

RESOLUTION NO. 30889

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO A SECOND AMENDMENT TO LEASE WITH CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY (CARTA), IN SUBSTANTIALLY THE FORM ATTACHED, FOR CLARIFICATION OF THE INDEMNIFICATION AND TORT LIABILITY REQUIREMENTS REGARDING THE LEASED PREMISES LOCATED AT 710 E. 12TH STREET, IDENTIFIED AS TAX PARCEL NUMBER 145E-U-001.01.

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BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby authorizing the Mayor or his designee to enter into a Second Amendment to Lease with Chattanooga Area Regional Transportation Authority (CARTA), in substantially the form attached, for clarification of the indemnification and tort liability requirements regarding the leased premises located at 710 E. 12th Street, identified as Tax Parcel Number 145E-U-001.01.

ADOPTED: September 21, 2021

/mem

## SECOND AMENDMENT TO LEASE

**THIS SECOND AMENDMENT TO LEASE** (the “Agreement”), is made and entered into so as to be effective as of December 8, 2020 (the “Assignment Date”), between **CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY** (herein “CARTA”) and **CITY OF CHATTANOOGA** (“Lessor”).

### WITNESSETH:

WHEREAS, Southeast Tennessee Human Resources Agency (“SETHRA”), as Lessee, entered into a lease agreement with the City of Chattanooga as Lessor executed August 4, 2008, as modified by a First Amendment to Lease dated May 15, 2013, pertaining to Premises described as “Lot 2, East 12<sup>th</sup> Street Subdivision,” as shown by plat recorded in Plat Book 97, Page 44, in the Register’s Office of Hamilton County, Tennessee, and as described in said First Amendment (collectively hereinafter referred to as the “Lease”); and

WHEREAS, SETHRA, as Lessee, assigned, conveyed and transferred all of its right, title and interest in and to the Lessee’s interest in the Lease to CARTA by that certain Assignment and Assumption of Lessee’s Interest in Lease, Consent by Lessor and Acknowledgment by Sub-Lessee dated November 8, 2020 (the “Assignment”), which Assignment was consented to and approved by Lessor, and which is incorporated herein by reference; and

WHEREAS, the City of Chattanooga as Lessor and CARTA as Lessee desire to enter into this instrument to clearly establish the scope and extent of each party’s obligations for indemnification under the Lease, including the applicability of the Tennessee Governmental Tort Liability Act;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein and in the Lease and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, it is agreed:

1. **Limitations to Liability Under the Tennessee Governmental Tort Liability Act.** To the extent that the Lease creates any obligations upon either party to indemnify the other party, CARTA and Lessor acknowledge, confirm, and agree that all such indemnification obligations are limited by the protections provided to governmental entities under the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101, et seq., as such may be amended from time to time, and nothing in the Lease or in the Assignment shall be interpreted to expand either party’s indemnification obligations beyond the expressed limits of liability as established under such Act.

In order to further clarify such obligations, Paragraph 18(a) of the original Lease is amended by deleting the original terms thereof and replacing it with the following:

(a) Lessee agrees during the term of this Lease and any extension, renewals, or holdovers to purchase and maintain, for the benefit of the City, a policy or policies of public liability insurance and property insurance issued in the name of Lessee naming Lessor as an additional named insured. The public liability insurance policy or policies shall have limits of coverage equal to the statutory limits of liability established for governmental entities under the Tennessee Governmental Tort Liability Act, T.C.A. § 29-20-101, et seq., as such may be amended from time to time, and any indemnification obligations placed upon Lessee under the Lease shall

be determined in accordance with the limits of said Act. The property insurance shall include a full replacement cost guarantee provision for both real and personal property. Lessee agrees to provide the insurance policies at its sole expense, with changes in coverage as may be adjusted under the Tennessee Governmental Tort Liability Act. Lessee shall provide Lessor evidence of coverage by signed certificates of insurance that show the coverage to be in effect, and the Lessor will be provided with a thirty (30) day written notice prior to cancellation of the policy. The certificates of insurance shall indicate that the insurance is placed with Public Entity Partners, or such other insurance carrier as is otherwise approved by Lessor's Risk Manager.

2. **No Other Modification.** CARTA and Lessor agree that except for the new provisions regarding limits of liability as described in the foregoing paragraph, the Lease is unmodified by this instrument and remains in full force and effect.

IN WITNESS WHEREOF, CARTA and Lessor have caused this instrument to be executed to be effective as of the date of the assignment of the Lease on December 8, 2020.

**LESSEE:**

**CHATTANOOGA AREA REGIONAL  
TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Lisa Maragnano, *Executive Director*

**LESSOR:**

**CITY OF CHATTANOOGA**

By: \_\_\_\_\_  
Jermaine E. Freeman  
*Senior Advisor for Economic Opportunity*

STATE OF TENNESSEE  
COUNTY OF HAMILTON

Before me, a Notary Public in and for the state and county aforesaid, personally appeared Lisa Maragnano, to me known (or proved to me on the basis of satisfactory evidence) to be the Executive Director of **CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY**, the within named bargainor, a Tennessee corporation, who acknowledged that he/she executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by herself as Executive Director.

WITNESS my hand, at office, this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:\_\_\_\_\_

STATE OF TENNESSEE  
COUNTY OF HAMILTON

Before me, a Notary Public in and for the state and county aforesaid, personally appeared Jermaine E. Freeman, to me known (or proved to me on the basis of satisfactory evidence) to be the Senior Advisor for Economic Opportunity of **CITY OF CHATTANOOGA** the within named bargainor, a Tennessee corporation, who acknowledged that he/she executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Senior Advisor for Economic Opportunity.

WITNESS my hand, at office, this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:\_\_\_\_\_