

## LEASE AGREEMENT

### GEORGIA, WHITFIELD COUNTY

This Lease Agreement made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023 by and between the City of Dalton, Georgia, a municipal corporation of the State of Georgia, hereinafter referred to as "Lessor" and Robert E. Shaw, hereinafter referred to as "Lessee."

#### WITNESSETH:

**WHEREAS**, Lessor is the owner of that certain tract or parcel of land located within the Lessor's corporate limits as more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Premises"); and

**WHEREAS**, the building located on the Premises is the former city hall of the Lessor; and

**WHEREAS**, the Premises has been held by the Lessor for its corporate purposes, was never dedicated to public use, and has been abandoned by Lessor as a city hall due to its physical condition and other inadequacies; and

**WHEREAS**, Lessee desires to lease and renovate the Premises to further his charitable and philanthropic endeavors; and

**WHEREAS**, it is the desire of the Lessor and Lessee to enter into a lease agreement;

**THEREFORE**, the Lessor, for and in consideration of the rents, covenants, agreements and stipulations hereinafter mentioned, reserved and contained, to be kept and performed by the parties it is agreed as follows:

#### -1-

#### THE PREMISES LEASED

Lessor does hereby lease, rent and grant unto Lessee the Premises subject to the terms and conditions set forth herein.

#### -2-

#### PURPOSE

The Premises shall be used for the purpose of facilitating the charitable and philanthropic endeavors of Lessee and for all purposes ancillary thereto. The Premises shall be used for the purposes stated herein on a continuous basis during the term of this Lease.

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### **TERM**

The term of this Lease shall commence at the expiration of the current lease term and terminating at midnight on October 31, 2024, unless sooner terminated or extended as hereinafter specifically provided by this Lease, and extend for twenty (20) years, commencing November 1, 2024 and terminating at midnight on October 31, 2044.

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### **RENT**

The consideration for this Lease shall be Lessee's renovation of the Premises as provided herein to such extent that will result in improvements to the Premises with a value that approximates the fair rental value of the Premises over the term of the Lease discounted to present value as well as continuing maintenance of the facility with repairs as necessary. Additionally, Lessee shall provide the City consultation services regarding economic development issues on an as needed basis.

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### **UTILITIES**

Lessee shall be solely responsible for all charges for gas, electricity, telephone and other utility services used, rendered, supplied or imposed upon the Premises and shall indemnify Lessor and save it harmless against any liability or charges on account thereof.

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### **RENOVATION**

- (a) The Lessee shall renovate the Premises in a manner consistent with the style and history of the building located thereon. Tenant, at his expense, shall cause the preparation of architectural plans, detailed specifications and finish schedules (collectively, the "Plans") for all work to be performed in and on the Premises. Lessee shall submit the Plans to the Lessor and obtain written approval of the same from Lessor prior to the commencement of any work. The Plans shall be prepared in accordance with applicable building codes and rules and regulations of governmental agencies, including but not limited to the rules, regulations and requirements of the City of Dalton Historic Preservation Commission.
- (b) The renovations shall commence no later than 90 days after both parties approve the lease and shall continue uninterrupted and with reasonable progress to completion.
- (c) All renovations to the Premises shall remain on the Premises and shall become the property of the Lessor upon completion.

## INDEMNIFICATION AND INSURANCE

Lessee agrees to indemnify and save harmless the Lessor against all liability claims for damages to persons or property by reason of Lessee's use or occupancy of the Premises, and all expenses reasonably incurred by Lessor as a result thereof, including reasonable attorney's fees and court costs.

Lessee shall, at all times during the Lease term, maintain in full force and effect comprehensive public liability insurance in the amount of at least One Million Dollars (\$1,000,000.00) for any occurrence resulting in personal property damage to third persons or bodily or personal injury to or the death of a person and consequential damages arising therefrom, and in the amount of at least Three Million Dollars (\$3,000,000.00) for any occurrence resulting in bodily or personal injury or death to more than one person and consequential damages arising therefrom. Lessee will furnish to Lessor copies of policies or certificates of insurance evidencing coverage required by this Lease. All policies required hereunder shall contain an endorsement naming Lessor as an additional named insured and provide that the insurer will not cancel or amend the policy or policies without first giving at least thirty (30) days' prior written notice thereof to Lessor.

Lessor shall, under its existing policies, insure the Premises for fire and extended coverage. If the Premises, or any portion thereof, shall be damaged during the term by fire or any casualty insurable under the standard fire and extended coverage insurance policies, but are not wholly untenable, the Lessor shall repair and/or rebuild the same as promptly as possible. If the Premises are rendered wholly untenable by fire or other cause, or if the Premises is damaged or destroyed by fire or other casualty, to the extent of 50% or more of the monetary value thereof, or so that 50% or more of the floor space contained shall be rendered untenable, then, and in that event, Lessor may, at its option, terminate this Lease or elect to repair or rebuild the same. In any of the foregoing instances, the Lessor shall notify the Lessee as to its election within sixty (60) days after the casualty in question. If the Lessor elects to terminate this Lease, then the same shall terminate five (5) business days after such notice is given, and Lessee shall immediately vacate the Leased Premises and surrender the same to the Lessor. If the Lessor does not elect to terminate this Lease, the Lessor shall repair and/or rebuild the Premises as promptly as possible, subject to any delay from causes beyond its reasonable control, and the term shall continue in full force and effect, until said Premises are repaired or restored. For the purposes of this section, damage to the Premises to the extent that full repairs cannot be made solely from the proceeds of insurance maintained on the Premises, shall be deemed a total destruction of the Premises. The Lessor shall make the determination as to whether sufficient insurance proceeds are available within sixty (60) days after the casualty in question. The Lessor shall notify the Lessee if insufficient insurance proceeds are available, and the Lease shall terminate five (5) business days after such notice is given.

### **AFFIRMATIVE COVENANTS AND RESPONSIBILITIES OF LESSEE**

Lessee covenants and agrees that Lessee, will, without demand:

- a. Keep the entire Premises reasonably clean and free from all rubbish, dirt and other matter; and shall maintain and repair the entire structure including, but not limited to, painting, floor covering, maintenance of all fixtures as well as common grounds, landscaping, plumbing, electrical, and heat and air systems.
- b. Comply with any requirements of the constituted public authorities, and with the terms of any state or federal statutes or local ordinances or regulations applicable to Lessee, the Premises or Lessee's use of the Premises.
- c. Give to Lessor prompt written notice of any accident, fire or damage occurring on or to the Premises;
- d. Prevent the attachment of any lien to the Premises.

### **NEGATIVE COVENANTS OF LESSEE**

Lessee covenants and agrees that he will do none of the following things without consent in writing of Lessor:

- a. Occupy the Premises in any other manner or for any other purpose than as set forth herein;
- b. Do or knowingly allow any person to do anything on the Premises, or any part thereof, or bring or knowingly permit anything to be brought or kept in the Premises, or knowingly permit the use of the Premises for any business or purpose that would cause a violation of 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 Lessor, the Premises or Lessee's use of the Premises.
- c. Post signs on the exterior of the building without consent of the Lessor.

### **ADDITIONAL COVENANTS**

- a. Lessor shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance arising from the interruption of the use of the Premises.
- b. 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 the Lessor in refraining from doing so at any time or times, and further, that the failure of the Lessor at any time or times to enforce its 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 or this Lease, or as having in any way or manner modified the same;

- c. Lessee agrees to grant to Lessor reasonable access to the Premises during normal business hours.
- d. Lessee shall not discriminate with respect to race, gender, nationality, residence, or religion in allowing access to the Premises, and Lessee will not allow the Premises to be used by any third party without the prior written consent of the Lessor.

#### **-11- REMEDIES**

If Lessee shall be in breach of any of the covenants and conditions of this Lease to be kept, observed, and performed by Lessee for more than thirty (30) days after the giving of written notice by the Lessor to the Lessee of such breach, or if Lessee shall vacate or abandon the Premises, or if Lessee shall be adjudged a bankrupt, or if a receiver or trustee shall be appointed and shall not be discharged within thirty (30) days from the date of such appointment, then and in any such events the Lessor may re-enter the Leased Premises by summary proceedings or otherwise, and there upon may expel all persons and remove all property there from, without becoming liable to prosecution therefore, and may terminate this Lease, without prejudice to any other remedy Lessor may have either by law or by this Lease, enter upon the Premises and expel or remove Lessee and Lessee's personal property with or without force and without being liable to Lessee in any manner whatsoever for damages thereof. Lessee shall be liable to Lessor for, and shall indemnify and hold Lessor harmless from and against, all costs or damage which Lessor may suffer by reason of such termination of this Lease, including reasonable attorney's fees.

#### **-12- TERMINATION**

This Lease shall automatically terminate upon the occurrence of any one of the following events:

- a. Ninety (90) days after the death of the Lessee unless within that ninety (90) day time period the Robert E. Shaw Charitable Remainder Trust, or its successor, gives Lessor written notice that it is assuming the obligation of the Lessee hereunder. The assumption by said trust or its successor shall

become effective on the date such notice is received by the Lessor.

- b. Any assignment, or attempted assignment of this Lease by Lessee without the prior written consent of the Lessor.

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#### **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 heirs, successors and permitted assigns of the parties.

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#### **NOTICES**

Except for legal process which may also be served as provided by law, 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 3 days after deposited, postage prepaid, with United State Postal Service, Certified, Return Receipt Requested, and properly addressed as follows:

TO LESSOR: City of Dalton  
P. O. Box 1205  
Dalton, Georgia 30722-1205  
Attn: City Administrator

TO LESSEE: Robert E. Shaw  
P.O. Box \_\_\_\_\_  
Dalton, GA

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

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#### **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 usufruct which is not subject to levy and sale.

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#### **STATE LAW**

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

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#### **TIME IS OF THE ESSENCE**

Except as otherwise noted specifically provided herein, time is of the essence of this

Lease.

**-18-  
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 be admissible into evidence or used for any purpose without the production of the other counterparts.

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PEACEABLE POSSESSION**

So long as Lessee observes and performs the covenants and agreement contained herein, it shall at all times during the Lease term peacefully and quietly enjoy possession of the Premises, but always subject to the terms hereof.

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

LESSOR:  
THE CITY OF DALTON

BY: \_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_  
CITY CLERK

LESSEE:

BY: \_\_\_\_\_  
ROBERT E. SHAW

**“EXHIBIT “A”**

All that tract or parcel of land lying and being in Parcel 5, Block Map 107, City of Dalton Land Lot 219, 12<sup>th</sup> District, 3<sup>rd</sup> Section, Whitfield County, Georgia and being more particularly described as follows.

Beginning at a nail placed at the intersection of the east right of way of Pentz Street and the south right of way of King Street; thence north ninety degrees 00 minutes 00 seconds east 53 feet; thence south 00 degrees 00 minutes 00 east 85 feet; thence north ninety degrees 00 minutes 00 seconds west 53 feet; thence north 00 degrees 00 minutes 00 seconds east 85 feet to the POINT of BEGINNING.