

LEASE AGREEMENT

This Lease Agreement ("Agreement") is made and entered into this ____ day of _____, 2025 by and between the City of Mt. Juliet, a political subdivision of the State of Tennessee ("the City") and the Mt. Juliet-West Wilson County Senior Citizens Service Center d/b/a Mt. Juliet Senior Activity Center, a Section 501(c)(3) organization ("Lessee").

WHEREAS, the City owns a facility located at 1019 Charlie Daniels Parkway, Mt. Juliet, TN 37122 ("Premises"); and

WHEREAS, the City of Mt. Juliet Police Department is currently located at the premises, but will relocate upon completion of the new Police Headquarters; and

WHEREAS, Lessee is a Section 501(c)(3) organization with a record of providing services and programming to seniors at their facility; and

WHEREAS, it is in the City's and public's interest for Lessee to be allowed to use the facility located at the Premises to continue to provide services for seniors in the facility.

NOW THEREFORE, in consideration of the promises and commitments made herein, the sufficiency of which is hereby acknowledged, it is agreed as follows:

1. **PREMISES.** The City hereby leases to Lessee, upon the following terms and conditions, a portion of the building/facility located at 1019 Charlie Daniels Parkway, Mt. Juliet, TN 37122, hereinafter the "Premises."
2. **TERM.** The term of this Lease shall be twenty-five (25) years, and shall begin on the ____ day of _____, 2025, and end on the ____ day of _____ 2050. The Parties may agree to extend the Agreement term in accordance with Section 6 of this Agreement.
3. **RENT.** The Lessee shall pay to the City a total annual rent of One Dollar (\$1.00).
4. **DELAYED POSSESSION AND USE.** Notwithstanding any other provision of this Lease, Lessee acknowledges and agrees that possession and use of the Premises shall not be granted or commence until the City has provided written authorization permitting such possession and use. Lessee further acknowledges that such authorization will not be issued until the Mt. Juliet Police Department has fully vacated the Premises, which shall occur only upon completion and occupancy of the new police headquarters. The City shall have no obligation to deliver possession, and Lessee shall have no right to occupy, use, or access the Premises, until said written authorization has been issued by the City. Any delay in the commencement of the Term due to the City's failure to grant such authorization shall not constitute a default by the City, nor shall it give rise to any claim for damages by Lessee.
5. **USE.** For the specific use and benefit of the City and its citizens, and in particular, senior citizens, the City agrees to allow the Lessee to use a portion of the facility as set forth below. Lessee shall use the Premises only for senior citizen purposes. No other uses, activities, or operations shall be conducted by the Lessee from the leased Premises without first obtaining the prior written consent of the City. In the event the leased space ceases to be used as a senior center, this Agreement shall terminate. The Lessee can host events with prior approval of the City, said approval not to be unreasonably withheld. Lessee shall keep the Premises open

and use the entire Premises regularly and in a businesslike and responsible manner during the entire term of this Lease, with the exception of temporary closures for such period as may be reasonably necessary for repairs or redecoration or for reasons beyond the Lessee's control.

The Premises shall be a shared use facility between Lessee and the City. Except as otherwise expressly set forth herein, any room or area within the Premises not specifically designated below shall be deemed shared space and shall be available for the mutual use and benefit of both parties. Areas designated for Lessee's use shall be under Lessee's exclusive possession and control; provided, however, that nothing herein shall preclude the City from having reasonable access to such areas as may be necessary for the performance of its rights and obligations or for public safety purposes. Areas designated for the City's use shall be under the exclusive possession and control of the City, and the Lessee shall not be entitled to access such areas. The respective assignments of rooms and areas are as follows (see Exhibit A – Floor Plan):

ROOM / AREA	DESIGNATION
EXISTING COVERED ENTRANCE 100	City / Lessee
RECEP 101	City / Lessee
CORR 102	Lessee
WRKRM 103	Lessee
EXERCISE 104	Lessee
ASSIST OFFICE 105	Lessee
DIRECTOR OFFICE 106	Lessee
EX. MECH 108	Lessee
GAME ROOM 109	Lessee
ACCT OFFICE 110	Lessee
EX. EQUIPMENT 111	Lessee
EX. MECH 112	Lessee
MUSIC ROOM 113	Lessee
CORR 114	Lessee
R/R 115	Lessee
FILE STORAGE 116	Lessee
COOR 117	Lessee
EX. IDF 118	Lessee
STOR. 119	Lessee
QUILTING / KNIT 120	Lessee
STORAGE 121	Lessee
KNIT STOR. 122	Lessee
CLST 123	Lessee
CORR 124	Lessee
CLST 125	Lessee
OFFICE 126	Lessee
LARGE ACTIVITY 127	Lessee
TABLE STORAGE 128	Lessee
BILLARDS 129	Lessee
ART 130	Lessee
CLST 131	Lessee

CLST 132	Lessee
TLT 133	Lessee
TLT 134	Lessee
MULTI PURPOSE 135	Lessee
STORAGE 136	Lessee
KITCHEN 137	Lessee
STOR 138	Lessee
DISHWASH 139	Lessee
DEL. 140	Lessee
LAUNDRY 141	Lessee
MEN 142	Lessee
WOMEN 143	Lessee
CLST 144	Lessee
JANITOR 145	
SIDE ENTRANCE 146	City / Lessee
CLST 147	
UPPER MEETING 148	City
MEETING ROOM 149	City
WOMEN 150	City / Lessee
MEN 141	City / Lessee
SIDE ENTRANCE 152	City / Lessee
CLST 153	Lessee
CLST 154	Lessee
SPRINKLER RM 155	

6. **TERMINATION.**

- A. **DEFAULT.** In the event of a default by the Lessee, the City may terminate this Agreement at any time for cause if Lessee commits a default in the performance under the lease, which includes, but is not limited to: failure to procure necessary insurance; making major modifications without the City's prior written approval; subletting the property without the City's prior written approval; failure to maintain and care for the Premises and everything within; failure to perform any term, covenant, or condition of this Agreement; failure to pay any charge, imposition, or any obligation of Lessee requiring the payment of money under the terms of this Agreement; abandonment for thirty (30) days of the Premises. In order to terminate the Agreement, City must first provide written notice of the default to the Lessee. Upon notification of said default, Lessee must cure the breach to the satisfaction of the City within ninety (90) days from receipt of written notice from the City, or the Agreement can be terminated by the City. In addition to termination, the City shall maintain all other rights and remedies provided by law or equity, to which the City may resort cumulatively or in the alternative.

In the event the City shall neglect or fail to perform or observe any of the provisions or conditions contained in this Agreement on its part to be performed or observed within thirty (30) days after written notice of default (or if more than thirty (30) days shall be required because of the nature of the default, if the City shall fail to proceed diligently to cure such default after written notice thereof),

then in that event the City shall be liable to Lessee for any and all damages sustained by Lessee as a result of the City's breach.

B. VOLUNTARY.

- i. BY LESSEE. If Lessee voluntarily terminates this Agreement, any and all improvements/renovations made to the Premises by Lessee shall become the sole property of the City. The City shall not bear any liability for the cost of such improvements/renovations.
- ii. BY CITY. Should the City's needs be such that it is in the best interest of the City to terminate this Agreement, City shall have the right to do so. If the City terminates this Agreement prior to the end of the initial Term, then the following provisions shall apply:

- a. Notice. The City shall provide written notice to the Tenant of its intent to voluntarily terminate the lease, under this section, at least one hundred and eighty (180) days prior to the intended termination date.

- b. Cost Payback. The City agrees to reimburse the Lessee for renovation costs incurred by the Lessee, subject to the depreciation formula as set forth below. Depreciation shall be calculated by dividing the Lessee's total renovation costs by the initial term of this Agreement (25 years), and then multiplying that resulting annual depreciation amount by the number of full years remaining in the term as of the effective date of termination. For purposes of this calculation, only whole years shall be considered; partial years, including months and days, shall be excluded.

Example:

If Lessee's renovation costs totaled \$1,000,000 and the Agreement was terminated in the year 2032, the calculation would be as follows:

$$1,000,000 / 25 = 40,000$$

$$40,000 \times 18 = 720,000$$

$$\text{Total Payback Amount} = \$720,000$$

- c. Calculation of Payback Amount. The payback amount shall be calculated based on the original renovation costs, as documented and agreed upon by both parties. The amount shall not include any renovation/construction costs paid for by the City.
- d. Documentation. The Lessee shall provide the City with all relevant documentation, including receipts, invoices, and proof of payment for renovation costs within thirty (30) days of the City's notice of intent to terminate.

7. LEASE EXTENSION. This Agreement may be renewed for one additional term of 25 years upon the mutual consent of both parties. Written notice of intent to renew must be given by the Lessee to the City at least ninety (90) days prior to the expiration date of this Agreement. The City, however, may refrain from approving the additional 25-year term if, at the time, a more advantageous use is realized by the City and it would be in the best interest of the public for safety, economic gain, and overall use of the property to change uses. If an agreement on renewal or on the terms of renewal cannot be reached prior to the termination date of this

lease, then this lease will terminate according to its terms. Any renewal of this lease may be in an addendum form at the option of the City.

8. **INSURANCE**. The City agrees to carry fire and extended coverage insurance on the facility in its own discretion. In the case of loss, the decision to repair, replace, or demolish rests solely with the City.

Lessee agrees to provide at its own expense continuing liability and property damage insurance in a form satisfactory to the City, with limits of at least One Million Dollars (\$1,000,000) each occurrence and Three Million Dollars (\$3,000,000) in the aggregate for both bodily injury and property damage. All such policies shall name the City as Additional Insured and shall contain a provision that the same may not be canceled or changed without giving the City at least thirty (30) days written notice prior to any such change or expiration or cancellation of any such policy. Lessee must provide a Certificate of Insurance to the City within 10 days of occupancy noting the City as Additional Insured. Lessee further agrees to obtain waivers from all participants, including any person using the Premises during hosted events, for any damages or liability incurred due to injury or occurrence at the Premises.

9. **INDEMNIFICATION**. Lessee agrees for itself, its successors and assigns, to defend, indemnify, and hold the City harmless, including its officers, managers, appointed and elected officials, employees, agents, and affiliates from and against all losses, costs, claims, damages, fines, penalties, expenses, including without limitation attorneys' fees, for any and all liabilities incurred as a result of, or arising out of, any act or omission with regard to the use of the Premises regardless of whether said claim or liability is the result of the acts of Lessee or third parties. This indemnity and hold harmless obligation of Lessee shall survive termination of this Agreement.
10. **SIGNS**. No sign, advertisement, notice, or other lettering will be exhibited, inscribed, painted, or affixed by Lessee on any part of the outside of the Premises without the prior written consent of City.
11. **REPAIRS AND MAINTENANCE**. Lessee shall keep and maintain the Premises in compliance with all legal requirements and all appurtenances in good order and repair, and shall allow no nuisance to exist or be maintained on the Premises. The following shall be kept in good working order and repair, normal wear and tear expected, by either the City or Lessee as follows:

ITEM/FACILITY/SYSTEM	RESPONSIBILITY OF
Heating System	City
Air Conditioning System	City
Electrical System/Fixtures	City
Plumbing System	City
Parking Area	City
Driveway	City
Exterior Walkways	City
Building Exteriors	City
Exterior Windows	City
Terrace/Patio	City
Smoke Detectors	City
Restrooms	City
Interior Hallways	City

Lobby	City
Trash Facilities	City
Landscaping	City
Roof	City
Security Alarm	City
Kitchen Appliances	Lessee

Lessee is responsible for and will pay for all costs of all repairs, maintenance, and upgrades to any item not mentioned above but existing on the Property. The City reserves the right to make any repairs, maintenance, and/or upgrades at the City's discretion. If the repairs, maintenance, and/or upgrades made by the City are necessitated by the Lessee's use of the Premises, Lessee shall reimburse the City for the costs incurred in repairing, maintaining, and/or upgrading the Premises.

Upon receipt of written notice from Lessee, the City shall, within a reasonable time period thereafter, repair all defects in those facilities and systems that are the responsibility of the City to maintain in good working order and repair. If Lessee does not promptly perform its maintenance and repair obligations as set forth above, the City may make such repairs and/or replacements and supply Lessee with an invoice for said repairs and/or replacements. Lessee shall promptly pay the costs of the same within thirty (30) days of receipt of invoice. Lessee waives any further notice of amount due for any repairs or replacement under this Agreement. The City shall not be liable to Lessee for any damage caused by any of the above referenced systems or facilities or by water coming through or around the roof or any door, flashing, skylight, vent, window, or the like in or about the Premises.

12. **SERVICES**. The services set forth below serving the Premises shall be provided at the expense of either the City or Lessee as follows:

SERVICE	RESPONSIBILITY OF
General cleaning/janitorial	City/Lessee
Trash Collection	City
Snow/Ice removal	City
Pest Control	City/Lessee
Restroom supplies	City/Lessee
Light bulbs	City

Lessee shall be responsible for the costs and provision of any service that the City has not expressly agreed to pay for in this Agreement. Lessee agrees to provide services not provided by the city that are necessary to keep the Premises in good order, condition, and repair, normal wear and tear expected. If Lessee does not provide such services, the City may then provide such services and supply Lessee with an invoice for said services. Lessee shall promptly pay the City the costs for such services within thirty (30) days of receipt of invoice. Lessee waives any further notice of amount due for any services under this Agreement.

13. **UTILITIES**. The utilities set forth below serving the Premises shall be paid for by either the City or Lessee as follows:

UTILITY	RESPONSIBILITY OF
Water	City

Electricity	City
Sewer	City
Gas	City

Lessee shall be responsible for the costs of any utility that the City has not expressly agreed to pay for in this Agreement. Lessee must provide proof of payment of final bills for all utilities or services termination slips. The City may, at the City's option, pay utilities and be reimbursed by Lessee on the first of the following month. The City shall not be liable for any interruptions or delays in the provisions of utility services.

14. **NEW CONSTRUCTION / IMPROVEMENTS / RENOVATIONS / MODIFICATIONS**

- A. **CONSTRUCTION OF IMPROVEMENTS / RENOVATIONS.** Lessee agrees to perform and complete the improvements/renovations on the Premises as approved by the City, subject to events and delays due to causes beyond its reasonable control, and Lessee shall have the exclusive right to use the Land on the commencement date to construct and complete the improvements/renovations; provided, however, that the City shall have no responsibility or liability whatsoever for any loss or damage to any of the improvements, fixtures, equipment or any other materials installed or left on the Land during such construction.

Lessee covenants and agrees to construct and complete the improvements/renovations with all due diligence in a good and workmanlike manner, and in accordance with the working drawings and specifications approved by the City. The improvements/renovations shall be constructed in accordance with a project budget provided separately by Lessee to the City and by a general contractor approved by the City. In addition to the other insurance requirements set forth in this Agreement, from the commencement of construction until completion of the improvements/renovations, Lessee shall maintain or cause its contractors to maintain, general liability and other types of insurance satisfactory in form and content to the City and insuring the City and Lessee against all hazards normally insured against in the construction of projects similar to the improvements.

If the Lessee fails to commence construction for any reason other than delay caused by the City or its agents, within 36 months following the execution of this Agreement by all parties, then the City shall have the right to terminate this Agreement after proper written notice to Lessee. Notwithstanding, the timeframe shall be extended by any delay due to unforeseeable causes beyond Lessee's control and without Lessee's fault or negligence, including, but not limited to, acts of God, fires, floods, strikes, unusually severe weather conditions not reasonably anticipatable, and delays caused by the acts or omissions of Lessee's contractors, subcontractors, material or equipment suppliers, architects or engineers.

- B. **OTHER MAJOR MODIFICATIONS.** Lessee must seek prior approval from the City before making any further major modifications or improvements to the Premises. "Major Modifications" include, but are not limited to, construction of improvements on the Premises; modifications to any existing structure; construction of a fence or any similar barrier; and, any other possible modification that serves to change the use of the land in a permanent way. Lessee will be responsible for and pay for all major modifications, unless otherwise agreed to by the City.
- C. **TITLE TO IMPROVEMENTS / RENOVATIONS.** Unless otherwise stipulated, all improvements,

renovations, or alterations erected or made on the Premises shall, upon expiration of this Agreement, belong to the City without compensation to the Lessee.

- D. **NO LIENS ON FEES.** The City's interest in the Premises shall not be subjected to liens of any nature by reason of Lessee's construction, alteration, repair, restoration, replacement or reconstruction of any improvements on the Premises, or by reason of any other act or omission of Lessee (or of any person claiming by, through or under Lessee) including, but not limited to, mechanics' and materialmen's liens. All persons dealing with Lessee are hereby placed on notice that such persons shall not look to the City or to the City's credit or assets for payment or satisfaction of any obligations incurred in connection with the construction, alteration, repair, restoration, replacement or reconstruction thereof by or on behalf of Lessee. Lessee has no power, right, or authority to subject the City's interest in the Premises to any mechanic's or materialmen's lien or claim of lien.
12. **ASSIGNMENT OR SUBLEASE.** Lessee shall not assign or transfer this Lease or any interest therein, nor sublet the whole or any part of the Premises, nor grant an option for assignment, transfer or sublease for the whole or any part of the Premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law, or by any process or proceeding of any court or otherwise.
13. **LAWS AND REGULATIONS.** In using the Premises, Lessee will comply with all applicable laws, ordinances, and regulations from any and all authorities having jurisdiction.
14. **SURRENDER OF THE PREMISES.** Upon expiration of this Agreement, Lessee shall quit and surrender the Premises to the City without delay, and in good order, condition and repair, ordinary wear and tear expected. Such surrender of the Premises shall be accomplished without the necessity for any payment by the City. Upon such event, title to any improvements shall automatically vest in the City without the execution of any further instrument; provided, however, Lessee agrees, upon either such event, to execute such appropriate documentation as may be reasonably requested by the City to transfer title to the improvements to the City.
15. **NO PARTNERSHIP OR JOINT VENTURE.** The relationship of the parties is not intended to be nor is it a partnership or joint venture. Neither party is liable to any third party for the acts or omissions of the other party, and nothing in this Agreement is intended to create a representative capacity by either party for the other.
16. **AMENDMENTS.** Except as otherwise provided herein, no modification or a mendment of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.
17. **WAIVER.** None of the provisions of this Agreement shall be deemed to have been waived by any act or acquiescence on the part of any party or their agents or employees, and may be waived only by an instrument in writing signed by an authorized representative of the waiving party. No waiver of any provision of this Agreement shall constitute a waiver of any of the provisions or of the same provision on any other occasion.
18. **GOVERNING LAW / VENUE.** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The parties agree that venue for any legal or other dispute arising under the terms of this Agreement shall lie exclusively in the courts of Wilson County, Tennessee or the United States District Court, for the Middle District of Tennessee.
19. **DISPUTE RESOLUTION.** Prior to either party initiating any legal action against the other party for any breach

or alleged breach of this Agreement, the parties agree that said dispute shall be submitted to non-binding mediation. The costs of such mediation shall be split equally between the City and Lessee.

20. **SEVERABILITY**. The provisions of this Agreement are severable and the invalidity of one or more provisions shall not be deemed to limit or otherwise affect the construction of any other provision.
21. **HEADINGS**. The descriptive headings of this Agreement have been inserted for convenience and shall not be deemed to limit or otherwise affect the construction of any provision of this Agreement.
22. **CONDITION PRECEDENT / BOARD APPROVAL**. This Agreement is contingent upon (1) Lessee obtaining Lessee's Board of Directors for the Mt. Juliet-West Wilson County Senior Citizens Service Center and (2) the City obtaining the City of Mt. Juliet Board of Commissioners approval of: (A) the terms and conditions of this Agreement; (B) the improvements/renovations as set forth in Exhibit A; and (C) the costs and expenses necessary to construct and complete the improvements/renovations. If any approval is not obtained, this Agreement shall automatically terminate and no costs, damages, or liabilities shall be assessed against or carried by either party in connection with such termination.
23. **PRIOR LEASE TERMINATED**. The Parties agree that the Land Lease Agreement, executed on February 14, 2019 and authorized by Resolution 23-2018 of the City of Mt. Juliet, concerning the portion of City owned property located on Clemmons Road is hereby terminated in its entirety. All rights, interests, and privileges granted to the Lessee under said Agreement are likewise terminated. No costs, damages, or liabilities shall be assessed against or carried by the City in connection with such termination.
24. **NOTICES**. Any notice, approval, demand or other communication required or desired to be given pursuant to this Lease shall be in writing and shall be personally served or in lieu of personal service, deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, as set forth below:

To City: *City of Mt. Juliet*
 Attention: City Manager
 2425 N. Mt. Juliet Road
 Mt. Juliet, TN 37122

To Lessee: *Mt. Juliet Senior Activity Center*
 Attention: Executive Director
 2034 N. Mt. Juliet Road
 Mt. Juliet, TN 37122

To Lessee after Renovation Completion Date:

Mt. Juliet Senior Activity Center
 Attention: Executive Director
 1019 Charlie Daniels Parkway
 Mt. Juliet, TN 37122

25. **ENTIRE AGREEMENT**. This Agreement together with all exhibits expressly incorporated herein by reference and attached hereto shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein.

IN WITNESS WHEREOF, the parties have entered into the Agreement as of the date first set forth above.

LESSEE: Mt. Juliet West Wilson County Senior
d/b/a Mt. Juliet Senior Activity Center

BY: _____

PRINTED: _____

TITLE: _____

DATE: _____

LESSOR: City of Mt. Juliet, Tennessee

BY: _____

PRINTED: _____

TITLE: _____

DATE: _____