

GROUND LEASE

BOOK 6596 PAGE 608

THIS LEASE AGREEMENT entered into effective the 3rd day of June, 1985, by and between JAMES D. NIEDERGESES, Bishop of the Diocese of Nashville, his successors and assigns, (hereinafter referred to as "Lessor"), and ST. HENRY'S PROPERTY DEVELOPMENT, INC., (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessor owns the tract of land in Nashville, Davidson County, Tennessee, described in Exhibit A attached hereto; and

WHEREAS, Lessee desires to lease the tract from Lessor,

NOW THEREFORE, in consideration of the premises and the mutual undertakings in this Ground Lease Agreement, the parties agree as follows:

1. Ground Lease by Lessor to Lessee. Lessor leases to Lessee the tract described on the attached Exhibit A.

2. Lease Term. The lease term is 60 years, commencing June 3, 1985 and ending June 3, 2045 inclusive.

3. Rent. Lessee must pay to Lessor for the leased premises, without offset or deduction, and without previous demand basic one time rent of \$10.00. The basic rent must be paid in advance.

4. Improvements. The Lessee has examined the leased premises and Lessor has not given any representations concerning the leased premises. The Lessee is solely responsible for the condition, operation, maintenance, and management of the leased premises. Lessee will construct and pay for all buildings or other improvements to the leased premises. Lessee will maintain or arrange for maintenance of both the interior and exterior of any existing or future improvements (including without limitation, the roof, foundations and appurtenances together with any and all alterations and additions) in good condition. Lessee must promptly make all needed repairs and replacements.

5. Use. Lessee may not use the leased premises for any unlawful purpose. Lessee will comply with all zoning laws, orders, regulations, rules, ordinances and requirements of any governmental authority.

6. Warranty of Title.

Lessor warrants:

(A) that he is seized of an indefeasible estate in fee simple in and to the leased premises,

- (B) that the leased premises are free of all encumbrances, except those encumbrances of record,
- (C) that Lessor has authority to enter into this agreement,
- (D) that Lessor will warrant and defend the title to the Lessee against the lawful claims of all persons, and
- (E) that so long as this agreement is in effect, and except for lawful condemnation, the Lessee will have peaceful possession of the leased premises.

7. Benefit and Assignment. The provisions of this agreement bind and inure to the benefit of personal representatives, successors and permitted assigns of the parties. Lessee may not assign or sublet its rights hereunder without the written consent of the Lessor. However, Lessee may execute and record without Lessor's written consent, a Master Deed, By-Laws and other instruments necessary or convenient to establish a horizontal property regime, and may without Lessor's consent execute and record deeds or leases to purchasers of the units created under the Master Deed.

8. Utility Charges. Lessee must pay or arrange payment of all charges for water, steam, sewer, electricity, gas, telephone or any other utility services furnished to the leased premises and the improvements.

9. Taxes and Assessments. Lessee, must pay or arrange payment for all taxes and assessments against the leased premises and the improvements. Lessee must reimburse the Lessor for any property taxes and levies paid for by Lessor.

10. Mechanic's Liens. Notice is hereby given that:

- (A) Lessee is not the agent of the Lessor for any purpose whatsoever and is specifically not authorized to contract on Lessor's behalf with third parties;
- (B) Lessee and Lessor are not engaged in a joint venture for the construction of the improvements on the leased premises;
- (C) Lessor is not liable for any labor or materials furnished or to be furnished to Lessee upon credit or any other terms;
- (D) No mechanic's, materialmen's or other lien for any such labor or materials may attach to or affect the reversion or other estate or interest of the Lessor in the leased premises;
- (E) Mechanics, materialmen, laborers, contractors, and furnishers or any other person or entity furnishing materials and or services for construction of improvements on the leased premises are specifically directed to file any statutory lien they might have only against the leasehold interest of the Lessee.

Whenever any mechanic's lien is filed against the premises, based upon any act or interest of the Lessee or whenever any financing statement or agreement of like import is filed for any materials, machinery or fixtures used in the construction, repair or operation of the leased premises or improvements, Lessee must remove or satisfy the lien by bond, payment or deposit. If, within thirty (30) days after notice to the Lessee, Lessee has not removed or satisfied the lien, Lessor may, but is not required to, pay the lien and the amount paid or deposited, with interest will be deemed additional rent and will be payable immediately with interest at the index rate in effect from time to time at First American National Bank from the date of the advance.

11. Eminent Domain. If any part of the leased premises is taken by eminent domain or for any public or quasi-public use, (including a deed in lieu of condemnation), the parties will share in the compensation and award in accordance with the following:

- (A) If the whole of the leased premises as hereinbefore described shall be taken, then this lease will terminate as of the date of taking possession and Lessee will receive a portion of the condemnation award attributable to the value of the improvements. The Lessor will receive the entire balance of said award.
- (B) If a portion of the leased premises or common area is taken and the Lessee is able to continue operation of the improvements, Lessee will receive that portion of the award necessary to compensate for the diminished value if any of the improvements.
- (C) If a portion of the leased premises or common area is taken and the Lessee is unable to continue operation of the improvements this lease will terminate and Lessee will receive a portion of the award attributable to the value of the improvements. Lessor will receive the entire balance of the award.
- (D) Under no circumstances may Lessee receive the value of its leasehold interest. Lessee waives any right to the value of its leasehold interest and assigns the same to Lessor.

12. General Liability. Lessee must maintain or arrange general liability insurance insuring the Lessor and Lessee against any liability to those who may be injured or suffer damage on the leased premises, or Lessee's improvements. The general liability insurance must include protection against all insurable risks and must include coverage of construction and all other activities undertaken on the premises. The limits of the general liability insurance must be at least \$500,000 for damages incurred or claimed by any one person for bodily injury, \$200,000 for damages incurred or claimed to property of any one person, and

at least \$1,000,000 for damages claimed or incurred with respect to multiple parties in any single occurrence. Lessee indemnifies and holds Lessor harmless from any liability to those who may be injured or suffer damage on the leased premises, or Lessee's improvements.

13. Casualty. Lessee will maintain or arrange all risk property damage insurance in an amount not less than the fair market value of the improvements. After a casualty loss destroying fifty percent (50%) or more of the improvements either party may within thirty (30) days give notice to the other party that the lease is terminated. Lessee may retain all insurance proceeds, but must clear the leased premises of all debris. If neither party elects to terminate the lease, the Lessee must use the insurance proceeds to repair and restore the improvements. After a casualty loss destroying less than fifty percent (50%) of the improvements the Lessee must use the insurance proceeds to repair and restore the improvements. Unless the lease is terminated Lessee must continue to pay all rent when due.

14. Default. If the Lessee:

- (A) fails to pay the rent when due;
- (B) fails to comply with any of the terms and conditions of this lease;
- (C) fails to perform any obligations of this lease;

then Lessor must continue the lease, but may recover damages for such failure and Lessee agrees to pay Lessor on demand the full amount of the damages including Lessor's reasonable costs and attorney's fees. Lessor may not enforce a forfeiture of this lease and may not retake possession of the leased premises, but Lessor's only remedies for default are the award of damages or specific performance requiring Lessee to comply with the terms and conditions of this lease. If Lessee has assigned all or any portion of its rights (whether or not in compliance with the requirements for assignments under this lease agreement) the lessee will nevertheless remain fully responsible to the Lessor for compliance with all terms and conditions of this lease agreement and in addition, the assignee (whether or not the assignment is effective) is also fully responsible, pro rata, to the Lessor to the extent of the rights purportedly assigned. After establishment of a horizontal property regime as contemplated, the Association of Owners is jointly and severally liable with the Lessee under this lease agreement for performance of all terms and conditions of this lease agreement.

15. Termination of Lease. On termination of this lease by expiration of the term Lessee must immediately surrender peaceable possession of the leased premises and any improvements including fixtures and equipment related to the operation and maintenance of the improvements.

16. Notices. All notices required under this lease may be served by registered United States mail return receipt requested to Lessor as follows:

ROMAN CATHOLIC DIOCESE OF NASHVILLE  
c/o Bishop James D. Niedergese and his successors in office  
Diocese of Nashville  
2400 21st Avenue, South  
Nashville, TN

and to Lessee as follows:

ST. HENRY'S PROPERTY DEVELOPMENT, INC.  
6401 Harding Road  
Nashville, TN 37205

Notice will be deemed given when mailed regardless of delivery, acceptance or return of the receipt. Either party may by written notice change the address to which notice should be given him.

17. No Waiver. The receipt of rent by Lessor with knowledge of any breach of this lease by Lessee or of any default on the part of the Lessee does not waive any right or remedy of the Lessor. No failure on the part of the Lessor or of the Lessee to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by the Lessor or the Lessee, will discharge or invalidate the covenant or provision or affect the right of the Lessor or the Lessee to enforce it or any subsequent default.

18. Time of Essence. Where time is a factor in this lease, time shall be deemed to be of the essence.


19. Tennessee Law. The leased premises lie within the State of Tennessee, and this agreement must be interpreted and enforced in accordance with the laws of Tennessee.

20. No Agency Created. Nothing contained herein is intended to create a relationship other than that of Landlord and Tenant. Lessee is not the agent of the Lessor for any purpose whatsoever and is specifically not authorized to contract or incur any liability on Lessor's behalf.

21. Covenants to Run with Land. All covenants, promises and agreements of the Lessee run with the land described and are an encumbrance upon it. Accordingly, the covenants, promises and agreements are binding upon all successors in interest claiming any interest.

IN WITNESS WHEREOF, the undersigned parties have executed this Lease Agreement as of the year and date first above written.

LESSOR:

  
JAMES D. NIEDERGESES, Bishop of  
the Roman Catholic Diocese of Nashville

LESSEE:

ST. HENRY'S PROPERTY DEVELOPMENT, INC.

BY: Harry Baird  
HARRY BAIRD, PRESIDENT

ATTEST BY:

Karol Grace  
KAROL GRACE, SECRETARY

STATE OF TENNESSEE)  
COUNTY OF DAVIDSON)

Personally appeared before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared James D. Niedergeses, Bishop of the Roman Catholic Diocese of Nashville, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) who, upon oath, acknowledged himself to be the within named bargainor, executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and seal at Nashville, Tennessee this 30 day of June, 1985.

One M. Franz  
NOTARY PUBLIC

My Commission Expires: May 13, 1989

STATE OF TENNESSEE)  
COUNTY OF DAVIDSON)

Personally appeared before me, the undersigned, a Notary Public in and for the County and State aforesaid, Harry Baird, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be President of St. Henry's Property Development, Inc. and being duly authorized by St. Henry's Property Development, Inc. executed the foregoing instrument on behalf of St. Henry's Property Development, Inc. for the purposes therein contained.

WITNESS my hand and seal at Nashville, Tennessee this 21 day of June, 1985.

One M. Franz  
NOTARY PUBLIC

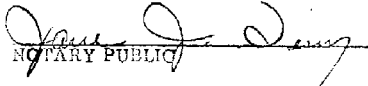
My Commission Expires: \_\_\_\_\_

My Commission Expires May 13, 1989

STATE OF TENNESSEE)  
COUNTY OF DAVIDSON)

Personally appeared before me, the undersigned, a Notary Public in and for the County and State aforesaid, Karol Grace, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged herself to be Secretary of St. Henry's Property Development, Inc. and being duly authorized by St. Henry's Property Development, Inc. executed the foregoing instrument on behalf of St. Henry's Property Development, Inc. for the purposes therein contained.

WITNESS my hand and official seal at Nashville, Tennessee this 21 day of June, 1985.

  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

My Commission Expires May 13, 1989

EXHIBIT A

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The Cloister at St. Henry - Phase I-C

Phase Description

Being a portion of a parcel of land situated in Nashville, Davidson County, Tennessee, said property being a part of Lot 2 The Cloister At St. Henry of record in Book 5200, Page 676, R.O.D.C., Tennessee.

Beginning at a point situated in the south easterly corner of said property, also being the south westerly corner of Phase 1B, and herein described as follows:

- Thence, N82° 23'W, a distance of 200 feet to a point;
- Thence, N83° 18'W, a distance of 27 feet to a point;
- Thence, N05° 42'E, a distance of 343 feet to a point;
- Thence, N37° 33'W, a distance of 145 feet to a point;
- Thence, N10° 12'E, a distance of 187 feet to a point;
- Thence, N51° 42'E, a distance of 155 feet to a point;
- Thence, N00° 18'W, a distance of 221 feet to a point;
- Thence, N82° 57'E, a distance of 167.93 feet to a point;
- Thence, S38° 54'E, a distance of 54.40 feet to a point;
- Thence, S73° 50'E, a distance of 81.07 feet to a point;
- Thence, S42° 08'E, a distance of 109.37 feet to a point;
- Thence, S16° 44'W, a distance of 131.45 feet to a point;
- Thence, N85° 06'W, a distance of 91.03 feet to a point;
- Thence, S05° 40'W, a distance of 112.16 feet to a point;
- Thence, S07° 17'E, a distance of 143.73 feet to a point;
- Thence, S11° 03'W, a distance of 125.21 feet to a point;
- Thence, S22° 41'W, a distance of 138.47 feet to a point;
- Thence, S63° 10'E, a distance of 78.22 feet to a point;
- Thence, S25° 03'W, a distance of 225.48 feet to a point of beginning and containing 6.78 acres of land more or less.

CHECK

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IDENTIF. REFERENCE

LOT 2 OF PHASE 1B

FELIX Z. WILSON, II, OWNER  
NASHVILLE, TENNESSEE