

## **RESOLUTION 20-176**

### **A RESOLUTION TO AUTHORIZE A LEASE MODIFICATION AND EXTENSION AGREEMENT FOR THE POLICE DEPARTMENT HEADQUARTERS**

**WHEREAS**, the Spring Hill Police Department currently leases a building for the Police Head Quarters located at 3636-A Royal Park Blvd. from the Owner, Mr. Fred Gillham, Jr.; and

**WHEREAS**, the current lease expires December 31, 2020 and the Police Department requests a lease extension agreement with the owner; and

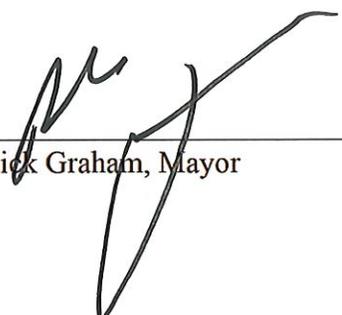
**WHEREAS**, the Owner has agreed to enter into a Lease Modification and Extension Agreement attached hereto for an additional 30 months, with an option to extend the lease, if needed, from January 1, 2021 through June 30, 2023. The monthly lease payment will change from \$4,750.00 to \$5,000.00 per month with all other terms of the Original Lease reaffirmed.

**NOW, THEREFORE BE IT RESOLVED**, that the City of Spring Hill Board of Mayor and Alderman:

1. Approves the Lease Modification and Extension Agreement attached hereto to extend the current lease for an additional thirty (30) months beginning January 1, 2021 and going through June 30, 2023 with a lease payment of \$5,000 per month with the option to extend further as needed under the same lease terms, not to exceed 6 additional months at \$5,000.00 per month.

2. Authorize the Mayor to execute the Lease Modification and Extension Agreement attached hereto as approved by the Board of Mayor and Aldermen.

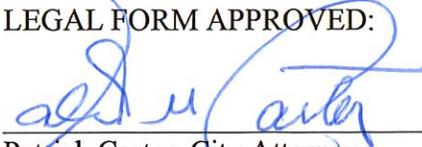
**Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 16th day of November, 2020.**

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

ATTEST:

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

LEGAL FORM APPROVED:

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

## LEASE MODIFICATION AND EXTENSION AGREEMENT

This Lease modification and Extension Agreement (the "Agreement") dated November 16<sup>th</sup>, 2020, is made by and between the City of Spring Hill, Tennessee (the "City" or alternatively "Lessee") and Fred H. Gillham, Sr. (the "Lessor").

WITNESSETH:

WHEREAS, the City first leased a portion of a building owned by the Lessor located at 3636-A Royal Park Boulevard in Spring Hill, Tennessee for use by the City's Police Department for office and clerical space pursuant to a Lease dated February 1, 2012, and attached hereto as Exhibit A (the "Original Lease"), which was extended for three consecutive two-year periods beginning on February 1, 2015 and ending January 31, 2017, and beginning February 1, 2017 and ending January 31, 2019, and most recently beginning February 1, 2019 and ending December 31, 2020, respectively; and

WHEREAS, it is the intention of the Lessor to grant the City an additional option to extend the Original Lease.

NOW, THEREFORE, in consideration of the premises and recitals hereinabove set forth, which are incorporated herein by reference, other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and the mutual covenants contained herein, the Parties hereto agree as follows:

1. The parties agree to extend the existing Original Lease, already extended for three consecutive two-year periods, for an additional thirty-month period beginning January 1, 2021, and ending June 30, 2023. The rental rate for the extension of the Original Lease is \$5,000 per month.
2. In the event the Lessee needs to extend the lease period beyond the thirty-month period, the City shall provide ninety (90) days' written notice to Lessor indicating the number of additional months desired and the rental rate for each such month shall be \$5,000 per month, not to exceed six (6) additional months at a lease rate of \$5,000 per month.
3. All other terms of the Original Lease, as subsequently amended, not modified herein are expressly reaffirmed by the Parties.

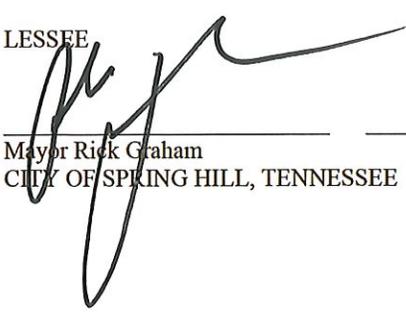
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names as of the day first written above.

LESSOR

\_\_\_\_\_  
FRED H. GILLHAM, SR.

\_\_\_\_\_  
DATE

LESSEE

  
\_\_\_\_\_  
Mayor Rick Graham  
CITY OF SPRING HILL, TENNESSEE

\_\_\_\_\_  
11/16/2020  
DATE



**City of Spring Hill  
Budget and Finance Committee  
Purchase Evaluation Form**

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Department: Police

Presented By: Don Brite

Date: November 2, 2020

Department Budget Status:

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I. Purpose/Overview: to approve a lease agreement extension for the police headquarters, 3636A Royal Park Blvd.

II. Background Information: Currently, the police department leases their police headquarters building, from Mr. Fred Gillham, Jr. We have leased this building since February 1, 2012 and have extended it twice, 2017 and 2019. Our present lease agreement expires December 31, 2020. Due to the current situation involving the Northfield building, the City will need to act on this lease to continue to allow us to have office space. Mr. Gillham has agreed on his part to allow us to extend the lease per BOMA approval. Mr. Gillham did advise he will be increasing the lease monthly payment from \$4,750.00 to **\$5,000.00**, being he has extended the agreement twice. He also added should an extension be needed after 30 months, **not to exceed 6 months at \$5,000.00 per month.**

III. Financial Impact to Budget. \$50,000.00. (\$3,000.00 yearly increase)

IV. Alternative Options: work from home, purchase/lease lots of portable buildings, find another building in the city to lease.

V. Staff Recommendations: recommend to approve the extended lease so the police department can continue to operate without any disruptions in our services until we can build or renovate a new or existing structure.

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WHEREAS, it is the intention of the Lessor to grant the City an additional option to extend the Original Lease.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names as of the day first written above.

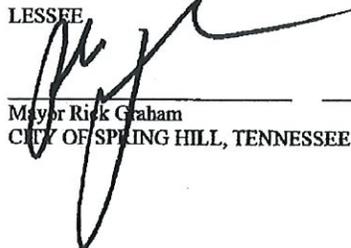
LESSOR

  
FRED H. GILLHAM, SR.

DATE

11/16/2020

LESSEE

  
Mayor Rick Graham  
CITY OF SPRING HILL, TENNESSEE

DATE

11/16/2020

## LEASE AGREEMENT

This lease is made between **FRED H. GILLHAM, SR.** herein called Lessor, and **CITY OF SPRING HILL, TN**, herein called Lessee.

Lessee hereby offers to lease from Lessor the premises, at 3636 ROYAL PARK BLVD, situated in the City of Springhill, County of Maury, and State of Tennessee.

1. **Term and Rent.** Lessor demises the above premises for a term of Thirty six months, commencing on February 1<sup>st</sup> 2012, and ending January 31<sup>st</sup> 2015 with an option to renew for two years. To include +/- 2.5 acres and 7769 square ft. building at a Rental rate of one thousand dollars (\$1,000.00) per month till the end of June 2012. After which rent shall be four thousand dollars (\$4,000.00) each month due in advance on the first day of each month for that month's rental during the term of this lease. All lease payments shall be made to Lessor, at 401 Rutherford Lane, Columbia, Tennessee 38401
2. **Use.** Lessee shall use and occupy the premise's for the purpose of office and clerical also to include criminal investigation and interviewing. Lessor represents that the premises may lawfully be used for such purposes. The premises shall be used for no other purpose without consent of Lessor which consent shall not be unreasonably withheld or delayed.
3. **Care and Maintenance of Premises.** Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including glass, electrical wiring, plumbing and maintenance of hvac installations and any other system or equipment upon the premises, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excepted. Lessee shall be responsible for all repairs required, except the roof, exterior walls, structural foundation, major plumbing and major electrical wiring, and any other system or equipment upon the premises installed prior to move in as these items shall be Lessor's responsibility at Lessor's cost.
4. **Alterations.** Lessee shall not, without first obtaining the consent of Lessor, make any alterations, additions in, to or about the premises. Alterations become property of Lessor. Lessor's consent shall not be unreasonably withheld or delayed.

5. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee. Lessee will have local Fire Officials determine the required Fire protection (Fire Extinguisher) requirements. Lessee will maintain these requirements at all times. Lessor warrants and represents that up to and as of the date Lessee takes possession of the premises, Lessor has complied with all relevant statutes, ordinances and requirements of all municipal, state and federal authorities relating to the building and to the premises. Lessor shall be responsible for required changes or upgrades to the premises or the building except any due solely to the business activities of Lessee.
6. **Assignment and Subletting.** Lessee shall not assign this lease or sublet any portion of the premises without prior written consent of the Lessor, which shall not be unreasonably withheld. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this lease. However, prior consent of the Lessor shall not be required in the event Lessee assigns the lease or sublets any portion of the premises to any of Lessee's affiliated corporations.
7. **Utilities and Taxes.** All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water, gas, electricity and telephone services. Tenant shall also pay a pro-rated portion of all county and city property taxes assessed against the premise.
8. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purposes of inspecting the same, and will permit Lessor at any time within ninety (90) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter.
9. **Indemnification of Lessor.** Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, resulting from the proposed operations of the Spring Hill Police Department.

10. **Insurance.** Lessee shall maintain Property insurance. Lessee shall provide Lessor with a Certificate of Insurance showing Lessor as additional insured as its interests may appear for liability. Provide evidence of property insurance in an amount not less than Five hundred fifty thousand dollars (\$550,000). The Certificate shall provide for a ten-day written notice to Lessor in the event of cancellation or material change of written notice to Lessor in the event of cancellation or material change of coverage.
11. **Destruction of Premises.** In the event of a partial destruction of the premises during the term hereof, Lessor shall forthwith repair the same, provided that such repairs can be made within thirty (30) days under existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which making the repairs cannot be made within existing thirty (30) days, Lessor, at his option, may make the same within a reasonable time, this lease continuing in effect with the rent proportionately abated as aforesaid, and in the event that Lessor shall not elect to make such repairs which cannot be made within thirty (30) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third of the replacement cost, Lessor may elect to terminate this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.
12. **Lessor's Remedies on Default.** If lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within five (5) days in the case of any rent payment owed, or within thirty (30) days for all other events of default after the giving of such notice or if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such thirty (30) days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Lessor may terminate this lease on not less than thirty (30) days' notice to Lessee. On the date specified in such notice the term of this lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession the premises by any lawful means and remove Lessee or other occupants and their effects. No failure to enforce any term shall be deemed a waiver.
13. **Possession.** If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any rent until possession is delivered. Lessee may terminate this lease if possession is not delivered within ten (10) days of the commencement of the term hereof.

14. **Eminent Domain.** If the premises or any other part of the building affecting Lessee's use of the premises shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, any additional rent, shall be apportioned as of the termination date; any rent paid for and period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.
15. **Attorney's Fees.** In case suit should be brought for recovery of the premises or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including reasonable attorney's fees.
16. **Notice:** Any notices required to be sent hereunder shall be hand delivered or sent by certified mail to the following addresses:

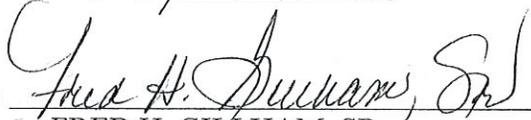
LANDLORD: FRED H. GILLHAM SR.  
401 Rutherford Lane  
Columbia, Tennessee 38401

TENANT: CITY OF SPRING HILL  
ATTN: VICTOR LAY  
199 Town Center Parkway  
Spring Hill, Tennessee 37174

17. **Heirs, Assigns, Successors.** This lease is binding upon and inures to the benefit of the heirs, successors in interest to the parties.
18. Option to renew to be negotiated no later than 90 days prior to the expiration of this lease.
19. **Subordination.** This lease is and shall be subordinated to all existing and future liens and encumbrances against the property

20. **Entire agreement.** The foregoing constitutes the entire agreement between parties and may be modified only in a writing signed by both parties. Also if the Lessor conveys, transfers or sells the property the terms of the lease shall survive the closing and the conveyance is subject to this lease. Following Exhibits, if any, have been made a part of this lease before the parties' execution hereof: Exhibit A, Aerial photo showing leased area.

Signed this day of 3/28, 2012.

Lessor:   
FRED H. GILLHAM, SR.

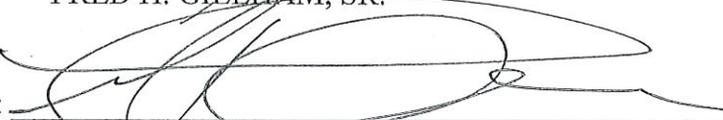
Lessee:   
CITY OF SPRING HILL

Exhibit A

