

EXHIBIT B
LEASE AGREEMENT
FOR PRIVATE AIRCRAFT HANGAR CONSTRUCTION

THIS AGREEMENT, made and entered into this ____ day of _____, 2022, by and between City of Lebanon, Tennessee, a municipal corporation, organized and existing under and by virtue of the laws of the State of Tennessee (hereinafter referred to as Lessor) and _____, LLC, a Tennessee limited liability company (hereinafter referred to as Lessees).

WITNESSETH:

FOR AND IN CONSIDERATION of the rental consideration stated herein, and other valuable considerations, including the terms and provisions stated herein, the parties agree as follows:

1. Leased Premises. The Lessor warrants and represents that it is the owner in fee simple of all that certain land situated in Lebanon, Wilson County, Tennessee, as set forth in Exhibit “C”; and made a part hereof as though fully set forth herein.

The Lessor, for and in consideration of the rents to be paid and the obligations to be performed by the Lessee as hereinafter provided, does hereby demise and lease unto the Lessees, and Lessees do hereby take and hire, upon and subject to the conditions hereinafter express, the premises described as Phase One South East Side Development at the Lebanon Municipal Airport in said Exhibit “A”. Lessees shall also have and are hereby granted the right to traverse all public taxiways, runways, and rampways on property owned by Lessor at the Lebanon Airport (Airport property), the right to connect any aprons, taxiways, rampways, or roads on or from the Demised Premises to similar rampways, taxiways, aprons, and roads at the Airport Property.

The following terms and conditions shall govern the rental by Lessor of said space to

Lessees:

2. Term. This agreement shall commence on _____, 202__ and shall remain in effect for a period of forty (40) years, ending on _____. Lessee(s) shall have the option to extend this lease an additional ten (10) year period beyond the initial term. Lessee(s) must exercise this option by giving written notice to the Lessor at least ninety (90) days prior to the expiration of the initial term.

3. Rent. Lessee(s) shall pay, as rent for the use of the described premises, the amount of _____ per year through _____, 202__. Said initial base rental sum is based on the rate of \$_____ per square foot, with said leased premises containing _____ square feet. Lessee(s) shall pay Lessor the annual rent on or before the first day of _____, 202__, and thereafter on the first day of _____ in each succeeding year.

The amount of the annual rent payable under this Lease shall be increased during the term hereof every five (5) years beginning _____, 202__, such dates being hereinafter collectively referred to as "Adjustment Dates." On the Adjustment Dates, the rental rate for the new five (5) year term shall be computed by increasing the annual rental consideration by five percent (5%). If in good standing, Lessees shall have the first right of refusal for renewal at the end of the lease term, at an annual rental consideration negotiated between the parties at the time of renewal. Lessees shall be responsible for full payment of the rental consideration during the term of this agreement. The Lessees agree to pay the rent promptly when due, without any demand or notice for payment, said demand or notice being expressly waived by Lessees. It is covenanted and agreed that upon the expiration of the term of this Lease or upon the termination of this lease, all improvements made to the subject premises shall become the property of Lessor.

Said rental payments shall be paid to the City of Lebanon, or its successor in lawful money of the United States. If any rental payments are not received by the date due, the Lessees shall be liable for a late charge equal to ten percent (10%) of the total unpaid balance subject to late charges. The late charges are due with the annual payment. It is understood and agreed that the late charge is not a waiver of any other rights the Lessor has in this Agreement. Failure of Lessees to make any annual payment, together with any late charges, within thirty (30) days shall be a breach of this agreement and Lessor shall have the option of terminating this lease and taking possession of the premises or pursuing any other remedies under this lease or at law or equity.

4. Conforming Laws. The Lessees shall conform to all laws, orders, regulations and ordinances applicable to the leased premises, but shall not be required to make any expenditures to comply therewith unless necessitated by their fault. The Lessees shall save harmless and indemnify the Lessor from any liability arising from injury to person or property caused by any act or omission of the Lessee, their guests, agents or servants; and at the end of the term surrender the premises in as good condition as they were at the beginning of the term, ordinary wear and tear excepted.

5. Insurance. Lessees shall provide insurance for the protection of their personal property and site improvements against loss or damage by fire, lightning, storm or other casualty or theft. Lessor shall not be responsible for theft or casualty loss sustained by Lessees. Lessees hereby agree to hold Lessor harmless for any loss except that occasioned by Lessor's gross negligence. Furthermore, Lessees shall keep in force at all times during this lease a policy of insurance in the amount of the insurable value of the improvements on the premises and a liability policy in the amount of \$1,000,000.00 with Lessor as a named insured.

6. Construction of Improvements/Alterations. Lessee shall have the right to clear, grade and drain the demised premises, and to build, raze in connection with replacement, rebuild, alter, and to repair and/or improve any such buildings and improvements, which may now or hereafter be erected on the demised premises, subject to the recommendation of the Lebanon Airport Commission and prior approval of the Lebanon City Council. Plans or specifications for the construction, demolition, razing in connection with replacement, improvement, or alteration of all structures shall be subject to prior recommendation of the Lebanon Planning and Engineering staffs, the Lebanon Planning Commission, the Lebanon Building Official and approval of the Lebanon City Council said approval not to be unreasonably withheld. Lessee agrees not to conduct or permit to be conducted any activity on the demised premises which would interfere with or be a hazard to flight or aircraft either to or from the airport or interfere with air navigation and communication facilities serving the airport. Lessee agrees that no structure shall be erected, or natural objects created on the demised premises which would constitute a hazard to air navigation. Lessee may make interior alterations. and any exterior alterations, changes, decorations, and additions deemed by the Lebanon Planning and Engineering staffs as minor without prior recommendation of the Lebanon Planning Commission and approval of the Lebanon City Council, as long as it does not materially change previously approved improvements or violate Federal Aviation Administration regulations, "Objects Affecting Navigable Air Space." It is expressly understood and covenanted by the parties that any improvements which are now in existence, or may hereafter be erected, on the demised premises are considered fixtures to the real property known as the Lebanon Municipal Airport and are thereby considered public property of the City of Lebanon, Tennessee. However, any such classification of any improvements which are now in existence, or may hereafter be erected, on

the demised premises shall not infringe upon or in any way alter, affect, or diminish the Lessee's exclusive rights of occupancy and use of such improvements pursuant to and during the term of this lease agreement or any other valid agreement with the City of Lebanon. It is covenanted and agreed Lessee shall maintain an interest in the form of exclusive occupancy and use rights in any buildings and improvements on the demised premises, subject to there being in place a valid lease with the City of Lebanon. Lessee may sell, convey, or assign any such interest in any buildings and improvements to another party subject to review and recommendation by the Lebanon Airport Commission and prior written approval of the Lebanon City Council. Such approval shall be subject to, in part and at the discretion of Lessor, the proposed purchaser entering into a valid lease agreement with the Lessor.

7. Utilities and Service Charges. Lessees shall pay all utility and service charges incurred in providing and furnishing necessary electric, gas, water, sewerage, telephone, and other utilities to the demised premises and improvements thereon, and shall pay all sewer fees, sanitation fees and similar fees and charges payable by the occupant of the demised premises and improvements thereon during the term hereof.

8. Advertising. No outside walls, roofs, or other portion of the demised premises or of any improvements thereon shall be leased for or used for any advertising purposes whatsoever, and no sign will be erected on any portion of the same until review and recommendation by the Lebanon Airport Commission and written approval of Lessor is obtained.

9. Independent Contractor Status of Lessees. Lessees, and all persons employed by Lessees, shall construct or maintain the demised premises according to Lessees' own methods and entirely free from any manner of direction or control by, or on the part of Lessor or anyone in the employ of Lessor. However, Lessor shall have the right to inspect or reject any

construction or maintenance which does not conform to the approved specifications, Federal, State, or local rules and regulations and building codes.

10. Covenants to Run with the Land. All the covenants and agreements in this Lease shall be construed as covenants running with the land and bind and endure to the benefit of the parties hereto and their respective heirs, successors and assigns. The relationship between the parties hereto is strictly that of landlord and tenant and nothing contained herein is intended, and nothing shall be construed to create or effect a joint venture between the parties.

11. Easements, etc. The parties acknowledge that it may be necessary to grant or dedicate certain rights-of-way, easements, or other similar rights for access, and also, easements and other rights to utility companies and others with regard to servicing the improvements. The parties agree to execute any and all instruments in connection with the granting of such rights-of-way, easements, and rights. Lessees recognize the existence of and agree to comply with all existing easements.

12. Breach. If Lessor deems that there has been a breach of any of the terms of this agreement, Lessor shall notify Lessees of such. If Lessees shall fail to cure such breach within thirty (30) days, the Lessor shall have the right to immediately terminate this lease and re-enter the premises and dispossess Lessees. In the event the Lessees fail to pay the rental consideration as stated herein in a timely manner as stated above, then the Lessor, at the Lessor's option, may declare a breach of this rental agreement and thereby take possession of the subject premises for the use and benefit of the Lessor. Furthermore, failure to remit timely rental payments and/or failure to comply with any condition of this lease shall result in the Lessor having a lien in the amount of unpaid rents upon the Lessees' aircraft and/or other equipment and personal property stored on the premises.

It is agreed that any rent which is accepted by Lessor from Lessees which is insufficient to bring Lessees into total compliance with the rent requirements of the Lease, is deemed to be accepted by Lessor with the specific reservation of Lessor's right to terminate the rental agreement for that breach. The amount accepted is to be applied in mitigation of damages caused by Lessee's breach. Failure on the part of the Lessor to terminate the Lease for any default or breach shall not be considered as a waiver of Lessor's right of election as to any subsequent breach, the right being a continuing one; or, the Lessor may at its election continue the Lease and recover the damages from the Lessees for said default or breach, this right also being a continuing one.

Should the Lessor, at its option, either extend the time for payment of rent or accept partial payments on one or more of said installments, neither of these acts shall be construed as altering the terms of payment of any subsequent rent installments. Should the Lessor, at its option, accept a partial payment on any installments, Lessor expressly reserves the right to reentry and termination as in the case of nonpayment of rent, at any time after the date to which said partial payment, figured on a prorata basis, pays the rent due.

13. Conduct. The Lessees will forever keep and save harmless the Lessor from any penalty or damages or charges imposed for any violation of any Federal, State, or Municipal laws and ordinances in connection with the use of the demised premises by Lessees or others, and Lessees agree not to deliberately or negligently destroy, deface, damage, impair or remove any part of the premises or permit any person to do so, and not to engage in or permit any illegal activity upon the premises, and not to make or suffer or permit any nuisance thereon and to abate any nuisance that may arise promptly and all at the expense of the Lessees.

Lessees agree to conduct themselves and require other persons on the premises with his consent to conduct themselves in a manner as not to disturb the neighbors' peaceful enjoyment of the premises.

No storage or consumption of alcoholic beverages or illegal drugs or contraband shall be allowed on Airport property. Lessees do hereby consent to the search of its leased premises and aircraft by City of Lebanon personnel, the Lebanon Airport Commission Chairman, or a designated representative.

14. Litigation. Jurisdiction for the enforcement of the provisions of this agreement shall be the Chancery Court of Wilson County, Tennessee. If suit is brought by the Lessor for unlawful detainer of the leased premises, for the recovery of any rent due under the provisions of this agreement, or for any obligation of the Lessees, arising under this agreement or by law, then the Lessees hereby agree to pay the Lessor all the costs in connection therewith, including but not limited to a reasonable attorney's fee, whether or not the action or actions proceed to judgment.

15. Holdover. Should the Lessees hold over after the initial term of this lease or at the end of any extension hereof, said holding over shall be considered to be a term from month to month with the rental consideration to be due and owing based upon the prior rental payments, however, at any time during said holdover, at the option of the Lessor, the rental consideration may be increased upon thirty (30) days' written notice.

16. Premises Condition. Lessees agree to keep the premises, including the hangar and the immediate area of approximately fifteen (15) feet surrounding the hangar, clean and clear of all debris. In addition, Lessees agree to maintain the improvements on said premises at Lessees' expense.

17. Use of Premises. The premises hereby leased shall be used only for the storage of aircraft by Lessee. No unregistered aircraft, salvage aircraft, building or restoration projects, and/or long-term maintenance projects shall be allowed on the leased premises unless authorized by the Lebanon Airport Commission. The following conditions are identified as considerations for any request above:

- A. Lessee must submit a written request to the City of Lebanon Commissioner of Public Services with a copy to the Airport Commission Chairman. Request to be placed on the next Airport Commission meeting agenda.
- B. A maximum of twenty percent (20%) of hangar floor space may be utilized. This space shall be kept in a neat and orderly fashion.
- C. Airport Commission approval is for twelve (12) months and is intended for an active project.
- D. Lessee is required to report the project status to the Airport Commission at the end of ten (10) months. An inspection by the Airport Commission Chairman or a designated Airport Commission member will be scheduled at this ten (10) month interval.
- E. Lessee may request an extension which is subject to Airport Commission approval.

Storage of fuel or other highly flammable liquid, or maintenance of other fuel depositories, except that in aircraft fuel tanks, is prohibited. No transfer of fuel or spray painting shall be permitted. Aircraft maintenance may be performed on that aircraft normally stored in said hangar; however, no commercial activities will be conducted on these premises or any activities that may conflict with any operation of the local airport facility and/or any Fixed Base

Operator. No living quarters shall be located inside the hangar. An adequate pilot's lounge is permitted in the hangar.

18. Assignment or Lease of Hangar Space. Lessee shall not sublease or assign any or all of the leased premises until review and recommendation by the Lebanon Airport Commission and prior written approval of the Lebanon City Council. Any assignment or lease of hangar space shall require the execution of a written lease agreement between Lessee and any assignees or lessees of hangar space. No hangar space lessee or assignee shall have any rights or interests greater than or superior to any rights or interests granted to Lessee pursuant to the terms of this lease agreement. Storage of any aircraft not belonging to, or leased by, Lessee, shall be considered as a hangar space lease or assignment, except for short term visiting or those approved by the Airport Commission. The unauthorized storage of any aircraft that are not removed pursuant to the provisions of Paragraph 12 of this lease agreement shall be deemed a material breach of this agreement. Lessee agrees to provide tail numbers(s) of all aircraft in the hangar to the FBO. The FBO shall report changes to the Lebanon Airport Commission at the regularly scheduled monthly Airport Commission meetings. The Lebanon Airport Commission shall be provided notice of any other based aircraft stowed in the Lessee's hangar. Any conveyance, assignment or transfer of exclusive use and occupancy rights of the leased premises shall be reflected in a written contract, which shall disclose the terms and total compensation of such agreement and shall be provided to the Lebanon Commissioner of Finance.

19. Competition. Lessees agree not to conduct any activity on the premises which would compete with the management of the Lebanon Municipal Airport and/or any Fixed Base Operator. Routine maintenance by Lessees of its aircraft shall not be construed as competition.

20. Indemnification. Lessees agree to hold Lessor harmless from any and all activity conducted on the leased premises by Lessees, or their agents, representatives, employees or invitees. Lessees further shall hold Lessor harmless from any theft, damage, or loss of Lessees' personal property on the leased premises, including but not limited to Lessees' airplanes and/or equipment thereon.

21. Complete Agreement. The parties agree that they have read and fully understand the terms and conditions of this agreement. This lease agreement contains the complete agreement between the parties. The parties stipulate that neither of them has made any oral representations with respect to the subject matters of this lease agreement or any representations except as are specifically set forth herein. The provisions of this lease agreement shall be binding and inure to the benefit of the parties, their successors and assigns.

22. Titles. Throughout this lease agreement, in referring to the Lessor and the Lessees, words of any gender shall be deemed to include the plural and vice versa, unless the context indicates that such reading would be inappropriate.

23. Modifications. This Lease shall not be affected, added to, varied, or modified by any agreements or representations not contained herein, except as may be subsequently agreed to by the parties in writing.

24. Lessees' Insolvency. It is agreed that if the Lessees, or either of them, file a Petition for Bankruptcy or becomes insolvent, or requires the necessity of a receivership or other court action concerning the insolvency, then the Lessor, at its option, may declare a material breach of this Agreement, and take possession of the property as described above.

25. Joint Liability. Lessees, if more than one organization or person, shall be jointly and severally liable for all obligations contained in this Lease, including but not limited to the payment of the rental consideration stated.

26. Fuel Farm. The Lessee agrees that no on-site fuel farm shall be established at this site.

IN WITNESS WHEREOF, the parties have executed this instrument on the date and year first above written.

LESSOR(S):

CITY OF LEBANON, TENNESSEE

RICK BELL, MAYOR

LESSEE(S):

_____, LLC

By: _____
NAME, TITLE

ATTEST:

STUART LAWSON
COMMISSIONER OF FINANCE
AND REVENUE

APPROVED AS TO FORM:

ANDY WRIGHT
CITY ATTORNEY

Original Adoption:
Ordinance No. 22-_____

STATE OF TENNESSEE

COUNTY OF _____

On this the _____ day of _____, 20____, before me personally appeared _____, to me known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument and who acknowledged that he/she/they executed the same as his/her/their free act and deed.

WITNESS MY HAND AND OFFICIAL SEAL

NOTARY PUBLIC _____

Commission Expires: _____

DRAFT

**STATE OF TENNESSEE
COUNTY OF WILSON**

Before me, the undersigned, a notary public, in and for the county aforesaid, personally appeared **Mayor Rick Bell and Stuart Lawson** with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged themselves to be the Mayor and Commissioner of Finance of the **City of Lebanon, Tennessee**, the within named Bargainer, a municipal corporation, and that they as such Mayor and Commissioner of Finance, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as such Mayor and Commissioner of Finance.

Witness my hand and seal at office in Lebanon, Tennessee, on this _____ day of _____, 20_____.

NOTARY PUBLIC _____

Commission Expires: _____

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