

CITY OF OSCEOLA MUNICIPAL AIRPORT  
LAND LEASE AGREEMENT

THIS LEASE AGREEMENT entered into this 26<sup>th</sup> day of November  
\_\_\_\_\_2013, between the City of Osceola, Arkansas, hereinafter referred to as  
"LESSOR", and Russell J. Thomason and Lindsay Chandler, hereinafter jointly referred  
to as "LESSEE".

WHEREAS, the Lessor does intend to lease certain real property consisting of  
approximately 20047 square feet marked and identified and being described as follows:

Part of the Southeast Quarter of the Northwest Quarter of  
Section 3, Township 12 North, Range 10 East, Osceola  
District, Mississippi County, Arkansas, being 0.46 acres,  
more or less, of the City of Osceola's airport property and  
more particularly described as follows:

Commencing at a 1/2-inch iron bar (w/cap) located 2347.11  
feet south and 1722.75 feet east of a cotton picker spindle  
commonly accepted as evidence of the northwest corner of  
said Section 3; thence run South 81°10'42" East a distance  
of 180.61 feet to a magnetic pk nail; thence run South  
08°49'18" West a distance of 111.00 feet to a 1/2-inch steel  
pipe (w/cap); thence run North 81°10'42" West a distance  
of 180.61 feet to a 1/2-inch steel pipe (w/cap); thence run  
North 08°49'18" East a distance of 111.00 feet to the Point  
of Beginning and containing 1.46 acres, more or less, and  
being subject to any record easements that may affect the  
herein described tract of land. The above description was  
written from and is hereby referenced to a plat of survey by  
James W. Wages, PLS dated August 8, 2013.

NOW, THEREFORE, the Parties hereto agree as follows:

1. **LEASEHOLD.** The Lessor does hereby grant, demise and lease  
unto Lessee certain premises situated in the Osceola District of Mississippi County,  
Arkansas, within the boundaries of the City of Osceola Municipal Airport as described

above. Lessee proposes to erect hangar buildings on said property at Lessee's sole cost and this agreement is conditioned upon Lessee doing so.

**2. TERMS AND CONDITIONS.** Lessee agrees to comply with and abide by all terms and conditions set forth in this original Agreement of Lease.

**3. TERM.** This lease's original term is for thirty (30) years beginning on the 15<sup>th</sup> day of December, 2013, and ending at midnight, December 31, 2043, unless sooner terminated as herein provided. Lessee shall further have the right to renew said lease by exercising four (4) five (5) year option periods, unless otherwise terminated by either party.

**4. LEASE PAYMENT.** The annual rental for the original term of the lease shall be \$1.00 per year. Said rental is to be paid in advance in yearly installments on the 1st business day of each year. The annual rental for any option periods shall be agreed upon in advance by the parties.

**5. ASSIGNMENTS & SUB-LEASES.** This agreement, in whole or any part thereof may not be assigned or transferred by Lessee, such action must receive prior approval by the Lessor and its airport commission.

**6. INSURANCE.** Lessee shall obtain and maintain property insurance coverage for the repair or replacement of the leasehold and any adjacent improvements. The City of Osceola, Arkansas, will be listed as an additional insured on the policy. The Lessee will provide proof of this insurance upon request and keep the policy in effect during the terms of the lease. Lessee acknowledges that it is the Lessee's sole responsibility to maintain insurance on any personal property if desired.

**7. USE OF THE PREMISES.** The development and/or use of any Premises located within the current or future boundaries of the City of Osceola Municipal Airport shall be consistent with the most recent Airport Master Plan and Airport Minimum Standards. Lessee agrees that all uses of the premises must be approved by the Osceola Airport Commission and shall be predominately for aviation use. All future structure additions shall be subject to prior approval by Lessor. The structures constructed by Lessee under this Agreement shall be the property of Lessee until the termination of this lease, at which time it converts to the City of Osceola, Arkansas. In the event that Lessee uses the property for purposes other than the purposes stated above, this lease shall terminate and Lessee shall return the premises to Lessor.

**8. UTILITIES.** Lessee shall be responsible for utilities to the leasehold. Initial utility service to the leased property will be the responsibility of the lessee and negotiations for terms of utility provision are a matter between lessee and each individual service provider including the City. In no case will City utilities be denied to an approved installation. Lessee shall pay all initial tie in costs and all monthly ongoing fees for such utilities. Utilities required by Lessee that are not owned/managed by the City must be coordinated by the Lessee and utility supplier directly.

**9. REPAIRS, MAINTENANCE AND APPEARANCE.**

(a) Lessee shall at all times during the term of this Lease Agreement, at Lessee's expense, keep and maintain in good repair and safe condition the leased premises and it's equipment and appurtenances, both inside and outside, structural and non-structural, extraordinary and ordinary, whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise. When used herein, the term "repairs" shall

include all necessary replacements, renewals, alterations, additions and betterments. Lessee will at all times keep the leasehold free and clean of all trash, refuse and any unsightly conditions or fire hazards.

(b) The necessity for and adequacy of repairs to the leased premises, pursuant to subparagraph (a) hereof, shall be measured by the standard which is appropriate for improvements of similar construction and also shall meet the requirements and standards set out and promulgated by the City of Osceola, Arkansas, through the Osceola Airport Commission or other governmental agency or entity pursuant to the primary lease referred to above.

(c) Lessee agrees to reimburse Lessor for all sums and expenses incurred in the repairs or maintenance required or caused to be made pursuant to the regulations and rules of the governing authority mentioned in subparagraph (b) above as a result of failure by Lessee to maintain or repair the demised premises as required.

**10. ALTERATIONS AND IMPROVEMENTS.** Lessee shall be entitled to make alterations, additions and improvements to the property necessary and desirable for the operation of the premises. Lessee shall not be entitled to make any significant or material alterations, additions or changes to the exterior of the leased premises without Lessor's prior written consent. Lessee acknowledges and agrees that all such alterations, additions and improvements, shall become the property of the City of Osceola, Arkansas, upon termination of the lease agreement.

**11. WAIVER.** The waiving of any one or more breaches of the terms or provisions contained herein by the Lessor or Osceola Airport Commission shall not be deemed a waiver of any other breaches of the terms or provisions.

**12. TIME OF THE ESSENCE.** It is understood that time is of the essence of this Lease Agreement. Accordingly, Lessee agrees that the construction of the hangar buildings as provided in paragraph 1 above, shall be completed within one (1) year of the execution of this agreement, unless an extension is approved by Lessor in writing. In the event construction of the hangar buildings is not complete within the one (1) year period and no extension is granted as set forth herein, then Lessee shall be deemed in default of this agreement.

**13. DEFAULT.** In the event the Lessee defaults under the terms of the agreement, this lease may be terminated by the Osceola City Council at a regular meeting. The City Council must give written notice by certified mail, return receipt requested or by an approved process server. Upon such notice, Lessee agrees to vacate the premises immediately and to forfeit any and all claims, rights, and property interest in this lease agreement or the improvements mentioned herein. Should it become necessary for Lessor to resort to judicial process to enforce the terms of this agreement, or reclaim possession of the premises, Lessee agrees to pay a reasonable attorney's fee.

**14. TERMINATION OF USE.** In the event that the Osceola Municipal Airport facility and property are no longer used for aviation purposes, the City of Osceola, Arkansas or its assign shall purchase the remaining leasehold interest from Lessee at fair market value.

**15. MORTGAGING OF LEASEHOLD.** Lessee is hereby given the absolute right without the Lessor's consent to mortgage his interest in the leased premises, provided that no such mortgage shall extend to or affect the fee, the

reversionary interest, or the estate of Lessor in and to the land and buildings (hangar facility complex) erected thereon.

**16. GOVERNMENTAL REQUIREMENTS GENERALLY.** Lessee shall comply with all governmental requirements applicable to Lessee's use and operation of the leased premises.

**17. INDEMNITY.** Lessor shall not be liable for any personal injury to the Lessee or to his officers, agents, employees, invitees, licensees or to any other occupant or any part of the leased premises, or for any damage to any property of Lessee or of any other occupant of any part of the leased premises, irrespective of how such injury or damage may be caused, whether from action of the elements or occupants of adjacent properties. In the event an action, claim or suit is commence against Lessor as a result of any such personal injury or damage occurring on the lease premises, Lessee agrees to hold Lessor harmless from any liability or responsibility therefore, including attorney's fees or costs of the action.

**18. GRAMMATICAL USAGE.** Whenever used herein: The singular number shall include the plural, the plural the singular, and any gender all genders in any place in which the context so requires.

LESSOR:



CITY OF OSCEOLA, ARKANSAS  
MAYOR DICKIE KENNEMORE

ATTEST:

  
LYNDA WELLS, CLERK

LESSEE:

Russell J. Thomason  
Russell J. Thomason

Lindsay Chandler  
Lindsay Chandler

**ACKNOWLEDGMENT**

STATE OF ARKANSAS  
COUNTY OF MISSISSIPPI

BE IT REMEMBERED that on this 26<sup>th</sup> day of November, 2013,  
appeared before me, a Notary Public, Russell J. Thomason and Lindsay Chandler, the  
Lessee in the above and foregoing Lease Agreement, and acknowledged that they signed  
the same for the purpose and consideration therein stated.

WITNESS my hand and official seal this 26<sup>th</sup> day of November, 2013.

Arlene Covington  
Notary Public

My commission expires:

9-15-2019

