LEASE AGREEMENT

THIS LEASE AGREEMENT is made on the date set forth below by and between Memphis Christian Academy (Lessor") and Shelby County Government, a political subdivision of the state of Tennessee, ("Lessee"), collectively the "Parties."

WITNESSETH:

WHEREAS, Lessor owns a certain tract of Real Estate located in Shelby County, Tennessee at 5221 Cottonwood Rd; and

WHEREAS, Lessee desires to lease a certain portion of the Real Estate owned by Lessor for the purpose of providing a Head Start Program for approximately 180 children.

NOW THEREFORE, In consideration of the mutual promises contained herein, the Parties agree as follows:

1. Leased Premises. Lessor hereby leases to Lessee portions of the Real Estate located at 5221 Cottonwood Rd., Memphis, Tennessee. The leased premises shall be approximately 12,450 square feet of classroom, office, kitchen and general use space which is more particularly described in Exhibit A, which is attached hereto and incorporated herein by reference ("Leased Premises").

2. Acceptance and Use of Leased Premises. Lessee accepts the Leased Premises, which shall be used solely for the purposes of operating a Head Start Program for approximately 180 children. Lessee shall operate and staff the Early Childhood Development Center between the hours of 7:00 a.m. to 5:00 p.m., five days a week, Monday through Friday. Lessee shall be responsible for providing meals and staff for the Head Start Program. Lessee will have exclusive use of the Leased Premises and exclusive access and use of the playground and playground equipment and assumes all liability for injuries to children and staff. Lessee shall have use of the kitchen and storage space exclusively, with the exception of use by the Lessor during hours when Shelby County Head Start is not using the kitchen.

3. Term. The term of this Lease shall be for a period of sixty (60) months, commencing on August 1, 2008, and ending July 31, 2013, (the "Term"), with the Lessee's option to renew at the same lease rental rate for two (2) additional one-year periods with ninety days notice of renewal to the Lessor.

4. Rents. Lessee shall pay the Lessor on a quarterly basis TWENTY ONE THOUSAND FOUR HUNDRED SEVENTY SIX DOLLARS AND 25/100 (21,476.25) ("Rent"), which represents three months rent on the first day of the beginning of the quarter. All subsequent rents will be due on the first day of the first month of each quarterly period. Unless Lessor shall direct otherwise, in writing, all Rent payments due hereunder shall be made by check payable to the order of Lessor and mailed to Lessor at 5221 Cottonwood Rd., Memphis, TN 38118. Except as provided herein, Rent payments shall be without any setoff, abatement, deduction, or other reduction whatsoever.

5. Utilities, Telephone and Internet. All, heat, water, electricity, gas or utilities used in the Leased Premises shall be paid by the Lessee. All telephone and internet services utilized for the operation of Shelby County Head Start Program shall be obtained and paid for by the Lessee.

6. Taxes. Lessee shall pay all taxes levied or assessed, if applicable, during the Term hereof against personal property, furniture or fixtures placed by Lessee in the Leased Premises. Lessor shall pay all Real Property taxes levied or assessed during the Term hereof relative to the Leased Premises.

7. Maintenance and Repairs. Lessor and Lessee shall maintain the Leased Premises in good repair and in a safe condition. Lessee shall make all repairs or replacements to the Leased Premises, which are ordinary and considered routine maintenance in nature, Lessor shall make all repairs or replacements to the Leased Premises, which are structural, such as roof, exterior walls, structural foundations and major mechanical and electrical systems as and when necessary. All repairs shall be at least equal in quality to the original work. The Parties agree that all

repairs, which each is obligated to make hereunder, will be completed in a timely manner. Lessee shall report to Lessor, in writing, any defective condition in the Leased Premises known to the Lessee and which the Lessor is required to repair hereunder. If a condition exists on the Leased Premises which materially affects the safety of Lessee's employees, enrollees of the Head Start Program, or its personal property or its ability to use the Leased Premises for the purposes permitted hereunder, and further if Lessor being required to repair such condition fails to do so within thirty (30) days after its receipt of notice of such condition from Lessee, then Lessee shall have the right to repair such condition at the expense of Lessor, or to deduct the cost thereof from the Rent due hereunder. Lessee agrees to keep the Cooking Facilities, including all equipment therein, in clean and safe condition. Lessee shall be responsible for all upgrades, improvement, repairs or replacements to the Leased Premises, during this lease, should Lessee determine that such is desired and/or necessary.

Lessee shall provide at Lessee's expense custodial services for the Leased Premises. Custodial services are to include general cleaning of rooms, floors and common areas. All cleaning supplies shall be provided by Lessee.

8. Insurance. Lessor agrees, at its sole cost and expense, to maintain in full force and effect a hazard insurance policy on the Leased Premises covering damage or destruction by fire and other hazards covered by extended coverage endorsements, in an amount equal to the full replacement value of the Lessor's interest in the Leased Premises. Lessee shall be listed as an additional insured on such policy. Lessor shall furnish to Lessee, at the time of contracting, a Certificate of Insurance, evidencing the payment of premiums on said policy. Lessor's site shall be listed as a site on the Lessee's Commercial General Liability Insurance policy.

Lessee is self-insured and maintains said insurance for not less that any limits of liability specified or required by law, whichever is greater, including, but not limited to, the limits and terms of the Governmental Tort Liability Act, T.C.A. 26-20-101, et al.

All such policies shall provide that no cancellation or termination thereof shall be effective unless thirty (30) days' prior written notice is provided to Lessee.

It is understood and agreed that in the event any amount becomes payable from such hazard insurance policy or policies, the proceeds payable to Lessor shall be used for payment of the cost of repairing or replacing any damage suffered to the Leased Premises unless more appropriate property is made available for use by the Lessee.

9. Destruction of Leased Premises. In the event that the building, which is part of the Leased Premises, is totally destroyed by fire or other cause or so damaged that Lessor cannot reasonably effect the restoration or repair of same within ninety (90) days from the date of the happening of any such casualty with the insurance proceeds available therefore, this Lease shall, at Lessor's or Lessee's option, terminate, provided that such option must be exercised by written notice from one to the other within thirty (30) days of the date of the happening of such casualty; and in the event of such termination, Lessee shall be allowed an abatement of Rent from the date of such happening of such casualty, and shall be relieved of the liability for the payment of any Rent due thereafter. However, if the damage is such that rebuilding or repairs can be completed within ninety (90) days from the date of the happening of any such casualty with the insurance proceeds available therefore, then Lessor hereby agrees to rebuild and to make such repairs with reasonable promptness and dispatch, and to allow Lessee an abatement in Rent for such time as the Leased Premises is untenantable and a fair and proper partial or total abatement of Rent for such time as the Leased Premises is partially untenantable, and as soon as the Leased Premises is restored and repairs completed, Lessee agrees to take possession and resume payment of Rent upon the same terms and conditions set forth herein for the unexpired Term hereof.

10. Waste and Nuisances. Lessee shall not cause or permit any waste, damage or injury to the Leased Premises whatever and will allow no nuisance to exist on the Leased Premises and will, when required by the proper authorities, abate all nuisances at its own expense.

11. Quiet Enjoyment. Lessor hereby covenants and agrees that if Lessee performs all the terms, conditions and covenants of this Lease to be performed by it hereunder, then Lessee shall peaceably and quietly hold and enjoy the premises for its purposes for the Term hereof without hindrance or interruption.

12. Lessor's Remedies in Event of Default. Lessee shall be in default under this Lease, if it shall fail to pay any Rent when due hereunder, or fail to perform or observe any of the covenants, agreements or obligations

herein made or assumed by it. In case of such default, Lessor shall have the right to the following remedies, which are intended to be cumulative and in addition to any other remedies provided under Tennessee law:

(A) Terminate this Lease, in which event Lessee shall immediately surrender the premises to Lessor.

(B) Retake possession of the Leased Premises by summary proceedings and relet the premises upon any reasonable terms. Reletting shall not be construed as an acceptance of a surrender of Lessee's leasehold interest.

13. Waiver. No waiver of any violation or breach of any of the terms, provisions and covenants herein contained shall be effective unless in writing and executed by the party making such waiver; and no such waiver shall operate as a waiver of either (a) such term, provision, condition, default or breach on any other occasion or (b) any other term, provision, condition, default or breach of this Lease. Lessor's acceptance of the payment of Rent hereunder after the occurrence of an event of default shall not be construed as a waiver of such default. Forbearance by Lessor to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default or of Lessor's right to enforce any such remedies with respect to such default or any subsequent default.

14. Right to Inspect Premises. Lessor or its agents shall have the right to enter the Leased Premises at reasonable times for the purpose of making inspections or showing the Leased Premises to potential purchasers or contractors, and Lessee agrees to permit same without hindrance.

15. Mechanic's and Other Liens. Lessee shall have no authority, express or implied, to create or place any lien or encumbrance, of any kind or nature whatsoever upon the Leased Premises, and each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Lessee by this instrument which claim Lessee shall promptly satisfy and remove or bond off and duly dispose of.

16. End of Term. Lessee covenants that on the last day of the Term hereof it will peaceably and quietly leave and surrender the Leased Premises. Lessor reserves the right to have a exit walk through 10 days prior to the last day of the Term.

17. Subordination, Attornment. Lessee agrees to execute, acknowledge and deliver upon request any and all instruments and documents deemed by Lessor to be necessary or proper to render this Lease subject and subordinate to any and all mortgages or deeds of trust now existing, or which may hereafter be executed covering the Leased Premises or the property of which the Leased Premises is a part, for the full amount of all advances made or to be made there under, together with interest thereon and subject to all terms and provisions thereof; provided that the holder of such mortgage or deed of trust shall execute an appropriate non-disturbance agreement pursuant to which Lessee may continue to hold the Leased Premises for the Term hereof, provided no default exists hereunder.

18. Estoppel Certificates. Lessee agrees, from time to time upon request by Lessor, to execute and deliver to Lessor or Lessor's designee, a statement in recordable form certifying whether or not (a) this Lease is in full force and effect, (b) this Lease has been amended, (c) to the knowledge of Lessee there are any existing defaults hereunder on the part of Lessor and specifying the nature of such defaults, if any, as well as (d) the date to which Rent has been paid, and (e) the unexpired term of this Lease.

19. Covenant Against Contingent Fees. Lessor warrants that it has not employed or retained any company or person other than a bona fide employee working solely for Lessee, to solicit or secure this Lease, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Lessee any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or making of this Lease. For breach or violation of this warranty, Lessor will have the right to recover the full amount of such fee, commission, percentage, brokerage fee, gift, or other consideration.

20. Amendment. This Lease may not be amended or modified except by a written instrument signed by the Parties.

21. Assignment or Subletting. Lessee shall not assign, sublet, transfer or encumber its interest in this Lease or any part thereof, without the prior written consent of Lessor.

22. Entire Agreement. The Parties agree that this Agreement supersedes all prior discussions and writings and constitutes the entire agreement between the Parties with respect to this Lease. This Lease sets out the understandings between the parties relative to the Leased Premises and there are no promises, agreements, conditions, understanding, inducements, warranties or representations, either oral or written, express or implied, between them other than as set forth in this Lease and this Lease shall not be modified in any manner except by a writing signed by both Lessor and Lessee.

23. Notices. All notices required or provided for under this Lease shall be given in writing by personal delivery, overnight delivery service, or by registered or certified U.S. Mail, postage prepaid and addressed to the parties at the following addresses or such other addresses as the parties may give notice and such notice shall be deemed give upon receipt:

Lessor: Memphis Christian Academy
5221 Cottonwood Rd.
Memphis, TN 38118

Lessee: Shelby County Government
Head Start Program
1991 Corporate Center Dr., 6th Floor
Memphis, TN 38132

And

Shelby County Government
Contract Administration
160 N. Main Street, Suite 550
Memphis, TN 38103
ATTN: Contract Administrator

24. Signage. Any signage proposed by the Lessee, must be approved by the Lessor prior to installation.

25. Severability. If any provision of this Lease is held to be unlawful, invalid or unenforceable under any present or future laws, such provision shall be fully severable; and this Lease shall then be construed and enforced as if such unlawful, invalid or unenforceable provision had not been a part hereof. The remaining provisions of this Lease shall remain in full force and effect and shall not be affected by such unlawful, invalid or unenforceable provision or by its severance. Furthermore, in lieu of such unlawful, invalid, or unenforceable provision, there shall be added automatically as a part of this Lease a provision as similar in terms to such unlawful, invalid or unenforceable provision as may be possible, and be legal, valid and enforceable.

26. Matters to be Disregarded. The titles of the several sections, subsections, and paragraphs set forth in this contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this contract.

27. Conflict of Interest. Lessor covenants that it has no public or private interest, and will not acquire directly or indirectly any interest, which would conflict in any manner with the performance of its duties hereunder. Lessor warrants that no part of the total contract amount provided herein shall be paid directly or indirectly to any officer or employee of Lessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee or subcontractor to Lessor in connection with this Lease.

28. Governing Law. This Lease shall be construed according to the laws of the State of Tennessee. By execution of this Lease, the parties agree that all actions, whether sounding in contract or in tort, relating to the validity, construction, interpretation and enforcement of this Lease will be instituted and litigated in the courts of the State of Tennessee, located in Shelby County, Tennessee, and in no other. In accordance herewith, the parties submit to the jurisdiction of the courts of the State of Tennessee located in Shelby County, Tennessee.

29. Subject to Funding. This Lease is subject to annual appropriations of funds by the Shelby County Government and the Department of Health and Human Services. In the event sufficient funds for this Lease are not appropriated by Shelby County Government for any of its fiscal period during the term hereof, then this Lease will be terminated. In the event of such termination, the Lessor shall be entitled to receive just and equitable compensation for any periods the Lessee remains on the Leased Premises. Also, in the event of such termination, the Lessor will be given at least 90 days notice, if possible or as soon as the grantee is notified.

30. Notice of Open Records. Notwithstanding anything to the contrary contained herein or within any other document supplied to Lessee by the Lessor, Lessor understands and acknowledges that Lessee is a governmental entity subject to the laws of the State of Tennessee and that any reports, data or other information supplied to Lessee by Lessor pursuant to this Lease is subject to being divulged as a public record in accordance with the laws of the State of Tennessee.

31. Nondiscrimination. The Lessor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination while on the Leased Premises on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Lessor shall upon request show proof of such nondiscrimination, and shall post in conspicuous places available to all employees and applicants notices of nondiscrimination.

32. Responsibilities for Claims and Liabilities. Lessor shall indemnify, defend, save and hold harmless the Lessee and its elected officials, officers, employees, agents, assigns, and instrumentalities from and against any and all claims, liability, losses or damages—including but not limited to Title VII and 42 USC 1983 prohibited acts—arising out of or resulting from any conduct; whether actions or omissions; whether intentional, unintentional, or negligent; whether legal or illegal; or otherwise that occur in connection with or in breach of this Lease or in the performance of the duties hereunder, whether performed by the Lessor its subcontractors, agents, employees or assigns. This indemnification shall survive the termination or conclusion of this Lease.

Lessor expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by Lessor shall in no way limit the responsibility to indemnify, defend, save and hold harmless the County or its elected officials, officers, employees, agents, assigns, and instrumentalities as herein provided.

The Lessee has no obligation to provide legal counsel or defense to Lessor or its subcontractors in the event that a suit, claim or action, of any character, is brought by any person not party to this agreement against Lessor as a result of or relating to obligations under this lease.

Except as expressly provided herein, the Lessee has no obligation for the payment of any judgment or the settlement of any claims against Lessor as a result of or relating to obligations under this lease.

Lessor shall immediately notify the Lessee, c/o Shelby County Government, Contracts Administration, 160 N. Main Street, Suite 550, Memphis, TN 38103, of any claim or lawsuit made or filed against Lessor or its subcontractors regarding any matter resulting from or relating to Lessor's obligations under this lease and will cooperate, assist and consult with the County in the defense or investigation thereof.

Lessee, being a local governmental entity, is governed by provisions of the Tennessee Government Tort Liability Act, Tennessee Code Annotated, Sections 29-20-101 et seq., for causes of action sounding in tort. Further, no contract provision requiring a Tennessee political entity to indemnify or hold harmless the other party to the Agreement beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization of the General Assembly.

IN WITNESS WHEREOF, this Lease has been executed by the Parties as of this 26th day of June 2008.

LESSOR:
MEMPHIS CHRISTIAN ACADEMY

Maurice A. Johnson CEO

BY: Maurice A. Johnson

LESSEE:
SHELBY COUNTY GOVERNMENT

A C Wharton, Jr., Mayor

APPROVED AS TO FORM AND LEGALITY:

Contract Administrator/
Assistant County Attorney

CORPORATE ACKNOWLEDGMENT

STATE OF Tenn

COUNTY OF Shelby

Before me, the undersigned Notary Public, in and for the State and County aforesaid, personally appeared Maurice A. Johnson, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself/herself to be president or other officer authorized by appropriate Corporate action and/or Resolution to execute the preceding instrument of the Memphis Christian Academy the within named bargainor, a corporation, and that he as such Maurice A. Johnson, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself/herself as CEO.

WITNESS my hand and official seal at office this 26th day of June, 2008.

COLLEEN NELSON (Seal)
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF SHELBY
MY COMM. EXP. AUG. 20, 2011

Colleen Nelson
Notary Public

My Commission Expires: 8-20-2011

EXHIBIT A

EXHIBIT A

MEMPHIS CHRISTIAN CENTER - LEASE AGREEMENT

11 Storage	**MCA** Classrooms (9) Office Space (5) Storage Closets Bathrooms (6) 2 in baby room Large Playground (2) Entrances **FLC** Kitchen (1) w/stove Storage Closet Classrooms (3) Bathrooms (2)	N/A
10 Small class Room or Office		N/A
9 Classroom		N/A
8 Classroom		10 Classroom
7 Cafeteria		9 Classroom
6 Extra Bathroom		8 Classroom
5 Girl's Bathroom		7 Church Classroom
4 Teacher's Bathroom		6 Pre-K Classroom
3 Boy's Bathroom		5 3 Year Old Classroom
2 Closet		
1 Baby Room		1 2 Office Spaces
		Office Spaces 4 3