DRAFT RESOLUTION 2026-642

McCOY FARM & GARDENS LEASE AGREEMENT

LEASE AGREEMENT made effective as of March 1, 2026, between the Town of Walden, a Tennessee municipal corporation, hereafter called the "Town," and McCoy Farm and Gardens, a nonprofit charitable corporation incorporated under the laws of Tennessee, hereafter called "MFG."

WHEREAS, the Town owns certain real property within the corporate limits of the Town known as the "McCoy Property" (hereafter, the "Premises") which was acquired by means of a Warranty Deed recorded June 4, 1997, at Book 4882, Page 88 and Executor's Deeds respectively recorded on April 13, 2005, at Book 7494, Page 765 and Book 7494, Page 770, all in the Register's Office of Hamilton County, Tennessee (the "Deeds");

WHEREAS, the Deeds contain certain restrictions on the use of the Premises, all of which the parties hereto acknowledge and incorporate herein by reference (the "Restrictions");

WHEREAS, the parties hereto enter into this Lease for the charitable purposes of: the upkeep, maintenance, development and operation of the Premises as an arboretum, a park, a recreational area, an educational and learning laboratory, a venue for public and private events; the promotion of environmental stewardship and the continuation of the nature of the Premises as a green space; and the interpretation and preservation of the character of the main house as an early twentieth-century home and farm (the "Goals"); and

WHEREAS, MFG is a tax-exempt organization under § 501(c)(3) of the Internal Revenue Code;

NOW, THEREFORE, in consideration of the facts recited above, which both parties acknowledge are true and correct, and in consideration of their mutual promises and other good and valuable consideration, the parties hereby agree as follows:

1. **Description**. The Town hereby leases to MFG, and MFG hereby leases from the Town, the "Premises", which include all of the McCoy Property owned by the Town.

2. **Term**. The initial term of this lease is fifteen (15) years, commencing on October 1, 2025, and ending on September 30, 2035. At the end of the initial term, if MFG (or its lawful successor or assign) informs the Town that it desires to renew the lease, then the Town shall have sixty (60) days to inform MFG which of the following three (3) options the Town has chosen (during which time this Lease shall continue in full force and effect even if after the term expires):

(a) The Town may renew this lease for additional terms of five (5) years on the same rent, terms and conditions as this Lease (each such term a "renewal term"), in which case all references herein to "term" shall refer to any renewal term, and this provision for renewal shall apply to renewing the renewal term (and successive renewal terms) as well as the initial term; or

(b) The parties may choose to renegotiate new lease terms acceptable to both parties; or

(c) The Town may terminate the lease, in which case MFG will have ninety (90) days in which to vacate the premises.

3. Rent. MFG shall pay the Town total annual rent of One Dollar ($1.00) a year in advance on the date of this Lease and on the same date each year of the term.

4. Purpose. Town's Right to Cancel. This Lease is given primarily for charitable purposes, as defined in the Goals. The Town has the right to cancel this Lease if, and only if, the Premises are not used to further any of the Goals for a continuous period of ninety (90) days or more. Such right must be exercised, if at all, by written notice to MFG at least sixty (60) days prior to the effective date of the cancellation. In such case, MFG may cure and redeem its right to this Lease (and the Lease shall not be cancelled) by reestablishing the use of the Premises for charitable purposes prior to the effective date of the cancellation.

5. Complementary Uses. Both parties agree that, although the Premises will be used primarily for achieving the Goals, the Premises may be used for purposes complementary to and consistent with the Goals, subject to the Restrictions.

6. Warranties. The Town hereby affirms, covenants, warrants, and represents each of the following:

(a) The Town owns title to the Premises in the manner described in the Deeds.

(b) The Town has the full right to make and enter into this Lease.

(c) Except as otherwise provided herein, MFG and its lawful successors and assigns shall have quiet and peaceful possession of the Premises at all times.

(d) The Town officials executing this Agreement on behalf of the Town are authorized to do so by the Town Board and the laws of the State of Tennessee.

(e) The Town Attorney has reviewed this Lease and transaction and advises that this Lease is valid, enforceable and binding on the Town.

7. Uses. MFG shall use the Premises for achieving the Goals, and for no other purpose except as allowed in Paragraph 5. The Town acknowledges that MFG will regularly license and/or rent the Premises for private use for the purpose of raising funds to achieve the Goals, subject to the license restrictions set forth in Paragraphs 18, 19 and 20 below. Any use by MFG or any licensee shall be subject to the Restrictions and the provisions of this Lease. MFG shall not use or knowingly permit any part of the Premises to be used for any unlawful purpose, nor will MFG carry on or permit upon the Premises any offensive, noisy, or dangerous trade or business, nor any nuisance to the public or any adjoining neighbors. MFG shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, including without limitation all applicable environmental laws.

8. Hatfield Property. The Premises include the five acres which previously provided the life estate

for Neavon Hatfield. That tract now contains a dog park and caretaker's shed. The Town currently maintains the five-acre tract and is responsible for all dog park operations. The Town will continue such maintenance and responsibilities as long as the dog park remains on that tract. MFG may continue to use the land not covered by the dog park or caretaker's shed for purposes that support the Goals.

9. Maintenance and Upkeep. MFG acknowledges that the Town is a governmental entity, and that the extent of its ability to maintain and upgrade the Premises is based upon the availability of public funding on a year-to-year basis. The level of funding available each year is dependent upon factors that are often not under the control of the Town, or is subject to more pressing governmental needs, as those needs and their priority are identified by the Town in its sole discretion, and therefore the Town has no contractual obligation to MFG under this lease to spend any amount of money on the Premises at any time. The Town may, in its sole discretion, allocate funds in its budget for maintenance, upkeep, alterations, upgrades, repairs, and improvements to the Premises. To the extent Town provides a block allocation to MFG for the accomplishment of one or more of the Goals, MFG agrees to comply in all respects with T. C. A. §6-54-111 and any other Tennessee law relating to the allocation of public funds to nonprofit organizations, and to not use any of the monies allocated for any purpose not consistent with the Goals and/or outside the conditions of any such allocation. MFG agrees not to spend any monies raised by the use, licensing, subleasing or sponsoring events on the Premises on anything other than its reasonable administrative expenses or the furtherance of the Goals.

10. Nonassignment. MFG does not have the right to assign this lease without the express written permission of Town, which may or may not be granted in the Town's sole discretion.

11. Taxes. The Premises are currently exempt from ad valorem taxation. Since the Premises will be used by MFG for charitable purposes, it is anticipated that the Premises will continue to be exempt from taxation. However, if for any reason taxes are imposed, the Town will be responsible for any taxes due to its ownership interest, and MFG will be responsible for any taxes due to its operations.

12. Buildings and Improvements. The Town owns the buildings and improvements on the Premises and all subsequent improvements. The Town recognizes that MFG has acquired a substantial amount of equipment and tools by purchase and by gift. All such equipment and tools shall remain the property of MFG. During the lease term, the Town and MFG will cooperate and communicate on the management and status of all buildings, structures, improvements, fixtures, and Town equipment located on the premises, and on all maintenance, repairs, alterations, upgrades, and improvements to the Premises, which shall be consistent with the Goals. At the end of the lease term, all buildings, structures, improvements, fixtures, and Town equipment then located on the Premises shall remain the property of Town, and all MFG equipment and tools shall remain the property of MFG. Notwithstanding the foregoing if MFG affixes a mantel and/or fireplace surround to the fireplace in the living room of the main house (or to any other fireplace), MFG reserves the right to remove such mantel/surround , provided that the fireplace shall be left in the same condition as before the mantel/surround was installed.

13. **Personal Property.** In addition to equipment and tools, MFG has acquired various articles of personal property (including such items as furniture, artwork, china, household furnishings, etc.), and all such personal property shall remain the property of MFG.

14. Utilities. MFG will assume responsibility for utilities furnished to the Premises on the following schedule: natural gas in Town FY2026-27, water in FY2028-2029, and electricity in FY2030-2031.

15. Insurance.

(a) The Town, at its sole cost and expense, shall at all times during the Term, maintain property insurance protecting the Premises against losses or damages by fire or other casualty, together with such other coverages and in such amounts as Town, in its sole discretion, shall deem acceptable.

(b) MFG covenants and agrees with Town that MFG shall at all times during the term of this Lease, at MFG's expense, maintain the following insurance coverages:

(i) Comprehensive general public liability insurance against claims for bodily injury, death or property damage occurring in, on or about the Premises in an amount of at least $1,000,000 combined single limit for bodily injury and property damage.

(ii) Such other insurance as may be reasonably requested by Town.

(c) All policies of insurance required of MFG in (b) above shall name Town as an additional insured.

Furthermore, all policies for the above insurance to be provided by MFG shall be in form and with companies satisfactory to Town. and will furnish proof of the same to the Town upon request.

16. Inspection. MFG shall permit Town and its agents to enter into and upon the Premises at all times for the purpose of inspecting the same. Town shall not be liable for any interruption of MFG's business resulting therefrom.

17. Approval of Licensed Events. Licensing of events by MFG under this Lease shall not require the consent of the Town, unless an event lasts longer than three days in any given month or involves unusual potential liability issues, in which case MFG will inform the Town in writing at least 45 days in advance. The Town reserves the right within fifteen (15) days of MFG giving written notice of an event, or of the Town otherwise being informed of an event, to disapprove of any event which, in its sole discretion, is not consistent with the Goals or the public interest. MFG shall respond promptly to any request by the Town for information relating to events.

18. General Regulations for Licensees.

(a) MFG is responsible for setting policy for any conflict that may arise between general public use of the Premises and a use requested by a Licensee.

(b) MFG is responsible to the Town for clean-up of the property, and for requiring and retaining a reasonable damage deposit from a Licensee.

(c) For every 15 minors at a Licensee's event, there must be one adult present.

(d) Pets are to be kept on a leash and Licensees and/or their guests must clean up after them. No pets should be taken into the House or Pavilion.

(e) Any use of the property shall be subject to the Town of Walden's noise ordinance.

19. Use of Alcohol. Use of alcohol on the Premises is allowed only when:

(a) A Licensee secures a special event liability insurance policy with $1,000,000 limits for each occurrence, with the Town listed as an additional insured.

(b) All state laws pertaining to the serving of alcohol, including beer and wine, must be strictly followed. Alcohol may not be served to any person under the legal age.

(c) Alcoholic beverages may not be sold unless a special permit is obtained from the Alcoholic Beverage Commission and/or from the Town of Walden Beer Board, as applicable.

(d) The serving, possession or consumption of alcohol, including beer and wine on the Premises may be ordered discontinued at any time at the discretion of the Town authorities or the Hamilton County Sheriff's Department. Such discretion may be exercised in the case of inappropriate behavior, exposure to liability due to excessive drinking, intoxication of individuals, underage drinking, damage to property or injury to individuals, and can result in the closing of the bar and the discontinuance of the serving, possession or consumption of alcohol, including beer and wine.

20. Fires. The kindling of any fire is only allowed as follows:

(a) Fires are allowable in designated areas when the fire is confined in a fireplace/fire ring provided for the use of visitors, or grills, or in other locations specifically designated by MFG. If the Town determines that a designated location is inappropriate, the Town may require that such location be changed; or

(b) Fires are allowable in an industry approved portable fireplace, and in stoves or lanterns using gasoline, propane, butane gas or similar fuels.

(c) Fires must be kindled in such manner that no tree, shrub, grass, or other inflammable or combustible matter will be set on fire or caused to be set on fire.

(d) When no longer needed the fire shall be completely extinguished. Leaving a fire unattended is prohibited.

(e) Throwing or dropping a lighted cigarette, cigar, pipe heel, match or other burning material is prohibited.

(f) The gathering of wood for use as fuel in campgrounds or picnic areas shall be limited to dead

material on the ground. To avoid the spread of pests and diseases, no material should be brought to the Premises that originated from outside a fifty-mile radius of the Premises,

(g) The use of candles is allowed as follows: Candles and/or open flame devices must be under constant supervision, not unattended while burning. An approved fire extinguisher shall be immediately available in the area and a person will be present who has been trained in its use, serving as a fire watch. Candles and/or open flame devices shall be lit only during the function. Flames will be immediately extinguished at the conclusion of the function. Candles and/or open flame devices must be kept in stationary, securely supported non-combustible holders. No candle or open flame device shall be placed in a polystyrene holder or decoration. Candles and/or open flame devices must not be placed on windowsills or other areas that are unstable; or, where they could come into contact with curtains or other hanging objects. Readily combustible materials, including draperies and curtains, must be secured at least three (3) feet from an open flame.

(h) The burning of brush and yard waste is allowed in accordance with local law.

21. Liens. MFG will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge (other than a lien, encumbrance or charge created by Town) upon the Premises. Nothing herein shall be construed as constituting the consent or request of Town to any contractor, subcontractor, laborer or materialman for the performance of any labor or services or the furnishing of any materials for any improvement, alterations, addition or repair of or to the Premises.

22. Default: Remedies.

(a) An event of default ("Event of Default") shall occur under this Lease if MFG, at any time during the Term, shall fail in a material way to observe or perform any of MFG's covenants, obligations and undertakings under this Lease, and if any such default shall not be cured within sixty (60) calendar days after Town shall have given to MFG written notice specifying such default or defaults. Notwithstanding the foregoing, if such default(s) cannot reasonably be cured within 60 days, then such default(s) shall not constitute an Event of Default if MFG has begun to cure the default(s) and is diligently pursuing such cure to completion within a reasonable time. If an Event of Default occurs, Town shall have the right at its election, then or at any time thereafter while any such Event of Default shall continue, to:

(1) give MFG written notice of Town's intention to terminate this Lease on a day specified in such notice;

(2) re-enter and obtain possession of the Premises, whether or not this Lease shall have been terminated, and upon such re-entry Town shall have the right, without notice, to repair or alter the Premises in such manner as Town may deem necessary or advisable so as to put the Premises in good order; or

(3) seek any other remedy available to it at law or in equity.

(b) Performance of MFG's Obligations. If an Event of Default occurs, Town may perform such covenant or condition for the account of and at the expense of MFG. If MFG, pursuant to this Lease, becomes obligated to reimburse or otherwise pay Town any sum of money in addition to rent, the amount of such reimbursement or expense shall be deemed additional rent and shall be payable upon demand. The provisions of this Section 22 shall survive the expiration or earlier termination of this Lease.

(c) Town's Liability. In the event of any default of Town, MFG shall not seek to secure any claim for damages or indemnification by any attachment, levy, judgment, garnishment or other security proceedings against any property of Town.

(d) MFG Liability. In the event of any loss or damage to the Town, Event of Default or other breach of this Lease Agreement, MFG's liability to Town shall be limited to the assets of MFG plus the proceeds from insurance maintained by MFG. Individual Directors, Officers and Employees of MFG shall have the immunity from liability as provided in T. C. A. § 48-58-601(c) and other applicable law.

23. Notices. Whenever this Lease provides that notices shall be given, or may be given or served, upon either of the parties by the other, or whenever the law requires or gives the right of serving a notice, such notices shall be in writing and shall not be effective for any purpose until the same shall be given or served in person, or by registered or certified mail, proper postage prepaid, or by a nationally
recognized overnight courier, as follows:

To Town:
Town of Walden
Attn: Town Administrator
1836 Taft Highway
Walden, Tennessee 37377
info@waldentn.gov

To MFG:
P.O. Box 443
Walden, Tennessee 37377
info@mccoywalden.org

Either party may, at any time, change the place of receiving notice by giving written notice to the other party of such change of address. Any notice shall be deemed to have been given when served at the place shown or posted in the United States mail or delivered to a nationally recognized overnight courier as aforesaid.

24. Surrender and Holdover. Upon the expiration or earlier termination of this Lease, MFG shall surrender the Premises in good condition and repair, reasonable wear and tear from proper use excepted. In the event MFG remains in possession of the Premises after the termination of this Lease,

MFG shall be a tenant- at-will.

25. Signs. Provided that it is in compliance with all applicable laws, rules and regulations, MFG shall be allowed to place such signs on the Premises as required in connection with the operation of the Premises in connection with the Goals.

26. General Provisions.

(a) Time is of the essence of this Lease.

(b) No waiver of a breach of any covenant contained in this Lease shall be construed to be a waiver of any succeeding breach of the same covenant.

(c) All covenants, conditions, promises and obligations in this Lease or implied by law shall attach to and be binding upon the successors, legal representatives, and assigns of Town and MFG.

(d) No amendment, modification, release, discharge or waiver of any provision of this Lease shall have any force, effect or value unless in writing and signed by the persons who are then authorized representatives of Town and MFG.

(e) This instrument contains the entire agreement between the parties as of this date and the execution hereof has not been induced by either of the parties by representations, promises or understandings not expressed in this Lease. There are no collateral agreements, stipulations, promises or understandings whatsoever between the respective parties in any way touching the subject matter of this instrument which are not expressly contained in this Lease.

(f) The captions in this Lease are for convenience only and are not part of this Lease and do not in any way limit or amplify the terms or provisions of this Lease.

(g) This Lease shall be governed by the laws of the State of Tennessee. Whenever possible, provisions of this Lease shall be interpreted in such a manner as to be valid and enforceable. If any provision of this Lease is held to be invalid or unenforceable, the remaining provisions of this Lease shall not be affected thereby and shall be interpreted in such a way as to be valid and enforceable.

(h) In the event of legal action between Town and MFG as a result of any alleged default by either party hereunder, the prevailing party shall be entitled to entry of judgment, including reimbursement by the other party for reasonable attorneys' fees and costs incurred by the prevailing party, in connection with such action.

(i) This Lease may be executed in counterparts, any or all of which shall constitute the agreement of the parties.

(j) This Lease shall inure to the benefit of and be binding upon the Town and MFG and their lawful successors and assigns.

IN WITNESS WHEREOF, Town and MFG have duly executed this Lease effective as of the date first above written.

3/10/2025
Yea:
Nay:

TOWN OF WALDEN:

_____
Mayor Lee Davis

_____
Recorder Stacy Stewart

McCOY FARM AND GARDENS:

_____
Chairman Mickey Robbins