DEVELOPMENT AUTHORITY MEETING
JULY 20, 2021

ALPHARETTA CITY HALL
EXECUTIVE CONFERENCE ROOM 3RD FLOOR
2 PARK PLAZA
5:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. STATEMENT OF PURPOSE

The Development Authority of Alpharetta is granted powers and jurisdiction through the State of Georgia General Assembly and a resolution adopted by the Alpharetta City Council on September 3, 1996. The function of this Authority is to promote the public good and general welfare, trade, commerce, industry, general tax base and the employment opportunities available in the City of Alpharetta.

IV. CONSENT AGENDA

A. Financial Management Report - Month Ending May 31, 2021

V. NEW BUSINESS

A. Intergovernmental Agreement: Lease of Certain Property to Alpharetta Development Authority

B. Sublease of Certain Property to Tech Alpharetta

VI. DISCUSSION

A. Marketing Update

VII. ADJOURNMENT

STAFF REPORT

Submitting Department: Economic Development
Submitted By:
Sponsored By:
Meeting Date: July 20, 2021

I. AGENDA ITEM TITLE: FINANCIAL MANAGEMENT REPORT - MONTH ENDING MAY 31, 2021

II. RECOMMENDATION:

Approve the items on the Consent Agenda.

III. REPORT IN BRIEF:

A consent agenda, sometimes called a consent “calendar,” is a component of a meeting agenda that enables the board to group routine items and resolutions under one umbrella. As the name implies, there is a general agreement on the procedure. Issues in this consent package do not need any discussion before a vote. Unless a board member requests a removal of an item ahead of time, the entire package is voted on at once without any additional explanations or comments.

If any member of the board has questions, seeks additional information, or wishes to discuss any item on the Consent Agenda, the member would request that the item be removed from the Consent Agenda and placed by the Chair as a business item on the regular agenda for the meeting.

IV. ALTERNATIVES:

V. ATTACHMENTS:

Financial Management Report - May 2021

Alpharetta Development Authority

Finance Department
2 Park Plaza, Alpharetta, GA 30009
Thomas G. Harris, Finance Director
(678) 297-6094 (o)
www.alpharetta.ga.us

Financial Management Reports

for the month ending May 31, 2021

(period 11 of 12 – unaudited)

ALPHARETTA DEVELOPMENT AUTHORITY

Financial Management Report - As of May 31, 2021

	Account #	Project	Total Budget	Actuals (Collections/ Expenditures)	Forecasted Receivables/ Encumbrances	Remaining
Revenues						
	99575100-346900	Bond Application Fee	$ 138,282	$ 138,781	$ -	$ (499)
	99575100-361000	Investment Earnings	-	1,196	-	(1,196)
	99575100-389000	Miscellaneous Revenue	-	-	-	-
	99575100-371000-C1532	ATC Operational Funding (COA)	95,000	95,000	-	-
	99575100-381000-C1535	Innovation Center Operations (ATC)	18,800	15,155	-	3,645
		subtotal	***$ 252,082***	***$ 250,132***	***$ -***	***$ 1,950***
(1)	99575100-395000	Carryforward Fund Balance	$ 145,783	$ -		$ 145,783
		subtotal	***$ 145,783***	***$ -***		***$ 145,783***
		Total	**$ 397,865**	**$ 250,132**		**$ 147,733**
Expenditures						
	99575100-571000-C1403	Local Job Creation Grant Program	$ 32,500	$ -	$ -	$ 32,500
	99575100-544100-C1532	ATC Operational Funds	95,000	95,000	-	-
	99575100-544100-C1601	High Impact Permitting Grant Program (IGA with COA)	20,948	-	-	20,948
	99575100-544100-C0924	Economic Development Strategic Plan (split with COA)	37,500	-	-	37,500
	99575100-573000	Donation	4,200	4,200	-	-
		subtotal	***$ 190,148***	***$ 99,200***	***$ -***	***$ 90,948***
(2)	99575100-523860-C1535	Innovation Center Operations (Maintenance Contracts)	$ 7,500	$ 2,665	$ -	$ 4,835
	99575100-531200-C1535	Innovation Center Operations (Miscellaneous Utilities)	1,100	872	-	228
	99575100-531210-C1535	Innovation Center Operations (Water/Sewer)	200	212	-	(12)
	99575100-531220-C1535	Innovation Center Operations (Natural Gas)	4,500	3,938	-	562
	99575100-531230-C1535	Innovation Center Operations (Electricity)	5,500	4,810	-	690
		subtotal	***$ 18,800***	***$ 12,497***	***$ -***	***$ 6,303***
	99575100-579000	Reserve	$ 188,917	$ -	$ -	$ 188,917
		Total	**$ 397,865**	**$ 111,697**	**$ -**	**$ 286,168**

(1) Carryforward Fund Balance represents cash available at the end of the prior fiscal year that is programmed into the current fiscal year budget. As this account represents cash already received, there will not be actual collections.

(2) Innovation Center utilities are being funded by the Alpharetta Technology commission (ATC) on a reimbursement basis. As such, expenses will outpace budget at month end due to the billing/reimbursement delay.

ALPHARETTA DEVELOPMENT AUTHORITY

Financial Management Report - As of May 31, 2021

Account #	Project	Total Budget	Actuals (Collections/ Expenditures)	Forecasted Receivables/ Encumbrances	Remaining

Fund Balance Reconciliation

Fund Balance (beginning of Fiscal Year)	**$ 145,783**
Revenues collected to date	250,132
Expenditures incurred to date	(111,697)
Fund Balance (current)	**$ 284,219**
Forecasted revenue collections	-
Fund Balance (forecasted)	**$ 284,219**
Allocation of Forecasted Fund Balance:	
Spendable (available for investment by the Board)	$ 193,271
Non-Spendable (unspent/remaining project allocations)	90,948
	$ 284,219

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GAAP

Financial Statements

City of Alpharetta
Balance Sheet
COMPONENT UNIT-DEVELOPMENT AUTHORITY
May 31, 2021

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 285,310
Investments	828
Receivables	-
Restricted Cash for Bond Issuance Costs	-
Total Assets	**286,138**
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,813
Deferred Revenue	
Due to Other Funds	106
Total Current Liabilities	1,919
Current Liabilities Payable from Restricted Assets:	
	-
Total Current Liabilities Payable from Restricted Assets	-
Noncurrent Liabilities:	
	-
Total Noncurrent Liabilities	-
Total Liabilities	1,919
Fund Balance	
Restricted	90,948
Unassigned	193,271
Total Fund Balance	284,219
Total Liabilities & Fund Balance	**$ 286,138**

City of Alpharetta
Statement of Revenues, Expenditures, and Changes in Fund Balance
COMPONENT UNIT-DEVELOPMENT AUTHORITY
For the Period Ended May 31, 2021

	Actual Amounts
Revenues	
Rent/Royalties	$ 15,155
State Grant	-
Fees	138,781
Contributions & Donations	95,000
Miscellaneous Income-Interest	1,196
Miscellaneous Revenue	-
Total Revenues	**250,132**
Expenditures	
Economic Development	95,000
Maintenance Contracts	2,665
Donation to private source	4,200
Utilities - Miscellaneous	9,832
Debt Service:	
Principal	-
Interest	-
Total Expenditures	**111,697**
Excess (deficiency) of revenues over (under) expenditures	138,435
Other Financing Sources (Uses)	
Sale of capital assets	-
Net Change in Fund Balances	138,435
Fund Balance, Beginning of Year	**145,783**
Encumbrances	
Fund Balance, End of Year	**284,219**

ALPHARETTA
NEW PROSPECT
FIRST TOWN
FULTON COUNTY
1858
OLD MILTON COUNTY
GEORGIA

STAFF REPORT

Submitting Department: Community Development
Submitted By: James Drinkard
Sponsored By:
Meeting Date: July 20, 2021

I. AGENDA ITEM TITLE: INTERGOVERNMENTAL AGREEMENT: LEASE OF CERTAIN PROPERTY TO ALPHARETTA DEVELOPMENT AUTHORITY

II. RECOMMENDATION:

Approve, as presented, an intergovernmental agreement between the City and the Development Authority of Alpharetta for the lease of certain property located at 2970 Webb Bridge Road; and authorize the Chair to execute all necessary documents.

III. BUDGETED IMPLICATIONS:

BUDGETED ITEM: NO

FISCAL IMPACT: NO

INCLUDED IN CURRENT FY CPTL BUDGET: NO

INCLUDED IN CURRENT FY OPRT. BUDGET: NO

TOTAL PROJECT COST: THE VALUE OF THE LEASE, AS DEFINED BY THE IGA, IS $10.00.

APPROPRIATIONS:

ACCOUNT TITLE/NUMBER	DOLLAR AMOUNT

EXTERNAL FUNDING SOURCES:

ACCOUNT TITLE/NUMBER	DOLLAR AMOUNT

IV. REPORT IN BRIEF:

Beginning in 2015, the City entered into an Intergovernmental Agrrement (IGA) with the Development Authority for the purpose of leasing to the Authority certain City-owned property located at 2970 Webb Bridge Road. The Development Authority subsequently has sub-leased said property to Tech Alpharetta (known at the time of the original IGA and sublease as the Alpharetta Technology Commission) for purposes of housing the Alpharetta Technology Accelerator and the administrative offices of that organization. The inital IGA was for a period of one year.

The most recent IGA and sublease, executed in 2018, expired on January 30, 2021; however, the arrangement has since continued on a month-to-month basis, as it has met the mutual needs and goals of the City, Development Authority, and Tech Alpharetta.

Presented for consideration is a new IGA continuing, under the same terms as the previous IGA, the lease of the property to the Development Authority for the period July 01, 2021 through June 30, 2024.

The IGA is scheduled to be considered by the Mayor and Council during their meeting of July 19.

V. ALTERNATIVES:

VI. ATTACHMENTS:

IGA - City to Development Authority - ATC Building Lease - July 2021, 2018 COA ATC Bldg Lease Extension (IGA COA-DA)

STATE OF GEORGIA
COUNTY OF FULTON

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement (the "IGA") is made and entered into this 20th day of July, 2021, by and between the City of Alpharetta, Georgia, a municipal corporation of the State of Georgia (the "City"), and the Development Authority of Alpharetta, Georgia, a public body corporate and instrumentality of the State of Georgia organized and existing pursuant to the Development Authorities Law (O.C.G.A. §36-62-1, et seq., as amended) (the "Authority").

WHEREAS, the City has the legal authority to lease property to The Authority to facilitate projects or programs that promote economic development opportunities in and for the City of Alpharetta; and

WHEREAS, one of the authorized purposes of the Authority is to promote economic development opportunities in and for the City; and; and

WHEREAS, Tech Alpharetta is an Alpharetta-based, non-profit business association that promotes growth and development of technology companies within Alpharetta; and

WHEREAS, the City and the Authority deem it beneficial and appropriate to enter into this Intergovernmental Agreement;

NOW, THEREFORE, for and in consideration of the premises and under-takings as hereinafter set forth, it is agreed by and between the City and the Authority as follows:

1. The City hereby leases unto The Authority that certain building owned by The City and commonly known as the Finance Building, 2970 Webb Bridge Road, Alpharetta, Georgia (hereinafter referred to as the "Property").
    a. The lease shall commence on July 1, 2021 and terminate on June 30, 2024, unless sooner terminated by reason of default or as otherwise provided herein.
    b. The rental shall be ten and no/100 dollars ($10.00).
    c. During the term of the lease, the Authority, or its authorized subleseee, shall be responsible for providing the routine maintenance of the Finance Building and for

the procurement and payment of adequate utility services to the property.

d. The lease shall not be assignable. The Finance Building may be subleased to Tech Alpharetta for a term that would terminate upon the termination of the lease between the City and the Authority. The sublease shall contain similar provisions as the lease between the City and the Authority, and such other provisions as approved by the Authority and the City Attorney. The Finance Building may only be used as a Center for Innovation, which includes the following permitted uses: incubator, accelerator, collaborative technology space, center for entrepreneurship, technology associations, technology industry, makers space, Tech Alpharetta offices and other technology-related uses. If at any point in time during the term of the lease or an applicable sublease the Finance Building ceases to be used for these purposes for a period of thirty (30) days, the lease and the sublease shall terminate. In the event that the Authority does not sublease the Finance Building to Tech Alpharetta within thirty (30) days of the commencement of the lease, the lease shall terminate without further action of the parties. Upon expiration or termination of the lease, full possession of the Finance Building shall be delivered to the City, free and clear of all tenants, debris, trash and personal property and trade fixtures, its tenants or licenses.

e. During the term of the lease and sublease, the City, the Authority, and the sublessee shall maintain adequate insurance to protect their respective interests in the Finance Building, including casualty and liability insurance.

2. This IGA shall terminate upon any termination of the lease and/or sublease.

3. This IGA may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

4. This IGA is being entered into with the intent that the laws of the State of Georgia shall govern its construction and enforcement.

IN WITNESS WHEREOF, parties hereto, acting through their duly authorized officers, have caused this IGA to be executed and their seals to be affixed and attested all as of the day and year above written..

THE CITY:
The City of Alpharetta, Georgia

By:__________________________________
Jim Gilvin, Mayor

THE AUTHORITY:
Development Authority of Alpharetta, Georgia

By:__________________________________
Jack Nugent, Chairman

APPROVED AS TO FORM:

____
C. Sam Thomas, P.C.
City Attorney

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement (the "IGA") is entered into as of February 1, 2018, by and between the City of Alpharetta, Georgia, a municipal corporation of the State of Georgia (the "City"), and the Development Authority of Alpharetta, Georgia, a public body corporate and instrumentality of the State of Georgia organized and existing pursuant to the Development Authorities Law (O.C.G.A. §36-62-1, et seq., as amended) (the "Authority").

WITNESSETH:

WHEREAS, the City has legal authority to provide funding to the Authority to facilitate projects or programs within the authorized purposes of the Authority; and

WHEREAS, one of the authorized purposes of the Authority is to promote economic development opportunities in and for the City; and

WHEREAS, the Tech Alpharetta is an Alpharetta-based, non-profit business association that promotes growth and development of technology companies within Alpharetta; and

WHEREAS, the City and the Authority deem it beneficial and appropriate to enter into this Intergovernmental Agreement;

NOW, THEREFORE, in consideration of the premises and under-takings as hereinafter set forth, it is agreed by and between the City and the Authority as follows:

1. The City shall lease the land and building described in the attached Exhibit "A" (the "Finance Building") to the Authority. The material terms of such lease shall include, but shall not be limited to, the following:

   (a) The lease shall commence on February 1, 2018 and terminate on January 31, 2021, unless sooner terminated by reason of default or as otherwise provided herein.

   (b) The rental shall be ten and no/100 dollars ($10.00).

   (c) During the term of the lease, the Authority, or its authorized sublessee, shall be responsible for providing the routine maintenance of the Finance Building and for the procurement and payment of adequate utility services to the property.

(d) The lease shall not be assignable. The Finance Building may be subleased to Tech Alpharetta for a term that would terminate upon the termination of the lease between the City and the Authority. The sublease shall contain similar provisions as the lease between the City and the Authority, and such other provisions as approved by the Authority and the City Attorney. The Finance Building may only be used as a Center for Innovation, which includes the following permitted uses: incubator, accelerator, collaborative technology space, center for entrepreneurship, technology associations, technology industry, makers space, Tech Alpharetta offices and other technology-related uses. If at any point in time during the term of the lease or an applicable sublease the Finance Building ceases to be used for these purposes for a period of thirty (30) days, the lease and the sublease shall terminate. In the event that the Authority does not sublease the Finance Building to Tech Alpharetta within thirty (30) days of the commencement of the lease, the lease shall terminate without further action of the parties. Upon expiration or termination of the lease, full possession of the Finance Building shall be delivered to the City, free and clear of all tenants, debris, trash and personal property and trade fixtures, its tenants or licenses.

(e) During the term of the lease and sublease, the City, the Authority, and the sublessee shall maintain adequate insurance to protect their respective interests in the Finance Building, including casualty and liability insurance.

2. This IGA shall terminate upon any termination of the lease and/or sublease.

3. This IGA may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

4. This IGA is being entered into with the intent that the laws of the State of Georgia shall govern its construction and enforcement.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized officers, have caused this IGA to be executed and their seals to be affixed and attested all as of the day and year first above written.

CITY OF ALPHARETTA, GEORGIA

By:________________________________(SEAL)

Its: Mayor

DEVELOPMENT AUTHORITY OF ALPHARETTA, GEORGIA

By:________________________________(SEAL)

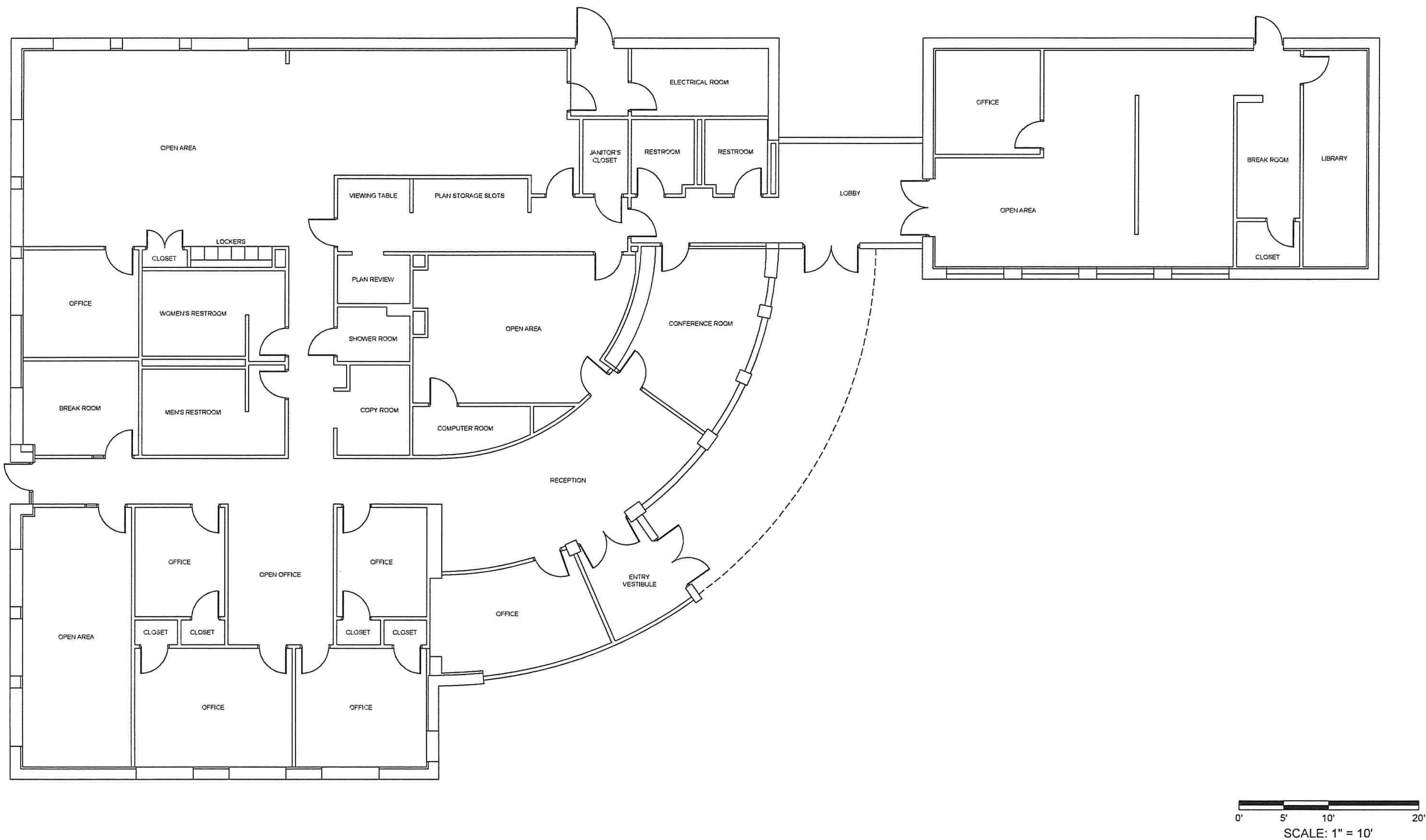
Its: Chairman

APPROVED AS TO FORM:

____

C. Sam Thomas, City Attorney

2691324


OPEN AREA
ELECTRICAL ROOM
JANITOR'S CLOSET
RESTROOM
RESTROOM
LOBBY
OFFICE
OPEN AREA
BREAK ROOM
LIBRARY
CLOSET
VIEWING TABLE
PLAN STORAGE SLOTS
LOCKERS
CLOSET
OFFICE
WOMEN'S RESTROOM
PLAN REVIEW
SHOWER ROOM
OPEN AREA
CONFERENCE ROOM
BREAK ROOM
MEN'S RESTROOM
COPY ROOM
COMPUTER ROOM
RECEPTION
OFFICE
OPEN OFFICE
OFFICE
ENTRY VESTIBULE
OPEN AREA
CLOSET
CLOSET
CLOSET
CLOSET
OFFICE
OFFICE
OFFICE
0' 5' 10' 20'
SCALE: 1" = 10'

STAFF REPORT

Submitting Department: Administration
Submitted By:
Sponsored By:
Meeting Date: July 20, 2021

I. AGENDA ITEM TITLE: SUBLEASE OF CERTAIN PROPERTY TO TECH ALPHARETTA

II. RECOMMENDATION:

Approve, as presented, a sublease of certain property to Tech Alpharetta and authorize the Chair to execute all necessary documents.

III. BUDGET IMPLICATIONS:

BUDGETED ITEM: NO

FISCAL IMPACT: NO

INCLUDED IN CURRENT FY CPTL BUDGET: NO

INCLUDED IN CURRENT FY OPRT. BUDGET: NO

TOTAL PROJECT COST:

APPROPRIATIONS:

ACCOUNT TITLE/NUMBER	DOLLAR AMOUNT

EXTERNAL FUNDING SOURCES:

ACCOUNT TITLE/NUMBER	DOLLAR AMOUNT

IV. REPORT IN BRIEF:

Beginning in 2015, the City entered into an Intergovernmental Agrrement (IGA) with the Development Authority for the purpose of leasing to the Authority certain City-owned property located at 2970 Webb Bridge Road. The Development Authority subsequently has sub-leased said property to Tech Alpharetta (known at the time of the original IGA and sublease as the Alpharetta Technology Commission) for purposes of housing the Alpharetta Technology Accelerator and the administrative offices of that organization.

The most recent sublease, executed in 2018, expired on January 30, 2021; however, the arrangement has since continued on a month-to-month basis, as it has met the mutual needs and goals of the Development Authority and Tech Alpharetta.

Presented for consideration is a new sublease continuing, under the same terms as the previous, the lease of the property to Tech Alpharetta for the period July 01, 2021 through June 30, 2024.

V. ALTERNATIVES:

VI. ATTACHMENTS:

Sublease - Development Authority and Tech Alpharetta - July 2021

STATE OF GEORGIA
COUNTY OF FULTON

SUBLEASE AGREEMENT

This Sublease Agreement (the "Sublease") is made and entered into this ______ day of ______________________, 2021, by and between the Development Authority of Alpharetta, Georgia, a public body corporate and instrumentality of the State of Georgia organized and existing pursuant to the Development Authorities Law (O.C.G.A. §36-62-1, et seq., as amended) ("Sublessor"), and Tech Alpharetta, a Georgia non-profit corporation ("Sublessee").

WHEREAS, for the purpose of promoting economic development opportunities, the City of Alpharetta, Georgia, a municipal corporation of the State of Georgia (hereinafter, referred to as "Lessor"), and Sublessor have entered into that certain Intergovernmental Agreement providing for the lease of the subject property to Sublessor for use as a Center for Innovation (the "Lease"), a copy of which is attached hereto and incorporated herein as Exhibit "A"; and

WHEREAS, Sublessee is an Alpharetta-based, non-profit business association that promotes growth and development of technology companies within Alpharetta; and

WHEREAS, Sublessor has the legal authority to lease property to Sublessee to facilitate projects or programs that promote economic development opportunities in and for the City of Alpharetta; and

WHEREAS, in furtherance of the public purpose for which it was created, to promote economic development opportunities in and for the City of Alpharetta, Sublessor desires to sublet the subject property to Sublessee to use and operate as a Center for Innovation;

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual promises and agreements between the parties, it is hereby agreed as follows:

1. Premises. Sublessor hereby subleases unto Sublessee that certain building commonly known as the Finance Building, 2970 Webb Bridge Road, Alpharetta, Georgia (hereinafter referred to as the "Property"), and more particularly described in Exhibit "B" attached hereto and incorporated herein by this reference. In

addition to said Property and as further set forth and described in the Lease, Sublessee for itself, and for the benefit of its employees, agents, authorized sub-sublessees, contractors, licensees, and invitees, for the term of this Sublease, shall have the right to use that certain non-exclusive, irrevocable easement over and across the driveway and drives of the parking lot for the purpose of providing access, ingress and egress to and from the Property from and to Webb Bridge Road, (ii) the non-exclusive right to use certain parking spaces for the purpose of vehicular parking, and (iii) all necessary or appropriate, non-exclusive rights of access, ingress and egress to and from the Property and the right to use all sidewalks, stairways, parking areas and similar facilities for pedestrian traffic; provided, however, in no event shall such rights of access and use impede or otherwise interfere with, in any manner whatsoever, the City of Alpharetta's use of Fire Station No. 1, including, but not limited to the performance of fire and public safety operations thereon.

2. Subordination. Sublessor and Sublessee agree that this Sublease is, and shall be, subject and subordinate to all of the terms, covenants and conditions of the Intergovernmental Agreement (Exhibit "A"), incorporated herein by reference, and to the matters to which the Lease shall be subordinate.

3. Incorporation of Terms of Lease. The terms, covenants and conditions contained in the Lease shall, as between Sublessor and Sublessee, constitute the terms, covenants and conditions of this Sublease, except to the extent that they are inapplicable hereto or inconsistent herewith. As between the parties hereto, Sublessor agrees to observe and perform, or cause to be performed, the terms, covenants and conditions on its part to be observed and performed under the Lease, and Sublessee agrees to be bound by the provisions of the Lease and to keep, observe and perform the terms, covenants and conditions on its part to be kept, observed and performed hereunder as well as those applicable terms, covenants and conditions to be observed and performed by Sublessor as tenant under the Lease with respect to the Subleased Property (except the obligation to pay fixed rent to Lessor under the Lease). Sublessee shall in no case have any rights with respect to the Subleased Property greater than Sublessor's rights as tenant under the Lease. Further, Sublessee acknowledges and agrees that Lessor shall not be obligated to perform or discharge any obligation, duty or liability under this Sublease, or under or by reason of its consent to this Sublease.

4. Term. All rights of Sublessee under this Sublease shall automatically terminate on the termination, cancellation or

expiration of the Lease. Subject to the foregoing, the term of this Sublease shall commence on July 1, 2021, and terminate on June 30, 2024, unless sooner terminated by reason of default or as otherwise provided herein.

5. Rental. The rent for the sublease term shall be ten and no/100 dollars ($10.00).

6. Use of Subleased Property.

a. Permitted Uses. As set forth in the Lease, the Subleased Property may only be used as a Center for Innovation, which includes the following permitted uses: incubator, accelerator, collaborative technology space, center for entrepreneurship, technology associations, technology industry, makers space, Tech Alpharetta offices and other technology-related uses. At all times during the term of this Sublease, Sublessee shall occupy, use and operate the Subleased Property for the foregoing purposes.

b. Compliance with Law. Sublessee agrees that it will, throughout the term of this Sublease, promptly comply with all Federal, State and local statutes, codes, laws, acts, ordinances, orders, judgments, decrees, rules, regulations and authorizations, whether foreseen or unforeseen, ordinary or extraordinary, which shall now or at any time hereafter be binding upon or applicable to the Subleased Property, Sublessor or Sublessee, any occupant, user or operator of the Subleased Property or any portion thereof; provided, however, the Sublessee may contest in good faith the validity, existence or applicability of any of the foregoing.

7. Condition of Subleased Property. Sublessee agrees and stipulates that it has thoroughly and completely examined and inspected the Subleased Property, that the Subleased Property is acceptable for its intended use, and that Sublessee is leasing the Subleased Property "as is". Sublessor shall not be responsible for any latent or patent defect in or to the Subleased Property. Sublessor (i) specifically disclaims any representation or warranty that the Subleased Property is fit for the permitted uses and related intended uses by Sublessee, or for any other particular use, and (ii) specifically disclaims any representation or warranty with respect to title to the Subleased Property and with respect to zoning or other restrictions affecting the use or occupancy of the Subleased Property.

8. Repairs. Sublessee shall be responsible for the ordinary and routine maintenance and repair of the Subleased Property. To the extent any major repairs or replacements are necessary to the Subleased Property, Sublessee shall immediately notify Sublessor of same, and the responsibility and requirements for performing such major repairs or replacements shall be governed by the terms and conditions of the Lease. Notwithstanding the foregoing, Sublessor shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of the Subleased Property, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of the Subleased Property, or to furnish any services for the Subleased Property. Further, Sublessee shall be fully responsible for the cost of any major repairs or replacements to the Subleased Property arising out of or caused by its negligence or the failure to perform its obligations under this Sublease.

9. Alterations, Improvements and Trade Fixtures.

a. Alterations and Improvements. Sublessee acknowledges and agrees that (i) no alterations, improvements, or structural changes shall be made to the Subleased Property without the prior written consent of Lessor and (ii) alterations or improvements to the Subleased Property are governed by the terms and conditions of the Lease. To the extent Sublessee desires to make alterations or improvements to the Subleased Property, Sublessee shall submit a request for same to Sublessor, and shall not undertake any such alterations or improvements unless it receives the written approval of Sublessor and Lessor.

b. Trade Fixtures. Sublessee shall have the right to install at the Subleased Property removable equipment, trade fixtures, and other removable, unattached personal property without conveying title to such property to Sublessor or Lessor. Sublessee acknowledges and agrees that neither Sublessor nor Lessor shall be responsible for any loss of or damage to Sublessee’s property. Sublessee shall have the right at any time and from time to time during the term of this Sublease to remove or permit to be removed Sublessee’s trade fixtures and removable, unattached personal property, provided that (i) such removal shall not adversely affect the structural integrity or the overall operating efficiency of the Subleased Property, and (ii) any damage caused to the Subleased Property by such removal shall be promptly repaired by Sublessee, at its own cost and expense.

c. No Liens. Sublessee shall not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against the Subleased Property or any part thereof, or the interest of Sublessee in the Subleased Property or this Sublease.

10. Utilities. Sublessee shall be responsible for procuring and paying for adequate utility services to the Subleased Property and all other utility services desired by Sublessee with respect to the Subleased Property.

11. Sublessee's Insurance. At all times during the term of this Sublease, Sublessee shall carry, at its expense: (a) liability insurance policies applicable to the Subleased Property as of the date of this Sublease, and as otherwise reasonably required to protect, to a reasonable and prudent extent, Sublessor and Lessor against any loss, damage, claim, or liability arising out of or related to the Property, which shall be endorsed to name the City of Alpharetta, Georgia, the Development Authority of Alpharetta, and their respective officials, officers, agents and employees, as additional insureds; and (b) property insurance policies applicable to Sublessee's personal property located on the Subleased Property.

12. Indemnification. Sublessee shall indemnify and hold harmless Sublessor and Lessor from any claims or damages arising out of Sublessee's occupancy of the Property; provided, however, that such indemnification shall not apply to any claims or damages arising out of the sole negligence of Sublessor or Lessor.

13. Default. The occurrence of the following shall constitute a default by Sublessee under this Sublease: (a) any failure by Sublessee to observe and perform any condition, obligation, covenant or agreement hereunder which is required to be observed or performed by Sublessee, and the continuance of such failure for thirty (30) days after Sublessee receives written notice from Sublessor of such failure, provided that if such failure by its nature cannot be cured within such thirty (30) day period, Sublessee shall not be in default hereunder so long as Sublessee commences curative action within such thirty (30) day period, diligently and continuously pursues the curative action, and fully cures the failure within a reasonable time thereafter, but not to exceed ninety (90) days after Sublessee receives such written notice from Sublessor; or (b) the Subleased Property ceases to be used and operated by Sublessee as a Center for Innovation for a period of thirty (30) days or more.

14. Remedies of Sublessor. Upon the occurrence of a default by Sublessee hereunder, Sublessor may immediately terminate this

Sublease without further notice to Sublessee. Notwithstanding the foregoing, Sublessor shall have the right to pursue such other remedies as are available to Sublessor at law or equity.

15. Termination. Upon the expiration or termination of this Sublease, Sublessee shall surrender the Subleased Property and deliver full possession thereof to Sublessor in good order and repair, reasonable wear and tear excepted, and free and clear of all debris, trash and personal property and trade fixtures of Sublessee. Any damage caused to the Subleased Property by the removal of Sublessee's trade fixtures, removable equipment or other personal property shall be promptly repaired by Sublessee, at its own cost and expense.

16. Holding Over. Sublessee shall surrender possession of the Subleased Property upon termination of this Sublease. Any possession by Sublessee after termination creates a tenancy at sufferance and will not operate to renew or extend this Sublease. In the event that Sublessee shall remain in possession of the Subleased Property with the written consent of Sublessor after the expiration of the Sublease term, and subject to the additional written consent of Lessor to same, a new tenancy from month-to-month shall be created between Sublessor and Sublessee, which shall be subject to all the terms and conditions hereof, except that such occupancy shall be terminable on thirty (30) days written notice served by either Sublessor or Sublessee on the other party.

17. Assignment/Subletting. This Sublease shall not be assignable to any other party. Further, the Subleased Property, or any portion thereof, shall not be sublet by the Sublessee to another party (a "sub-sublessee") without the prior written consent of Sublessor, which Sublessee acknowledges and agrees may be subject to the prior written consent of Lessor as set forth in the Lease. The terms of any authorized sub-sublease agreement shall provide that the sub-sublease is subject to, and that the sub-sublessee agrees to abide by, all of the terms and conditions of this Sublease and the Lease, and the sub-sublease agreement shall include such other provisions as required by Sublessor or Lessor.

18. Governing Law. This Sublease shall be governed and construed according to the laws of the State of Georgia and enforced at the date and time of its execution.

19. Entire Agreement. This Sublease contains the entire agreement of Sublessee and Sublessor with respect to the sublease of the Subleased Property and no oral statements shall be binding.

IN WITNESS WHEREOF, the undersigned parties have caused their agents to set their hands hereto on the day and year first above written.

SUBLESSOR:
Development Authority of Alpharetta, Georgia

By:___________________________________
Jack Nugent, Chairman

SUBLESSEE:
Tech Alpharetta

By:___________________________________
Chairman of the Board of Directors

APPROVED AS TO FORM:

____
C. Sam Thomas, P.C.
City Attorney