

RESOLUTION NO. 32262

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO A PARKING LEASE AGREEMENT WITH THE HOUSE OF RUTH, INC., IN SUBSTANTIALLY THE FORM ATTACHED, FOR THE LEASE OF A PARKING LOT LOCATED AT 4327 OAKLAND AVENUE, 4333 OAKLAND AVENUE, AND 511 WEST 45<sup>TH</sup> STREET, FURTHER IDENTIFIED AS TAX MAP NOS. 167C-B-015, 167C-B-016, AND 167C-B-017, FOR PARKING BY MEMBERS OF THE GREATER ST. JOHN MISSIONARY BAPTIST CHURCH, FOR A TERM OF FOUR (4) YEARS, WITH THE OPTION TO RENEW FOR TWO (2) ADDITIONAL TERMS OF FOUR (4) YEARS EACH, WITH ANNUAL RENT OF ONE DOLLAR (\$1.00).

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BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby authorizing the Mayor or his designee to enter into a Parking Lease Agreement with the House of Ruth, Inc., in substantially the form attached, for the lease of a parking lot located at 4327 Oakland Avenue, 4333 Oakland Avenue, and 511 West 45<sup>th</sup> Street, further identified as Tax Map Nos. 167C-B-015, 167C-B-016, and 167C-B-017, for parking by members of the Greater St. John Missionary Baptist Church, for a term of four (4) years, with the option to renew for two (2) additional terms of four (4) years each, with annual rent of one dollar (\$1.00).

ADOPTED: October 8, 2024

/mem

## P A R K I N G   L E A S E   A G R E E M E N T

THIS PARKING LEASE AGREEMENT (“Lease”) made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2024, by and between the City of Chattanooga, Tennessee, a municipal corporation (hereinafter referred to as “Lessor”), and The House of Ruth Inc., a Tennessee nonprofit corporation, whose address is 4401 Ohls Avenue, Chattanooga, Tennessee 37410 (hereinafter referred to as “Lessee”).

### R E C I T A L S

WHEREAS, Lessee desires to lease property containing a parking lot from Lessor to be used for parking by the members of the Greater St. John Missionary Baptist Church and for charitable purposes as authorized by the Lessee’s Board of Directors; and

WHEREAS, Lessor has the appropriate authority to, and hereby agrees to lease to Lessee that certain parking lot situated in the City of Chattanooga, Hamilton County, Tennessee;

NOW, THEREFORE, in consideration of the faithful performance of the terms, covenants, and conditions and the mutual obligations of the parties as set forth herein, the parties agree as follows:

SECTION 1. Leased Premises. Lessor leases to Lessee that certain parking lot located at 4327 Oakland Avenue, 4333 Oakland Avenue and 511 West 45<sup>th</sup> Street situated in the City of Chattanooga, Hamilton County, Tennessee, identified as Tax Map Nos. 167C-B-015, 167C-B-016 and 167C-B-017, respectively, and more particularly described on **Exhibit “A”** attached hereto and incorporated herein by reference (the “Leased Premises”).

SECTION 2. Consideration; Utilization of Leased Premises. It is expressly agreed to and understood by the parties that the Leased Premises shall be used for parking by the members of the Greater St. John Missionary Baptist Church and for all charitable purposes as authorized

by the Lessee's Board of Directors. Lessee shall not utilize the Leased Premises for any other purpose without the express written approval of Lessor, which hereby designates its Mayor as Lessor's agent for this purpose. Lessee shall neither engage in nor allow illegal activities on the Leased Premises nor allow alcoholic beverages to be sold or consumed on the Leased Premises.

SECTION 3. Term. The term of this Lease shall commence upon August 27, 2024 (the "Commencement Date"), and shall be for a period of four (4) years, with the option to renew for two (2) additional terms of four (4) years each. Either party may terminate this Lease at any time without cause upon giving the other party written notice of its intention to terminate, and such notice shall be received at least thirty (30) days prior to the termination date.

SECTION 4. Lease Payments. Lessee shall, during the term of this Lease, pay to Lessor the net annual rent of One Dollar (\$1.00) per year, with the first annual payment due on the Commencement Date of this Lease and subsequent annual payments due on the anniversary date of the Commencement Date of this Lease. As additional consideration, the Lessee agrees to use the property exclusively for charitable purposes as authorized by the Lessee's Board of Directors. All rentals payable by Lessee to Lessor under this Lease shall be paid to Lessor at the address herein designated in SECTION 29.

SECTION 5. Alterations. Except for the installation of a chain link fence on the Leased Premises at Lessee's sole expense, Lessee agrees that no improvements, additions, or alterations shall be made to the Leased Premises without obtaining Lessor's written approval. If Lessee desires to make improvements to the Leased Premises, it shall be required to submit a detailed description of the improvements to be made to Lessor (the "Lessee's Plan"). The Lessee's Plan shall be subject to Lessor's written approval. Lessor's approval of Lessee's Plan shall in no event, unless expressly set forth in such approval, be deemed to create any obligations on the part

of the Lessor to do any work or make the improvements or to authorize Lessee to make any further additions, improvements, or alterations to the Leased Premises. In the event Lessor approves Lessee's Plan, the parties shall execute an amendment to this Lease setting forth the obligations of the Lessee with respect to the construction of improvements in accordance with Lessee's Plan, which shall be attached as an exhibit to the lease amendment.

If Lessee elects to install a chain link fence on the Leased Premises, Lessee shall provide Lessor with keys or an access code for Lessor's entry during the term of the Lease. At the end of the Lease term, Lessor shall have the option of (i) requiring the Lessee to remove the fence and return the Leased Premises to its original condition or (ii) requiring the Lessee to leave the fence in place, in which event the fence shall become a part of the Leased Premises. In the event Lessor elects to keep the installed fence, Lessee agrees to surrender any keys and locks to Lessor at the end of the Lease term.

SECTION 6. Quiet Possession. The Lessor covenants to keep the Lessee in quiet possession of the Leased Premises during the term of this Lease.

SECTION 7. Termination and Holding Over. Upon termination of this Lease, at the expiration of the term hereof or any extension thereof, Lessee shall surrender the Leased Premises to Lessor in as good condition as received, ordinary wear and tear and damage by fire or other casualty excepted. Lessee covenants to Lessor that it shall vacate the Leased Premises on or before thirty (30) days following the expiration of the term hereof or any extension thereof including removal of all personal property. Any personal property of Lessee which is not removed from the Leased Premises after termination of this Lease shall be deemed abandoned and may be disposed of by Lessor in any manner without accounting or being liable to Lessee.

SECTION 8. Indemnity. Lessee, as a material part of the consideration to be rendered to Lessor, hereby waives all claims against Lessor for injuries or damage for any cause arising at any time to persons in or about said Leased Premises where said injuries or damage occurs as a result of the use of the Leased Premises by Lessee, its authorized agents, officers, representatives, employees, or invitees, or from the failure of Lessee to keep the Leased Premises in good condition and repair, as herein provided. Lessee will indemnify Lessor and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of the occupancy or use by Lessee of the Leased Premises or any part thereof occasioned wholly or in part by any act or omission of Lessee, its invitees, agents, employees, or contractors. Lessee further agrees to defend, pay all costs of defense, including attorney's fees, and/or any judgment or cost for any claim or suit brought against Lessor as a result of any claim brought against Lessee, its invitees, agents, employees, or contractors. This indemnification of Lessor shall survive the expiration or sooner termination of this Lease.

SECTION 9. Audit Requirements.

A. Lessor may audit all financial and related records (including digital) associated with the terms of the Lease including timesheets, reimbursable out of pocket expenses, materials, goods, and equipment claimed by the Lessee. Lessor may further audit any Lessee records to conduct performance audits (to identify waste and abuse or to determine efficiency and effectiveness of the expenditure of any funds appropriated by Lessor) or to identify conflicts of interest.

B. Lessee shall at all times during the term of the Lease and for a period of seven (7) years after the expiration or earlier termination of this Lease, keep and maintain records of

expenditures of any funds appropriated by Lessor. This shall include proper records of quotations, contracts, correspondence, invoices, vouchers, timesheets, and other documents that support actions taken by the Lessee. Documents shall be maintained by the Lessee necessary to clearly reflect all work done and actions taken. All such records shall be maintained in accordance with generally accepted accounting principles. Lessee shall, at its own expense, make such records available for inspection and audit (including copies and extracts of records as required) by Lessor at all reasonable times and without prior notice.

C. The obligations of this Section shall be explicitly included in any subcontracts or agreements formed between the Lessee and any subcontractors or suppliers of goods or services to the extent that those subcontracts or agreements relate to fulfilment of the Lessee's obligations to Lessor.

D. Costs of any audits conducted under the authority of this Section and not addressed elsewhere will be borne by Lessor unless the audit identifies significant findings that would benefit Lessor. Lessee shall reimburse Lessor for the total costs of an audit that identifies significant findings that would benefit Lessor.

E. This Section shall not be construed to limit, revoke, or abridge any other rights, powers, or obligations relating to audit which Lessor may have by Federal, State, or Municipal law, whether those rights, powers, or obligations are express or implied.

SECTION 10. Insurance. At its sole expense, Lessee shall procure and maintain during the term of this Lease insurance of the types and in the amounts described below against claims for injuries to persons or damages to property which may arise from or in connection with this Lease.

(a) Commercial General Liability Insurance

Lessee agrees during the term of this Lease to maintain occurrence version commercial general liability insurance or equivalent form with a limit of not less than One Million Dollars (\$1,000,000) each occurrence for bodily injury, personal injury and property damage. If such insurance contains a general aggregate limit, it will apply separately to this Lease, or be no less than two (2) times the occurrence limit. Lessee agrees to provide the insurance policies at its sole expense, with commercially reasonable increases in coverage, but in no event shall the insurance coverage be less than the limits set by the Tennessee Governmental Tort Liability Act, as may be amended. Such insurance will:

- (1) Contain or be endorsed to contain a provision that includes the Lessor, its officials, officers, and employees as insureds with respect to liability arising out of work or operations performed by or on behalf of Lessee including materials, parts, or equipment furnished in connection with such work or operations. The coverage will contain no special limitations on the scope of protection afforded to the above listed insureds. Liability coverage can be provided in the form of an endorsement to Lessee's insurance or as a separate owner's policy; and
- (2) For any claims related to this Lease, be primary insurance as respects the Lessor, its officials, officers and employees. Any insurance or self-insurance programs covering the Lessor, its officials, officers and employees will be in excess of insurance and will not contribute with it.

(b) Additional Insurance Requirements.

Lessee shall include Lessor as additional insured on all business and property insurance. Proof of said insurance shall be provided to Lessor's Risk Manager.

Lessee shall:

- (1) Prior to the Commencement Date, furnish Lessor with original certificates of insurance and any amendatory endorsements effecting coverage required by this Section, and provide that such insurance will not be cancelled, allowed to expire, or be materially reduced in coverage except on thirty (30) days' prior written notice to the City Attorney and Risk Manager of Lessor;
- (2) If requested by Lessor, provide certified copies of endorsements and policies in lieu of or in addition to certificates of insurance;
- (3) Place such insurance with an insurer that is licensed to do business in Tennessee and has an A.M. Best Company rating of no less than AV; and
- (4) Require all contractors to maintain during the terms of this Lease, commercial general liability insurance, business automobile liability insurance and workers' compensation/employers' liability and furnish contractor's certificates of insurance to Lessor prior to the commencement of work.

Furthermore, any deductibles or self-insured retentions must be declared to and approved by Lessor.

SECTION 11. Assignment or Sublease. Lessee shall neither assign nor transfer this Lease or any interest herein nor sublease the Leased Premises or any part thereof to anyone during the term of this Lease or any extensions or holdovers.



SECTION 12. Discrimination. Lessee covenants to comply with all federal, state and local laws regarding discrimination due to handicap, age, race, color, religion, sex, national origin, pregnancy or any other classification protected by said laws.

SECTION 13. Nonprofit Status. Lessee shall provide evidence of its status as a nonprofit charitable organization under Section 501(c)(3) of the Internal Revenue Code prior to the Commencement Date and maintain its status as a nonprofit charitable organization at all times during the term of this Lease. Additionally, Lessee shall provide evidence of its status as a nonprofit charitable organization under Section 501(c)(3) to Lessor no later than July 1 of each year during the term of this Lease.

SECTION 14. No Warranties. Lessee takes and accepts the Leased Premises from Lessor “AS IS,” that is at its condition as of the Commencement Date of this Lease, upon the terms and conditions herein contained.

SECTION 15. Utility Services and Water Quality Fees. Any applications and connections for necessary utility services on the Leased Premises shall be made in the name of Lessee only. Lessee shall be solely liable for utility charges as they become due, including, but not limited to, those for water, gas, electricity, telephone (to the extent applicable), and shall also be responsible for the payment of water quality fees. It shall be a breach of this Lease to fail to keep such payments current.

SECTION 16. Repairs and Maintenance.

(a) Lessee shall make and pay for all repairs, maintenance, and replacements to the Leased Premises which are necessary to keep the same in good state of repair and operating order. Lessee shall not suffer or permit any waste or neglect of the Leased Premises and will take such steps as often as may be necessary to keep the Leased Premises in a first-class and

model condition. Any repairs made by Lessee shall be done in a workmanlike manner and within a reasonable period of time. Lessor shall not be liable for the cost of any repairs, maintenance or replacements made by or through Lessee.

SECTION 17. Limitation of Lessor's Liability.

(a) Lessor shall not be liable to Lessee in any manner whatsoever for failure to furnish or delay in furnishing any service or services provided for in this Lease and no such failure or delay shall constitute actual or constructive eviction of Lessee nor operate to relieve from prompt and punctual performance of each and all of the covenants to be performed herein by Lessee.

(b) Lessor shall not be liable for any theft or loss of property of Lessee, invitees, agents, employees, or contractors.

SECTION 18. Laws and Ordinances. Lessee covenants to comply with all federal, state, and local laws, including those regarding nuisances insofar as the Leased Premises are concerned, and that the Lessee will not by any act of its agents or officers render the Lessor liable therefor.

SECTION 19. Possession. If this Lease should at any time become void or forfeited, no demand shall be necessary to a recovery of possession of the Leased Premises, and the Lessor shall be entitled to immediate possession.

SECTION 20. Attorney's Fee for Right to Recover Possession Should the Lessor at any time rightly seek to recover possession of the Leased Premises, and be obstructed or resisted therein, and any litigation thereon ensues, the Lessee shall be bound to pay the Lessor a reasonable attorney's fee.

SECTION 21. Right to Enter. The Lessor shall have the right to enter into and upon said Leased Premises or any part thereof, at all reasonable hours for the purpose of examining the same, or making such repairs, additions, or alterations as may be necessary for the safety, comfort, and preservation thereof.

SECTION 22. Damage or Destruction. In the event the Leased Premises shall be damaged by fire, or other casualty, the Lessee shall give immediate notice thereof to the Lessor. This Lease shall, unless notice is given as set forth below, continue in full force and effect, and the Lessor shall, at its own expense, with reasonable promptness, subject to force majeure as defined in SECTION 28 and delays in making of insurance adjustments by Lessor, repair the Leased Premises. In the event the Leased Premises shall, before or after the Commencement Date, be so damaged that the Lessor shall decide not to repair the same, or if the Lessor shall decide to demolish or rebuild the Leased Premises for any reason whatsoever, upon notice to Lessee, the term of this Lease shall cease and terminate effective as of the time of the damage, and the accrued rent, if any, shall be paid up to the time of the damage. All proceeds of insurance payable as a result of fire or other casualty shall be the sole property of the Lessor.

SECTION 23. Defaults. The occurrence of any of the following acts shall constitute an immediate, material, non-curable default by Lessee:

(a) The occurrence of any of the following acts shall constitute an immediate, material, non-curable default by Lessee:

- (i) Abandonment of the Leased Premises, except for causes of force majeure, as defined in SECTION 28; and
- (ii) Any attempted assignment, transfer, or sublease in violation of SECTION 12 above;

(b) Failure to pay rent as provided for herein or failure to perform any term, covenant, or condition of this Lease, other than those set forth in subparagraph A above, shall not constitute a default unless such breach is not cured within the time periods set forth below. Lessor shall give written notice to Lessee of such default and if Lessee does not cure any rent default within five (5) days, or other default within twenty (20) days, after the giving of such notice (or, if such default is of such a nature that it cannot be completely cured within such twenty (20) days), if Lessee does not commence such curing within twenty (20) days and thereafter proceed with reasonable diligence and in good faith to cure such defaults, then Lessor may terminate this Lease on not less than three (3) days' written notice to Lessee, and on the date specified in said notice the term of this Lease shall terminate, and Lessee shall then quit and surrender the Leased Premises to Lessor. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Leased Premises by any lawful means and remove Lessee or other occupants and their effects.

SECTION 24. Remedies. The parties' remedies hereunder are not exclusive but cumulative to other remedies provided by law or in equity in the event of default.

SECTION 25. Surrender of Leased Premises on Termination. Lessee shall peaceably deliver possession of the Leased Premises to Lessor on the date of expiration or termination of this Lease, whatever the reason for termination. Lessor shall have the right to re-enter and take possession of the Leased Premises on the date termination becomes effective without further notice of any kind and without instituting summary or regular legal proceedings.

SECTION 26. No Waiver. Any waiver by the parties of any default or breach of any one or more of the terms, conditions, or covenants of this Lease shall be in writing and shall not be construed to be a waiver of any subsequent or other breach or default of the same or of any other

term, covenant, or condition of this Lease. No delay, failure, or omission of Lessor to re-enter the Leased Premises, to insist on strict enforcement of any term, covenant, or condition, or to exercise any right, privilege or option arising from any breach or default shall impair any such right, privilege or option or be construed as a waiver of or acquiescence in such breach of default.

SECTION 27. Force Majeure. Lessor shall be excused for the period of any delay in the performance of any obligation hereunder when prevented by doing so by cause or causes beyond Lessor's control which shall include, without limitation, all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power sabotage, governmental regulations or controls, fire or other casualty, inability to obtain any material, services, or financing or through acts of God.

SECTION 28. Notices. All notices and other communications given hereunder by the parties shall be in writing and shall be delivered personally or by mail, postage prepaid, and the date of any notice by certified mail shall be deemed the date of certification thereof delivered by or addressed to the parties as follows:

**Lessor:** City of Chattanooga  
Real Property Office  
101 East 11<sup>th</sup> Street, Suite G-18  
Chattanooga, TN 37402

**With a copy to:** City Attorney  
100 E. 11<sup>th</sup> Street, Suite 200  
City Hall Annex  
Chattanooga, TN 37402

**Lessee:** The House of Ruth, Inc.  
**ATTN: Sherrie Williams**  
PO Box 2344  
Chattanooga, Tennessee 37409

**With a copy to:** Greater Saint John Missionary Baptist Church  
**ATTN: Delford Hughley**  
4401 Ohls Avenue  
Chattanooga, TN 37410

SECTION 29. Miscellaneous Provisions.

29.1 Applicable Law. This Lease shall be construed and interpreted pursuant to the laws of the State of Tennessee. Should there be any provision thereof to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the legality, validity, and enforcement of the remaining provisions shall not be affected, but shall continue in full force and effect. Any disputes between the parties and/or default by Lessee may only be submitted to a court of competent jurisdiction in Hamilton County, Tennessee, and the prevailing party shall be entitled to recover all costs, expenses, and legal fees in defending such legal action.

29.2 Entire Agreement. This Lease represents and constitutes the entire understanding between the parties and supersedes all other leases, agreements, and communications between the parties, whether oral or written, concerning the subject matter herein. Any amendment to this Lease must be in writing and adopted by lawful resolution of the respective governing bodies to be bound thereby.

29.3 Binding Effect. The terms and conditions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

29.4 Headings. Section headings are for convenience of reference only and shall not limit or otherwise affect the meanings of this Lease.

***[SIGNATURES ARE ON THE FOLLOWING PAGE]***

IN WITNESS WHEREOF, the parties have executed this Lease on the \_\_\_\_ day of \_\_\_\_\_, 2024, at Chattanooga, Hamilton County, Tennessee.

**LESSOR:**

CITY OF CHATTANOOGA, TENNESSEE

BY: \_\_\_\_\_  
RICHARD J. BEELAND  
*Administrator of Economic Development*

**LESSEE:**

THE HOUSE OF RUTH, INC.

BY: \_\_\_\_\_  
SHERRIE WILLIAMS, *President*

EXHIBIT "A"  
Legal Description

A tract of land situated in Chattanooga, Hamilton County, Tennessee, known as Lots 182, 183, 184, 184-A, and 185, Block 14 and Block 26, Alton Park #1, as shown in Plat Book 3, Page 8, Register's Office of Hamilton County, Tennessee.

To find the beginning point, begin at the northwest intersection of West 45<sup>th</sup> Street and Oakland Avenue; thence with and along the North right-of-way of West 45<sup>th</sup> Street North 45 degrees 17 minutes 37 seconds West 213.07 feet to a "Cross" set in concrete; thence with and along the East right-of-way of Ohls Avenue North 24 degrees 22 minutes 26 seconds East 17.09 feet to an iron pin set; thence South 65 degrees 56 minutes 10 seconds East 99.80 feet to a point; thence North 24 degrees 22 minutes 26 seconds East 140.02 feet to an iron pin found; thence South 65 degrees 30 minutes 34 seconds East 100.00 feet to an iron pin set; thence South 24 degrees 22 minutes 26 seconds West 231.47 feet to an iron pin set, and the true Point of Beginning. Said tract contains 24,881.68 square feet, more or less.

This is a portion of the property conveyed to the City of Chattanooga by Quitclaim Deed recorded in Book 5826, Page 60, of the Register's Office of Hamilton County, Tennessee, being the same portion identified as Parcel 3.