

This Instrument Prepared By:
William T. Ridley
157 Lantana Rd.
Crossville, TN 38555
931-456-9455

LEASE

THIS LEASE ("Lease") is hereby made and entered into this 15th day of January, 2016 between **THE CITY OF CROSSVILLE, TENNESSEE**, ("Landlord"), and **BRUCE L. GARDNER and CYNTHIA A. GARDNER** ("Tenant").

WITNESSETH:

1. **Premises.** Landlord leases to Tenant, and Tenant leases from Landlord, 2.24 ACRES of land which is described as and recorded in Plat Book 11, Page 707 as Lot 7A in, Crossville, Tennessee, and which is attached hereto as Exhibit A, the ("Property").
2. **Term and Rent.** The term of this Lease shall be from the 15th day of January, 2016 until the 14th day of January 2019, at a rental of One Dollar (\$1.00) Dollar, which rental, Tenant covenants to pay as and when due.
3. **Renewal Term(s).** This lease shall not be renewable and shall cease at the expiration of the term or when the Tenant exercises its option to purchase, specifically ending on the date of closing.
4. **Tenants Option to Purchase.** Landlord hereby grants to Tenant an absolute option to purchase the Leased Property and underlying fee. This option to purchase may be exercised at any time beginning on the commencement date of this lease and ending on the 14th day of January, 2019, provided Tenant is not in default of the Lease, and the option shall expire at the termination or expiration of this Lease, no matter how long the Lease may be extended.
 - (a) The purchase price of the leased premises and underlying fee shall be *Fifty Six Thousand (\$56,000)* Dollars in cash at closing. The Tenant shall receive a Five Thousand (\$5,000) Dollar credit off of the above purchase price per each new full time employee hired beginning on the commencement of this lease and ending on the date that the Tenant provides written notice of its intention to exercise its option to purchase. Landlord shall convey to Tenant such property free from all liens and encumbrances and covenants to let nothing take priority over this option to purchase. Tenant agrees and understand that it will be responsible for all cost and fees associated with the transfer of the real property.
 - (b) Tenant will exercise its option to purchase by sending notice of its intention by certified mail. Tenant must provide proof of each new full time employee in which they seek a credit at the time they send the notice to exercise the option.

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(c) All such credits given shall be capped at, and shall not exceed the purchase price.

5. **Tenant's Responsibility.** Tenant will keep the Property, in as good repair as the same is at the commencement of this term, reasonable wear and tear and damage by fire, other casualty, or condemnation excepted, and will promptly replace or repair any damage caused to the property by the Tenant. Tenant shall be responsible for the payment of all bills and/or assessments for electrical, natural gas, telephone, water and sewer and other utilities currently serving or soon to be serving the Property. To the extent that Landlord shall be billed for any such services by the provider thereof, Tenant shall reimburse Landlord for the amount thereof within fifteen (15) days of being furnished with a statement from Landlord with respect thereto. If the amount due as shown on such statement is not paid when due, it shall bear interest at the maximum legal contract rate until paid.
6. **Renovations and Alterations of Property.** Subject to Landlord's (Crossville City Managers) approval of all plans and specifications for material renovations and alterations and subject to the condition that Tenant shall allow no lien to be placed against the Property, Tenant shall have the right, at its sole cost and expense, to renovate, alter and use the Property in connection with its business and to make related improvements. All alterations, additions, repairs, replacements and improvements made to or upon the Property shall be deemed to be part of the Property and shall become the property of Landlord upon the expiration or termination of this Lease; provided, however, that trade fixtures, machinery and equipment that are installed by Tenant and removable without materially injuring the Property shall remain the property of Tenant. All such alterations, additions, repairs, replacements and improvements made to or upon the Property shall comply with all present and future governmental laws, covenants, restrictions, and regulations. No approval by Landlord of any plans or specifications for material renovations or alterations by Tenant shall be construed to warrant that such plans or specifications comply with any governmental laws or regulations.
7. **Fire or Other Casualty.** If the Property should be damaged or destroyed by fire or other casualty so as to cause a material alteration in the character of the Premises and to prevent Tenant from using it in substantially the manner theretofore used, either Landlord or Tenant may terminate this Lease upon giving notice to the other within fourteen (14) days after the casualty occurs. Should such termination occur on any day other than the last day of a monthly rental period, any unearned prepaid rental shall be refunded to Tenant. If the Premises are materially damaged by fire or other casualty and neither party elects to terminate this Lease, or if the Premises should be damaged by fire or other casualty and still be fit for Tenant's continued use in substantially the same manner as theretofore used, then this Lease shall continue in effect and the Premises shall be restored by Landlord. If the event causing damage was not caused by the fault of Tenant, while such restoration is in progress Tenant shall be entitled to a fair and appropriate abatement of the rental to be paid, said abatement to be based on the amount and value of the Premises used by Tenant. Should the damage necessitating such restoration occur on any day other than the last day of a monthly rental period, then the amount of prepaid

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rental to be refunded to Tenant shall be based on the amount and value of undamaged space used by Tenant during the remainder of said monthly rental period.

8. **Surrender of Premises.** At the expiration of the term of this Lease, if the option to purchase has not been exercised, Tenant shall peaceably yield up to Landlord the Premises and all erections and additions made thereto except as hereinbefore provided, in good repair in all respects, reasonable use, wear and tear and damage by fire or other casualty or by condemnation excepted.
9. **Holding Over.** Noting in this agreement shall be construed to allow the Tenant the right to hold over on the property after the expiration of the leased period.
10. **Use of Premises.** The Premises shall be used for the operation of HOMESTEAD TIMBER FRAMES INC., and for any other lawful purpose which is related to the operation of the business. Tenant shall not at any time use or occupy the Premises in violation of restrictions or laws, ordinances or regulations of any government or agency having jurisdiction, or in violation of Landlord's insurance contract(s), or in a manner creating a nuisance.
11. **Insurance.** All property of any kind that may at any time be used, left or placed on the Premises during the term of this Lease shall be at the sole risk of the Tenant. Tenant shall carry contents coverage insurance on its contents. To the extent not covered by insurance, Tenant will save, indemnify and hold Landlord free and harmless from any and all liability or any injury, loss or damage to person or property arising out of any cause associated with its business or use of the Property, including its omission to act. Tenant agrees to provide public liability insurance naming Landlord as additional insured to protect Landlord from loss customarily covered by such insurance.
12. **Tax:** Any and all taxes due on the leased property will be the responsibility of the Tenant during the term of this agreement. Tenant shall pay taxes directly to the collecting government office.
13. **Quiet Enjoyment.** As long as Tenant is not in default hereunder, Landlord covenants that Tenant shall peaceably hold and enjoy the Premises, subject to the terms of this Lease. All entrances, exits, approaches and means of entrance and approach, and all access to light and air now enjoyed by the Premises, shall be and remain intact and uninterrupted by any act of Landlord during the term of this Lease.
14. **Eminent Domain.** If the whole of the Premises shall be taken or condemned by any competent authority for any public use or purpose as shall materially change the character of the Premises so as to prevent Tenant from using it in substantially the same manner as theretofore used, the term hereby granted shall cease on the day prior to vesting of title in such authority and an appropriate pro rata portion of any rent paid in advance by Tenant shall be refunded.

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- (a) If a portion of the Premises shall be condemned or taken, and if such taking does not result in a material alteration in the character of the Premises so as to prevent Tenant from using it in substantially the same manner as theretofore used, then this Lease shall continue in effect, and any damage to the Premises shall be repaired by Landlord. After the date Tenant is required to surrender possession of the portion taken, the rental payable hereunder shall be reduced in proportion to the decrease in the fair rental value of the Premises.
- (b) The entire award of damages or compensation for a taking of the Premises, whether such taking be in whole or in part, shall belong to and be the property of Landlord.
- (c) If the Premises shall be taken or condemned by any governmental authority for temporary use or occupancy, this Lease shall continue in full force and effect without reduction or abatement of rent, and the rights of the parties shall be unaffected by the other provisions of this Section. In the event of such temporary taking, the entire award of damages in respect of the Premises shall belong to Landlord.
- 15. Assignment and Subleasing.** Tenant may NOT assign or encumber this Lease or sublet the Premises, either in whole or in part, without the prior written consent of Landlord. Tenant shall however, be allowed to assign or sublet the property to Homestead Timber Frames Inc. without prior written consent of the Landlord. In the event of any assignment or subletting, Tenant shall remain fully responsible under this Lease.
- 16. Attorney's Fees.** In the event it becomes necessary for Landlord to employ an attorney to enforce collection of the rents agreed to be paid, or to enforce compliance with any of the covenants or agreements herein contained, or in connection with Tenant's default or breach hereunder, Tenant shall be liable for reasonable attorney's fees, costs and expenses incurred by the Landlord.
- 17. Notice.** Any notices required to be sent hereunder shall be hand delivered or sent by certified mail to the following addresses:

*City of Crossville
392 N. Main St.
Crossville, TN 38555*

*Homestead Timber Frames, Inc.
21 Duer Court
Crossville, TN 38555*

- 18. Default and Remedies.** Each of the following events shall constitute a default or breach of this Lease by Tenant:

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- (a) If Tenant shall fail to pay Landlord any rent or common area maintenance charge when due and no later than five days after the landlord notifies the lessee the rent is unpaid.
- (b) If Tenant shall fail to perform or comply with any of the other condition, term or agreement in this Lease as set forth herein within thirty (30) days after notice by Landlord to Tenant specifying the condition to be performed or complied with; or, if the performance cannot be reasonably had within the thirty (30) day period, Tenant shall not in good faith have commenced performance within the thirty (30) day period and shall not diligently proceed to completion of performance.
- (c) In the event of any default hereunder, Landlord, at any time thereafter, may terminate the Lease at its option and/or re-enter the Premises and expel, remove and put out Tenant or any person or persons occupying the Premises and remove all personal property therefrom as allowed by law. Upon re-entry Landlord may, at its option, relet the Premises or any part thereof [as the agent of Tenant], and Tenant shall pay Landlord the difference between the rent herein reserved and imposed for the portion of the term remaining at the time of re-entry and the amount received under such reletting for such portion of the term; additionally, Landlord may also recover from Tenant any other sums (including rents) then due. Landlord may also terminate this Lease and, at its option, recover from Tenant any sums then due as well as the amount by which all rent and other payments to be made by Tenant exceed the reasonable rental value of the Premises for the remainder of the Lease term. Notwithstanding any other provision herein contained, Tenant shall be responsible for all losses (including loss of rents) and damages resulting from any default and/or termination.
- (d) All actions taken by Landlord pursuant to this Section shall be without prejudice to any other remedies that otherwise might be used for the collection of rents or for the preceding breach of covenant or conditions or for default.
- (e) Landlord may elect, but shall not be obligated, to comply with any condition, term or agreement required hereby to be performed by Tenant, and Landlord shall have the right to enter the Premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for such correction by Landlord shall not be deemed to waive or release the default of Tenant or the right of Landlord to take any action as may be otherwise permissible hereunder in the case of any default.
- 19. No Waiver.** The subsequent acceptance of rent hereunder by Landlord shall not be deemed a waiver of any preceding breach of any obligation hereunder by Tenant other than the failure to pay the particular rental so accepted, and the waiver of any breach of any covenant or condition by Landlord shall not constitute a waiver of any other breach regardless of knowledge thereof.

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20. **Gender.** Wherever appropriate herein, the words "Landlord" and "Tenant" and the pronouns referring thereto, shall be construed singular or plural, masculine, feminine or neuter as the facts warrant.

21. **Signs.** Tenant shall have the right to erect, affix or paint signs on or about the Premises and the right at its option to remove said signs upon the termination of this Lease, it being agreed that Tenant shall repair any damage to the property caused by the removal of said signs.

22. **Entire Agreement.** The entire understanding between the parties is set out in this Lease, this Lease supersedes and voids all prior proposals, letters and agreements, oral or written, and no modification or alteration of this Lease shall be effective unless evidenced by an instrument in writing signed by both parties. This Lease shall be interpreted and construed in accordance with the laws of the State of Tennessee.

23. **Successors and Assigns.** All the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

24. **Memorandum Lease.** This Lease will be recorded.

25. **Captions.** The headings and captions contained in this Lease are for reference purposes only and shall not limit or extend the meaning or terms of any paragraph or section contained herein.

26. **Severability.** The provisions of this Lease are severable in that should any provision be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, the legality, validity and enforceability of the other provisions herein shall not be affected, but they shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their respective hands or caused this instrument to be duly executed on the day and date first above written.

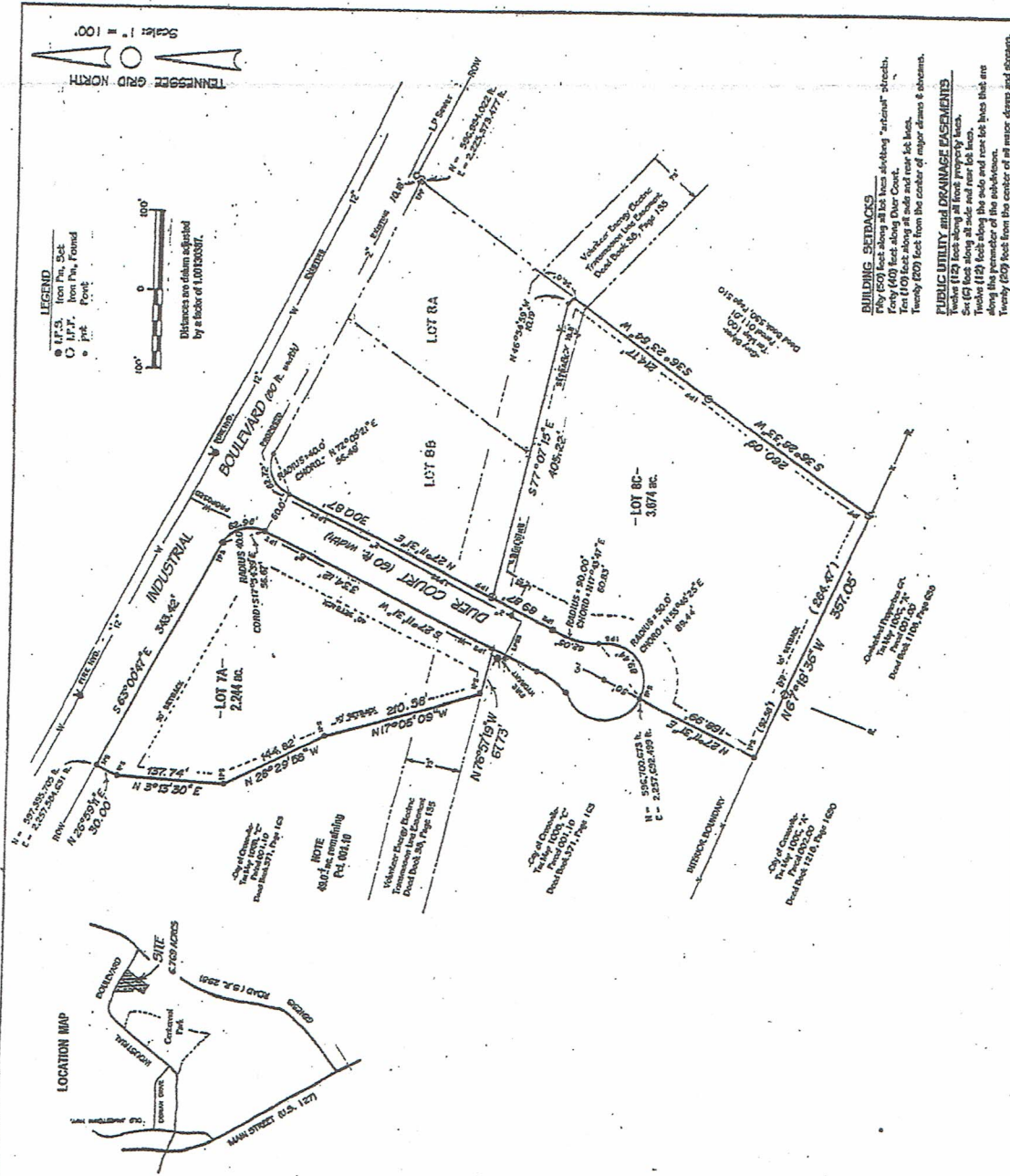
LANDLORD:
City of Crossville Tennessee

By: *James S. Mackey*
Its: *Mayor*

TENANT:
BRUCE & CYNTHIA GARDNER

By: *Bruce Gardner*

By: *Cynthia Gardner*



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| DUER COURT SUBDIVISION Presented To: <i>Crossville Regional Planning Commission</i> | |
| DEVELOPER-OWNER: City of Crossville 392 North Main Street Crossville, TN. 38655 | NO. OF LOTS: 2 AREA OF LOTS: 5.918 Acres AREA OF ROAD: 0.851 Acres |
| TELEPHONE: 931.494.5115 | SURVEYOR: Michael V. Stamp 45 Colquhoun Lane Crossville, Tenn. 38655 931.494.8107 |
| First Civil District of Cumberland County, Tennessee | Date: November 24, 2015 Job No. 161715 |

REFERENCES: Lots 7A and 8C-Deed Book 371, Page 638
 Tax Map 1009, Group B, Parcel 001.10
 Lot 8A - Deed Book 613, Page 369
 Tax Map 1009, Group C, Parcel 001.13
 Lot 8B - Deed Book 1020, Page 1773
 Tax Map 1009, Group C, Parcel 001.15

FLOOD PLAIN STATEMENT
 Subject Property (Lots 7A & 8C) are NOT in a Flood Plain (Zone X) as shown on F.C.M.A. Maps 47035C00070 & 47035C00090.

CERTIFICATE OF OWNERSHIP and DEDICATION
 I, the undersigned, do hereby certify that I am the owner of the property shown on the attached plat and that I have accepted the plan of subdivision, with or without improvements, and the various building regulations, laws and ordinances of the City of Crossville, Tennessee, and I hereby dedicate to the public, or private use, all easements and rights shown on this plat, and I acknowledge that any change to this subdivision constitutes a re-subdivision and requires approval of the Planning Commission.

Date Signed: _____
 Owner's Signature: _____
 Date Signed: _____
 Owner's Signature: _____

CERTIFICATE OF ACCURACY and PRECISION
 I hereby certify that the plat shows and described herein is a true and correct copy of the original survey and the ratio of precision is 1:50,000, performed in accordance with the current Tennessee Surveying Law, Chapter 55, Part 1, Sections 101 through 105, and the specifications of the Tennessee Surveying Commission.

Date Signed: _____
 Surveyor's Signature: _____

GENERATION OF EXISTING WATER LINES
 I hereby certify that: (1) water lines and the hydrants, if necessary, have been constructed and installed in an acceptable manner, according to the specifications of Crossville Planning Commission, and City of Crossville, which will maintain the water flow.

(2) A financial guarantee acceptable to the Crossville Planning Commission in the amount of \$_____, has been given to the Planning Commission to assure completion of improvements in the case of default.

Date Signed: _____
 Signature of City Director of Public Works: _____

CERTIFICATE OF EXISTING SEWER LINES
 I hereby certify that: (1) sewer lines have been constructed and installed in an acceptable manner, according to the specifications of Crossville Planning Commission and City of Crossville.

(2) A financial guarantee acceptable to the Crossville Planning Commission in the amount of \$_____, has been given to the Planning Commission to assure completion of improvements in the case of default.

Date Signed: _____
 Signature of City Director of Public Works: _____

CERTIFICATE OF EXISTING STATE or CITY STREET
 I hereby certify that the plat shown on this plat has the status of a completed improvement if current conditions.

Date Signed: _____
 Director of Public Works: _____

CERTIFICATE OF APPROVAL or RECORDING
 I hereby certify that the subdivision plat shown herein has been forwarded to the appropriate agencies for their review and approval, and that the subdivision plat is in compliance with the requirements of the Crossville Regional Planning Commission, and the City of Crossville, Tennessee, and that the subdivision plat is in compliance with the requirements of the Crossville Regional Planning Commission and the City of Crossville, Tennessee, and that the subdivision plat is in compliance with the requirements of the Crossville Regional Planning Commission and the City of Crossville, Tennessee.

Date Signed: _____
 Secretary of the Crossville Regional Planning Commission: _____

NOTE: Variance granted on _____
 waiting requirements for financial guarantees.

Signature: _____
 Secretary Crossville Regional Planning Commission

WATER LINES

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T. B. Bly
 Signature of City Director of Public Works

SEWER LINES

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ee acceptable to the Crossville Planning
 f \$ See Note has been given to the Planning
 etion of improvements in the case of default

T. B. Bly
 Signature of City Director of Public Works

ING STATE or CITY STREET

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 urrent conditions.

T. B. Bly
 Director of Public Works

ROVAL for RECORDING

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 Commission, and that said plat has
 ording in the Office of Register
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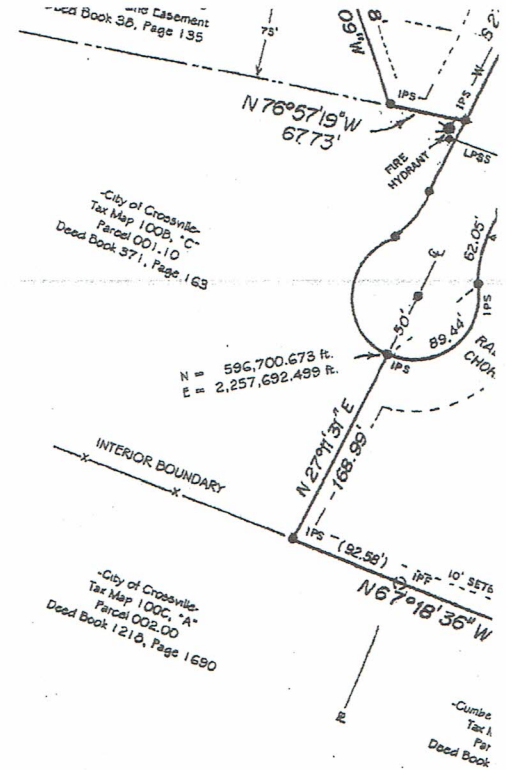
K. Harrison
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 Commission

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 ie Regional Planning Commission

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| T PGS:AL-PLAT 15.00 |
| BATCH: 95831 |
| 12/01/2015 - 02:08 PM |
| VALUE 0.00 |
| MORTGAGE TAX 0.00 |
| TRANSFER TAX 0.00 |
| RECORDING FEE 15.00 |
| DP FEE 2.00 |
| REGISTER'S FEE 0.00 |
| TOTAL AMOUNT 17.00 |
| STATE OF TENNESSEE, CUMBERLAND COUNTY JUDY GRAHAM SWALLOWS REGISTER OF DEEDS |



- REFERENCES:** Lots 7A and 8C=Deed Book 371, Page 638
 Tax Map 100B, Group B, Parcel 001.10
 Lot 8A = Deed Book 513, Page 366
 Tax Map 100B, Group C, Parcel 001.13
 Lot 8B = Deed Book 1020, Page 1773
 Tax Map 100B, Group C, Parcel 001.15

FLOOD PLAIN STATEMENT
 Subject Property (Lots 7A & 8C) are NOT in a Flood Plain (Zone :
 as shown on F.E.M.A. Maps 47035C0307D & 47035C0309D.

Homestead Timber Frames



A True Handcrafted Company

January 15, 2016

List of Employees at HTF at signing of Lease/Purchase of 2.25 acre parcel of city land on Duer Court:

1. Bruce L. Gardner
2. Cynthia A. Gardner

3. Robert Goodman
4. J.C. Jones
5. John Ungerer
6. Micah Seals
7. Richard Most
8. Tim Dennis
9. Jason Simpson
10. Dee Kistner