

BENTONVILLE MUNICIPAL AIRPORT
LAND LEASE AGREEMENT

THIS LEASE AGREEMENT entered into this _____ day of _____, _____, between the City of Bentonville, hereinafter referred to as "Lessor," and _____, hereinafter jointly referred to as "Lessee."

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

INSERT LEGAL OR SITE PLAN DESCRIPTION FROM MASTER PLAN

NOW, THEREFORE, the Parties hereto agree as follows:

LEASEHOLD. The Lessor does hereby grant, demise and lease unto Lessee certain premises situated in Benton County, Arkansas, within the boundaries of the Bentonville Airport, said property being described more particularly as the "footprint" under Building _____ as set out in the attached Exhibit A. A "footprint" is defined as the real property located underneath the building which Lessee proposes to erect.

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

- **TERM** - This lease's term is for thirty five (35) _____ years beginning on the _____ day of _____, _____, and ending at Midnight, _____, unless sooner terminated as herein provided.

LEASE PAYMENT - Lessee shall pay to the City of Bentonville the annual rental based on the square foot of total leased ground space. The rate charged per foot shall be \$.20 _____ per square foot.. Leased ground space totals _____ square feet. Said rental is to be paid in advance in yearly installments on the 1st business day of each year. If the initial calendar year of the lease is less than 12 months the Lessee will pay a pro-rata payment to cover the first partial year at the time of signing this lease. For each subsequent year during the initial term or any renewal Lease Term, the rent shall be increased annually in accordance with changes in the Consumer Price Index (CPI), provided, however, that no single annual increase shall exceed two percent (2%). The Consumer Price Index refers to the Consumer Price Index for all urban consumers (CPI-U), U.S. City Average All Items Index. The parties shall use the current standard CPI-U reference base as published by the Bureau of Labor Statistics using _____ as the comparison month. Rent for the second year of the Term shall be determined using the CPI-U for _____ as compared to _____. Similarly, rent for each successive year of the Term shall be determined using the CPI-U for the most recent _____ as compared to the preceding _____.

- **TAXES** - Lessee shall pay all ad valorem taxes and assessments upon the leased premises and upon all personal property located upon the leased premises which are assessed during the lease term
- **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 Airport Advisory Board, and the Lessor and such approval can not be unreasonably withheld. Such assignment releases the original Lessee of its obligations and the new Lessee assumes all obligations of this original agreement in full.

INSURANCE - Lessee shall obtain & maintain property insurance coverage for the repair or replacement of the leasehold and any adjacent improvements. The City of Bentonville 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 affect 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.

USE OF THE PREMISES. The development and/or use of any Premises located within the current or future boundaries of the Bentonville 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 Airport Advisory Board and shall be predominantly for aviation use. All future structure additions shall be subject to prior approval by Lessor. The structure(s) 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 Bentonville. 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.

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 the lessee and each individual service provider including the City. In no case will City Utilities service 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 the Lessee that are not owned/managed by the City must be coordinated by the Lessee and utility supplier directly.

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 its 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 betterment's. 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 Bentonville through its Airport Advisory Board 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.

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 Bentonville, Arkansas, upon the termination of the lease agreement.

WAIVER. The waiving of any one or more breaches of the terms or provisions contained herein by the Lessor or Bentonville Airport Advisory Board shall not be deemed a waiver of any other breaches of the terms of provisions.

TIME OF THE ESSENCE. It is understood that time is of the essence of this Lease Agreement. Accordingly, Lessee agrees that the construction of Building _____, as depicted in Exhibit "A" 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 Building _____ 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.

DEFAULT. In the event the Lessee defaults under the terms of the agreement, this lease may be terminated by the Bentonville City Council at a regular meeting. The City Council must give written notice by certified mail, return receipt requested. 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.

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

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 building (hangar facility complex) erected thereon.

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

IDEMNITY. 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 of 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 commenced against Lessor as a result of any such personal injury or damage occurring on the leased premises, Lessee agrees to hold Lessor harmless from any liability or responsibility therefor, including attorney's fees or costs of the action.

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 BENTONVILLE,
MAYOR BOB McCaslin

Attest: _____
CITY CLERK

LESSEE:

APPROVED:
BENTONVILLE AIRPORT ADVISORY BOARD

By: _____
Chairman

ACKNOWLEDGMENT

State of Arkansas)
) ss.

County of Benton)

BE IT REMEMBERED that on this _____ day of _____, _____ appeared before me, a Notary Public, _____, 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 _____ day of _____, 2008.

Notary Public

My Commission Expires:

EXHIBIT A

SITE PLAN AND BUILDING DESCRIPTION