

**RESOLUTION 18-168**

**A RESOLUTION TO AUTHORIZE THE MAYOR TO SIGN THE LEASE AGREEMENT FOR FAURECIA**

**WHEREAS**, The Board of Mayor and Aldermen reviews all requests for leasing within Northfield;

**WHEREAS**, Faurecia has requested a short term lease for space within Northfield;

**WHEREAS**, The space desired is currently vacant and not needed by city services;

**WHEREAS**, Faurecia requests the City of Spring Hill execute the lease agreement that will require the signature of the Mayor and City Attorney.

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Spring Hill authorizes the Mayor and City Attorney of the City of Spring Hill, TN to sign the lease agreement between Faurecia and the City of Spring Hill, hereto attached.

**Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on this 17<sup>th</sup> day of September, 2018.**

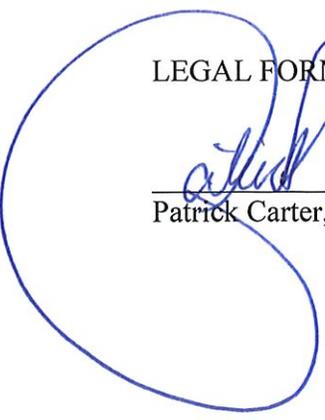
  
\_\_\_\_\_  
Rick Graham, Mayor

ATTEST:

  
\_\_\_\_\_  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
\_\_\_\_\_  
Patrick Carter, City Attorney





**REQUEST:**            *Approval of Resolution 18-168*  
**SUBMITTED BY:**    Kayce Williams, Economic Development Coordinator  
**DATE:**                August 31, 2018  
**RE:**                     Short term lease for Faurecia at Northfield  
**ATTACHMENTS:**    Draft lease and location map

---

---

**PURPOSE:**

To authorize the Mayor to execute a lease agreement for 605.62 square feet of office space within Northfield

**BACKGROUND:**

Attached is a draft lease agreement for Faurecia to lease office space in Northfield for 6 months. The space is located on the first floor (indicated on the attached floor plan) and is identified in the attached draft lease agreement as Suite 420. The space is currently vacant and isolated from any other large spaces that the City might need in the future. The draft lease does align with the lease table adopted by the BOMA.

**FINANCIAL IMPACT:**

Based upon the terms contained in the lease agreement, the City can expect lease income in the amount of \$1,143.61 per month for five months totaling \$6,861.66.

**STAFF RECOMMENDATION:**

Staff recommends approval of Resolution 18-168.

**LEASE AGREEMENT**

This Lease Agreement is made and entered into this the \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between THE CITY OF SPRING HILL, TENNESSEE, hereinafter designated 'LESSOR' and FAURECIA, hereinafter designated "LESSEE".

**WITNESSETH:**

In consideration of the mutual covenants herein and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **LEASED PREMISES:** LESSOR hereby leases to LESSEE approximately 605.62 square feet of heated and cooled space known as Suite 420 located inside of Door 400 on the 1<sup>st</sup> floor of the Northfield Facility at 5000 Northfield Lane, Spring Hill, Tennessee 37174, hereinafter designated the "LEASED PREMISES".

2. **TERM:** The initial term of this lease shall be for a period of six (6) months commencing on September 18, 2018 and terminating on March 18, 2019.

3. **RENT:** LESSEE shall pay rent at the rate of \$22.66/sf. or \$1,143.61 per month, in advance, on or before the tenth (10) day of each month during the term hereof. Lessee agrees to pay a late payment fee of five per cent (5%) of any sum due hereunder if said payment is made after the tenth (10) of the month in which it is due.

4. **UTILITIES:** All utilities are to be included in the Lease. This specifically includes electricity, gas, water, sewer and trash.

5. PARKING: LESSEE shall have access to non exclusive parking within Lot G & H.

6. MAINTENANCE/REPAIRS: LESSOR shall be responsible for the maintenance and repairs of the following items:

- A) HVAC;
- B) Lighting Fixtures; and
- C) Restrooms/Plumbing.

7. USE: LESSEE shall use the LEASED PREMISES for it's day to day operation.

8. SIGNAGE: Interior signage will be allowed with approval of LESSOR and at the expense of the LESSEE.

9. INSURANCE: LESSEE shall maintain at LESSEE'S expense, hazard insurance covering all of LESSEE'S personal property and fixtures installed or located on the Leased Premises. All such insurance carried by LESSEE shall contain waiver of subrogation against the LESSOR. The LESSEE shall provide the LESSOR with a Certificate of Insurance as proof of insurance coverage and the "City of Spring Hill, Tennessee" shall be named an additional insured.

10 ASSIGNMENT/SUBLETTING: LESSEE shall not be allowed to sublease space.

11. FIRE OR OTHER CASUALTY: If the leased premises should be damaged or destroyed by fire or other casualty so as to cause a material alteration in the character of the premises

and to prevent LESSEE from using it in substantially the manner theretofore used, either LESSOR or LESSEE may terminate this lease upon giving notice to the other within fourteen (14) days after the casualty occurs. Should such termination occur on any day other than the last day of a monthly rental period, any unearned prepaid rental shall be refunded to LESSEE.

If the leased premises are materially damaged by fire or other casualty and neither party elects to terminate this lease, or if the leased premises should be damaged by fire or other casualty and still be fit for LESSEE'S continued use in substantially the same manner as theretofore used, then this lease shall continue in effect and the leased premises shall be restored by LESSOR. If the event causing damage was not caused by the fault of LESSEE, while such restoration is in progress LESSEE shall be entitled to a fair and appropriate abatement of the rental to be paid, said abatement to be based on the amount and value of the leased premises used by LESSEE. Should the damage necessitating such restoration occur on any day other than the last day of a monthly rental period, then the amount of prepaid rental to be refunded to LESSEE shall be based on the amount and value of undamaged space used by LESSEE during the remainder of said monthly rental period.

12. ALTERATION: The premises shall not be altered, painted or changed without prior written consent of LESSOR, which shall not be unreasonably withheld, and unless otherwise provided by this Agreement. Approval or denial of the concept of such alteration shall be given within ten (10) days of submission of such alteration to LESSOR. All alterations, improvements or changes shall be done at the cost of LESSEE, and all alterations, additions or improvements made in or to the premises shall be the property of the LESSOR, which shall remain and be surrendered with the premises on termination of this Lease. The premises shall be surrendered in as good of condition as the same are in now, depreciation for reasonable use thereof excepted.

13. RISK OF LOSS: All personal property in the leased premises shall be at the risk of LESSEE only. LESSOR shall not be liable for damage, either to person or property, sustained by LESSEE or other persons, due to the building of any part or appurtenance thereof, or machinery or appliances used in connection therewith, becoming out of repair or in defective condition, or

arising from the bursting or leaking of water, gas, sewer or steam pipes or from any acts of negligence of the occupants of the building or any other person, or due to the happening of any accident in or about the building except if the damage is due to the failure of the LESSOR to perform the maintenance set forth in Paragraph 6 of this lease.

14. **INDEMNITY:** LESSEE hereby agrees to indemnify and save harmless LESSOR from any claim or demand, suit or proceeding against LESSOR by third persons arising out of or in any way relating to the occupancy or use of the leased premises by the LESSEE, its agents, servants or employees. LESSEE agrees to obtain and keep in force, public liability and property damage insurance against such liability for the protection of all of such classes of persons, LESSEE and LESSOR, in a minimum amount of One Million (\$1,000,000.00) Dollars, to cover the injury to or death of persons and damage to property. LESSEE agrees to pay all reasonable costs, including attorney fees of the LESSOR in defending any such claim, demand, suit or proceeding. LESSOR shall be named insured on the policy obtained by the LESSEE and shall be furnished with a copy of said policy at the commencement of the lease term. Said policy shall provide that it cannot be terminated without sixty (60) days notice to LESSOR. The LESSEE shall provide the LESSOR with a Certificate of Insurance as proof of insurance coverage and the "City of Spring Hill, Tennessee" shall be named additional insured.

In the event the LESSEE, LESSOR or the LESSEE and LESSOR jointly, be liable for any damages occasioned by any person, firm or corporation on the leased premises as a result of LESSEE'S occupancy, or because of any nuisance, negligence, or nonfeasance on or about said premises as a result of LESSEE'S occupancy, the LESSEE agrees to pay all costs, including attorney fees necessary to investigate or defend any such claim and to pay all damages that may be awarded against the LESSEE or LESSOR and, in the event that the LESSOR is required to pay, or does so pay, any damages awarded in such proceedings, the LESSEE agrees to pay the LESSOR such an amount and to hold LESSOR harmless from all such damages if any damages or liability occurs in that portion of the premises leased by the LESSEE.

15. **DEFAULT:** The occurrence of any one or more of the following events shall

constitute a default and breach of this lease by LESSEE:

- A) The vacating or abandoning of the premises by LESSEE;
- B) The failure of LESSEE to make any payment of rent, or any other payment required to be made by LESSEE hereunder, as and when due;
- C) Failure by LESSEE or LESSOR to observe or perform any of the covenants, conditions or provisions of this lease, other than the payment of rent, if such failure shall continue for at least sixty (60) days after written notice by either party shall constitute default under this agreement.

In the event of any such default or breach by LESSEE, LESSOR may at any time thereafter, in LESSOR'S sole discretion, with or without notice or demand and without limiting LESSOR in the exercise of a right or remedy, which LESSOR may have by reason of such default or breach:

A) Terminate this lease by giving written notice to LESSEE specifying the date of termination. In such event, LESSEE shall immediately surrender the premises to LESSOR. If LESSEE fails to do so, LESSOR may without prejudice to any other remedy available to LESSOR, enter upon and take possession of the leased premises and expel or remove LESSEE, any other parties occupying the premises, and any personal property and trade fixtures located therein. LESSEE agrees to pay LESSOR on demand the amount of all loss and damage suffered by LESSOR by reason of such termination, whether caused by the inability to relet the premises upon satisfactory terms or otherwise.

B) Enter upon and take possession of the premises without terminating this lease and without relieving LESSEE of LESSEE'S obligations to make all payments of rent and any other sums owed hereunder. In such event, LESSOR may expel or remove LESSEE, any person occupying the premises, and any personal property or trade fixtures located therein, and may relet the premises for LESSEE'S account at any rent readily obtainable, and may receive the rent of such premises. In such event, LESSEE shall pay LESSOR on demand any deficiency that may arise by reason of such reletting and the expenses of such reletting for the residue of the terms of this lease,

plus all damages to LESSOR by reason of LESSEE'S default under this lease.

Pursuit of any of the rights and remedies set forth in the preceding paragraphs of this section shall not preclude the pursuit of any other remedies upon default provided by law or equity, or by this lease. Nor shall pursuit of any remedies provided by this lease constitute forfeiture or waiver of any rent due to LESSOR hereunder or any damages accruing to LESSOR by reason of LESSEE'S default.

In each and every instance of default, LESSEE shall bear the cost of LESSOR'S reasonable expenses, including attorney fees and other expenses, incurred in any effort to enforce LESSOR'S rights under this lease, whether by negotiation, litigation or otherwise, and including all costs and charges incurred for removal and/or storage of LESSEE'S personal property.

16. NOTICE: Unless otherwise specifically provided herein, notices from the LESSEE to the LESSOR hereunder shall be sufficient if sent by Registered or Certified U. S. Mail, return receipt requested, to the following address:

Office of City Administrator  
The City of Spring Hill, Tennessee  
P.O. Box 789  
Spring Hill, TN 37174

Unless otherwise specifically provided herein, notice from the LESSOR to the LESSEE shall be sufficient if sent by Registered or Certified U.S. Mail, return receipt requested, to the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

A notice sent in accordance with the provisions of this section shall be deemed to have been given by the addressee, as shown by the return receipt from the United States Post Office Department. Either party may change his address for the purpose of this section by giving prior notice to the other party in the manner herein provided.

17. HOLDOVER: If LESSEE holds possession of the premises after the term of this lease with out the consent of the LESSOR, LESSEE shall become a tenant from month to month under the terms and conditions of this lease, and shall be such a tenant until the tenancy shall be terminated by the LESSOR, or until the LESSEE shall have given to the LESSOR a written notice of at least one hundred twenty days (120) of intention to terminate the tenancy; but nothing in this paragraph shall be construed as a consent by the LESSOR to the occupancy or possession of the premises by LESSEE after the term hereof.

18. WAIVER: The failure on the part of any party to insist in any part of any instance upon the strict observance by the other of any provision of this lease shall not be construed as a waiver of that or any other provision in this lease, nor shall it diminish the right of such party to demand compliance therewith on any other occasion.

19. ACCESS TO PREMISES: The LESSOR or its representatives may enter the leased premises, at any reasonable business hours, for the purpose of inspection of the property, performing any work which the LESSOR elects to undertake made necessary by reason of the LESSEE'S default in the terms of this lease or otherwise; exhibiting the leased premises for sale, lease, or mortgage financing; or for any emergency situation. None of the foregoing shall constitute an actual or constructive eviction of the LESSEE or a deprivation of the LESSEE'S rights, nor subject LESSOR to any liability, or impose upon the LESSOR any obligation, responsibility or liability whatsoever, for the care, supervision, or the repair of the leased premises, or any part thereof, other than as herein specifically provided; or entitle LESSEE to any compensation or diminution or abatement of rent. LESSOR shall have a master key to provide entry to the leased premises and shall provide LESSEE with keys to the leased premises. LESSEE agrees to return all keys to LESSOR at the termination of the lease. LESSEE agrees not to change the locks on the leased premises without written consent of the LESSOR and if such consent is granted, LESSEE shall pay all cost to change said locks, including any cost incurred by the LESSOR for maintaining a master key for the leased premises. Entry of the leased premises by LESSOR shall not be a violation of quiet enjoyment. Beginning one hundred twenty (120) days before the termination of such term

LESSOR may show the leased premises to persons who may wish to lease the same provided LESSEE'S occupancy is not interrupted with and provided LESSOR gives LESSEE reasonable notice at the time LESSOR will show the leased premises.

20. ENVIRONMENTAL: Lessee hereby represents and warrants to LESSOR that Lessee shall not bring upon, use or allow to be brought upon the leased premises any hazardous materials including (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) paint containing lead; (d) petroleum based chemicals; (e) transformers or other equipment containing dielectric fluid containing polychlorinated biphenyl's (commonly referred to as "PCBs"); or (f) any other hazardous, toxic, radioactive, infectious or dangerous waste, substance of materials (whether solid, liquid, gas or otherwise) determined to be a hazard to persons or the environment. LESSEE agrees to hold LESSOR harmless for any damages occasioned by hazardous materials brought upon the leased premises during the lease term, and to pay all costs, including attorney's fees necessary to investigate or defend any such claim. Lessee shall bear all clean-up cost for any hazardous, toxic, radioactive, infectious or dangerous waste, substance of materials (whether solid, liquid, gas or otherwise) determined to be a hazard to persons or the environment brought upon leased premises by lessee or his agents, employees or customers.

21. ENTIRETY OF AGREEMENT: All prior agreements with regard to the leased premises are superseded by this Agreement. No prior stipulation, agreement or understanding, verbal or otherwise of the parties, or their agents, shall be valid or enforceable unless embodied in the provisions of this lease, and no amendment hereof shall be binding upon either party hereto unless in writing and signed by the parties. All signed copies of this instrument shall be treated as originals. The use of the masculine, feminine, or neutral gender or the singular or plural number shall be deemed to apply to any gender or number, as the context of any provisions of this lease may require. The paragraph titles are for administrative purposes only and are not deemed terms of the lease.

IN WITNESS WHEREOF, the parties hereto, have executed this lease on the day and date first above written.

LESSEE:

FAURECIA

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

Its: \_\_\_\_\_

LESSOR:

CITY OF SPRING HILL, TENNESSEE

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

Its: \_\_\_\_\_

CITY OF SPRING HILL, TENNESSEE

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

Its: ATTORNEY