of 1

Incident Type		Total Incidents:
300	Rescue, emergency medical call (EMS) call, other	32
322	Vehicle accident with injuries	3
510	Person in distress, other	5
Total Number of Incidents:		40
Total Number of Incident Types:		3



Graphed Items are sorted by Incident Type

Type Of Incident:

300 Series-Rescue & EMS
500 Series-Service Call

Total Of Incidents:

35
5

Percentage Value:

87.50%
12.50%

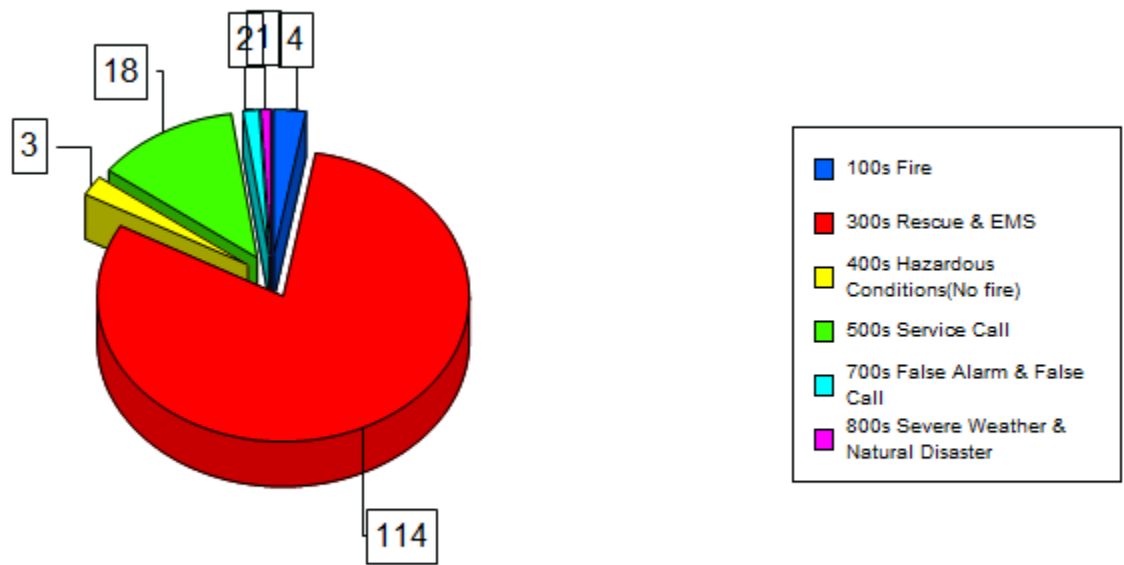
Grand Total: 40

Type Of Incident Most Frequent: 300 Series-Rescue & EMS

Incident Reports By Incident Type, Summary District

Page 1 of 1

Incident Type		Total Incidents:
111	Building fire	2
132	Road freight or transport vehicle fire	1
151	Outside rubbish, trash or waste fire	1
300	Rescue, emergency medical call (EMS) call, other	105
322	Vehicle accident with injuries	8
363	Swift water rescue	1
412	Gas leak (natural gas or LPG)	3
510	Person in distress, other	18
735	Alarm system sounded due to malfunction	2
813	Wind storm, tornado/hurricane assessment	1
Total Number of Incidents:		142
Total Number of Incident Types:		10



Graphed Items are sorted by Incident Type

Type Of Incident:

Total Of Incidents:

Percentage Value:

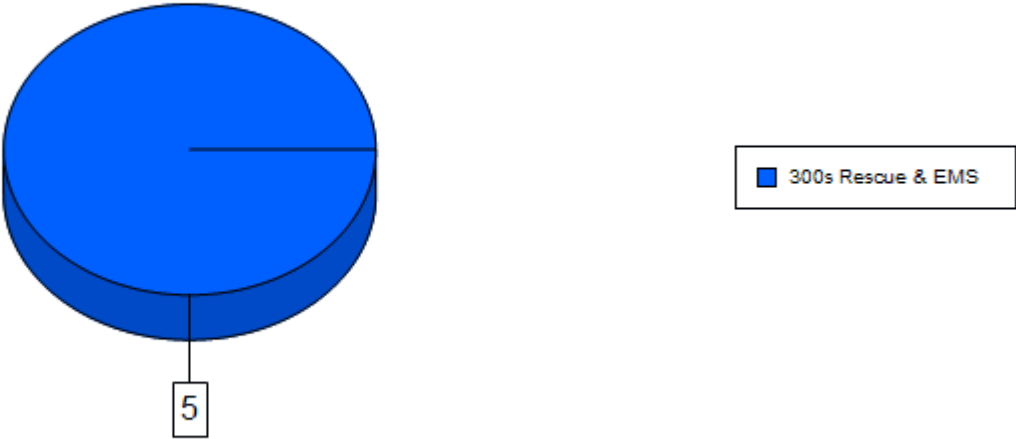
100 Series-Fire
 300 Series-Rescue & EMS
 400 Series-Hazardous Conditions(No fire)
 500 Series-Service Call
 700 Series-False Alarm & False Call
 800 Series-Severe Weather & Natural Disaster

4
 114
 3
 18
 2
 1

2.82%
 80.28%
 2.11%
 12.68%
 1.41%
 0.70%

Grand Total: 142

Type Of Incident Most Frequent: 300 Series-Rescue & EMS



Graphed Items are sorted by Incident Type

Type Of Incident:	Total Of Incidents:	Percentage Value:
300 Series-Rescue & EMS	5	100.00%

Grand Total: 5
Type Of Incident Most Frequent: 300 Series-Rescue & EMS

Print Date: 3/1/2018

UNIVERSITY OF TENNESSEE-INSTITUTE FOR PUBLIC SERVICE
M-TAS: MUNICIPAL TECHNICAL ADVISORY SERVICE
120 Conference Center Building
Knoxville, TN 37996-4105
Telephone: 865-974-0411

MUNICIPAL CODE COVER SHEET
LEGISLATION INFORMATION AND HISTORY

CITY OF LAKESITE

Type of enactment (ordinance, resolution, bylaw, local law):

Ordinance No. 257

Short Title: Zoning Amendments

Title Number	
Amends Chapter No.	Ch. III Sec. 305-04, Ch. V, Sec. 505.02, Ch. 1, Sec. 105
Repeals Chapter No.	
Adds Chapter No.	

ACTION

DATE

REFERRED TO PLANNING Received Back from Planning	October 17, 2017 December 7, 2017
Introduction and 1 st Reading	Jan 16, 2018 postponed to Feb 20, 2018
Publication Date of Notice	Due to weather conditions January 2, 2018 and Feb 9, 2018
Date of 2 nd Reading	March 20, 2018
Public Hearing Date	February 20, 2018
Commission Action	
Date sent to MTAS for Codification	

Office Use Only: This form is being retained as a record in the City Recorder's/City Clerk's files of the legislation information and history of enactment.

ORDINANCE 257

AN ORDINANCE OF THE CITY OF LAKESITE, TENNESSEE, TO AMEND THE LAKESITE ZONING ORDINANCE, CHAPTER III, GENERAL REGULATIONS AND CHAPTER V, SECTION V PROVISIONS FOR FLOOD HAZARD REDUCTION AND CHAPTER 1, APPLICATION AND AUTHORITY OF REGULATIONS

WHEREAS, the City of Lakesite has requested additional clarification relating to the administration of Recreational Vehicle Parks as provided in Chapter III, Section 305.04 of the Lakesite Zoning Ordinance, and

WHEREAS, the changes in Chapter III require changes in Chapter V, Section 505.02, for consistency's sake, and for the upkeep of zoning regulations, amend Chapter I, Section 105, and

WHEREAS, a recommendation has been made by the Chattanooga-Hamilton County Regional Planning Commission on November 13, 2017 that the following sections of the Lakesite Zoning Ordinance be amended as follows:

Amend Chapter III, GENERAL REGULATIONS, Section 305.04, Recreational Vehicle Park by adding a new Subparagraph F as follows:

F. Temporary Use Permit: Each Recreational Vehicle owner is required to purchase a temporary use permit as provided herein. A temporary use permit is required each time the Recreational Vehicle is parked at the site. It is the responsibility of the camp owner to insure that the proper permits are obtained.

(1) Each Temporary Use Permit shall require a non-refundable fee of \$25.00.

(2) Electrical service to each Recreational Vehicle shall be provided by the owner of the Park by means of a permanent electrical source, independent of any Recreational Vehicle or other structure on the site that is designed and installed in compliance with all applicable electrical and building codes. In no case shall electricity be provided to the Recreational Vehicle by means of an extension cord or other temporary electrical line.

(3) Temporary Use Permits for Recreational Vehicle Parks shall not extend for a duration of greater than twenty-one (21) days. (Permits that do not extend to the maximum of twenty-one (21) days shall not be prorated at a reduced permit fee.)

(4) Continuance of a Recreational Vehicle in a Recreational Vehicle Park, beyond the expiration of the initial Temporary Use Permit, shall require issuance of a new Temporary Use Permit prior to the continuance of such use.

(5) A Temporary Use Permit shall not be renewed more than one (1) consecutive time for the same resident residing in the travel trailer or the same RV/Trailer VIN Number. No more than two (2) temporary use permits, whether renewed consecutively or with an interval between them, shall be granted for any twenty-four (24) month period, the twenty-four (24) month period to be measured from the first day of the issuance of the permit to the day before the two-year

anniversary of the initial issuance. For example, if the initial permit was issued on August 1, 2017, the twenty-four (24) month period in which only two temporary use permits can be issued expires on July 31, 2019.

Amend Chapter V, Section 505 PROVISIONS FOR FLOOD HAZARD REDUCTION, Section 502.02, Specific Standards, Subparagraph 4 Standards for Manufactured Homes and Recreational Vehicles, subsection e. (1) by adding the language in bold print as follows:

Consistent with Chapter III, Section 305.04 F, be on the site for fewer than 180 consecutive days;

Amend Chapter I, APPLICATION AND AUTHORITY OF REGULATIONS, Section 105 CHANGES AND AMENDMENTS by adding a new Subparagraph 105.04 as follows:

105.04. Scrivener Error Corrections

For purposes of the Regulations, the Chattanooga-Hamilton county Regional Planning Agency is authorized to correct scrivener errors as they are discovered and modify numbering in order to follow the basic format of the Regulations.

This ordinance will take effect fifteen (15) days after final passage, the public welfare requiring it.

Passed on First Reading February 20, 2018

Mayor David Howell

Passed on Second Reading _____

Jodi P. LaCroix, CMC
City Recorder

APPROVED AS TO FORM:

CITY ATTORNEY SAM ELLIOTT

CITY OF LAKESITE, TENNESSEE

INTERNAL FINANCIAL CONTROLS POLICY – RESOLUTION NO. 104.1

AMENDED March 20, 2018 and added to the Internal Financial Controls Manual

Introduction and History

RESOLUTION NO. 104

INTERNAL FINANCIAL CONTROL POLICY AND MANUAL

WHEREAS, pursuant to T.C.A. 9-18-102, each agency of state government and institution of higher education shall establish and maintain internal controls, which shall provide reasonable assurance that:

- Obligations and costs are in compliance with applicable law;
- Funds, property and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and
- Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

WHEREAS, to document compliance with the requirements set forth in state law, each agency shall annually perform a management assessment of risk. The internal controls discussed should be incorporated into this assessment. The objectives of the annual risk assessment are to provide reasonable assurance of the following:

- Accountability for meeting program objectives;
- Promoting operational efficiency and effectiveness;
- Improving reliability of financial statements;
- Strengthening compliance with laws, regulations, rules and contracts and grant agreements;
- Reducing the risk of financial or other asset losses due to fraud, waste and abuse.

IT WAS THEREFORE RESOLVED by the City Commission of the City of Lakesite that on June 21, 2016 that it hereby adopted Resolution 104 The Financial Internal Control Police and the City of Lakesite Financial Internal Control Manual in accordance with the laws of the State of Tennessee.

AND FURTHER BE IT RESOLVED that the City of Lakesite would now like to adopt and implement this **amended Internal Financial Controls Policy as recommended by the Tennessee Municipal League (TML) and as outlined in the Comptroller's Internal Control and Compliance Manual for Tennessee Municipalities, 2015** (i.e. City Manual) to safeguard public funds and to provide clear instructions to City officers and employees as

to how such funds should be processed and recorded. All city officers and employees handling city funds shall be subject to the requirements of this policy. This Policy may be amended from time to time by the Lakesite City Commission. This Policy shall be known as

Resolution 104.1 - INTERNAL FINANCIAL CONTROL POLICY AND MANUAL

Receipts and Deposits of Funds

The City Clerk/Recorder shall be responsible for opening all incoming mail and stamping “For Deposit Only” on all checks immediately upon receipt. This employee should also prepare a list of checks or payments and calculate the total amount of all money/checks received. In addition, any checks received without payment stubs, shall be receipted in duplicate. **The list of payments received shall be signed by this employee and remitted along with the money/checks, stubs and receipts to the City Manager for processing.**

All cash payments should be received by the City Clerk/Recorder who shall be responsible for preparing a written receipt and duplicate for all such funds. All cash and duplicate receipts should be turned over to the City Clerk/Recorder not later than the end of each business day. A daily collection report should be prepared by each employee receiving any cash payments summarizing all collections by source.

Anytime custody of money changes from one employee to another the money should be counted by both. A pre-numbered receipt or other document recording the count should be prepared and signed by both employees indicating concurrence with the amount transferred. This document should be retained by the individual turning the money over.

All deposits of cash, checks or other payments should be posted to the City’s cash receipts journal by the City Manager. The City Clerk/Recorder shall be responsible for making deposits and **all collections must be deposited no later than three (3) working days after initial receipt.** Deposit receipts should also be retained and matched against the collection reports.

Check writing and Disbursements

All persons with authority to write and sign checks on the behalf of the City shall be approved by resolution of the governing body of City. **The City Commissioner who is responsible for reconciling the bank statements shall not be authorized to sign checks.**

Two (2) authorized signatures are required for all checks. Before signing checks, each signatory should review the supporting documentation (such as vendor invoices, purchase authorizations, etc.) to verify that the expenditure is legitimate before the check is signed.

All credit card statements should be reviewed by multiple persons, including by individuals independent of those who are authorized to use such cards, to ensure the legitimacy of the charges. **All persons using City credit cards shall be specifically authorized to do so by City Manager and shall comply with the City's credit card use policy.**

Petty Cash

Petty cash disbursements are only allowable for legitimate purposes, are not for personal use and must be properly documented. An invoice/receipt, accompanied by a written petty cash voucher/request, showing the items purchased, and *signed by the person receiving the cash*, is required in each transaction at the time the petty cash is withdrawn. The amount on hand and the petty cash vouchers and related invoices/receipts written must total to the originally authorized amount. **The City Clerk/Recorder shall be responsible for monitoring the petty cash account and shall "audit" the petty cash account for any discrepancies at least once a month. This employee shall not make any withdrawals from petty cash.** The petty cash account may be used only for withdrawals of less than \$100 and the total account balance shall not exceed \$300.

Conclusion

All city employees are responsible for safeguarding public funds and the public trust. Any violations of this policy observed by any city employees shall be reported to the City Manager. Any employees found to have violated this policy may be disciplined up to and including termination.

CITY OF LAKESITE, TENNESSEE
CREDIT CARD POLICY
Adopted March 20, 2018 and added to the Internal Controls Policy

Introduction – General

The City of Lakesite has adopted and implemented this Credit Card Policy to safeguard public funds and to provide clear instructions to City officers and employees formally authorized to use City credit cards. Credit cards used for city business must be authorized by the Lakesite City Commission. Debit cards linked to city bank accounts are prohibited.

This Policy may be amended from time to time by the Lakesite City Commission.

Any official or staff member authorized to use a city credit card assumes the responsibility for the protection and proper use of the card. Purchases with city credit cards must not conflict with the City of Lakesite Purchasing Policy. The card shall only be used for specific purchases authorized by the City Manager or the Mayor. City officials and staff members wishing to use a city card should submit a request in writing (using the form provided for this purpose) that identifies the item to be purchased, the vendor from which the item will be purchased, and the approximate cost of the item. Those using a city credit card are responsible for all charges on the card authorized to them. Cards and card numbers must be safeguarded against unauthorized use.

All credit card transactions will be visible via secure internet reporting tools and all cardholders' purchasing activity will be monitored by the City Clerk/Recorder and the City Manager. All credit card transactions are subject to annual external audit.

Credit cards are not to be used for normal, recurring expenses associated with normal city operations. Business accounts are set up for recurring activities. Receipts for all purchases by credit card shall be submitted to the City Clerk/Recorder.

It is the goal of the City of Lakesite to have all transactions sales tax exempt, when applicable. Authorized card users have the responsibility to notify a supplier, at the time of a transaction, if it is exempt from sales tax. If the supplier requires submission of written certification of sales tax exempt status, no further purchases can be made from that supplier until the form has been submitted and the city's tax-exempt status acknowledged.

The following situations are examples of misuse of the card:

- Purchases for personal benefit of the cardholder or another employee
- Assignment or transfer of an individual card to another person
- Use of the card by an unauthorized employee
- Use of a card by a suspended or terminated employee
- Purchases that are not for legitimate City and public purposes
- Purchases in violation of the City Purchasing Policy
- Splitting a purchase to avoid a single-purchase limitation
- Use of the card for commodities, goods, or services at vendors with City accounts
- Lack of proper and timely submission of all purchase receipts

Any violations of this policy may subject to the employee to discipline, including termination.

Credit Card Audits and Documentation of Purchases

The City Manager will make periodic audits to verify that commodities, goods, and services purchased have been received and that policies and procedures are being followed. Credit card transactions are also subject to external review by the city's auditor and/or State auditors. Adequate documentation must be maintained to record all transactions at the source. If a receipt is lost, a missing receipt affidavit must be filled out by the cardholder.

Disputing a Transaction

If a credit card charge is determined to be disputable, the City Manager will first contact the merchant to attempt resolution before beginning the official dispute process. If the transaction in dispute, cannot be resolved through the merchant, the card issuer will follow standard resolution procedures as outlined in the credit card agreement, assuming that the required written notification from the cardholder (the city) is received within sixty (60) days of the transaction date.

Cardholder Responsibility and Purchasing Guidelines

It is important to remember that when purchasing with the credit card, users are expending taxpayer funds and that all credit card purchases must comply with all applicable policies, including this policy, the Purchasing Policy and the Internal Financial Controls Policy. Credit card expenditures are held to the highest degree of trust and accountability.

Cardholder privileges and procedures are contingent upon the following:

- **You must obtain and preserve ALL receipts.** Turn in all receipts to the City Clerk/Recorder immediately so that they may be compared with the credit card statement. Failure to produce adequate legible receipts will be subject to strict scrutiny. *Proper forms of transaction documentation include an invoice with detail of items purchased, cash register receipt with detail of items purchased,*

*sales slip with detail of items purchased, or handwritten receipt signed by an employee of the supplier/merchant that includes detail of items purchased. **In the event a receipt is lost, you must complete the “missing receipt affidavit” on the purchase permission form in lieu of the receipt.***

- If a user fails to turn in a receipt, he/she must sign the document set forth on the following page of these policies. Multiple failures to provide receipts may result in disciplinary action.
- Cash back, cash refunds or rebates belong to the city and may not be received by any city official or staff member.
- Splitting of transactions is not allowable (making one purchase into two or more for the purpose of staying within your limits).

Lost or Stolen Cards In the event of a lost, stolen or, mutilated card, authorized users should immediately notify the City Manager. Please protect the card by keeping it in a safe place and away from other “magnetized” stripe cards.

This 20th day of March, 2018

David Howell
Mayor, City of Lakesite

ATTEST:
Jodi P. LaCroix, CMC
City Recorder

REQUEST TO USE CITY CREDIT CARD

Vendor Name: _____

Transaction Date: _____ Amount: \$ _____

Items Purchased: _____

I certify that the goods shown above were purchased for the City of Lakesite's purposes as outlined in the policies and procedures for card use.

Signature: _____ Date: _____

City Manager or Mayor: _____ Date: _____

MISSING RECEIPT AFFIDAVIT
(To be completed only if no receipt is available)

I, _____, have either misplaced or not received a receipt for this card purchase.

Vendor: _____ Date: _____

Item Description: _____

Purchase Amount: _____

This form is submitted in lieu of the original receipt.

Signature of Employee

CITY OF LAKESITE

Credit Card User Agreement

I, _____ hereby acknowledge receipt of a City of Lakesite credit card, issued by _____ Bank. As a cardholder, I agree to comply with the terms of this agreement, including all of the City Lakesite's policies and procedures included in the Credit Card Policy and Procedures Guide.

I understand that the City of Lakesite is **liable for all charges.**

I agree that I will not use the credit card to make personal purchases for others or myself.

I understand that **I will not request or receive cash back from suppliers as a result of exchanges, rebates, and refunds or for any other reason.**

I understand that **I am only permitted to use the card for the specific purposes authorized. I will not authorize the use of this card by other city employees who may want to use it to make approved purchases.**

I understand that the city can deny or terminate my use of the card at any time, for any reason.

I have reviewed the City of Lakesite's Credit Card Policy. **I understand the procedures and requirements for using the credit card and for providing the required documentation for each transaction made on this card.**

I understand that any **violation of the terms of this agreement may result in disciplinary action, up to and including termination of employment.** I understand that where allowed by State and Federal law the City may deduct from my compensation the money amount equal to the total of any discrepancies, of the total amount of any personal gain, and/or of any fees related to the collection of such money. I understand that the city may elect to collect this money and make also recover the reasonable costs of said collection, even if the City no longer employs me.

Cardholder Name (print)

Department

Cardholder Signature

Date

RETURN THIS PAGE TO THE CITY MANAGER

**PUBLIC NOTICE
CITY OF LAKESITE
BEER LICENSING BOARD
March 20, 2018 7:00 p.m.
Lakesite City Hall, 9201 Rocky Point Rd, Lakesite**

The Lakesite City Commission will be sitting as the Beer Licensing Board on March 20, 2018 at 7:00 p.m. or as soon thereafter as the matter may come on to be heard at the Lakesite City Hall, 9201 Rocky Point Rd, Lakesite in order to consider the application of the Beer Permit Application from Dennis L. Powell Jr. d/b/a D & C Quick Stop for premises located at 9546A Hixson Pike, Hixson Pike, Lakesite (formerly Jones Bay Marina Store).

Originally Advertised in the Chattanooga Times Free Press on March 9, 2018
Posted at City Hall March 7, 2018

CITY OF LAKESITE

9201 Rocky Point Road
Lakesite, TN 37379
Telephone 423-842-2533
Fax 423-842-8110
www.lakesitetn.gov



David Howell, Mayor
Valerie Boddy, Vice Mayor
Kenneth Wilkerson, Commissioner
William Neighbors, Commissioner
Curtis Jones, Commissioner

Date: March 7, 2018
To: The Records Department, Bradley County Sheriff's Office
From: Jodi P. LaCroix, CMC, City Recorder, City of Lakesite
Fax/Email:
Page 1 of 1

The person listed below has applied for a beer permit from the City of Lakesite. We would be most appreciative if your office could do a record check on the applicant and advise us no later than March 19, 2018. You can notify me via e-mail at jplacroix@lakesitetn.gov. Thank you for your assistance.

VERIFICATION OF RECORD CHECK

Name of Applicant: Dennis L. Powell Jr.
Home Address: 3102 railroad St NE, Charleston, TN 37310
DOB: [REDACTED] **TN License:** [REDACTED]
SSN: [REDACTED]
Proposed Business Name and Address: D & C Quick Stop
9546A Hixson Pike
Lakesite, TN 37343

Name of Resident Agent: Same As Above
Current Home Address: SAA

Date of record check by the B.C.S.D. _____

Checked by _____

Lakesite received record information back on _____
(attach any information received to this form)

STATE OF TENNESSEE

CITY OF LAKESITE

LAKESITE CITY COMMISSION SITTING AS BEER LICENSING BOARD

BEER PERMIT APPLICATION

Non-Refundable Application Fee: \$250.00 PD CASH 3-7-18
Receipt attached

Application for (choose one)

On Premise	Off Premise	On/Off Premise <input checked="" type="checkbox"/>	Manufacturer Only
------------	-------------	--	-------------------

Type of business (choose one)

Wholesale/Distributor	Restaurant
Beer Manufacturer	Tavern
Hotel	Package Store
Grocery/Food Store	Convenience Store/Market <input checked="" type="checkbox"/>

Application is hereby made for a permit to sell, store, manufacture, or distribute beer or other beverages authorized to be sold, stored, manufactured or distributed under the provisions of Tennessee Code Annotated (TCA), Section 57-5-101 Et Seq. and under Title 8 of the Lakesite Municipal Code of Ordinances (LMC), Chapters 1 and 2, Sections 8-101 through 8-214 and base this application upon the answers to the following questions.

Name of Applicant Dennis L. Powell Jr.

Is the applicant the owner of the business? Yes if not, please state the name of the owner

DBA D & C Quick STOP

Business Street Address 9546A Hixson Pike Soddy Daisy, TN 37379

Business Mailing Address 3102 Railroad ST NE Charleston, TN 37310

Is the owner of the property the same as the owner of the business? NO if not, please state the name and address of the property owner. Darrell K. Jones / Jones Bay Inc
2333 Dockside Drive Soddy Daisy, TN 37379

Please identify which category the owner of the business falls into:

Individual <input checked="" type="checkbox"/>	Partnership	Corporation	Joint-Stock	Association
--	-------------	-------------	-------------	-------------

If this is an **Individual Ownership**, please provide the following:

Present Home Address	3102 Railroad ST NE Charleston, TN 37310		
Previous Address within last 10 years	198 Peavlyhouse Rd. Dayton, TN 37321		
	1205 Harrison Pike Cleveland, TN 37311		
DOB	[REDACTED]	SSN	[REDACTED]
Home Phone	[REDACTED]	Business Phone	[REDACTED]
Cell Phone	[REDACTED]	E-Mail Address	[REDACTED]
State Driver's License No. (include a copy with application) [REDACTED]			
Has the owner of the business had a permit revoked, suspended or denied in the State of TN? <u>NO</u>			
If so, where, when, and why?			

For all owners having at least **5% Ownership** in this business:

1 st Owner-Name and Title	Dennis L. Powell Jr.		
% of Ownership	50		
Present Home Address	3102 Railroad ST NE Charleston, TN 37310		
Home Phone	N/A	Business Phone	[REDACTED]
Cell Phone	[REDACTED]	E-Mail Address	[REDACTED]
State Driver's License No. (include a copy with application) [REDACTED]			
Have you been convicted of any violation of the Laws of any city or State in the United States for the possession, sale, manufacture or transportation of intoxicating liquor; possession, sale, manufacture or transportation of drugs; vice crimes or any crime involving moral turpitude within the last ten (10) years? <u>NO</u> If yes, please specify nature of conviction.			
Have you ever been issued a beer permit in any other state? <u>NO</u>			
If yes, specify the state, name of business and year(s.)			
Have you ever had a permit revoked, suspended, or denied? <u>NO</u>			
If yes, specify as to the reason why.			

2nd Owner-Name and Title	Frances M. Powell		
% of Ownership	50		
Present Home Address	3102 Railroad ST NE Charleston, TN 37310		
Home Phone	[REDACTED]	Business Phone	[REDACTED]
Cell Phone	[REDACTED]	E-Mail Address	[REDACTED]
State Driver's License No. (include a copy with application) [REDACTED]			

Have you been convicted of any violation of the Laws of any city or State in the United States for the possession, sale, manufacture or transportation of intoxicating liquor; possession, sale, manufacture or transportation of drugs; vice crimes or any crime involving moral turpitude within the last ten (10) years? <u>NO</u> If yes, please specify nature of conviction.
Have you ever been issued a beer permit in any other state? <u>NO</u>
If yes, specify the state, name of business and year(s.)
Have you ever had a permit revoked, suspended, or denied? <u>NO</u>
If yes, specify as to the reason why.

Will the permit be used to operate two or more restaurants or other businesses under the same permit as allowed by TCA 57-5-103(a)(4) within the same building? NO If so, specify number of businesses ____
List names of businesses/restaurants and describe their locations.

_____	_____
_____	_____
_____	_____

Please provide the following information regarding the **resident manager**:

Name	<u>Dennis L. Powell Jr.</u>		
Home Address	<u>3102 Railroad ST NE Charleston, TN 37310</u>		
DOB	<u>[REDACTED]</u>	SSN	<u>[REDACTED]</u>
Home Phone	<u>N/A</u>	Cell Phone	<u>[REDACTED]</u>
E-Mail Address	<u>[REDACTED]</u>		
State Driver's License No. (include a copy with application)	<u>[REDACTED]</u>		

Please list the name and address of the church (or place of worship) nearest to the business.

Dividing Ridge Church of God 9400 Hixson Pike Soddy Daisy, TN 37379

Please list the name and address of the school or daycare nearest to the business.

Kiddleland & Kids-N-Play Home Daycare 7810 Celeste LN Hixson, TN 37343

Please provide the Tennessee sales tax number for the business at this location.

[REDACTED] SLC

The City of Lakesite has adopted a rule forbidding the sale, storage, or manufacture of beer and like beverages at places located within 1500 feet for on-premises consumption and 500 feet for off-premises consumption of any school, church, or other such place of public gathering, measured between buildings.

Do you agree to have your location surveyed for distance from public places at the discretion of the Beer Board? yes

Do you agree not to permit slot machines, punch boards, tip boards, or other gaming devices in your place of business? yes

Do you agree not to sell, or permit to be sold, beer or other beverages with alcoholic content to a person in an intoxicated, or partly intoxicated condition? yes

Do you agree to observe and comply with the rules and regulations governing the sale of beer which have been or may hereafter be adopted and ratified by the Lakesite City Commission? yes

List five (5) character references below: name, address, telephone number

Victor Hale	Frazier Run Dayton, TN	423-322-8434
Eddie Couter	ATHEN, TN	423-802-1477
Janet Wood	Middle Valley Ln Hixson, TN	423-702-2008
Dean Dungan	Lower River Rd. Decatur, TN	423-435-2242
Krystle Campbell	Cleveland, TN	423-599-8294

I am knowledgeable of the laws prohibiting the sale of beer to minors. I hereby certify that no person having at least a 5% ownership interest, nor any person to be employed in the distribution or sale of beer in my establishment has been convicted of any violation of the beer or alcoholic beverage laws or any crime involving moral turpitude within the past 10 years.

Applicant hereby agrees that the City of Lakesite and/or any Police Officer may come upon the premises covered by this license or any part thereof, at any time for the purpose of inspecting the premises for violation of any of the provisions or regulations, ordinances, or statutes pertaining to the sale of beer, without the necessity of a search warrant.

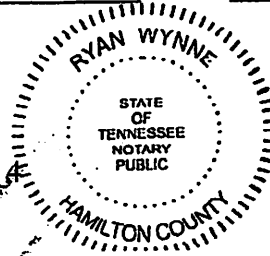
I HEREBY SWEAR OR AFFIRM THAT THE INFORMATION IN THIS APPLICATION IS TRUE AND COMPLETE.

[Signature]
Signature of Applicant/Owner (or Authorized Corporate Officer)

NOTARY: [Signature]

Date 3/6/18

My Commission Expires: 4/24/2021



NOTES

RECEIPT

DATE 3-7-18

NO. 671649

RECEIVED FROM DENNIS Lee POWELL

ADDRESS

two hundred fifty and 00/100 — \$ 250.00

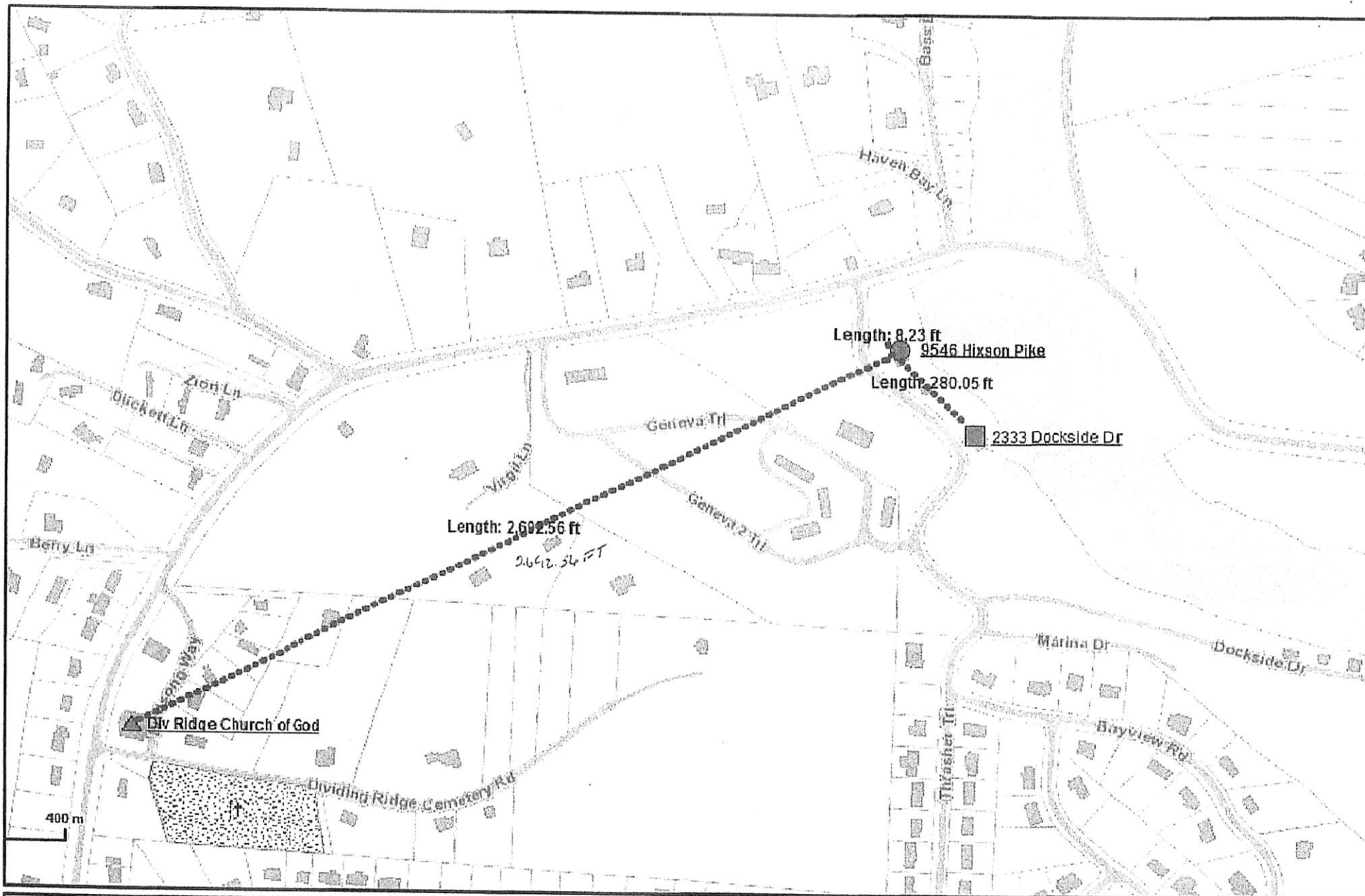
FOR Beer Permit Application

ACCOUNT			HOW PAID		
AMT. OF ACCOUNT			CASH	<input checked="" type="checkbox"/>	
AMT. PAID	<u>250.00</u>		CHECK		
BALANCE DUE			MONEY ORDER		

City of Lakeside

BY JPL

©2001 REDIFORM® 81816



9546 Hixson Pike **MARINA TO CHURCH - 2,692.56 FT**

Printed: Jul 31, 2014

Disclaimer: This map is to be used for reference only, and no other use or reliance on the same is authorized. Parcel lines are shown for reference only and are not intended for conveyances, nor is it intended to substitute for a legal survey or property abstract.

HCGIS

DRIVER LICENSE

DUP

USA
TN

Tennessee
THE VOLUNTEER STATE



D. Lee

DL NO. [REDACTED] DOB [REDACTED]
EXP [REDACTED] ISS [REDACTED]
CLASS D END NONE
REST NONE
SEX M HGT 5'-10" EYES BRO
DD [REDACTED]

POWELL
DENNIS LEE, JR
3102 RAILROAD ST NE

CHARLESTON, TN 37310-6388

INSTRUCTIONS

Applications must be completed in full and returned with a \$250 non-refundable application fee. At this time, the City of Lakesite does not accept debit or credit cards. Checks should be made payable to the City of Lakesite.

Prior to being approved, the premises must first be inspected and approved by the City of Lakesite Building Official, Dallas Bay Vol. Fire Department and the Hamilton County Health Department.

Remember to have your signature notarized.

If you do not own the property the business is on, a copy of your lease must accompany the application.

A copy of your deed must accompany the application.

The applicant requesting the license must appear in person at the Beer Board when the application is considered for approval. Managers may represent owners at the meeting IF ownership offices are located out of town.

A permit holder must return a permit to the city that issued it within fifteen (15) days of termination of the business, change of ownership, relocation of the business or change of the business name. A change in ownership occurs for a corporate owner when at least fifty percent (50%) of the stock of the corporation is transferred to a new owner.

OFFICE USE ONLY

Date Application Received 3-7-18 Paid 3-7-18 CASH 250.00

Building Official Approval _____ DBVFD Approval _____

Hamilton County Health Department Approval received? _____

Records check done? _____

Date of Beer Board Meeting 3-20-18

Action Taken:

JONES BAY INC.
LEASE AGREEMENT

BY AND BETWEEN

Jones Bay Inc.

(LANDLORD)

AND

DENNIS LEE POWELL
AND
FRANCES MARIE POWELL

(Tenant)

DATED 03/04/2018

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Exhibit "A" – Additional Provisions

Store Lease
Tennessee

THIS LEASE AGREEMENT ("Lease") made and entered into the date as so specified herein below by and between Jones Bay, INC, hereinafter "Landlord", and Dennis Lee Powell and Frances Marie Powell, hereinafter "Tenant".

1. **FUNDAMENTAL LEASE PROVISIONS/DEFINITIONS.** The following are the fundamental provisions of this Lease. Capitalized terms not otherwise defined herein shall have the meanings as set forth in this Section 1.

- A. **ADDITIONAL RENT:** Any and all sums of money or charges other than Fixed Minimum Rent and Percentage Rent required to be paid by the Tenant under this Lease, whether designated as additional rent or not, and including without limitation those charges set forth in Section 4(C.).
- B. **BUSINESS DAY:** From 8:00 a.m. to 7:00 p.m., six days per week, excluding Thanksgiving Day, Christmas Day, and New Years Day.
- C. **COMMENCEMENT DATE:** March 4th, 2018.
- D. **COMMON AREA:** Store parking area, uncovered decks
- E. **COMMON AREA CHARGE:** N/A
- F. **DEMISED PREMISES:** The following property within the Jones Bay Marina property
Approximately 1800 square feet identified as Suite A and Suite B.
- G. **ESTIMATED INITIAL MONTHLY COMMON AREA CHARGE:** Included in Base Rent
- H. **ESTIMATED INITIAL MONTHLY TAXES:** Included in Base Rent
- I. **FIXED MINIMUM RENT:** (\$30,000) per year payable in twelve (12) equal and consecutive monthly installments of (\$2500) increasing Three percent (3%) per year.
- J. **GROSS SALES:** N/A
- K. **GUARANTOR OF LEASE:** Dennis Lee Powell & Frances Marie Powell
Address of Guarantor: 3102 Railroad St. NE
Charleston, TN 37310
- L. **GROSS LEASEABLE AREA:** Approx +/- 1800 Sq/ft
- M. **INITIAL TERM:** Five (5) years unless earlier terminated as provided herein.
- N. **LANDLORD:**
Address of Landlord: Jones Bay Inc.
Attn: Darrell K. Jones
2311 Dockside Dr.
Soddy Daisy, TN 37379

- O. **LANDLORD'S WORK:** N/A
- P. **LEASE YEAR:** Twelve (12) consecutive full calendar months.
- Q. **MINIMUM BASIS OF SALES:** N/A
- R. **PARTIAL LEASE YEAR:** Any portion of the Term less than twelve (12) consecutive full calendar months.
- S. **PERCENTAGE RENT:** Not Applicable
- T. **Paragraph intentionally deleted.**
- U. **PERMITTED USE:** Use of Building mentioned for use of Country Store and Restaurant. Any other uses must have written authorization from Lessor.
- V. **READY FOR OCCUPANCY:.**
- W. **RENEWAL TERM(S):** No Auto-Renewal.
- X. **RENT:** Fixed Minimum Rent, Additional Rent, Percentage Rent and all other charges due under this Lease.
- Y. **SECURITY DEPOSIT:** Equal to the amount of one-half (\$1250) of full month's Fixed Minimum Rent. Due August 1, 2018.
- Z. **SERVICE AREA:** Full Access to mentioned building.
- AA. **Store/ Dinner Building :** Jones Bay Marina Store/Diner
- AB. **TAX PARCEL:** N/A
- AC. **TENANT:**
Address of Tenant: 9546 Hixson Pike
Suite A, Suite B
Soddy Daisy, TN 37379
- AD. **TENANT'S COMMON AREA CHARGES:** Included in base rent.
- AE. **TENANT'S IMPROVEMENTS:** Any Improvements altering structure in any way must have written authorization from Lessor.
- AF. **TENANT'S PRORATA SHARE:** N/A.
- AG. **TENANT'S SHARE OF TAXES:** Included in base rent
- AH. **TENANT'S TRADE NAME:** D&C Quickstop (Preliminary name).
- AI. **TERM:** The initial term is Five (5) years.
- AJ. **RIDERS:** N/A

IN CONSIDERATION of the mutual promises and covenants hereinafter contained and the Rent agreed to be paid and received, the Landlord and Tenant do mutually agree as follows:

2. **DEMISED PREMISES; AS IS.** The Landlord, for the term, at the Rent, and upon the provisions and conditions hereinafter contained, does hereby let and lease unto Tenant the Demised Premises.

The Demised Premises shall extend to the exterior face of all walls on the building line where there is no separation wall and to the center line of those walls separating the Demised Premises from other leased spaces in the Store. It is expressly agreed that the Demised Premises does not include the land beneath the improvements; provided that the Tenant shall have the non-exclusive right to use a portion of such space for the location of the Tenant's equipment serving the Demised Premises subject to the approval of the Landlord as to location and installation, such right to be in common with the Landlord and all others to whom the Landlord has or may hereafter grant such rights. The exterior face of exterior walls and the roof, together with the right to install, maintain, use, repair, and replace such pipes, duct work, conduits, utility lines, tunneling, wires and the like through ceiling plenum areas, column space, partitions, in or beneath floor slabs or above or below the Demised Premises as may be reasonably necessary or advisable for the servicing of the Demised Premises or other portions of the Building is expressly reserved unto the Landlord.

Tenant hereby accepts the Demised Premises, in "AS IS" condition, with all faults, and without representation, warranty or agreement of any kind by Landlord except as may be expressly stated herein.

3. **TERM.**

A. **DEMISE. TO HAVE AND TO HOLD** the Demised Premises unto Tenant upon the covenants and agreements herein set forth for the Term of this Lease. The Term shall begin on the Commencement Date and end at twelve (12:00) o'clock noon on the date of the expiration of the Term, unless sooner terminated by the Landlord as herein provided. If the Term of this Lease shall commence on a day other than the first day of a calendar month, the Term of this Lease shall be extended so as to cause the expiration of the Term to be on the last day of the last month of the Term.

B. **LEASE YEAR.** The first Lease Year shall begin on the Commencement Date. Each succeeding Lease Year shall commence upon the anniversary date of the first Lease Year.

C. **COMMENCEMENT DATE.** To Take Place on March 4th 2018

D. **RENEWAL OPTION.** Tenant shall have the right, provided no Event of Default or condition which with the passage of time or the giving of notice could develop into an Event of Default, and upon giving Landlord not less than six (6) months' written notice prior to the expiration of the then-current Initial Term or Renewal Term, as applicable, to extend the Term of this Lease for the next succeeding Renewal Term, if any, on the same terms and conditions and at the Rent set forth herein for the applicable Renewal Term, if any.

E. **SURRENDER AND HOLDOVER OCCUPANCY.** The Tenant shall deliver and surrender to the Landlord possession of the Demised Premises upon the expiration of the Term of this Lease, in as good condition and repair as the same shall be at the commencement of said Term (damage by fire and other perils covered by standard fire and extended coverage insurance and ordinary wear and tear only excepted), and shall deliver the keys to the Lessor. If the Tenant or any party claiming under Tenant remains in possession of the Demised Premises, or any part thereof, after any termination of this Lease, such holdover, except pursuant to an exercise of an option to extend or as otherwise agreed in writing, shall be as a month-to-month tenancy. During such month-to-month tenancy the Fixed Minimum Rent shall be two (2) times the Fixed Minimum Rent assessed during the last month of the Term of this Lease. Tenant agrees to give Landlord thirty (30) days prior written notice of Tenant's intent to vacate the Demised Premises. Landlord may terminate the month to month tenancy by providing Tenant thirty (30) days prior written notice.

4. **RENT.** Beginning on the Commencement Date, the Tenant covenants and agrees to pay the Rent to Landlord in accordance with this Lease during the Term of this Lease, without any deductions or set-off whatsoever, and

without notice or demand. Rent shall be payable to the offices of Jones Bay Inc, or such other place as Landlord may from time-to-time designate in writing to Tenant.

A. **FIXED MINIMUM RENT.** Beginning on the Commencement Date, the Fixed Minimum Rent shall be due and payable in equal and consecutive monthly installments in advance on the first day of each month and shall not be withheld for any reason whatsoever. Said Fixed Minimum Rent shall be considered delinquent if not received by the first (1st) day of the month. If any amount due from Tenant is not received by Landlord on or before the fifth (5th) day following the date upon which such amount becomes due and payable, a late charge ("Late Charge") of ten percent (10%) of said amount shall become immediately due and payable as set forth below. Landlord and Tenant agree that the Late Charge represents a fair and reasonable estimate for the processing, accounting and other costs that Landlord will incur by reason of such late payment. For each of Tenant's checks payable to Landlord that is returned by the depository bank for any reason attributable to Tenant, Tenant shall pay a Late Charge, if applicable, a returned rent charge of \$45.00, subject to Landlord's reasonable increases from time to time without notice to, or consent of, Tenant ("Returned Rent Charge"), and any returned check charge ("Returned Check Charge") which the depository bank has charged Landlord for such check. All Rent, as increased by Late Charges, Returned Rent Charges and Check Return Charges, which is not paid within ten (10) days after due shall bear interest from the date due until the date paid at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less. All Late Charges, Returned Rent Charges, Returned Check Charges and interest accrued pursuant to this paragraph shall be deemed Additional Rent and shall be due and payable, along with such other Rent then in arrears, within ten (10) days after Tenant received Landlord's invoice for such charges. Landlord shall be entitled to apply any funds received from Tenant pursuant to this paragraph to amount then due and owing by Tenant to Landlord, regardless if such amounts are in arrears, in a manner determined by Landlord in Landlord's sole and absolute discretion. Nothing in this Lease shall be construed so as to compel Landlord to accept payment of Rent in arrears should Landlord elect to apply Landlord's rights and remedies available under this Lease or at law or in equity in the event of a Tenant Default. Landlord's acceptance of Rent in arrears pursuant to this paragraph shall not constitute a waiver of Landlord's rights and remedies available under this Lease or at law or in equity.

It is the intention of the Landlord and the Tenant that the Fixed Minimum Rent shall be net to the Landlord in each year during the Term of this Lease, that all costs, expenses, and obligations of every kind relating to the Demised Premises (except as otherwise specifically provided in this Lease) which may arise or become due during the Term of this Lease shall be paid by the Tenant, and that the Landlord shall be indemnified by the Tenant against such costs, expenses and obligations.

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B. Paragraph intentionally deleted.

C. **ADDITIONAL RENT.** Beginning on the Commencement Date, additional Rent shall be due and payable with the next installment of Fixed Minimum Rent thereafter falling due and otherwise subject to all provisions of this Lease and of law as to default in the payment of Rent; provided, nothing herein shall be deemed to excuse or delay the obligation of the Tenant to pay any amount of money or charge at the time the same shall become due under the terms of this Lease. Without limiting the generality of the foregoing, the following sums shall be payable as Additional Rent:

(i) Common Area Charge. N/A

(ii) Real Estate Taxes and Assessments. N/A

(iii) Municipal, County, State or Federal Taxes. The Tenant at all times shall be responsible for and shall pay, before delinquency, all municipal, county, state or federal taxes assessed against any leasehold interest or any fixtures, furnishings, equipment, stock-in-trade or other personal property of any kind owned, installed or used in or on the Demised Premises.

(iv) Documentary and Rental Taxes. Should any governmental taxing authority acting under any present or future law, ordinance, or regulation, levy, assess, or impose a documentary stamp tax, or tax, excise and/or assessment (other than an income or franchise tax) upon or against the Rent payable by the Tenant to the Landlord, or on the rental, leasing, or letting of the Demised Premises due to the execution hereof, either by way of substitution for or in addition to any existing tax on land and buildings or otherwise, the Tenant shall be responsible for and shall pay such documentary stamp tax, excise and/or assessment, or shall reimburse the Landlord for the amount thereof, as the case may be.

D. **PAYMENTS FOR FRACTIONAL MONTH.** If the Commencement Date is other than the first (1st) day of a calendar month, then any amounts to be paid to the Landlord on a monthly basis shall be prorated on a per diem basis for the first (1st) month of the Term.

5. **LANDLORD'S CONSTRUCTION.** The Landlord shall, at its expense (except as may be otherwise expressly provided in Exhibit "C"), perform the Landlord's Work. It is expressly understood and agreed that the Landlord's obligation with respect to construction at the Demised Premises shall be limited to the Landlord's Work and shall, in no event, include the performance, procurement, and/or installation of work, fixtures, or equipment to be performed, procured, or installed by the Tenant.

6. **DEMISED PREMISES DEEMED READY FOR OCCUPANCY.** The Demised Premises shall be deemed "Ready for Occupancy" under the terms of this Lease on commencement date.

7. **USE, CARE AND OPERATIONS.**

A. **USE.** The Tenant shall operate its business in the Demised Premises during the Term hereof under Tenant's Trade Name, and shall use the Demised Premises only for the Permitted Use(s). The Tenant agrees that it will neither use, nor permit or suffer the use of, the Demised Premises, or any part thereof for any other business or purpose. The Tenant shall not conduct catalogue sales in or from the Demised Premises except of merchandise which the Tenant is permitted to sell "over the counter" pursuant to the provisions of this Subsection 7 (A). The Tenant shall neither maintain nor permit to be maintained within the Demised Premises any vending machines or gaming devices of any nature except vending machines solely for use by the Tenant or the Tenant's employees which are located only in non-sales areas.

B. **NATURE OF USE.**

(i) **Affirmative Covenants.** The Tenant shall (a) use, occupy and maintain the Demised Premises in accordance with this Lease, applicable laws, and the requirements of all governmental authorities and with the standards from time to time imposed by Jones Bay Inc; (b) comply, at its sole cost, with all recommendations of any

public or private agency having authority over insurance rates with respect to the use or occupancy of the Demised Premises by the Tenant; (c) install and maintain any fire extinguishing apparatus required by local regulations or the requirements of insurance underwriters; (d) comply with all reasonable rules and regulations which the Landlord may from time to time establish for the use and care of the Demised Premises, Common Areas, Service Areas and other facilities and buildings in the mentioned building; (e) furnish to the Landlord or its agent or designee, within five (5) days after request therefore, the license numbers of its own and its employees' automobiles, and if the Landlord shall have so requested such numbers, will notify the Landlord of any changes within five (5) days after such changes occur.

(ii) Negative Covenants. Tenant shall not (a) solicit business in the Common Areas, distribute handbills or other matter to customers or place the same in or on automobiles in the Common Area; (b) park, and will require its employees to refrain from parking, any vehicles on the Shopping Center except in such places as may be designated from time to time by the Landlord for the use of the Tenant and its employees (the Tenant authorizes the Landlord to attach violation stickers or notices to and to tow away from the Shopping Center all such cars as are improperly parked and agrees to reimburse the Landlord for the cost thereof as Additional Rent hereunder); (c) use, or permit the Demised Premises to be used (1) for any unlawful, disreputable or immoral purpose, (2) in any way that will injure the reputation of the Shopping Center, or (3) for solicitations, demonstrations, itinerant vending or any other activities inconsistent with the standards set forth in Subsection 7(B.) (i) above; or (d) permit the Demised Premises to be occupied in whole or in part by any other person, except as otherwise provided herein.

(iii) Declaration. Tenant shall comply with the restrictions upon its operations imposed by the Declaration of Easements, Covenants and Restrictions recorded in current copy of City of Lakesite Ordinances. as it may be subsequently modified from time to time (collectively the "Declaration") so long as no subsequent amendment shall further restrict the Permitted Use in Section 1(v) of this Lease beyond the restrictions currently contained in the Declaration. Tenant shall pay, within ten (10) days following receipt of a billing, Tenant's Pro-Rata Share of all sums imposed upon the Jones Bay Inc by the Declaration to the extent not included in Common Area Charges.

C. EXTRA HAZARDOUS ACTIVITY. The Tenant agrees that it will not do or keep anything in or about the Demised Premises which will contravene the Landlord's policies insuring against loss or damage by fire or other hazards, or which will prevent the Landlord from procuring such policies from companies acceptable to the Landlord. If any act or omission by the Tenant shall cause the rate of fire or other insurance on any portion of the mentioned building to be increased beyond the minimum rate which would be applicable to the Demised Premises for the use for the purposes permitted under Subsection 7(A.) hereof, the Tenant will pay the amount of such increase as Additional Rent promptly upon the Landlord's demand.

D. RUBBISH AND TRASH. The Tenant shall not permit the accumulation of rubbish, trash, garbage or other refuse in and around the Demised Property. The Tenant agrees to keep all refuse in proper containers in the interior of the Demised Premises and (i) to contract, at Tenant's expense, for its removal or (ii) if Landlord shall install compactors within the Shopping Center, to use said compactor designated by the Landlord at such times and in such manner as the Landlord shall direct by notice to the Tenant. In the event the Tenant fails to remove any accumulation of rubbish within three (3) days after notice to remove the same, the Landlord shall have the right to remove same, in which event the cost thereof shall be paid by the Tenant as Additional Rent for the following month except that the Landlord shall at no time be obligated to remove same, and may cancel this Lease if continual violations occur.

E. SIGNS; ILLUMINATION. Prior to the Commencement Date, the Tenant shall furnish and install a store front sign acceptable to the Landlord. The Tenant shall not place, erect nor maintain any sign, lettering, decoration or advertising on the doors, any exterior surface of the Demised Premises, any vestibule or anywhere outside of the Demised Premises, including parking areas, without the prior written consent of Landlord. In the event the Tenant shall place, erect or maintain in any vestibule or anywhere outside of the Demised Premises other than as permitted or required by the Landlord, the Landlord may remove or cause same to be removed and Tenant shall reimburse Landlord for the cost of such removal and the repair of all damage caused by such removal as Additional Rent hereunder. The Tenant shall, at its expense, maintain such permitted or required sign(s) in good state of repair and, upon vacating the Demised Premises, the Tenant agrees to remove all signs and to repair all damage caused by such removal. The Tenant will keep any electric signs and the front ten (10) feet within the interior of the Demised Premises, including show or display windows, if any, electrically lighted until a time thirty (30) minutes after the close of business on each Business Day. The Tenant shall also maintain a night light within the Demised Premises at all times at which the same are not open for business.

F. WASTE. The Tenant shall permit no waste or damage to the Demised Premises and the Tenant agrees to initiate and carry out a program of regular maintenance and repair of the Demised Premises, including the painting or refinishing of all areas of the interior of the Demised Premises, so as to impede, to the extent possible, deterioration by ordinary wear and tear and to keep the same in attractive condition.

G. OPEN FOR BUSINESS. The Tenant agrees to occupy the Demised Premises and open its store for business fully fixtured, stocked and staffed upon the Commencement Date, and thereafter to continuously conduct in one hundred percent (100%) of the space within the Demised Premises under the Tenant's Trade Name the Business permitted under Subsection 7(A.) hereof on all Business Days. The Tenant recognizes that the covenants of the Tenant in Subsections 7(B.), (G.), (H.), and (J.), Section 8(A.) and Section 11 are a material consideration to Landlord hereunder in order that (i) the Tenant might produce the maximum Gross Sales possible from the Demised Premises during the Lease Term and (ii) the continued operation of a full service regional or area retail development will be assured.

H. BUSINESS HOURS. The Tenant agrees to keep the Demised Premises open for business, at a minimum, throughout each Business Day.

I. TENANT'S ADVERTISING WITHIN DEMISED PREMISES. N/A

J. CHARACTER OF OPERATIONS. In order to establish and preserve the character of the Jones Bay Marina in accordance with the standards from time to time imposed by the Manager of Jones Bay Marina, the Tenant will not conduct any auction, fire, bankruptcy or closeout sales, nor conduct its business in the manner which is commonly known and accepted in the retail trade as a "wholesale store or "outlet store" or "surplus store" provided, however, that this provision shall not preclude the conduct of periodic seasonal, promotional or clearance sales nor be deemed to give the Landlord a right to approve or disapprove the price at which the Tenant shall offer its merchandise for sale. The Tenant will not utilize any unethical method of business operation. The Tenant will not use or permit the use of any equipment or apparatus producing, reproducing or transmitting sound which is audible beyond the interior of the Demised Premises; will not cause or permit objectionable odors to emanate or be unreasonably dispelled from the Demised Premises; will not load or unload nor permit the loading or unloading of merchandise, supplies or other property through any of the doors of the Demised Premises that are open for use by the public or customers or through any other doors except at the rear of the Demised Premises and from the area which the Landlord may designate from time to time as Service Area; and will use its best efforts to prevent the parking or standing, outside of or within any such Service Area, of trucks, trailers, or other vehicles or equipment except when actually engaged in such loading or unloading.

K. Paragraph intentionally deleted.

L. HAZARDOUS SUBSTANCES. Tenant shall not possess, store, sell, manufacture, process, utilize, dispose of or lease any hazardous, toxic, radioactive, controlled, or prohibited substance (including waste) as those terms are defined in federal and state environmental laws and regulations on or at the Demised Premises or in any Common Areas. Tenant shall give to Landlord prompt written notice of Tenant's discovery of any such substance in the Demised Premises or in any Common Areas. Tenant hereby agrees to pay on behalf of, indemnify, defend, and hold harmless Landlord, Landlord's representatives, heirs, successors, and assigns, of and from any and all costs, liability, damages, claims, suits, administrative proceedings, and expenses (including reasonable attorneys' fees, costs of clean-up and removal, costs of property restoration, experts' fees and expenses) incurred or paid in connection with the possession, storage, sale, manufacture, processing, utilization, disposal or lease of any such substances on or at the Demised Premises or any Common Areas by Tenant or any employee, officer, director, agent, servant, or invitee of Tenant, whether or not known by Tenant. Such obligation shall survive the expiration and/or termination of this Lease.

8. INSURANCE AND INDEMNITIES.

A. PUBLIC LIABILITY INSURANCE. The Tenant agrees to carry at its own expense liability insurance covering the Demised Premises and the Tenant's use thereof, together with contractual liability endorsements covering the Tenant's obligations set forth in Subsection 8(C.) hereof, in companies and in a form satisfactory to the Landlord, with a liability minimum limit of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate, and to deposit said policy or policies (or certificates thereof) with the Landlord prior to the date of any use or occupancy of the Demised Premises by the Tenant. Said policy or policies shall name the Landlord and the Tenant as

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insureds and shall bear endorsements to the effect that the insurer agrees to notify the Landlord not less than thirty (30) days in advance of any modification or cancellation thereof. Should the Tenant fail to carry such public liability insurance, Tenant shall be deemed to be in default of this Lease. In such event, Landlord may at its option (but shall not be required so to do) cause public liability insurance as aforesaid to be issued and in such event the Tenant agrees to pay the premium for such insurance promptly upon the Landlord's demand as Additional Rent hereunder. The Tenant agrees to procure a waiver of subrogation endorsement from its insurer, so long as the same shall not void any insurance policy of the Tenant, and to furnish evidence of such waiver to the Landlord upon request.

B. FIRE AND EXTENDED COVERAGE INSURANCE. The Landlord agrees to carry policies insuring the improvements Leased Building against such perils or loss as the Landlord may deem appropriate (including, but without limitation, fire, vandalism, rent, boiler and sprinkler damage and malicious mischief and such other perils covered by extended coverage endorsements). The Landlord's fire and extended coverage policy shall be in an amount equal to at least eighty (80%) percent of the replacement cost of such improvements and shall include Tenant's Improvements (except any floor and wall coverings, trade fixtures, furnishings, ceiling-hung chandeliers and other adornments, special equipment, and personal property of the Tenant), whether the same have been paid for entirely or partially by the Tenant. The Tenant agrees to reimburse the Landlord as Additional Rent for that portion of the cost of said insurance which shall be determined by multiplying the Landlord's total premium expense [excluding the amount thereof attributable to insuring the Common Areas for which provision has been made in Subsection 4(C)(i)] by the Tenant's Prorata Share, due and payable following demand by the Landlord with the next installment of Fixed Minimum Rent; provided, however, that the Tenant shall have no rights in said policy or policies maintained by the Landlord and shall not, by reason of such reimbursement, be entitled to be a named insured thereunder. The Tenant agrees (a) that the Tenant will furnish the Landlord within sixty (60) days after the Tenant opens for business within the Demised Premises a written certified statement of the actual cost incurred in making all the Tenant's Improvements in order to assist the Landlord in providing for adequate coverage thereof, and (b) that copies of the premium notices sent to the Landlord by its insurers for the policies carried by the Landlord under this Subsection 8(B.) shall be conclusive of the amount of the premiums to be apportioned as set forth above. Should the Tenant's certified statement of cost not be delivered to the Landlord within (15) days after the same shall be due, the Tenant shall become liable to the Landlord for and shall pay to the Landlord the sum of Ten and no/100 (\$10.00) Dollars for each day thereafter until such certified statement is so delivered, the foregoing to be considered liquidated damages and to be in addition to any other remedies provided for herein. In addition to the foregoing, the Tenant agrees to carry, at its expense, insurance against fire and such other risks as are, from time to time, included in standard extended coverage endorsements, insuring (i) the Tenant's stock-in-trade, trade fixtures, furniture, furnishings, ceiling-hung chandeliers and other adornments, special equipment, floor and wall coverings and all other items of personal property of the Tenant located on or within the Demised Premises and (ii) alterations and improvements made by the Tenant pursuant to Section 9 hereof to the extent the same are not covered by the Landlord's fire and extended coverage insurance, such coverage to be in an amount equal to at least eighty (80%) percent of replacement cost thereof. Prior to the Commencement Date of this Lease, the Tenant shall furnish the Landlord with a certificate evidencing such coverage.

C. INDEMNIFICATION BY TENANT. Commencing on the earlier of (i) the date upon which the Tenant shall enter upon the Demised Premises to begin its construction, or (ii) the Commencement Date, the Tenant shall indemnify the Landlord and hold the Landlord harmless from and against all claims, actions, demands, expenses, including attorney's fees, and judgments for loss, damage, or injury to property or person resulting or occurring by reason of the construction, use, or occupancy of the Demised Premises by the Tenant. If the Landlord shall be made a party to any litigation commenced by or against the Tenant, the Tenant shall protect and hold the Landlord harmless and pay all costs, expenses and reasonable attorney's fees incurred or paid by the Landlord in connection with such litigation. The Tenant shall also pay all costs, expenses, and reasonable attorney's fees that may be incurred or paid by the Landlord in enforcing the covenants and agreements of this Lease.

D. LIABILITY FOR DAMAGE. The Landlord shall not be liable for any injury, claims, loss or damage: Pertains to onsite and leased space

(i) Utilities. Done or occasioned by or from the electrical system, the heating or cooling system, or the plumbing and sewer systems;

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(ii) Weather. Occasioned by water, snow or ice being upon or coming through the roof (except for damage to ceiling tiles, if any), trapdoor, walls, windows, doors or otherwise, in, upon or about the Demised Premises or the Shopping Center of which the Demised Premises are a part;

(iii) Tenants. Arising from acts or omissions or negligence of tenants or other occupants of the Building or of property adjoining the Demised Premises or the Marina;

(iv) Construction. Occasioned by reason of the construction of the Demised Premises or for failure to keep the Demised Premises in repair, unless the Landlord is obligated to make such repairs under the terms hereof and unless written notice of the need for repairs has been given the Landlord, a reasonable time has elapsed and the Landlord has failed to make such repairs;

(v) Personalty. To the Tenant's stock-in-trade, trade fixtures, furniture, furnishings, floor and wall coverings, ceiling-hung chandeliers and other adornments, special equipment and all other items of personal property of the Tenant resulting from fire or other hazards, regardless of the cause thereof.

9. TENANT'S IMPROVEMENTS.

A. **OVERALL.** Upon the prior written consent of Landlord, the Tenant shall have the right to make such alterations or improvements in the Demised Premises as may be necessary and proper for the conduct of its business and for the full beneficial use of the Demised Premises permitted herein, excepting (a) structural alterations or improvements, (b) alterations to the heating, cooling, plumbing, or electrical systems, and (c) alterations, additions, or improvements to the exterior or storefront of the Demised Premises. The Landlord shall, in each case, have the right to review the plans and specifications therefore. The Tenant shall promptly repair any damage to the Demised Premises or to the leased building, caused by the alterations, additions, or improvements undertaken by the Tenant

B. **EXTERIOR PAINTING AND DECORATING.** Following completion of the Demised Premises, the Tenant will not change the color or type of paint, stain or other covering on any part of the exterior of the Demised Premises or otherwise change the architectural treatment thereof, without first obtaining the Landlord's written approval therefore, and the Tenant will remove promptly upon notice from the Landlord any paint or any such decoration or alteration of the architectural treatment which has been applied or installed without the Landlord's prior written approval, or will take such other action with reference thereto as the Landlord may direct.

C. **EXPENSE; INSURANCE.** The Tenant shall promptly pay all costs, expenses, and charges for such alterations and improvements, and shall hold Landlord harmless from any and all mechanic's and/or materialmen's liens in connection with the improvements. Tenant shall make such alterations, additions, and improvements in accordance with applicable laws and building codes and in a good, workmanlike manner. Prior to commencement of work, Tenant shall submit to Landlord, certificates of insurance for all contractors and vendors performing work confirming coverage for (A) a commercial (comprehensive) liability insurance policy, including insurance against assumed or contractual liability of not less than One Million Dollars (\$1,000,000) combined single limit; (B) builders risk insurance where applicable; (C) worker's compensation insurance; and (D) automobile liability with single limit coverage of at least One Million Dollars (\$1,000,000) for all owned, hired or non-owned vehicles, each liability policy to include an "Additional Insured Endorsement" in favor of Landlord and Landlord's designees.

D. **MECHANIC'S LIENS.** The Tenant will not permit to be created nor to remain undischarged any lien, encumbrance or charge (arising out of any work of any contractor, mechanic, laborer or materialman or any mortgage, conditional sale, security agreement or chattel mortgage, or otherwise) which might be or become a lien or encumbrance or charge upon the Demised Premises or any part thereof or the income therefrom, and the Tenant will not suffer any other matter or thing whereby the estate, right and interest of the Landlord in the Demised Premises or any part thereof might be impaired. Tenant shall deliver to all persons or entities furnishing labor or materials to Tenant a notice of non-responsibility of Landlord satisfactory to Landlord. Landlord may file a notice of non-responsibility with respect to mechanics liens which may result from Tenant's work. If any lien or notice of lien on account of an alleged debt of the Tenant or any notice of contract by a party engaged by the Tenant or Tenant's contractor to work on the Demised Premises shall be filed against the Demised Premises or any part thereof, the Tenant, within ten (10) days after notice of the filing thereof, will cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If the Tenant shall fail to cause such lien or notice of lien to be

discharged within the period aforesaid, then, in addition to any other right or remedy, the Landlord may, but shall not be obligated to, discharge the same either by paying the amounts claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event the Landlord shall be entitled, if the Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by the Landlord and all costs and expenses including attorney fees, incurred by the Landlord in connection therewith, together with interest thereon at the maximum legal rate from the respective dates of the Landlord's making of the payment of incurring of the cost and expense shall constitute Additional Rent payable by the Tenant under this Lease and shall be paid by the Tenant to the Landlord on demand. Nothing herein contained shall obligate the Tenant to pay or discharge any lien created by the Landlord.

E. SECURITY INTEREST. In order to secure Tenant's obligations hereunder, Tenant hereby grants to Landlord a security interest in all of Tenant's Improvements, goods, inventory, equipment and other personal property of Tenant which are or may be put into the Demised Premises during the Term of this Lease and all proceeds of the foregoing. Tenant agrees to sign any financing statement requested by Landlord to effect such security interest. The lien granted hereunder shall be in addition to any Landlord's lien that may now or at any time be provided by law.

F. REMOVAL OF TENANT'S IMPROVEMENTS. Except as otherwise hereinafter provided, all Tenant's Improvements shall remain the property of the Tenant and may be removed by the Tenant upon the expiration of the Term of this Lease, provided (a) that Tenant's Improvements which are affixed to the Demised Premises and require severance may be removed only if the Tenant shall repair any damage caused by such removal and (b) that the Tenant shall have fully performed all of the covenants and agreements to be performed by it under the provisions of this Lease. If the Tenant fails to remove Tenant's Improvements from the Demised Premises prior to the expiration of the Term of this Lease, all Tenant's Improvements shall become the property of the Landlord unless the Landlord elects to require their removal, in which case the Tenant shall promptly remove same and restore the Demised Premises to its prior condition. Notwithstanding the foregoing, all leasehold improvements, installations and construction, including, but not limited to, standard lighting fixtures and the entire mechanical system for heating and cooling the Demised Premises, shall be the property of the Landlord and shall not be removed from the Demised Premises.

10. COMMUNICATION LINES. Subject to building design limits, Tenant may install, maintain, replace, remove or use communications or computer wires and cables which service the Demised Premises ("Lines"), provided: (a) Tenant shall obtain Landlord's prior written consent, and shall use contractors approved in writing by Landlord, (b) any such installation, maintenance, replacement, removal or use shall comply with all laws, rules and regulations applicable thereto, and shall not interfere with any then existing Lines at the building, and (c) Tenant shall pay all costs in connection therewith. Landlord reserves the right to require Tenant to remove any Lines located in or serving the Demised Premises which violate this Lease or represent a dangerous or potentially dangerous condition, within three (3) days after written notice. Landlord also reserves the right to require that Tenant remove any and all Lines upon termination of this Lease. Any Lines not required to be removed shall, at Landlord's option, become the property of Landlord without payment of any type. Under no circumstances shall any Line problems be deemed an actual or constructive eviction of Tenant, render Landlord liable to Tenant for abatement of Rent, or relieve Tenant from performance of Tenant's obligations under this Lease.

11. REPAIRS BY LANDLORD.

A. MAINTENANCE. The Landlord shall keep and maintain the foundations, roof, and structural portions of the exterior walls of the Demised Premises (except any walls, whether temporary or permanent, installed by the Tenant), in good condition and repair, except for any such repairs or replacements occasioned or required by reason of the acts of the Tenant, its employees, agents, invitees, licensees, or contractors or by reason of the failure by Tenant to fulfill its obligations under Section 11 hereof. The Landlord shall make necessary repairs to the Common Areas in the Shopping Center and shall keep such Common Areas reasonably lighted and reasonably clear of litter and snow.

B. LIMITS ON LANDLORD'S RESPONSIBILITIES. The Tenant agrees to give the Landlord written notice of the necessity for repairs or replacements coming to the attention of the Tenant. Failure of the Tenant to so report such needed repairs or replacements to the Landlord shall render the Tenant liable to Landlord for any liability, costs, expenses, or attorney's fees incurred by Landlord by reason of such items. The Landlord shall not be obligated to make any repair or replacement required of it until receipt of notice in writing from Tenant of need for same.

The Landlord shall have the sole discretion as to what action is needed, if any, in response to Tenant's written notice. The Landlord shall have a reasonable time after Tenant's written notice in which to make such repair or replacement. The provisions of this Section shall not apply in the case of damage or destruction by fire or other casualty or a taking under power of eminent domain, in which event the obligations of the Landlord shall be controlled by either Section 17 or Section 18 hereof.

12. REPAIRS AND CARE OF DEMISED PREMISES BY TENANT.

A. OVERALL. Subject only to the obligations of the Landlord set forth in Sections 10, 17, and 18 hereof, the Tenant shall keep and maintain the Demised Premises and any fixtures, facilities or equipment contained therein including, but not limited to floors, the heating, air-conditioning, ventilating, fire protection, sprinkler, electrical, plumbing and sewer systems, the exterior doors, security grilles, window frames and all portions of the store front area and all replacements thereof, in good condition and repair. Tenant shall be solely responsible for providing any replacements thereof. The Tenant shall at its sole cost: (i) repair all broken and cracked glass, and keep the inside and outside of all glass in the doors and windows of the Demised Premises clean; (ii) not place or maintain any merchandise, any sign, or other thing of any kind in the vestibule or entry of the Demised Premises or on the malls or walkways adjacent thereto or elsewhere on the exterior of the Demised Premises (except signs permitted under Subsection 7(E.) hereof; (iii) maintain the Demised Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin, and other pests; and (iv) regularly clean and, when necessary, replace all floor treatment (including carpet) which adjoins any mall or walkway area.

B. HVAC; PEST CONTROL. The Tenant shall, at its expense, contract with a reputable firm for periodic servicing of the heating, air-conditioning and ventilation systems as recommended by the manufacturer of such equipment. Tenant shall furnish Landlord not less than once per year, with a copy of a current maintenance agreement with a qualified heating and air-conditioning contractor stipulating that the HVAC contractor will be required to service the HVAC system at least four (4) times per year. The Tenant shall also at its expense maintain pest (including termite) control, inspection, and treatment of the Demised Premises.

C. NON-COMPLIANCE. If the Tenant fails to comply with any of the obligations above set forth promptly and adequately, the Landlord may, but shall not be required, to make or complete any maintenance or repairs and the Tenant shall pay the cost thereof to the Landlord upon demand as Additional Rent hereunder.

13. UTILITIES.

A. OVERALL. The Landlord shall provide and maintain the necessary mains, ducts, and conduits in order to bring water, sewer, gas, electricity, and telephone service to the Demised Premises. All means of distribution of such services within the Demised Premises shall be supplied and maintained by the Tenant at the Tenant's sole expense. All costs for maintenance or repairs to common services which are the result of negligence on behalf of the Tenant to maintain utilities within its own suite shall be the Tenant's sole responsibility.

B. EXPENSES. Tenant shall contract for and pay all charges for sewerage, water, gas, electricity, and other public utilities used on the Demised Premises, including all replacements of light bulbs, tubes, ballasts, and starters. The Landlord may pay any delinquent bills incurred by the Tenant during the Term which bills may create a lien on the Demised Premises, and shall, upon demand, be immediately reimbursed by the Tenant as Additional Rent.

C. INTERRUPTION; LIABILITY. The Landlord may interrupt or suspend the supply of any such service to the Demised Premises in order to make any repair, improvements, or alterations to the Demised Premises or to any other premises or part of the leased building. The Landlord shall not be liable to the Tenant, in damages or otherwise, if the furnishing of any such service shall be interrupted or suspended because of the making of any such repair, improvements, or alterations, or by reason of damage to or destruction of any of the Landlord's equipment, or by any disruption of primary sources of supply. Any such interruption or termination of such services shall not release the Tenant from the performance of its obligations under this Lease, constitute constructive eviction or permit any abatement or diminution of Rent.


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14. **ENTRY OF DEMISED PREMISES BY LANDLORD.** The Landlord and its authorized representatives shall have the right to enter upon the Demised Premises at all reasonable times for the purpose of inspecting or exhibiting the Demised Premises to prospective purchasers, mortgagees, and tenants, or for the purpose of making such additions, alterations or repairs to the Demised Premises or to any utilities, systems or equipment located in, above, or under the Demised Premises as the Landlord may deem necessary or desirable. The Landlord shall have the right to take all materials, tools, and equipment in, through, under or above the Demised Premises that may be required therefore, without the same constituting an actual or constructive eviction of the Tenant. The Landlord shall, in no event, be liable for any inconvenience, disturbance, loss of business or other damage to the Tenant by reason of the performance by the Landlord of any work in, upon, above or under the Demised Premises or for bringing materials, tools and equipment in, through, under or above the Demised Premises, nor shall the same constitute any ground for the abatement of any Rent. During the last six (6) months of the Term of this Lease, the Landlord may place in or upon the Demised Premises a notice indicating that the Demised Premises is available to be leased.

15. **DEVELOPMENT BY LANDLORD: COMMON AREAS.**

A. **DEVELOPMENT BY LANDLORD.** Tenant understands and agrees that Exhibit "B" indicates, in general, the plan of development for the leased building but does not constitute a representation, warranty, or agreement that the leased building will be developed or remain as depicted thereon. The Landlord, in building and/or operating the improvements in the leased building, may (in addition to any specific rights to amend the same elsewhere reserved in this Lease) make such departures from said plan as the Landlord, in its sole discretion, may from time to time find proper and may, in its sole discretion, change the location of tenants and the nature of any occupancy of any store unit at anytime. The Tenant also understands and agrees that the Landlord and anyone claiming by, through, or under the Landlord may from time to time undertake alterations of or additions to buildings in the leased building or any lands added thereto, construct additional buildings or improvements thereon and make alterations thereto, build additional stories on any buildings, construct multistory, elevated, or underground parking facilities, and construct roofs, walls, and any other improvements over, to, or in connection with any part of the improvements to enclose the same. The Tenant acknowledges that the Landlord shall have the right at any time to change the layout of any Common Areas, including the right to reasonably add to or subtract from their shape and size as well as to alter their location.

B. **USE OF COMMON AREAS.** The Landlord grants to the Tenant, its employees, agents, customers and invitees, subject to the provisions herein set forth in Subsections 7(B.), 15(A.), 15(C.) and 15(D.), a license for the non-exclusive use for pedestrian and vehicular traffic, as the case may be, of the Common Areas within the leased building, such use to be in common with the Landlord and all others to whom the Landlord has or may hereafter grant rights to use the same; provided, however, that such use by the Tenant shall be subject always to such rules and regulations as the Landlord may from time to time adopt governing the same; and provided, further, that the Landlord shall at all times have full control, management and direction of said Common Areas, including the right to utilize portions of the Common Areas for carnival type shows, rides, outdoor shows, displays, automobile and other product shows, the location of kiosks, or such other uses which, in the Landlord's sole discretion, tend to benefit the customers of the leased building.

C. **RIGHT TO CLOSE COMMON AREAS.** The Landlord shall have the right to close any or all portions of the Common Areas to such extent as may, in the opinion of the Landlord, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or to the public therein and also to close temporarily, if necessary, any part of the Common Areas in order to discourage non-customer parking or to permit any alterations of existing buildings or the construction or alteration of other improvements, including underground and/or multi-level parking facilities.

D. **OBSTRUCTION OF COMMON AND SERVICE AREAS.** The Tenant shall not obstruct the Common Areas or the Service Areas. Lessor understands that their leased building is part of a functioning Marina, Apartments, Cabins, Cottages, and other related business's that is not part of this lease. In no way can Lessee effect aforementioned business functions on Jones Bay Inc, in a negative way, which opinion is to be at sole discretion of Lessor.

16. DEFAULT BY TENANT.

A. EVENTS OF DEFAULT. This Lease is made upon the condition that the Tenant shall punctually and faithfully perform all of the covenants and agreements by it to be performed as herein set forth. If any of the following events (each an "Event of Default") shall occur:

(i) any installment of Fixed Minimum Rent, Percentage Rent, Additional Rent or any other sums required to be paid by the Tenant hereunder, or any part thereof, shall at any time be in arrears and unpaid for fifteen (15) days after written demand therefore; provided, however, that Landlord shall not be required to give such written demand more than twice in any twelve (12) month period; or

(ii) Tenant shall fail to observe or perform any of the covenants, agreements, or conditions of this Lease (excluding the payment of Rent) on the part of the Tenant to be kept and performed, and said failure shall continue for a period of fifteen (15) days after written notice thereof from the Landlord to the Tenant (unless such default cannot reasonably be cured within fifteen (15) days and the Tenant shall have commenced to cure said default within said fifteen (15) days and continues diligently to pursue the curing of the same), or

(iii) Tenant shall file a petition in bankruptcy or be adjudicated a bankrupt, or file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation, or make an assignment for the benefit of creditors, or

(iv) any trustee, receiver or liquidator of the Tenant or of all or any substantial part of its properties or of the Demised Premises shall be appointed in any action, suit or proceeding by or against the Tenant and such proceeding or action shall not have been dismissed within thirty (30) days after such appointment, or

(v) the leasehold estate hereby created shall be taken on execution or by other process of law, or

(vi) the Tenant shall vacate or abandon the Demised Premises,

then the Landlord at its option may terminate this Lease and reenter upon the Demised Premises and take possession thereof with full right to sue for and collect all sums or amounts with respect to which the Tenant may then be in default and accrued up to the time of such entry, including damages to the Landlord by reason of any breach or default on the part of the Tenant, or the Landlord may, if it elects to do so, accelerate the obligations of Tenant under this Lease, bring suit for the collection of all such accelerated Rent and damages without entering into possession of the Demised Premises or voiding this Lease.

B. REMEDIES. In addition to, but not in limitation of, any of the remedies set forth in this Lease or given to the Landlord by law or in equity, the Landlord shall also have the right and option, upon the occurrence of an Event of Default, to retake possession of the Demised Premises from the Tenant by summary proceedings or otherwise. Tenant agrees that the commencement and procession of any action by the Landlord in forcible entry and detainer, ejectment or otherwise, or any execution of any judgment or decree obtained in any action to recover possession of the Demised Premises, shall not be construed as an election to terminate this Lease unless the Landlord expressly exercises its option hereinbefore provided to declare the Term hereof ended, whether or not such entry or re-entry be had or taken under summary proceedings or otherwise. Any such entry or reentry by Landlord shall not be deemed to have absolved or discharged the Tenant from any of its obligations and liabilities for the remainder of the Term of this Lease, and the Tenant shall, notwithstanding such entry or re-entry, continue to be liable for the payment of the Rent and the performance of the other covenants and conditions hereof and shall pay to the Landlord all monthly deficits after such re-entry in monthly installments as the amounts of such deficits from time to time are ascertained. If, in the event of any such ouster, the Landlord rents or leases the Demised Premises to some other person, firm or corporation (whether for a term greater, less than or equal to the unexpired portion of the Term created hereunder) for an aggregate rent during the portion of such new lease co-extensive with the Term created hereunder, which is less than the Rent and other charges which the Tenant would pay hereunder for such period, the Landlord may immediately sue for and recover the differences between the aggregate rental provided for in said new lease for the portion of the term co-extensive with the Term created hereunder and the Rent which the Tenant would pay hereunder for such period, together with any expense to which the Landlord may be put for brokerage commission, placing the Demised Premises in tenantable condition, attorneys' fees

or otherwise. In determining the Rent payable by the Tenant hereunder a sum equal to the average amount of Percentage Rent (if any) paid by the Tenant to the Landlord pursuant to the provisions of Subsection 4(B.) hereof for each Lease Year since the Commencement Date which preceded any such Event of Default shall be added to the Fixed Minimum Rent and other Additional Rent as provided in Section 3 hereof. If such new lease or tenancy is made for a shorter term than the balance of the Term of this Lease, any such action brought by the Landlord to collect the deficit for that period shall not bar the Landlord from thereafter suing for any loss accruing during the balance of the unexpired Term of this Lease.

C. ACTION BY LANDLORD. If the Tenant at any time shall fail to pay taxes, assessments, or liens, to make any payment or perform any act required by this Lease to be made or performed by it, the Landlord, without waiving or releasing the Tenant from any obligation or default under this Lease, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of the Tenant. All sums so paid by the Landlord and all costs and expenses so incurred shall accrue interest at the rate of eighteen (18%) percent per annum, compounded monthly, from the date of payment or incurring thereof by the Landlord and shall constitute Additional Rent payable by the Tenant under this Lease and shall be paid by the Tenant to the Landlord upon demand. Unless otherwise provided herein, all other sums payable by the Tenant to the Landlord under this Lease, if not paid when due, shall accrue interest at the rate of eighteen (18%) percent, compounded monthly, from their due date until paid, said interest to be deemed Additional Rent under this Lease and shall be paid to the Landlord by the Tenant upon demand.

D. CERTAIN REMEDIES IN THE EVENT OF BANKRUPTCY OR OTHER PROCEEDING. Anything contained herein to the contrary notwithstanding, if termination of this Lease shall be stayed by order of any court having jurisdiction over any proceeding described in subsection (iii) of Section 16(A.) hereof, or by federal or state statute, then, following the expiration of any such stay, or if Tenant or Tenant as debtor-in-possession or the trustee appointed in any such proceeding (being collectively referred to as "Tenant" only for the purposes of this Section 16(D.)) shall fail to assume Tenant's obligations under this Lease within the period prescribed therefore by law or within fifteen (15) days after entry of the order for relief or as may be allowed by the court, or if Tenant shall fail to provide adequate protection of Landlord's right, title and interest in and to the Demised Premises or adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, Landlord, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate this Lease on fifteen (15) days' notice to Tenant and upon the expiration of said fifteen (15) day period this Lease shall cease and expire as aforesaid and Tenant shall immediately quit and surrender the Demised Premises as aforesaid. Upon the termination of this Lease as provided above, Landlord, without notice, may re-enter and repossess the Demised Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefore and may dispossess Tenant by summary proceedings or otherwise.

E. WAIVER. The Tenant hereby expressly waives all exemptions secured to the Tenant under the laws of the State of Tennessee or of any other State of the United States or otherwise as against the collection of any debt herein or hereby incurred or secured.

F. CUMULATIVE. All rights and remedies of the Landlord herein enumerated shall be cumulative, and none shall exclude any other remedies allowed at law or in equity.

17. DEMAND AND RECEIPT BY LANDLORD. Every demand for Rent due wherever made shall have the same effect as if made at the time it falls due and at the place of payment, and after the service of any notice or commencement of any suit, or final judgment therein, the Landlord may receive and collect any Rent due, and such collection or receipt shall neither operate nor affect such notice, suit, or judgment.

18. DAMAGE AND DESTRUCTION.

A. INSURED. In the event the Demised Premises are damaged by any peril which is covered by the Landlord's standard policies of fire and extended coverage insurance to an extent which is less than twenty-five (25%) percent of the cost of replacement of the Demised Premises, the damage to the portion of the Demised Premises which the Landlord is obligated to insure pursuant to Section 8 hereof shall promptly be repaired by the Landlord at the Landlord's expense but, in no event shall the Landlord be required to repair or replace the Tenant's stock-in-trade, trade

fixtures, furniture, furnishings, special equipment, Tenant's Improvements or other items of construction and personal property which the Tenant is obligated to insure pursuant to Section 8 hereof.

B. NOT INSURED. In the event of damage due to any peril not covered by the Landlord's insurance, or in the event of damage, regardless of the cause, in which (a) the Demised Premises are damaged to the extent of twenty-five (25%) percent or more of the cost of replacement of the Demised Premises, or (b) the building of which the Demised Premises are a part is damaged to the extent of fifty (50%) percent or more of the cost of replacement, or (c) such damage occurs during the last three (3) years of the Term of this Lease, the Landlord may elect either to repair or rebuild the Demised Premises or the building of which the Demised Premises are a part, as the case may be, or to terminate this Lease upon giving notice of such election in writing to the Tenant within ninety (90) days after the event causing the damage.

C. ABATEMENT. If the casualty, repairing, or rebuilding shall render the Demised Premises untenable, in whole or in part, a proportionate abatement of the Fixed Minimum Rent shall be allowed from the date when the damage occurred until the date the Landlord completes its repairs or rebuilding, said proportion to be computed on the basis of the relation which the gross leasable area of space rendered untenable bears to the Gross Leasable Area of the Demised Premises.

D. TENANT REPAIRS. If the Landlord is required or elects to repair the Demised Premises as herein provided, the Tenant shall repair or replace its stock-in-trade, trade fixtures, furniture, furnishings, floor and wall coverings, ceiling-hung chandeliers and other adornments, special equipment and other items of construction and personal property which the Tenant is obligated to insure pursuant to Section 8 hereof, in a manner and to at least a condition equal to that prior to its damage or destruction, and the proceeds of all insurance carried by the Tenant pursuant to said Section 8 shall be held in trust by the Tenant for the purpose of such repair and replacement.

E. LIMITATIONS. Notwithstanding anything to the contrary contained herein, the obligation of Landlord to rebuild or repair is limited to the insurance proceeds, if any, received by Landlord.

19. CONDEMNATION.

A. AWARDS. In the event the leased buildin or any part thereof shall be taken or condemned either permanently or temporarily for any public or quasi-public use or purpose by any competent authority in appropriation proceedings or by any right of eminent domain (including for purposes of this Section any voluntary conveyance in lieu of such proceedings), the entire compensation award therefore, including, but not limited to, all damages as compensation for diminution in value of the leasehold, reversion, and fee, shall belong to the Landlord without any deduction therefrom for any present or future estate of the Tenant, and the Tenant hereby assigns to the Landlord all its rights, title and interest to any such award. Although all damages in the event of any condemnation shall belong to the Landlord, whether such damages are awarded as compensation for diminution in value of the leasehold, reversion or fee of the Demised Premises, the Tenant shall, in the event this Lease is terminated pursuant to this Section, have the right to claim and recover from the condemning authority, but not from the Landlord, such compensation as may be separately awarded or recoverable by the Tenant in the Tenant's own right on account of any and all damage to the Tenant's business by reason of the condemnation and for or on account of any cost or loss which the Tenant might incur in removing the Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment.

B. TERMINATION.

(i) Whole Premises Taken. If the whole of the Demised Premises shall be taken by any public authority under the power of eminent domain (including for purposes of this Section any voluntary conveyance in lieu of such proceedings), this Lease shall terminate as of the day possession shall be taken by such public authority, and the Tenant shall pay Fixed Minimum Rent, Percentage Rent and Additional Rent up to that date with an appropriate refund by the Landlord of such amounts thereof as shall have been paid in advance for a period subsequent to the date of the taking.

(ii) Less Than 25% Taken. If less than twenty-five (25%) percent of the Gross Leasable Area of the Demised Premises shall be so taken, this Lease shall terminate only with respect to the parts so taken as of the day possession shall be taken by such public authority, and the Tenant shall pay Rent up to that day with an appropriate

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refund by the Landlord of the proportionate amount of such Rent as may have been paid in advance for a period subsequent to the date of the taking and, thereafter, the Fixed Minimum Rent shall be equitably adjusted, and the Landlord shall at its expense make all necessary repairs or alterations to the basic building and exterior work so as to constitute the remainder of the Demised Premises a complete architectural unit.

(iii) More Than 25% Taken. If more than twenty-five (25%) percent of the Gross Leasable Area of the Demised Premises shall be so taken, then this Lease shall terminate with respect to the part so taken from the date possession shall be so taken by such public authority, and the Tenant shall pay Rent up to that date with an appropriate refund by the Landlord of such proportionate amount of such Rent as may have been paid in advance for a period subsequent to the date of the taking, and either party shall have the right to terminate this Lease upon notice in writing within thirty (30) days after the date possession is taken.

(iv) More Than 50% Taken. If more than fifty (50%) percent of the Gross Leasable Area of the building in which the Demised Premises are located shall be so taken, the Landlord may, by notice in writing to the Tenant delivered on or before the day of surrendering possession to the public authority, terminate this Lease, and the Rent shall be paid or refunded as of the date of termination.

C. ABATEMENT; LIMITATIONS. In the event that the Tenant remains in possession, and if the Landlord does not so terminate this Lease, all of the terms herein provided shall continue in effect except that the Fixed Minimum Rent shall be equitably abated, and the Landlord shall make all necessary repairs or alterations to the basic building and exterior work so as to constitute the remaining premises a complete architectural unit. In the event the Landlord is obligated to restore the Demised Premises to a complete architectural unit, as above provided, such work shall not exceed the scope of the work to be done by the Landlord in constructing the Demised Premises, nor shall the Landlord be required to spend for such work an amount in excess of the amount received by the Landlord as damages for the part of the Demised Premises so taken, less any amount paid to the Landlord's mortgagee from such award.

20. SUBORDINATION OF LEASE. The Tenant hereby subordinates its rights under this Lease to the lien or liens of any mortgage that may hereafter be placed upon the leased building or any portion thereof, and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof. The Tenant also agrees that any such first mortgagee may elect to have this Lease prior to the lien of its mortgage, and in the event of such election and upon notification by such mortgagee to the Tenant to that effect, this Lease shall be deemed prior to lien to the such mortgage, whether this Lease is dated prior to or subsequent to the date of such mortgage. The Tenant agrees that, upon the request of the Landlord or any mortgagee, it shall execute and deliver whatever instruments may be required for such purposes and to carry out the intent of this Section 20, and in the event the Tenant fails so to do within ten (10) days after request in writing, the Tenant does hereby make, constitute and irrevocably appoint the Landlord as its attorney in fact and in its name, place and stead to do so. The Tenant shall, in the event of the sale or assignment of the Landlord's interest in the leased building or any portion thereof, or in the event of any proceedings brought for the foreclosure of, or in the event of the exercise of the power of sale under the mortgage covering the Shopping Center or any portion thereof, attorn to and recognize such purchaser or mortgagee as Landlord under this Lease.

21. ESTOPPEL CERTIFICATES. At any time and from time to time, the Tenant agrees, upon request of the Landlord, to execute, acknowledge, and deliver to the Landlord, or to the holder of any mortgage which is a lien on the Jones Bay Inc or any portion thereof, a statement in writing in a form and substance satisfactory to the Landlord and such mortgage holder, if any, certifying to all or any part of the following information as the Landlord shall request: (i) that this Lease constitutes the entire agreement between the Landlord and the Tenant and is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modification); (ii) the dates to which the Fixed Minimum Rent, Percentage Rent, Additional Rent, and other charges hereunder have been paid, and the amount of any security deposited with the Landlord; (iii) that the Demised Premises have been completed on or before the date of such statement and that all conditions precedent to the Lease taking effect have been carried out; (iv) that the Tenant has accepted possession, the Lease Term has commenced, the Tenant is occupying the Demised Premises, and the Tenant knows of no default under the Lease by the Landlord; (v) the actual commencement date of the Lease and the expiration date of the Lease; and (vi) that the Tenant's store is open for business; provided, such facts are true and ascertainable. In the event the Tenant fails to provide such statement as above-described within ten (10) days after the Landlord's written request therefor, the Tenant does hereby make, constitute and irrevocably appoint the Landlord as its attorney-in-fact and in its name, place and stead to do so.

22. ASSIGNMENT AND SUBLETTING.

A. OVERALL. The Tenant shall not sublet the Demised Premises or any part thereof nor assign this Lease, in whole or in part, without in each case obtaining the prior written consent of the Landlord, which consent may be withheld in Landlord's sole discretion. Any transfer of this Lease from the Tenant by merger, consolidation, liquidation or otherwise by operation of law shall constitute an assignment for the purpose of this Lease and shall require the prior written consent of the Landlord. The Tenant shall not permit any business to be operated in or from the Demised Premises by any concession or licensee without the prior written consent of the Landlord. In the event that the Tenant shall seek the Landlord's permission to assign this Lease or sublet the Demised Premises, the Tenant shall provide to the Landlord the name, address and financial statement of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as the Landlord may require. Any consent by the Landlord to any assignment or subletting, or to the operation by a concessionaire or licensee, shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting, or operation by a concessionaire or licensee. In the event that the Tenant shall at any time, during the Term of this Lease, sublet all or any part of said Demised Premises or assign this Lease, either with the consent of the Landlord as hereinbefore provided or without the consent of the Landlord, then, and in such event, it is hereby mutually agreed that the Tenant shall nevertheless remain fully liable under all of the terms, covenants and conditions of this Lease. If this Lease is assigned or if the Demised Premises or any part thereof is subleased or occupied by anyone other than the Tenant, the Landlord may collect from the assignee, sublessee or occupant any Rent or other charges payable by the Tenant under this Lease, and apply the amount collected to the Rent and other charges herein reserved, but such collection by the Landlord shall not be deemed an acceptance of the assignee, sublessee, or occupant as a tenant nor a release of the Tenant from performance by the Tenant under this Lease. It is expressly understood and agreed that no assignee or sublessee may exercise or enjoy the benefit of any options to extend or renew this Lease, such right or rights to exercise and/or enjoy being for the benefit of the Tenant named herein only.

B. OWNERSHIP OF TENANT. If the Tenant or any guarantor of this Lease is a partnership, corporation or limited liability company, and if the entity or person owning a majority (or, if no majority, the largest percentage) of such partnership's, corporation's or company's partnership interests, voting shares or membership interests shall cease to own a majority (or, if no majority, the largest percentage) of such shares or membership interests whether due to sale, assignment, operation of law or other disposition (unless due to transfer by gift or inheritance), or if any guarantor shall be dissolved, the Tenant shall so notify the Landlord and the Landlord shall have the right, as its option, to terminate this Lease by notice to the Tenant given within thirty (30) days following receipt of such notice.

23. PAYMENT ON ACCOUNT BY TENANT. No payment by the Tenant or receipt by the Landlord of a lesser amount than the Rent shall be deemed to be other than on account of the earliest stipulated Rent and other charges nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and the Landlord may accept such check or payment without prejudice to the Landlord's right to recover the balance of such Rent or pursue any other remedy provided for in this Lease or available at law or in equity.

24. WAIVER. No waiver of any condition or legal right or remedy shall be implied by the failure of the Landlord to declare a forfeiture, or for any other reason, and no waiver of any condition or covenant shall be valid unless it be in writing signed by the Landlord. No waiver by the Landlord in respect to one or more tenants or occupants of the Leased Building in which the Demised Premises are located shall constitute a waiver in favor of any other tenant, nor shall the waiver of a breach of any condition be claimed or pleaded to excuse a future breach of the same condition or covenant. The mention in this Lease of any specific right or remedy shall not preclude the Landlord from exercising any other right or from having any other remedy or from maintaining any action to which it may be otherwise entitled either at law or in equity; and for the purpose of any suit by the Landlord brought or based on this Lease, this Lease shall be construed to be a divisible contract, to the end that successive actions may be maintained as successive periodic sums shall mature under this Lease and it is further agreed that failure to include in any suit or action any sum or sums then matured shall not be a bar to the maintenance of any suit or action for the recovering of said sum or sums so omitted.

25. QUIET ENJOYMENT. If and so long as the Tenant pays the Rent reserved by this Lease and performs and observes all the covenants, agreements, and provisions hereof, the Tenant shall quietly enjoy the Demised Premises, subject, however, to the terms of this Lease, utility easements, both recorded and unrecorded, and all applicable


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zoning ordinances, and the Landlord will warrant and defend the Tenant in the quiet enjoyment and possession of the Demised Premises throughout the Term of this Lease.

26. **NOTICES.** Whenever it is provided herein that notice, demand, request, or other communication shall or may be given to either of the parties by the other, such notice, demand, request, or other communication shall be in writing and, any law or statute to the contrary notwithstanding, shall not be effective for any purpose unless it shall be served by mailing such notice, postage prepaid, by certified mail, return receipt requested, or by a nationally recognized overnight delivery service, in a sealed envelope, postage prepaid, and addressed to the address listed below or to such other address as either party may from time to time designate by notice given to the other. Any such notice, demand, request, or other communication mailed as above provided shall be deemed to have been given, served, made, or delivered at the time it was so placed in the mail or with a nationally recognized overnight delivery service.

As to the Landlord, the address for notices will be as stipulated in Article 1, Paragraph N.

With Copy to:

Darrell K. Jones
2333 Dockside Dr.
Soddy Daisy, TN 37379

As to the Tenant, the address for Notices will be as stipulated in Article 1, Paragraph AC.

27. **COMMISSIONS.** N/A

28. **DELAYS IN PERFORMANCE.** In any case in which either the Landlord or the Tenant is required to do any act, other than make a payment of money, delays caused by or resulting from an act of God, civil commotion, fire or other casualty, labor difficulties, general shortages of labor, materials, or equipment, governmental regulations, or other causes beyond such parties reasonable control, shall not be counted in determining the time when the performance of such act must be completed, whether such time be designated by a fixed time, or a reasonable time

29. **LANGUAGE CONSTRUCTION.** Wherever either the word "Landlord" or "Tenant" is used in this Lease, it shall be considered as meaning "Landlords" or "Tenants" respectively, wherever the context permits or requires, and when the singular and/or neuter pronouns are used herein, the same shall be construed as including all persons and corporations designated respectively as Landlord or Tenant in the heading of this instrument wherever the context requires.

30. **NO JOINT VENTURE OR PARTNERSHIP.** The Landlord is not, in any way or for any purpose, a partner of the Tenant in the conduct of its business, or otherwise, or joint venture or a member of a joint enterprise with the Tenant. It is understood that the provisions of this Lease in regard to the payment by the Tenant and the acceptance by the Landlord is nothing more than a reservation of rent for the use of the Demised Premises which does not create nor constitute a joint venture or partnership.

31. **CAPTIONS.** The captions of the Sections of this Lease are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Lease nor in any way affect this Lease.

32. **RIGHTS OF SUCCESSORS AND ASSIGNS.** This Lease and all the covenants, provisions, and conditions herein contained shall apply to, be binding upon, and inure to the benefit of the parties hereto and their heirs, distributees, executors, administrators, personal representatives, successors, and assigns.

33. **LIABILITY OF LANDLORD.** If the Landlord shall fail to perform any covenant, term or condition of this Lease upon the Landlord's part to be performed and, as a consequence of such default, the Tenant shall recover a money judgment against the Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levy thereon against the right, title and interest of the Landlord in the Lease Building as the same may then be encumbered and neither the Landlord nor any of the partners or members comprising the Landlord (if the Landlord is a partnership, limited partnership or limited liability company) shall be liable for any deficiency. It is understood that in no event shall the Tenant have the right to levy execution against any property of the Landlord other

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than its interest in the Leased Building as hereinbefore expressly provided. In the event of the sale or other transfer of the Landlord's right, title and interest in the Demised Premises or the portion of the Leased Building which includes the Demised Premises, the Landlord shall be released from all liability and obligations hereunder.

34. **APPLICABLE LAW.** This Lease shall be governed, construed, and enforced in accordance with the laws of the State of Tennessee.

35. **ENTIRE AGREEMENT: MODIFICATIONS.** This Lease and the exhibits attached hereto, and any Riders attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the Demised Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. The Tenant agrees that the Landlord and its agents have made no representations or promises with respect to the Demised Premises or the building or property of which the Landlord or its agents are a part, except as herein expressly set forth. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by them.

36. **INVALID PROVISION.** In the event that any provision herein shall be declared invalid or unenforceable, such provision shall be severed and deleted from this Lease and the remainder of the Lease shall continue in full force and effect.

37. **SECURITY:** As security for the faithful performance by Tenant of all of the terms and conditions of this Lease on Tenant's part to be performed, Tenant has deposited with Landlord the Security Deposit. The Security Deposit shall be returned to Tenant, without interest, within thirty (30) days after the expiration of the Term of this Lease if Tenant has fully and faithfully carried out all of the terms, covenants, and conditions of this Lease on its part to be performed. Landlord shall have the right to apply any part of the Security Deposit to cure any Event of Default. The application of the Security Deposit shall be at the sole discretion of Landlord. It is expressly understood that this remedy is in addition to all other remedies vested in Landlord.

38. **SUBMISSION OF DOCUMENT:** The submission of this document for examination does not constitute an option or offer to lease the Demised Premises. This document shall have no binding effect on the parties unless executed by the Landlord and the Tenant and a fully executed copy is delivered to the Tenant.

39. **ADDITIONAL PROVISIONS:** Additional provisions, if any, set forth on Exhibit A are incorporated herein and made a part of this Lease.

In the event of any conflict between the provisions of the body of this Lease and any Rider, the provisions of the Rider shall control.


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IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the 6th day of March, 2018.

WITNESS:

~~LANDLORD:~~ Jones Bay, INC

BY: 

ITS: President

DATE: 3/6/18

TENANT:

BY: 

ITS: OWNER

DATE: 3/6/18

TENANT:

BY: 

ITS: Owner

DATE: 3/6/18


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Exhibit A

1. Lessee Agrees to purchase current store inventory from Lessor, at Wholesale Prices. Copies of inventory collected will be added to this contract. Inventory Retail price for items calculated has come to \$18456 with wholesale price at \$13,184.76. This was calculated by reducing 30% off retail for an average. Lessor and Lessee will work in good faith to come up to an exact amount owed within 30 days of signing this document. Lessor has agreed to accept \$11,500 in form of check and signing of this lease, and remaining amount due on August 1st, 2018.
2. All furniture, fixtures, shelving, coolers, A/C Units, Lighting, Kitchen Equipment, Appliances, Utensils, Outside Furniture and anything else provided by Lessor, must be maintained, replaced, and/or returned to Lessor at end of Lease. If any items are not present or removed, Lessee agrees to pay Lessor two times (2x) cost of replacing said items. Pictures will be used to document items.
3. Lessor, is waiving March and April lease payment, for first month due payment will be May 1st, 2018. If lease is defaulted on this will become owed back to Lessor, owed in full.

Landlord  Tenant

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