

## CITY HALL LEASE AGREEMENT

Georgia, Whitfield County.

**THIS LEASE AGREEMENT** (“this Lease”) made and entered into this the 19<sup>th</sup> day of April 2021, by and between the **City of Dalton, Georgia** (the “Lessor”), and the **Downtown Dalton Development Authority** (the “Lessee”)

### W I T N E S S E T H:

- 1. PREMISES.** Lessor, for the consideration of the rents, covenants, agreements and stipulations herein contained to be kept and performed by Lessee, hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor, at the rent and upon the conditions herein set forth, the premises located within the Dalton City Hall, 300 West Waugh Street, Dalton, Georgia (the “Building”) as more particularly described as the crosshatched areas shown on drawings attached hereto as Exhibit “A,” and incorporated herein by reference, together with all appurtenances thereto (the “Premises”), including the non-exclusive use of the parking lot, the common areas and the Council Chambers of the Premises, and the furniture, fixtures and equipment described on the attached Exhibit “B”. Lessee’s use of the parking lot and common areas is limited to the uses available to the public in general. Lessee’s use of the Council Chambers is subordinate to the right of use by the Lessor. Lessor shall provide Lessee’s staff with general computer network access and email service. Lessee accepts the Premises, its HVAC, electrical, plumbing and all other systems “as-is”.
- 2. PURPOSE.** The Premises shall be used and occupied by Lessee in connection with the Lessee’s business of administration of the Downtown Dalton Development Authority and for no other purposes.
- 3. TERM.** The term of this Lease shall be for five (5) years to commence on \_April 19, 2021 and to terminate on \_April 18, 2026 at midnight, unless sooner terminated by a breach of the terms and conditions of this Lease by Lessee, or by abandonment of the Premises by Lessee, or by the mutual, written consent of Lessor and Lessee. Lessee shall surrender the Premises to Lessor immediately upon the termination of the lease term. Lessee shall have the option to renew the Lease for an additional five (5) year term with written notice to Lessor ninety (90) days prior the expiration of the original Lease term.
- 4. RENT.** Lessee agrees to pay Lessor as rental for the use of the above described Premises the sum of \$1.00 per year.
- 5. ADDITIONAL RENT.** Lessee agrees to pay as rent, in addition to the minimum rental reserved in Paragraph 4 hereinabove, the following:
  - 5.1. Any and all sums which may become due by reason of the failure of Lessee to comply with all covenants of this Lease, Lessee agreeing to pay any and all damages, costs or expenses which Lessor may suffer or incur by reason of any default of Lessee or failure on its part to comply with the covenants of this Lease; and any and all damages to the Premises caused by any intentional or negligent act of Lessee or Lessee’s agents or invitees.
- 6. LESSEE’S RIGHT TO ALTER AND IMPROVE.** Lessee shall have no right at its own expense from time to time during the lease term to alter or improve the Premises without the prior written consent of the Lessor. Upon termination of this Lease, any such permitted improvements shall be the property of Lessor.

**7. GOOD TITLE.** Lessor warrants that it has fee simple title to the Premises and that the Premises shall be delivered to the Lessee free and clear of all claims, obligations, tax assessments, liens and encumbrances whatsoever, except any and all mortgages, deeds to secure debt, deeds of trust or other instruments in the nature thereof which may now or hereafter affect or encumber Lessor's title to the Premises and all modifications, renewals, consolidations, extensions or replacements thereof, herein referred to as "Lessor's Mortgage."

**8. AFFIRMATIVE COVENANTS AND RESPONSIBILITIES OF LESSEE.** Lessee covenants and agrees that Lessee will, without demand:

8.1. Keep the Premises reasonably clean and free from all rubbish, dirt and other matter;

8.2. Comply with any requirements of any of the constituted public authorities, and with the terms of any state or federal statutes or local ordinances or regulations applicable to Lessee to or for Lessee's use of the Premises and save Lessor harmless from penalties, fines, costs or damages resulting from the failure to do so;

8.3. Give to Lessor prompt written notice of any accident involving persons other than agents or employees of Lessee, fire or damage occurring on or to the Premises;

8.4. At the termination of this Lease, remove any signs, improvements of a non-permanent nature, projections or devices placed upon the Premises at or prior to the expiration of this Lease. In case of breach of this covenant, in addition to all other remedies given to Lessor in case of breach of any condition or covenant of this Lease, Lessor shall have the privilege of removing said improvements, signs, projections, or devices and Lessee, at Lessor's option, shall be liable to Lessor for any and all expenses so incurred by Lessor;

8.5. Comply with all applicable environmental laws which is defined as all federal, state, and local laws, rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder and other governmental requirements relating to pollution, control of chemicals, storage and handling of petroleum products, management of waste, discharges of materials into the environment, health, safety, natural resources, and the environment, including laws relating to emissions, discharges, releases, or threatened release of pollutants, contaminants or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, on lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or waste.

8.6. Indemnify Lessor against all expenses, liabilities and claims of any kind, including reasonable attorney's fees, by or on behalf of any person or entity arising out of either:

- (A) A failure by Lessee to perform any of the terms or conditions of this Lease;
- (B) Any injury or damage happening on or about the demised Premises;
- (C) Failure to comply with any law of any governmental authority; or
- (D) Any mechanic's lien or security interest filed against the Premises as a result of any actions or conduct of Lessee at or with respect to the Premises; and

8.7. Secure any and all permits for such use as Lessee intends to make of the Premises prior to the effective date of this Lease, and upon obtaining such permit, Lessee shall not use the demised Premises in any manner not inconsistent with or in violation of such permit.

8.8 At the expiration of the lease term, surrender the Premises in as good condition and repair as the same shall be at the time possession thereof is taken by Lessee, normal wear and tear excepted.

**9. AFFIRMATIVE COVENANTS AND RESPONSIBILITIES OF LESSOR.** Lessor covenants and agrees that Lessor will, without demand:

9.1. At Lessor's own expense maintain the Building, including without limitation, the systems therein and the fixtures attached thereto, in good order and repair.

9.2. Grant Lessee, its agents and employees access to the Premises at all times reasonable or necessary for Lessee to conduct its business, including use of any security system restricting access thereto.

9.3. Allow Lessee to erect internal signage on the Premises, subject to the Lessor's consent thereto which shall not be unreasonably withheld. Any signage placed by Lessee will consistent to the existing signage and architectural style of the Building.

9.4. Allow the Lessee to erect internal signage on the Premises, subject to the Lessor's consent thereto. Any signage placed by the Lessee will be consistent with the existing signage and architectural style of the Building.

**10. NEGATIVE COVENANTS OF LESSEE.** Lessee covenants and agrees that it will do none of the following things without the consent in writing of Lessor first had and obtained:

10.1. Occupy the Premises in any other manner or for any other purpose than as set forth herein; and

10.2. Assign, mortgage or pledge, or sublease this Lease; nor shall any permitted assignee assign, mortgage, pledge or sublease this Lease without the written consent by the Lessor, and without such consent no such assignment, mortgage, pledge or sublease shall be valid.

**11. ADDITIONAL COVENANTS:**

11.1. Lessor shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the building, the interruption of the use of the Premises, or the termination of this Lease by reason of the destruction of the Premises.

11.2. It is hereby covenanted and agreed by and between the parties that any law, usage or custom to the contrary notwithstanding, Lessor shall have the right at all times to enforce the covenants and provisions of this Lease in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of Lessor in refraining from so doing at any time or times, and further, that the failure of Lessor at any time or times to enforce Lessor's right under said covenants and provisions strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions or covenants of this Lease, or as having in any way or manner modified the same.

11.3. Lessee agrees to carry at its own expense through the term of this Lease, public liability insurance covering the Premises, and Lessee's use thereof, in an amount periodically adjusted to conform with the then current standard business practices for comparable business operations but in no case less than \$1,000,000 in combined single limit coverage for bodily injury or death, personal injury and property damage. Lessee shall designate Lessor as an additional named insured on said policy. Lessee shall provide Lessor with copies or evidence of such insurance coverage prior to the commencement date of the Lease and annually thereafter.

11.4 Lessor and Lessee shall, through the term of this Lease, or any extension thereof, maintain fire and extended coverage insurance on their respective property located in and about the Premises or the Building in such amounts, and with such deductibles as each shall determine. Lessee agrees that all personal property of whatever kind it may be at any time in the Premises or the Building shall be at Lessee's sole risk or at the risk of those claiming through Lessee and that Lessor shall not be liable for any damage to or loss of such personal property except if arising from or caused by the fault or negligence of Lessor.

**12. EVENTS OF DEFAULT.** The occurrence of any of the following shall constitute Events of Default:

12.1. Any part, portion or component of the Rent, or any other sums payable under this Lease are not received when due;

12.2. The Premises are deserted, vacated, or not used as regularly or consistently as would normally be expected for similar premises put to the same or similar purposes as set forth in Paragraph 2, even though Lessee may continue to pay Rent;

12.3. Any petition is filed by or against Lessee under any section or chapter of the Federal Bankruptcy Code, and, in the case of a petition filed against Lessee, such petition is not dismissed within thirty (30) days after the date of such filing;

12.4. Lessee becomes insolvent or transfers property in fraud of creditors;

12.5. Lessee makes an assignment for the benefit of creditors;

12.6. A receiver is appointed for any of the Lessee's assets; or

12.7. Lessee breaches or fails to comply with any term, provision, condition or covenant of this Lease, other than the payment of Rent.

**13. REMEDIES.** Upon the occurrence of an Event of Default which is not cured by Lessee within thirty (30) days after written notice by Lessor of such default, Lessor may do or perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted it by law or by this Lease:

13.1. Lessor may terminate this Lease, in which event Lessee shall immediately surrender the Premises to Lessor. If Lessee fails to do so, Lessor may, without prejudice to any other remedy Lessor may have either by law or by this Lease obtain a writ of Possession and enter upon the Premises and remove Lessee and Lessee's personal property without being liable to Lessee in any manner whatsoever for damages therefor. Lessee shall be liable to Lessor for and shall indemnify and hold Lessor harmless from and against all cost, loss, or damage which Lessor may suffer by reason of such termination of this Lease, whether through inability to re-let the Premises, through a decrease in rent received, by damage to the Premises, or otherwise; or

13.2. Lessor may enter the Premises if abandoned and remove the Lessee and its personal property, if necessary, without being liable in any manner whatsoever for such acts, and may re-let the Premises as the agent and receive such rent therefore. In such event, Lessee shall be liable to Lessor for any deficiency which may arise by reason of such re-letting during the remainder of the lease term as set forth herein.

**14. REMEDIES CUMULATIVE.** All of the remedies hereinbefore given to Lessor and all rights and remedies given by law or in equity to Lessor shall be cumulative and concurrent. No termination of this Lease or the taking or recovering of the Premises shall deprive Lessor of any of its remedies or actions against the Lessee for rent due at the time of which under the terms hereof would in the future become due as if there had been no termination, or for any and all sums due at the time, or which under the terms hereof would in the future become due as if there had been no termination, nor shall bringing of any action for rent or breach of covenant, or the resort to any other remedy herein provided for the recovery of rent be construed as a waiver of Lessor's right to obtain possession of the Premises.

**15. LEASE CONTAINS ALL AGREEMENTS.** It is expressly understood and agreed by and between any parties hereto that this Lease and the Exhibits attached hereto and forming a part hereof, set forth all of the promises, agreements, conditions and understandings between Lessor, or Lessor's agents, and Lessee relative to the demised Premises, and that there are no promises, agreements, conditions or understandings, either oral or written, between them other than as set forth herein. It is further understood and agreed that, except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

**16. PARTIES BOUND.** All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several and respective successors and permitted assigns of said parties, and the word "Lessee" shall be deemed to and taken to mean each and every person or party mentioned as a Lessee herein, be the same one or more; and if there shall be more than one Lessee, any notice required or permitted by the terms of this Lease shall be given by or to anyone thereof, and shall ever have the same force and effect as if given by or all thereof. No rights, however, shall inure to the benefit of any assignee of Lessee unless the assignment to such assignee has been approved by Lessor in writing as herein provided.

**17. NOTICES.**

17.1. Except for legal process which may also be served as by law provided, all notices required or desired to be given with respect to this Lease shall be in writing and shall be deemed to have been given when hand delivered or three (3) days after deposited, postage prepaid, with the United States Postal Service (or its official successor), certified, return receipt requested, properly addressed as follows:

To Lessee:  
Downtown Dalton Development Authority  
Attention: Candace Eaton, Executive Director  
PO Box 707  
Dalton, GA 30722

To Lessor:  
City of Dalton  
Attention: Jason Parker, City Administrator  
300 W. Waugh Street  
Dalton, GA 30720

Such addresses may be changed from time to time by either party by notice to the other.

17.2. Lessee hereby designates and appoints as its agent to receive notice of all dispossession or distraint proceedings the person in charge of or occupying the Premises at the time such notice is given, or, if there is no such person, then such service of notice may be made by attaching it on the main entrance of the Premises.

**18. HOLDING OVER.** In no event shall there be any renewal of this Lease by operation of law, and if Lessee remains in possession of the Premises after the termination of this Lease and without the execution of a new lease, Lessee shall be deemed to be occupying the Premises as a hold-over tenant (or a tenant at sufferance). Lessor shall have the option to 1) terminate this Lease by written notice to Lessee or 2) if the Premises are abandoned, without terminating this Lease, to enter upon and take possession of Premises, removing all persons and property therefrom and as Lessee's agent, to re-rent Premises at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Lessor deems proper. Lessee shall be liable to Lessor for any deficiency between all rental due hereunder and the price obtained by Lessor on such re-letting. Such termination shall not release Lessee from liability for any unpaid rentals under this Lease, past or future.

**19. NO ESTATE IN LAND.** This Lease creates the relationship of landlord and tenant between Lessor and Lessee. No estate shall pass out of Lessor, and Lessee has only a usufruct which is not subject to levy and sale.

**20. SEVERABILITY.** If any clause or provision of this Lease is or becomes illegal, invalid, or unenforceable because of present or future laws or any rule or regulation of any governmental body or entity, effective during its term, the intention of the parties hereto is that the remaining parts of this Lease shall not be affected thereby, unless the amount of Rent payable hereunder is thereby decreased, in which event Lessor may terminate this Lease.

**21. CAPTIONS.** The captions used in this Lease are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

**22. SUCCESSORS AND ASSIGNS.** The provisions of this Lease shall inure to the benefit of and be binding upon Lessor and Lessee, and their respective successors and permitted assigns.

**23. STATE LAW.** The laws of the State of Georgia shall govern the interpretation, validity, performance and enforcement of this Lease.

**24. TIME IS OF THE ESSENCE.** Except as otherwise specifically provided herein, time is of the essence of this Lease.

**25. EXECUTION.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original and any of which shall be deemed to be complete in itself and shall be admissible into evidence or used for any purpose without the production of the other counterparts.

**26. PEACEFUL POSSESSION.** Subject to paragraph 28 below, so long as Lessee observes and performs the covenants and agreements contained herein, it shall at all times during the lease term hereunder peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof.

**27. DAMAGE TO PREMISES.** If the Premises or Building is damaged by storm, fire, lightning, earthquake or other casualty Lessor shall incur no liability to Lessee and shall have no obligation to restore

the Premises to substantially the same condition as before such damage. Lessee shall have the option to terminate this Lease if Lessor elects not to repair such damage.

**IN WITNESS WHEREOF**, the parties hereto have executed these presents the day and year first above written.

**LESSOR:**

**The City of Dalton, Georgia**

By: \_\_\_\_\_

**Mayor**

**Attest:** \_\_\_\_\_

**City Clerk**

**LESSEE:**

**Downtown Dalton Development  
Authority**

By: \_\_\_\_\_

**Candace Eaton, Executive Director**

**EXHIBIT "A"**