

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE AGREEMENT WITH THE
KINGSPORT ART GUILD AND AUTHORIZING THE MAYOR TO
EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS
NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE
OF THE AGREEMENT

WHEREAS, the Kingsport Art Guild currently leases approximately 1,316 square feet of space in the Kingsport Renaissance Center; and

WHEREAS, the Kingsport Art Guild would like to renew its lease Agreement; and

WHEREAS, the initial lease term will run through June 30, 2024, with options for three successive one year renewal terms, with the rent being \$5,843.75 per year payable in monthly installments of \$486.98 on the first day of each calendar month.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Lease Agreement with the Kingsport Art Guild is approved.

SECTION II. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized and directed to execute, in a form approved by the city attorney and subject to the requirements of Article X, Section 10 of the Charter of the City of Kingsport, the lease agreement with Kingsport Art Guild and all other documents necessary and proper to take such acts as necessary, to effectuate the purpose of the agreement or this resolution, said agreement being as follows:

**RENAISSANCE CENTER – KINGSPORT ART GUILD
LEASE AGREEMENT**

THIS LEASE made and entered into as of this, the _____ day of July, 2023, by and between the City of Kingsport, Tennessee, a municipal corporation (herein called "Landlord"), and Kingsport Art Guild, a non-profit corporation (herein called "Tenant").

WITNESSETH:

THAT, in consideration of the premises and the mutual covenants and agreements herein contained and other good and valuable consideration, the Parties do hereby agree as follows:

1. **Premises.** Landlord does hereby lease to Tenant and Tenant leases from Landlord that certain space in the building known as the Renaissance Center. Tenant shall have exclusive occupancy of certain areas, one thousand three hundred and sixteen square feet (1,316 sq ft) of floor areas and use of other areas more specifically described in Exhibit A (herein called "Premises"). Said Premises are located in the City of Kingsport, Sullivan County, Tennessee.

This Lease is subject to the terms, covenants and conditions herein set forth and the Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed.

2. **Term.** The term of this Lease shall be from July 1, 2023, through June 30, 2024. The Parties shall have the option to renew this Lease for three (3) successive renewal terms of twelve (12) months each. Each such renewal term shall be upon the same terms, covenants, and conditions hereof; except (a) there shall be no further renewal right after the expiration of said third and last renewal term, and (b) rent shall be as provided in Paragraph 4. Such options to renew shall be deemed to have been exercised by Tenant by written notice served upon Landlord prior to the termination of this Lease on June 30, 2024, or the termination of any successive renewal term. This Lease shall be extended without any further instrument providing the Lease is not terminated for other reasons as stated herein. For the purpose of clarification, if the Tenant exercises all the renewal

options as set out in this paragraph, the final renewal will expire on June 30, 2026. This Lease may be terminated by either party by giving written notice to the other at least thirty (30) days before the effective date of such termination.

3. **Use.** Tenant shall use the Premises for Kingsport Art Guild, including office functions, rehearsals, performances, classes, workshops, receptions, exhibits, meetings, and fund-raising activities and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

4. **Rent.** Tenant agrees to pay to Landlord as Rent, without notice or demand, the annual amount of five thousand eight hundred forty-three dollars and 75/100 (\$5,843.75) payable in monthly installments of four hundred eighty-six dollars and 98/100 (\$486.98), in advance, on or before the first day of each and every successive calendar month during the term hereof. The first payment is due on July 1, 2023. Tenant may, from time to time, and with Landlord's approval, use additional space at a cost outlined in Exhibit A.

5. **Uses Prohibited.** Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein that is not within the permitted use of the Premises or that will in any way increase the existing rate of or affect any fire or other insurance upon the building in which the Premises are located, or any of its contents or cause a cancellation of any insurance policy covering said building or any part thereof; or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises that will in any way obstruct or interfere with the rights of other tenants or occupants of the Renaissance Center or injure or annoy them or use or allow the Premises to be used for any unlawful purpose. Building Policies, as set forth by the Renaissance Center Advisory Board, shall govern all building usage. Tenant shall not cause, maintain, or permit any nuisance in, on or about the Premises. Nor shall Tenant commit, or allow to be committed, any waste in or upon the Premises.

6. **Compliance with Law.** Tenant shall not use the Premises or permit anything to be done in or about the Premises, that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or that shall hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations, or requirements now in force or that may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment or any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation, or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

7. **Repairs and Alterations.** Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall coverings, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions, or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense.

Upon the expiration or sooner termination of the term hereof; Tenant shall, upon written demand by Landlord, given at least thirty (30) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alteration, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by such removal.

Landlord shall, at its sole cost and expense, keep the Premises and every part thereof in good condition and repair, and Landlord shall provide and pay for regular custodial services.

8. **Surrendered Premises.** By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition, and repair. Tenant shall, upon the expiration or sooner termination of this Lease, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.

9. **Liens.** Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by or on behalf of Tenant.

10. **Assignment and Subletting.** Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof; or any right or privilege appurtenant thereto, or allow any other person (employees, agents, servants, member, groups and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof; without first obtaining

the written consent of Landlord, which consent need not be given and shall be at Landlord's sole and absolute discretion. Consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease.

11. **Hold Harmless.** Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Premises or from the conduct of its business and from any activity, work, or other things done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorneys' fees and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon.

In case any action or proceeding is brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause; and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of casualty or accidents on the Premises.

12. **Liability Insurance.** Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease a policy of comprehensive public liability insurance insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than one million dollars (\$1,000,000) per occurrence. The limit of any such insurance shall not, however, limit the liability of Tenant hereunder. Insurance required hereunder shall: (a) be in companies acceptable to Landlord; (b) shall name Landlord as a named insured on all such policies; and (c) contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance or change in coverage without the insurers first giving Landlord thirty (30) days' prior written notice of such proposed action. Tenant shall deliver to Landlord a duplicate original of each such policy, together with a receipt evidencing payment of the premium for such insurance on or before the commencement date of this Lease and at least annually thereafter. Any failure, or non-coverage, by such policy shall not affect the indemnity or hold harmless provisions of this Lease. Duplicate policies or certificates of all such insurance shall be delivered to Landlord not less than ten (10) days prior to each effective date. Additional insurance may be required if use of facility includes activities not herein listed.

13. **Rules and Regulations.** Tenant shall faithfully observe and comply with any and all rules and regulations that Landlord shall from time to time promulgate and/or modify regulating use and occupancy of the Premises. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant.

14. **Holding Over.** If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof without the express written consent of Landlord, then Tenant's occupancy subsequent to such expiration shall be deemed that of a tenant at will, and in no event a tenant from month to month.

15. **Entry by Landlord.** Landlord reserves, and shall at any and all times have, the right to enter the Premises to inspect the same, to repair the Premises and any portion of the building of which the Premises are a part that Landlord may deem necessary or desirable. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant.

16. **Parking and Common Areas.** All parking and common areas and other common facilities made available by Landlord in or about the Renaissance Center shall be subject to the exclusive control and management of Landlord, expressly reserving to Landlord, without limitation, the right to erect and install within said areas, planters, sculpture, or otherwise. The Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, and regulations as the Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas.

IN WITNESS WHEREOF, the Parties hereto executed this Lease on the day and date first above written.

[Acknowledgements Deleted for Inclusion in this Resolution]

SECTION III. That the mayor is further authorized to make such changes approved by the mayor and the city attorney to the agreement that do not substantially alter the material provisions of the agreement, and the execution thereof by the mayor and the city attorney is conclusive evidence of the approval of such changes.

SECTION IV. That the board finds that the actions authorized by this resolution are for a public purpose and will promote the health, comfort, and prosperity of the citizens of the city.

SECTION V. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 18th day of June, 2023.

PATRICK W. SHULL, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY