

LEASE

THIS LEASE, made this ____th day of July, 2013, by and between THE CITY OF STOCKBRIDGE, GEORGIA first party, (hereinafter called "Landlord"); and THE DOWNTOWN DEVELOPMENT AUTHORITY OF STOCKBRIDGE second party, (hereinafter called "Tenant").

WITNESSETH

WHEREAS, the parties hereto wish to promote the growth and development of the downtown area of the City of Stockbridge over the long term; and

WHEREAS, the City of Stockbridge currently owns certain real property and improvements and equipment within the downtown area of the City, which it currently is not using, or not using to full capacity; and

WHEREAS, the parties wish to enter into a lease of the facilities and equipment at issue so as to allow the Downtown Development Authority to continue its mission of development of the downtown area of the City of Stockbridge; and

WHEREAS, the City of Stockbridge desires to have a reasonable return from leases of the property in question so as to provide the City with compensation for use of the facilities and equipment; and

WHEREAS, the City of Stockbridge and its Downtown Development Authority have concluded after sufficient review that entering into a yearly self-renewing lease of the properties and equipment at issue would benefit the citizens, residents, and businesses in the City, promote the development and growth of the City's downtown area, and provide the City with a reasonable financial return on its investment in the properties and equipment at issue.

NOW, THEREFORE, THE PARTIES HERETO DO COVENANT AND AGREE AS FOLLOWS:

- Premises:*
1. The Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, reserved, and contained, to be paid, kept and performed by the Tenant, has leased and rented, and by these presents does lease and rent, unto the said Tenant, and said Tenant hereby agrees to lease and take upon the terms and conditions which hereinafter appear, the following described property and equipment (hereinafter called premises), to wit:
 - a. Building and lot located at 146 Burke Street, Stockbridge, Georgia 30281, and popularly known as the Stockbridge Multiplex or the Stockbridge Community Arts Center.

The leased portion includes the Building and land upon which the building is located, as further described in Exhibit A attached hereto.

No easement for light or air is included in the premises.

b. Building and lot popularly known as the Old Police Building located at 131 Burke Street, Stockbridge, Georgia 30281 consisting of approximately .41 acres in Land Lot 61, District 12 of Henry County, Georgia.

The leased portion includes the Building and land upon which the building is located.

No easement for light or air is included in the premises.

c. Building popularly known as the Merle Manders Conference Center Management Building located at 119 Davis Road, Stockbridge, Georgia 30281.

The leased portion includes the Management Building and access thereto, but does not include the Merle Manders Conference Center or the land on which the buildings sit.

No easement for light or air is included in the premises.

d. Building and lot popularly known as the Ted Strickland Community Center located at 130 Berry Street, Stockbridge, Georgia 30281.

The leased portion includes the Building and land upon which the building is located.

No easement for light or air is included in the premises.

e. A portion of the lot consisting of the parking lot at the building popularly known as the City's Public Works Building located at 351 Taylor Street, Stockbridge, Georgia 30281 of a size and configuration to be determined by agreement of the parties.

The leased portion includes no portion of a building, but includes a negotiated portion of the land upon which the building's parking lot is located.

No easement for light or air is included in the premises.

f. All of the office equipment listed on Exhibit C hereto.

Term

2. (a) The original term of this Lease shall be for twenty-five (25) years, commencing upon _____, 2013 and terminating on _____, 2038 at midnight. Thereafter, this lease will renew automatically for additional terms of 5 years under the same terms described herein unless either party terminates the agreement in writing with twelve (12) months prior written notice to the other party. As to the property described in paragraph 1 (e), above, either party may terminate this lease at any time with twelve (12) months prior notice, including at any time during the initial twenty-five year term.

Rental

3. As to each property listed above belonging to the Landlord (excluding the office equipment), Tenant shall pay to the Landlord one-half of the net rent collected for each property sub-leased to a third party, or \$10.00 per year per property, whichever is more. For the purposes of this lease, "net rent" shall be defined as the rent collected less any directly attributable costs for that property paid by the Tenant. Tenant shall provide records of its costs to Landlord upon request if necessary for determination of rent payments.

Utility Bills

4. Landlord shall pay taxes, water, sewer, gas, electricity, fuel, light, heating, and power bills for leased premises, or utilities used by Tenant. Landlord shall also be responsible for all maintenance of the leased premises, including landscaping, sanitation, and repairs. Tenant shall promptly notify Landlord of any needed repairs observed, and agrees to allow agents for Landlord (or its designee) onto the premises at any time so as to complete any maintenance, landscaping, or repairs.

Use of Premises

5. Premises shall be used for any use consistent with Georgia law, including for sub-lease to third parties to the extent such is consistent with the responsibilities, duties, and purposes of Tenant under Georgia law. Premises shall not be used for any illegal purposes; nor in any manner to create any nuisance or trespass; nor in any manner to vitiate the insurance or increase the rate of insurance on premises. Notwithstanding the above, no tenant that uses and/or stores any type of Hazardous Waste shall be allowed to occupy the premises. In the event Tenant chooses to alter the building, the Tenant must meet all applicable code and zoning requirements. Tenant will also provide a description of all proposed alterations to Landlord for approval at least 30 days prior to beginning alteration work. In the event Tenant ceases to operate or sublease the premises in accordance with this Lease, this Lease shall automatically terminate and the premises and possession shall revert to the Landlord. Tenant will notify Landlord in advance of the addition of demising walls, so that Landlord may expressly

consent to them. Such consent shall not unreasonably be withheld, conditioned, delayed or denied.

*Abandonment of
Premises*

6. Tenant agrees not to abandon or vacate leased premises during the term of this Lease, and agrees to use said premises for the purposes above herein leased until the expiration hereof.

*Destruction of,
Damage to Premises*

7. If premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction, and rental shall be accounted for and prorated as between Landlord and Tenant as of that date. If premises are damaged but not wholly destroyed by any such casualties, rent shall abate in such proportion as use of premises has been destroyed or rendered unusable, and Landlord shall restore premises to substantially the same condition as before damage as speedily as practicable, whereupon full rental shall recommence.

*Governmental
Orders*

8. Tenant agrees, at its own expense, to promptly comply with all requirements of any legally constituted public authority, including the City of Stockbridge and Henry County, Georgia as necessary.

Condemnation

9. If the whole of the leased premises, or such portion thereof as will make premises unusable for the purposes herein leased, be condemned by any legally constituted authority for any public use or purpose, then in either of said events the term hereby granted shall cease from the time when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of that date.

*Assignment and
Subletting*

10. Tenant shall have the right to sublease the premises with Landlord's consent. Tenant shall give Landlord prior notice of subtenancy.

*Removal of
Fixtures*

11. Tenant or sub-tenant may (if not in default hereunder) prior to the expiration of this Lease, or any extension thereof, remove all fixtures, personal property and equipment which it has placed in premises, provided Tenant repairs any damage to premises caused by such removal which shall reduce the value of the premises for intended uses subsequent to the lease term.

Cancellation of

Lease by Landlord

12. It is mutually agreed that in the event the Tenant shall default in the payment of rent herein reserved, when due, and fails to cure said default within fifteen (15) days after written notice thereof from Landlord; or if Tenant shall be in default in performing any of the terms or provisions of this Lease other than the provision requiring the payment of rent, and fails to cure such default within thirty (30) days after the date of receipt of written notice of default from Landlord; or if Tenant is adjudicated bankrupt; or if a permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; or if, whether voluntarily or involuntarily, Tenant takes advantage of any debtor relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred; or if Tenant makes an assignment for benefit of creditors; or if Tenant's effects should be levied upon or attached under process against Tenant, not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof; then, and in any of said events, Landlord at its option may at once terminate this Lease by written notice to Tenant; whereupon this Lease shall end. After an authorized assignment of the entire premises covered by this Lease, the occurring of any of the foregoing defaults or events shall affect this Lease only if caused by, or happening to, the assignee. The above financial problems of any sub-tenant shall not impair the rights of the Tenant or constitute a nonmonetary default. Any notice provided in this paragraph may be given by the Landlord, or its attorney, or Agent herein named. Upon such termination by Landlord, Tenant will at once surrender possession of the premises to Landlord and remove all of Tenant's effects therefrom; and Landlord may forthwith re-enter the premises and repossess itself thereof, and remove all persons and effects therefrom, using such force as may be necessary without being guilty of trespass, forcible entry or detainer or other tort.

*Reletting by
Landlord*

13. Landlord, as Tenant's agent, without terminating this Lease, upon Tenant's breaching this contract, and failing to cure said breach within the time periods described in Section 12, above shall within four (4) months enter upon and rent premises at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper. Tenant shall be liable to Landlord for the deficiency, if any, between Tenants' rent hereunder and the price obtained by Landlord on reletting, for up to four (4) months but not beyond.

Exterior Signs

14. Tenant shall place no signs upon the outside walls or roof of the leased premises except with the prior written consent of the Landlord. Any and all signs placed within the leased premises by Tenant or subtenants shall be maintained in compliance with rules and regulations governing such signs and the Tenant shall be responsible to Landlord for any damage caused by installation, use, or maintenance of said signs, and Tenant

agrees upon removal of said signs to repair all damage incident to such removal which shall reduce the value of the premises for intended uses subsequent to the lease term..

*Entry for
Carding, etc.*

15. Landlord may card premises "For Rent" or "For Sale" thirty (30) days before the termination of this Lease provided the parties are not actively pursuing a renewal or extension. Landlord may enter the premises at reasonable hours to exhibit same to prospective purchasers or tenants and to make repairs required of Landlord under the terms hereof, or to make repairs to Landlord's adjoining property, if any.

*Effect of
Termination
Lease*

16. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

*Mortgagees'
Rights*

17. Tenant's rights shall be subject to any bona fide mortgage or deed to secure debt which is now, or may hereafter be, placed upon the premises by Landlord. Such secured party shall agree that Tenant's use and occupancy of the premises hereunder shall not be disturbed by any foreclosure.

*No Estate
in Land*

18. This contract shall create the relationship of Landlord and Tenant between the parties hereto; no estate shall pass out of Landlord. Tenant has only a usufruct, not subject to levy and sale, and not assignable by Tenant except by Landlord's consent.

*Attorney's Fees
and Homestead*

19. If any rent owing under this Lease is collected by or through an attorney-at-law, Tenant agrees to pay ten percent (10%) thereof as attorneys' fees. Tenant waives all homestead rights and exemptions, which it may have under any law as against any obligation owing under this Lease. Tenant hereby assigns to Landlord its homestead and exemption.

*Service of
Notice*

20. Any notice to and service of process on Tenant shall be delivered via hand delivery or certified mail to Tenant's Chairman, Secretary, or Executive Director at Stockbridge City Hall, 4640 North Henry Boulevard, Stockbridge, Georgia 30281, and a copy sent to the Stockbridge City Attorney, William J. Linkous, III at 100 Galleria Parkway, Suite 1600, Atlanta, Georgia 30339. Any notice to and service of process on Landlord shall be delivered to City Manager David Milliron via hand delivery or certified mail at Stockbridge City Hall, 4640 North

Henry Boulevard, Stockbridge, Georgia 30281, with a copy to the Stockbridge City Attorney.

Waiver of Rights

21. No failure of Landlord to exercise any power given Landlord hereunder, or to insist upon strict compliance by Tenant with its obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof

Time of Essence

22. Time is of the essence of this agreement.

Definitions

23. "Landlord" as used in this Lease shall include first party, its heirs, representatives, assigns and successors in title to premises. "Tenant" shall include second party, its heirs and representatives, and if this Lease shall be validly assigned or, sublet, shall include also Tenant's assignees or sub-lessees, as to premises covered by such assignment or sublease. "Agent" shall include third party, his successors, assigns, heirs, and representatives. "Landlord", "Tenant", and "Agent", include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

Building Condition at Lease Commencement

24. At the time of commencement of this lease, Landlord agrees to provide Tenant the buildings with functioning I-IVAC, the roof in good condition and electrical and plumbing systems that meet the minimum code requirements of the City of Stockbridge, Georgia.

Special Stipulations

Special Stipulations (A):

1. Landlord represents and warrants it has full right and authority to enter into this lease and that Tenant, upon paying the rental herein set forth and performing its other covenants and arguments herein set forth to peaceably and quietly have, hold and enjoy the premises for the term hereof, subject to the terms and provisions of this Lease.
2. Landlord agrees to obtain all necessary insurance for the premises, including casualty, fire, and other hazard insurance, unless assured that a sub-tenant has properly obtained such insurance for any premises listed herein.
3. Tenant covenants at Tenant's sole cost and expense, to take good care of the premises, all fixtures, and all equipment and to keep the same in good order and condition.
4. Tenant covenants that upon termination of demised term for any reason whatsoever, Tenant will surrender to Landlord the premises, together with all improvements, changes, alterations, replacements (other than trade fixtures) in good order, condition, and repair except

for reasonable wear and tear and shall deliver all keys and combinations to locks, safes and vaults to Landlord. Upon early termination of this Lease for whatever reason, Tenant will remove all Tenant's personal property and repair all injury done by or in connection with installation or removal of said property and surrender the Premises in as good a condition as they were at the beginning of the Term, reasonable wear and tear excepted, unless property is to be razed, renovated or otherwise significantly altered. All property of Tenant remaining on Premises after expiration of the Term or earlier termination shall be deemed conclusively abandoned and shall, at Landlord's option, become the property of Landlord or at the option of Landlord may be removed by Landlord at Tenant's expense, or placed in storage at Tenant's expense, or sold or otherwise disposed of, in which event the proceeds of such sale or other disposition shall belong to Landlord. These options are subject to Landlord's right to require Tenant to remove any improvements or additions made to Premises by Tenant pursuant to Special Stipulation 7 below. Landlord shall not be required to conduct any public or private sale of such property.

5. Tenant covenants not to do or suffer any waste or damage, disfigurement or injury to the premises.
6. Tenant shall not, without Landlord's prior written consent, which shall not be unreasonably withheld, delayed or conditioned, make any alterations, additions, or improvements on or about the exterior of the premises or any substantial part of the inside of the Premises and shall not do anything to or on, the Premises which will increase the rate of fire, hazard, liability or other insurance on the Building or Premises, or subject such insurance to being void or suspended.
7. All alterations, additions or improvements such as carpets made or installed by Tenant in or to Premises shall become part of the Premises, and shall be the property of Landlord at the expiration or termination of this Lease.
8. This Lease cannot be changed orally but only by agreement in writing signed by the party whom enforcement of the change, modification or discharge is sought or by his agent.
9. This Lease Agreement shall be construed in accordance with the laws of the State of Georgia.

This Lease contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein, shall be of any force or effect.

IN WITNESS WHEREOF, the parties herein have hereunto set their hands and seals, in triplicate, the day and year first above written.

[Signatures on following page.]

**DOWNTOWN DEVELOPMENT AUTHORITY
OF STOCKBRIDGE**

BY: J.T. Williams
J.T. Williams, Chairman

TENANT

ATTEST: _____
Its _____

Signed, sealed and delivered as to
Landlord in the presence of:

Rhonda A. Blackman
Unofficial Witness

Kimberly Barnett
Notary Public
My Commission expires: 3/22/14
(NOTARIAL SEAL)



THE CITY OF STOCKBRIDGE, GEORGIA

BY: Mark A. Alarcon
Mark A. Alarcon, Mayor

LANDLORD

ATTEST: Rhonda A. Blackman
Its _____

Signed, sealed and delivered as to
Landlord in the presence of:

Unofficial Witness

Notary Public
My Commission expires: _____
(NOTARIAL SEAL)

6898.46075/817875v1



EXHIBIT A

All that tract or parcel of land containing 4.800 acres, lying and being in the City of Stockbridge in Land Lots 60 and 61 of the 17th District of Henry County, Georgia as described in a Warranty Deed dated March 6, 1998 in deed book 2821, page 17 of the deed records of Henry County, Georgia, and as is more particularly shown on the plat map attached hereto.