

**7 DRAYTON STREET HOTEL LLC**

**STATE OF GEORGIA )  
COUNTY OF CHATHAM )  
CITY OF SAVANNAH )**

**LEASE AGREEMENT**

1. **PARTIES.** The parties to this lease agreement (the "Lease") are THE MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH, GEORGIA, here in after referred to as "City", and **7 DRAYTON STREET HOTEL LLC**, hereinafter referred to as "Tenant".

2. **LEASE AND DESCRIPTION OF PROPERTY.** The City, in consideration of the rents and of the terms and conditions on the part of the Tenant, provided herein, hereby leases to the Tenant and the Tenant hereby leases from the City the following:

The Tenant shall have the right to occupy up to 15 undesignated parking spaces in the Bryan Street Parking Garage. Access to enter and exit the garage will be provided from Monday thru Friday, 5:00am to 9:00pm subject to the requirements of Section 9 hereof.

The Tenant shall have the right to irrevocably reduce the number of spaces leased hereunder by giving written notice to the City. In the event the Tenant elects to reduce the number of spaces, the monthly rent shall be adjusted as provided in Section 6.

The Tenant shall have the right to convert some or all of the spaces leased hereunder to 24-hour access Monday thru Sunday by giving written notice to the City. In the event the Tenant elects to convert spaces to 24-hour access, the monthly rent shall be adjusted as provided in Section 7.

The leased property is referred to herein as "**Premises**". Tenant leases the Premises for the sole purpose of providing parking spaces for its facility located at 7 Drayton Street and the premises can be used by the Tenant for no other purpose.

3. **TERM OF LEASE.** The initial term of this Lease shall commence on the date January 1, 2019 and shall end on December 31, 2023. Tenant shall have the right to extend the Lease in one (1) year extension terms for a maximum of five (5) extensions by giving written notice to the City not less than 30 days prior to the end of the initial term or any extension term.

This Lease shall automatically terminate on the date that the property at 7 Drayton Street is no longer operated as a hotel.

4. **RENTAL FEE ADJUSTMENTS. ANNUAL ESCALATOR:** The monthly rental fees will be established in the City's Revenue Ordinance, and shall be adjusted to reflect any changes that occur to the City of Savannah Revenue Ordinance. If the City of Savannah Revenue Ordinance decreases monthly rental fees, such fees shall be reduced for the Tenant. If the City conveys the garage to another party, then the rental fees after the date of transfer shall be the monthly market rate for similar parking spaces in Downtown Savannah.
5. **INTENTIONS OF THE PARTIES.** It is the intention of the parties to this Lease that the City shall receive the rents herein provided, and any other sums which shall or may become payable hereunder by the Tenant, free from all taxes, charges, expenses, damages, and deductions of every kind whatsoever.
6. **CONDITION OF PREMISES.** The City tenders and the Tenant accepts the Premises as is.
7. **RENTAL, LATE FEE AND REPLACEMENT CARDS.**
  - (a) During the initial term and each renewal term, tenant covenants and agrees to pay the City a monthly rental equal to the amount of spaces rented, up to fifteen (15) parking spaces, multiplied by a fee as established by the City's Revenue Ordinance on an annual basis. The current rate is eighty five \$85.00 per space for access between the hours of 5am to 9pm Monday through Friday, or one hundred and eighty (\$180) per month for 24-hour access in the event that the tenant elects to reduce the number of spaces leased hereunder as provided in Section 2, the monthly rent shall be reduced in proportion to the reduction in the number of spaces utilized by the tenant. Such reduced monthly rent shall be effective on the first day of the month following the effective date of the space reduction.
  - (b) 24 hour Access: In the event that the tenant elects to convert some or all of the spaces leased hereunder to 24-hour access as provided in Section 2, the monthly rent shall be increased in accordance with the Revenue Ordinance. With at least thirty (30) days' notice to the City, tenant may elect to reduce or increase the number of 24-hour access spaces.
  - (c) Daily Rate: Should tenant temporarily require additional parking spaces, the rates charged for such parking spaces will be an amount charged to person utilizing the garage on a day-to-day basis ("Daily Rate"), as established by the City's Revenue Ordinance.
  - (d) Changes in rental rates. All rates described herein may be modified by the City in accordance with the annual revenue ordinance.
  - (e) Late Fee: If the rental fees are not paid by the fifth working day of each month, access cards will be locked out. If the access cards are locked out

for non-payment, a \$20 administrative fee per access card and the rental fee must be paid before the access cards can be re-instated.

- (f) Replacement Card Fees: A \$20 fee must be paid to replace an access card that is lost or warped due to sun exposure and other damages due to negligence. Cards damaged due to normal wear will be replaced at no charge.
- (g) Use of Access Cards: A computer-control access card will be issued to the tenant. This card, when inserted in the entrance slot, will cause the gate to rise, giving access to the garage.
- Access cards are protected against pass-back to unauthorized parkers. Attempted pass-backs will result in invalidation and lockout of the card.
  - Access cards may be used when the lot full sign comes on. Entry is guaranteed during contract hours for all monthly customers unless space is not available. If space is not available, alternate parking will be provided and you must see the attendant on duty.
  - You will have unlimited in and out use of the parking garage based on the hours of the type contract you are under.
  - Each time you enter or exit the parking garage, you must insert your card. Failure to insert the card as you enter and exit will result in your card being locked out at the entrance. In addition, failure to use your access card when entering for two consecutive days will result in the card being locked out and the cardholder will be required to purchase a replacement card.
  - Lost access cards must be reported immediately to the Mobility & Parking Services Department.
  - Any deliberate misuse or attempted misuse of an access card will result in suspension of parking privileges in City-owned parking facilities. Anyone attempting to use a lost or stolen card will be prosecuted under the law.

8. **RENT PAYMENTS.** All rents and other payments due to be paid by Tenant to City shall be delivered to:

City of Savannah  
Mobility & Parking Services Department  
Post Office Box 2101  
Savannah, GA 31402

or at such changed address as may be made by proper notice pursuant to Paragraph 18 below. Monthly Rent shall be due on the first day of each month

and shall be payable to the City without notice or demand. The first monthly payment shall be due on the first day of the month following execution of this Lease. Payment for overtime charges shall be due within 30 days of billing by the City.

9. **REPAIRS AND MAINTENANCE OF PREMISES.** During the term of this Lease, City shall be responsible for the normal maintenance and repair of the Premises. City shall bear all costs related to such maintenance and repair.
10. **TAXES.** In the event that any tax or assessment shall be charged against the Premises by any governmental authority, an equitable adjustment shall be made in the Rent due hereunder so that such Rent includes an additional amount for the pro-rata share of such tax fairly allocable to the Premises.
11. **TENANT'S RESPONSIBILITIES.** Throughout the term of this Lease, Tenant shall, at its own cost and expense, promptly observe and comply with all laws, orders, regulations, rules, ordinances, and requirements by the Federal, State, County, and city governments, and of any and all of their departments, bureaus, or officials, where such laws, orders, regulations, rules, ordinances, or requirements relate to requirements incident to or as the result of any use or occupation by the Tenant of the Premises, such as are now in force or may be enacted or directed at any time in the future.

The City shall cooperate with the Tenant in making reasonable provision for the access by employees of the Tenant to vehicles in the garage during hours that the garage is closed to the public.

12. **LIENS.** The Tenant shall have no power to act or to make any contract that may create or be the foundation for any lien upon the Premises or other estate or reversion of the City in the Premises, or upon any improvements thereon. Should any such lien be filed, the Tenant at its own cost and expense shall bond or otherwise discharge such lien within ten (10) days after filing thereof.
13. **EMINENT DOMAIN.** If at any time during the term of this Lease, the whole of the Premises shall be taken under any statute or by right of eminent domain, then in such event, when possession of the Premises shall have been taken by the condemning authority, the term of this Lease and all rights of the Tenant hereunder shall immediately cease and terminate and the rent shall be apportioned and paid to the time of such termination. If less than the whole of the Premises is taken, the rent shall be reduced and proportioned to the interference with Tenant's use occasioned thereby. Notwithstanding anything contained in this paragraph to the contrary, the Tenant shall have the absolute right in its own discretion to terminate this Lease in the event that any part or portion of the Premises are taken under any statute or by right of eminent domain.
14. **INDEMNIFICATION.** Except in the event of the City's gross negligence or willful misconduct, the Tenant hereby indemnifies and holds harmless the City, its

officers, boards, commissions, agents, and employees against and from any and all claims, demands, actions, suits, liabilities, and judgments of every kind arising out of or related to Tenant's use of the Premises under this Lease.

15. **INSURANCE**. During the term of this Lease, Tenant at its own cost and expense procure and keep in full force and effect a comprehensive general liability insurance policy providing the City, its officers, boards, commissions, agents, and employees, and the Tenant with minimum combined single limits of liability coverage in the amount of not less than \$300,000. Tenant shall pay all premiums and charges for insurance. In the event that one or more premiums are not paid when due, the City shall have the option to pay such which Tenant shall repay to the City on demand.

At any time during the term of this Lease, the City may request that the amount of insurance provided by the Tenant be increased for the reason that such coverage is inadequate to properly protect the interest of the City. The City shall notify Tenant of such increased amount required, and Tenant shall provide such insurance within sixty (60) days after receipt of said notice. The City shall act in a commercially reasonable manner in requesting any such increase in coverage, and shall not arbitrarily or unreasonably request such increase.

16. **CITY'S REMEDIES IN CASE OF DEFAULT BY TENANTS**. Each of the following shall be deemed a default by the Tenant and a breach of this Lease:

- (a) Failure to pay the rent herein required, or any part thereof, for a period of thirty (30) days after the due date.
- (b) Failure to do, observe, keep, and perform any of the material terms, covenants, conditions, agreements, and provisions in the Lease for a period of thirty (30) days after written notice is given by City to Tenant of such default.
- (c) The permanent abandonment of the Premises by the Tenant, the adjudication of the Tenant as a bankrupt, the making by Tenant of a general assignment for the benefit of creditors, the taking by Tenant of the benefit of any insolvency act or law, the appointment of a permanent receiver or trustee in bankruptcy for Tenant's property, and the appointment of a temporary receiver which is not vacated or set aside within ninety (90) days from the date of such appointment.
- (d) Failure to maintain the required liability insurance coverage during the term of this Lease.

If the default complained of is a default other than one which may be cured by the payment of money, no default on the part of the Tenant in the performance of work required to be performed or acts to be done or conditions to be met shall be deemed to exist if steps shall have been in good faith commenced promptly by

Tenant to rectify the same and shall be pursued to completion with diligence and continuity, provided that in no event shall such default continue more than 180 days after notice of such default has been given by the City.

In the event of any such default by Tenant, City may serve a written notice upon Tenant that City elects to terminate this Lease upon a specified date not less than sixty (60) days after the date of service of such notice. In the event that this Lease shall be terminated as herein provided, the city may immediately or at any time thereafter, re-enter and resume possession of the Premises pursuant to applicable Georgia law.

17. **SUBLET OR ASSIGNMENT.** The Tenant may sublet all or any portion of the Premises and may assign this Lease to an affiliate of Tenant without the prior written consent of the City; provided that the Tenant gives the City written notice of such subletting or assignment within thirty (30) days after such action. The Tenant shall be entitled to assign this Lease to future owners of the Hotel located at 7 Drayton Street upon written notice to the City without the consent of the City; provided that the Tenant shall give the City notice of such assignment within thirty (30) days after such assignment.
18. **ENTIRE AGREEMENT.** This written document constitutes the entire agreement of City and Tenant. No promise or undertaking shall be binding on either party unless it is in writing, signed by both parties, and attached hereto as a part of this agreement.
19. **NOTICES.** Such notices as are required to be given or may be convenient to be given hereunder shall be addressed to the representative parties at the address shown under the signatures of each party to this Lease or at such changed address as may be furnish in writing by either party to the other. Such notices and changes of address shall be given by certified or registered mail, return receipt requested, or by personal delivery to the party and personally received on a copy of the notice. The initial addresses of the parties are:

If to the City:                   City of Savannah  
  Mobility & Parking Services Department  
  PO Box 2101  
  Savannah, GA 31402  
  Attn: Parking Facilities Supervisor

With copy to:                   City of Savannah  
  Real Property  
  PO Box 1027  
  Savannah, GA 31402

If to the Tenant: 7 Drayton Street Hotel LLC  
55 West 25th Street, Suite 27F  
New York, NY 10010  
C/O Raghav Sapra

20. **TENANT'S LENDER.** Tenant may, at any time and from time to time during the term of this Lease, collaterally assign this Lease to an entity (a "Lender") that is the holder of a first mortgage, deed to secure debt or deed of trust of the hotel located at 7 Drayton Street. If a Lender to which this Lease has been collaterally assigned, or any purchaser at a foreclosure sale, or by deed in lieu of foreclosure, of the building becomes owner of the building, it shall succeed to Tenant's rights and obligations under this Lease but shall not be liable for acts or omissions of the prior Tenant; provided however that such new building owner shall be liable to cure any payment defaults of the Tenant. Provided Tenant shall have given City the name and address of the Lender, City shall provide such Lender with copies of all notices of breach or default that are delivered to Tenant contemporaneously with the furnishing of such notices to Tenant. City shall not take any action to terminate this Lease as a result of said default, provided Lender shall (if it so elects) cure (or cause the cure) of the default within sixty (60) days of the receipt of such notice.
21. **ESTOPPEL CERTIFICATE** Landlord agrees, at any time and from time to time, upon not less than ten (10) days' prior notice by Tenant, to execute, acknowledge and deliver to Tenant, its successors and assigns and any of Tenant's lenders an estoppel certificate in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications), (ii) whether or not, to the best knowledge of Landlord, this Lease is then in default or whether any events have occurred which, with the giving of notice or the passage of time, or both, could constitute a default hereunder, (iii) the dates to which rent and other charges have been paid and (iv) such other items as reasonably requested by Tenant, it being intended that any such certificate delivered pursuant to this Section 20 may be relied upon by Tenant, its successors and assigns and of Tenant's lenders.
22. **GOVERNING LAW.** This Lease shall be governed by, and construed in accordance with the laws of the State of Georgia regardless of the laws that might otherwise govern under the applicable conflicts of law principles thereof.
23. **COUNTERPARTS.** This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, THE City, and the Tenant have agreed to the terms of this Lease. The parties have caused this Lease to be executed by their duly authorized representatives as pursuant to Paragraph 6 above.

**AS TO THE LESSOR (THE City):**

THE MAYOR AND ALDERMEN OF THE  
CITY OF SAVANNAH, GEORGIA

By: \_\_\_\_\_  
Rob Hernandez, City Manager

ATTEST:

WITNESS:

\_\_\_\_\_  
Clerk of Council

\_\_\_\_\_

Signed, sealed, and delivered on the \_\_\_\_ day of  
\_\_\_\_\_, 2018 in the presence of:

Witness: \_\_\_\_\_

Notary Public: \_\_\_\_\_

**AS TO THE LESSEE (The Tenant):**

7 DRAYTON STREET HOTEL, LLC

By: \_\_\_\_\_  
Raghav Sapra

Signed, sealed, and delivered on the \_\_\_\_ day of  
\_\_\_\_\_, 2018 in the presence of:

Witness: \_\_\_\_\_

Notary Public: \_\_\_\_\_