

STATE OF ALABAMA

LEASE AGREEMENT

COUNTY OF BALDWIN

THIS LEASE AGREEMENT made and entered into this_____day of October 2023, by and between J & J ENTERPRISES, L.L.C. , an Alabama Limited Liability Company, hereinafter referred to as "Lessor", and the City of Gulf Shores hereinafter referred to as "Lessee".

WITNESSETH:

1. Lease of Premises. The Lessor hereby grants, leases and demises unto the Lessee the following described property being situated in the City of Gulf Shores, in Baldwin County, Alabama, which is described as follows:

Approximately 1800 square feet of the building at 204 W. 19th Avenue,
Gulf Shores, Alabama,

for occupancy and use as a medical office, and not otherwise, for and during the term of one (1) year beginning on the 1st day of January 2024, through the 31st day of December 2024, together with an option to renew. This period is herein referred to as the "term" or "period" of said lease. The option to extend the lease shall be for one (1) year under the same terms and conditions but with the monthly rent to be set at a rate calculated as follows:

On the anniversary of Lessee's occupancy of the premises, Lessee agrees to pay to Lessor a sum calculated as follows: \$20.11/interior square foot multiplied by 3%. That amount will be added to the \$20.11/interior square foot charge and the sum shall be the next annual rental rate to be paid by Lessee to Lessor in equal monthly installments.

2. Lease Payments. Lessee agrees to pay to Lessor a sum being equal to \$20.11/interior square foot of the leased premises payable in equal monthly installments of \$3,016.50. The first payment due hereunder is due in advance on January 1, 2024, and a like payment on

the same day of each month thereafter shall be made for the remaining eleven months. All payments shall be hand delivered or mailed by first class United States mail, postage prepaid to the address listed below on or before the due date hereof. An additional amount of ten percent (10%) of the monthly installment shall be due on any payment not hand delivered or not postmarked on or before ten days after the due date.

3. Indemnity and Hold Harmless from Loss. Lessee agrees to completely indemnify and hold harmless Lessor from any and all loss arising out of Lessee's operation of the business or use, operation or maintenance of the premises herein described (unless due to negligent, wanton or willful act or omission of the Landlord), and in furtherance of this covenant, agrees to maintain a policy of general liability insurance covering the premises and the business operation thereon naming the Lessor as a Co-insured or an additional insured, with limits of liability being not less than \$100,000.00/ \$300,000.00.

4. Uses of Premises. The premises during the term of this lease shall be used and occupied solely for the purpose stated above and Lessee shall not use nor permit the same to be used for any other purpose or purposes without prior consent, in writing, of Lessor. Lessee, at all times, shall fully comply with all laws, ordinances, and regulations of any lawful authority having jurisdiction of said premises but not limited to such as shall relate to health, safety, sanitation, and cleanliness and will not, by any act or omission render Lessor liable for any violation thereof. Lessee will not commit any waste to property nor permit the same to be done and will take good care of said premises at all times. Location, design, installation and maintenance of signs shall be determined by mutual agreement and in accord with all applicable codes and ordinances and at the sole cost and obligation of Lessee.

5. A. Condition and Maintenance of Premises. Lessee shall examine said premises before taking possession, and Lessee's entry into possession shall constitute conclusive evidence that, as of the date thereof, the said premises were in good order and satisfactory condition. It is expressly understood and agreed by all parties hereto that Lessor does not warrant the condition of the premises or that the property is fit for any particular purpose.

B. Lessor agrees to maintain the roof and outer walls of the building

improvements (exterior structure). Lessor shall pay the necessary charges for landscaping, lawn maintenance.

C. Lessee shall pay any damages caused by Lessee's negligence or willful or wanton misconduct and it is further expressly agreed that all other maintenance and responsibility of the Lessee, including but not limited to the repair and maintenance of all interior spaces of demised premises. Lessee further agrees to maintain all mechanical systems including heating, cooling, plumbing, and electrical.

6. Improvements. It is distinctly understood that any improvements made upon said premises during the term of this lease shall remain with the premises and shall become the property of the Lessor upon termination of this lease. It is further understood and agreed that no improvements shall be made upon said property without the prior written consent of Lessor, and further, that lessor shall not be required to give such written consent until it has been presented a written waiver of mechanics' or materialmen's liens by the contractor to place said improvements on the property.

7. Nuisances and Waste of Premises: Surrender. Lessee shall not permit, allow or cause any unreasonable act or deed to be performed or any practice to be adopted or followed in, on or about said premises which shall cause or be likely to cause injury or damage to any person or to said premises or to the right-of-way adjoining the premises. Lessee shall not permit, allow, or cause any unreasonably noxious, disturbing or offensive odors, fumes, gases, smoke, dusts, steam, or vapors or any loud or disturbing noise, sound of vibration to originate on or be emitted from said premises.

Lessee shall, at all times, keep said premises clean and free from rubbish and dirt. Lessee agrees to keep the demised premises free from insects and other pests and to hire a pest control firm to accomplish said obligation. Lessee agrees to permit no waste of the property, but, on the contrary, to take good care of same, and, upon termination of this lease, to surrender possession of the same without notice in as good condition as at the commencement of the term or as they may be put in during the term, as reasonable use and wear thereof will permit.

8. Limitation of Lessor's Liability: Right to Close. Lessor shall not be liable for any loss of property of Lessee from said premises or for any damage to any property of Lessee, whether occasioned by war, act of God, act of man, riot, insurrection, or however occurring, except as may be directly from the failure of Lessor to perform any act required of lessor under the terms of this agreement, after reasonable notice. Lessor, without liability of Lessee, shall have the right, and may, at any time, close the said premises whenever the same may become necessary in compliance with any law, order, regulation, or direction of any lawful authority or the agents, officers, or representatives thereof, or, in the event of any public disturbance or like circumstance, which, in the judgment of the Lessor, may appear proper or advisable, provided, however, that the rental payments for such periods shall be abated, and, if such closure shall last more than sixty (60) days, Lessee or lessor may terminate this lease as to any remaining term.

9. Lessor's Right of Entry: Lessee's Duty to Keep neat. Lessor, Lessor's agents or representatives, at all reasonable times, may enter said premises for the purpose of inspecting thereof, and, during the period of said lease, whether the principal term or extension thereof, may enter to exhibit the premises to prospective tenants or purchasers, after reasonable notice to the Lessee. Lessee agrees to keep the leased premises in a condition satisfactory to Lessor.

10. Utilities. Lessee shall procure for Lessee's own account and shall pay the cost of all electrical power, water, sewage, cable television consumed in, on or at said premises and the cost of cleaning and garbage disposal associated with the demised premises. The office will be equipped with a security system. If the Lessee chooses to use the system, the Lessee will bear the cost of this monitoring service.

11. Eminent Domain. In the event that the whole or any part of said premises shall be taken by any public authority under the power of eminent domain or like power, then the term hereof shall terminate as to the part of the premises so taken, effective as of the date possession thereof shall be required to deliver pursuant to the final order, judgment or decree entered in the proceedings and exercise of such powers. All damages awarded to the taking of

said premises or any part thereof shall be payable in the full amount thereof to, and the same shall be the property of the Lessor, including, but not limited to, any sum paid or payable as compensation for the loss of value of the leasehold or loss of the fee or any part of the premises, and Lessee shall be entitled only to that portion of any award expressly stated to have been made to lessee for the loss of his lease value and cost of removal of furniture and fixtures owned by the Lessee.

12. No Assignments or Subletting. Lessee shall not assign or in any manner transfer this lease or any estate, interest, or benefit therein or any options herein contained or sublet said premises or any part or parts thereof or permit the use of the same or any part thereof by anyone other than the Lessee, except with the specified and considered prior written consent of lessor which will not be unreasonably withheld.

13. Signage. A common illuminated sign and a fixed sign over the office entrance shall be provided for use by Lessee. It shall be the Lessee's responsibility to make changes to these signs. Said name shall be mutually agreed upon by Lessor and Lessee. The Lessee shall be responsible for any changes to the signage during the term of the lease.

14. Defaults; Remedies. The happening of any one or more of the following listed events, hereinafter referred to as defaults, shall constitute a breach of this lease agreement on the part of the Lessee, namely:

- (a) Filing by or on behalf of lessee of any petition or pleading to declare Lessee a bankrupt, whether voluntary or involuntary;
- (b) The failure of Lessee to pay any rent payable under this lease agreement or any extension thereof when due;
- (c) The appointment by any court or under any law of a receiver, trustee, or other custodian of the property, assets, or business of Lessee;
- (d) The levy of execution or attachment or other taking of property, assets, or the leasehold interest of Lessee, by process of law or otherwise, as satisfaction of any judgment, debt, or claim.

Upon happening of any default, Lessor may, if Lessor elects to do so:

- (a) Collect each installment of rental hereunder as and when the same matures;
or
- (b) Terminate the term of this lease agreement without further liability to Lessee hereunder; or
- (c) Terminate Lessee's right to possession and occupancy of the premises without terminating the term of the lease agreement, and, in the event Lessor shall exercise this right of election, the same shall be effective as of the date of written notice of lessor's election given by the Lessor to Lessee at any time after the date of such event of default.

Upon default and entry into possession by Lessor, Lessor shall take reasonable steps to relet the premises or any part thereof, for the account of the Lessee to any person, firm, or corporation selected by lessor in its sole discretion for such rent or for such time and upon such terms as the lessor, in Lessor's sole discretion, shall determine. If any rental collected by lessor, upon such reletting for Lessee's account, is not sufficient to pay monthly the full amount of the rental herein reserved and not therefore paid by Lessee, together with the cost of any repairs, alterations or redecoration necessary for such reletting and legal expenses, Lessee shall pay Lessor the amount of each monthly deficiency upon demand; and, if the rent so elected for such letting is more than sufficient to pay the full amount of the rent reserved hereunder, together with the aforementioned costs, Lessor, at the end of the stated term hereof, shall apply and surplus to the extent thereof to the discharge of any obligation of Lessee to lessor under the terms of this lease.

All remedies of Lessor are cumulative and are in addition to any other remedies accruing by law.

Lessee agrees to pay a reasonable attorney's fee and all costs if it becomes necessary for Lessor to employ an attorney to enforce performance of any of the provisions of this lease or to obtain possession of the leased premises or otherwise to exercise any option to enforce any right given to lessor upon default by lessee expressly waives all exemption, whether a corporation or an individual, under the laws of any

state of The United States of America, as against the collection of any debt or hereby incurred or secured.

Lessor agrees to pay a reasonable attorney's fee if it becomes necessary for lessee to employ an attorney to enforce performance of any of the provisions of this lease.

16. Governing Law. This agreement is to be construed according to the law of the State of Alabama. This lease is subject to those certain Rules, Regulations, and Restrictive Covenants contained in the Declaration of Covenants and Conditions and Restrictions of Gulf Shores, Alabama.

17. Holding Over. If through no fault of Lessor should Lessee withhold possession of the premises from lessor after termination of this lease, the damages for which lease should be liable to Lessor for such detention shall be, and hereby are, liquidated at sum equal to double the monthly rental installment payment stipulated herein for the period of such detention.

18. Relationship of Parties. The execution of this lease or the performance of any act pursuant to the provisions hereof shall not be deemed or construed to have the effect of creating between lessor and Lessee the relationship of principal or agent of partnership or joint venture, and the relationship between them shall be only that of landlord and tenant or Lessor and Lessee.

19. Lenience or Mercy not a Waiver of Lessor's Rights. The failure of Lessor to insist upon strict performance of any of the covenants or conditions of this lease or to exercise any option herein conferred in any one or more instances shall not be construed as a waiver or relinquishment of any covenants, conditions, or options but the same shall remain in full force and effect. The receipt by the lessor of rent, with the knowledge of the breach of any covenant hereof, shall not be deemed to have been made unless expressed in writing and signed by the lessor.

20. Non-Destruction by invalidity. If any part of this agreement is declared by any court to be invalid, none of the other provisions shall be affected thereby.

21. Number and Gender. Any use of the singular applies to the plural, and vice versa, and any use of masculine refers also to the feminine, and vice-versa.

22. Entire Agreement Contained. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of the lessor and the Lessee and their respective heirs, executors, administrators, successors and assigns, except as otherwise provided. This lease contains the entire agreement between the parties hereto, and neither party is bound by any representations or agreements of any kind except as herein contained.

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be
executed on this the _____ day of _____, 2024.

LESSOR:

J & J ENTERPRISES, L.L.C., an
Alabama Limited Liability Company

BY: _____
As Its Manager

Address: 510 West Canal Drive
Gulf Shores, AL 36542

LESSEE:

City of Gulf Shores

BY: _____
Robert Craft
Mayor, City of Gulf Shores

Address: P.O. Box 299
Gulf Shores, AL 36547

