

LEASE AGREEMENT

This Agreement, made and entered into this 8th day of June, 2005, by and between **David Cahoon**, hereinafter called Lessor, and **The City of Jonesboro**, hereinafter called Lessee, Witnesseth:

1. **Leased Premises.** For and in consideration of the rents, covenants, and agreements herein entered into and agreed upon by the Lessee as obligations to the Lessor, the Lessor lets, leases and demises unto Lessee, subject to the terms and conditions contained herein, the following described property situated in Craighead County, Arkansas: 2140 square feet of professional office space at 519 West Washington Avenue, Jonesboro, Arkansas.

To have and to hold said premises unto the said Lessee for and during the term herein stated, subject to the covenants, terms, conditions and liens herein contained.

2. **Term.** This lease shall commence on June 8, 2005, and shall extend for a term of thirteen (13) months, ending at midnight on June 30, 2006. Further, Lessee shall have the option to renew the said lease for an additional term of one (1) year upon the expiration of this lease agreement with terms consistent with this agreement.
3. **Rent.** Lessee agrees to pay to Lessor as rental for the full term of this lease the sum of \$19,150, payable in 5 installments to be paid on:

June 10, 2005	\$1150.00
July 10, 2005	\$4500.00
October 10, 2005	\$4500.00
January 10, 2006	\$4500.00
April 10, 2006	\$4500.00

4. **Lessor's Repairs.** Lessor shall maintain the exterior walls, doors and roof of the structure upon the leased premises in a reasonable state of repair as may be required to keep and maintain the same in a good and tenantable condition. Further, the Lessor is obligated to keep the interior of the building, including interior wiring, plumbing, and window and door glass in good repair.
5. **Utilities.** Lessor shall be responsible for all utilities. Lessee will furnish its own phone system, Internet and networking.

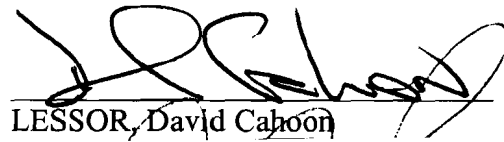
6. Lessee's Repairs. Lessee shall be responsible for any cosmetic changes to the interior of the premises. Lessee shall obtain prior approval from lessor before any changes are made.
7. Lessee shall, at the termination of said lease, leave the interior, including all of the above items, in as good and satisfactory condition as the same was at the beginning of the lease, normal wear and tear expected.
8. Taxes. Lessor shall pay any and all ad-valorem taxes and special improvement district taxes levied and assessed against said premises and the improvements located thereon during the term of this lease.
9. Use. Lessee agrees to use the lease premises for the purpose of operating the Metropolitan Planning Organization, HOME Administration, Transit Administration and Grants. Lessee is to obtain written consent from the Lessor in advance if planning to use premises for any other reason.
10. Payment of Rent. The rent payable hereunder shall be paid to Lessor at 519 W. Washington Ave., Jonesboro AR 72401.
11. Assignment. Lessee shall not assign this lease or sublet the leased premises without prior written consent of the Lessor. Any such assignment or subletting shall in no way relieve Lessee from liability for the obligation imposed by this lease. Lessee may only be released from liability by a specific written release executed by Lessor.
12. Lessee's Default. If Lessee shall be in default as to the payment of rent for a period of thirty (30) days, or as to any other covenant herein provided for more than thirty (30) after receipt of notice from Lessor specifying such default, Lessor shall have the right, without limitation upon any other rights which may be given Lessor by law or by any other provision of this lease agreement, to reenter the leased premises and relet the same as agent for Lessee upon the best terms and conditions reasonable obtainable, and Lessee shall be liable to the Lessor for the difference, if any, between the rent so obtained and the minimum rent stipulated to be paid in this lease. Lessee agrees that in such event it will vacate the leased premises without further notice, and if it becomes necessary to bring any legal action to recover possession, Lessee agrees to pay a reasonable fee for the attorney of Lessor in such action.
13. Non-Waiver. It is agreed that the failure of Lessor to invoke any of the available remedies under this lease or under law in the event of one or more breaches or defaults by Lessee under the lease shall not be construed as a waiver of such provisions and conditions and shall not prevent Lessor from invoking such remedies in the event of any future breach or default.

14. **Holdover.** Lessee hereby agrees that upon the termination of this lease by expiration or by earlier termination for any reason whatsoever, Lessee will peaceably deliver possession of the leased premises to Lessor. In the event Lessee shall be permitted by Lessor to hold over after the expiration or termination of this lease, or any extension thereof, said holding over (in the absence of any written agreement to the contrary) shall be construed as a tenancy from calendar month to calendar month at a monthly rental equal to the rental for the last month paid under this lease. A month-to-month tenancy arising by Lessee's holding over under this paragraph may be terminated by written notice from either party to the other party on or before the day on which any monthly rent is due with termination not becoming effective until the day on which the next following monthly rental would have otherwise become due. In the event it should become necessary for Lessor to institute any action at law to recover possession at the time of termination, whenever and however termination may occur, Lessee agrees that it will pay all costs and expenses of such action, including reasonable attorneys' fees.
15. **Condemnation.** In the event all of the leased premises, or such part thereof as renders the leased premises unsuitable for use in the activity or business of the Lessee, shall be acquired or taken by eminent domain for any public or quasipublic purpose, then the term of this lease shall cease and terminate as of the date of taking.
16. **Risk of Loss.** Lessee shall be solely responsible for losses including but not limited to movables, trade fixtures installed by lessee, furniture, furnishings, and/or other valuables left on the leased premises. The Lessee may elect to acquire and maintain insurance to protect against such losses at its own expense.
17. **Common Areas.** Any parking area or other common areas which Lessor may provide shall be for the joint use of Lessor or Lessee, and the invitees and employees of Lessor or Lessee; and Lessor hereby grants to Lessee the right, during the term of this lease, to use any parking area and other common areas which may be provided in common with others entitled to the use thereof. The use thereof shall be subject to such reasonable regulations or limitations as Lessor shall make or require from time to time.
18. **Compliance with Laws.** Lessee agrees not to violate any law, ordinance, rule or regulation of any governmental authority having jurisdiction of the leased premises.
19. **Trash.** All trash and refuse deposited outside the building must be placed in the garbage receptacles furnished by the City of Jonesboro.
20. **Title and Quiet Enjoyment.** Lessor covenants and warrants that it is the owner in fee simple absolute of the leased premises and may lease said premises a herein provided. Upon payment by Lessee of the rents herein provided and upon the

observance and performance of all the covenants, terms and conditions upon Lessee's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the demised premises for the term hereby demised without hindrance or interruption by Lessor or any other person or persons lawfully or equitably claiming by, through or under Lessor, subject to the terms and conditions of this lease.

21. Succession. This lease agreement shall insure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.
22. Waste. Lessee agrees not to commit waste, nor permit waste to result or to be done to or upon the aforesaid property and premises; not to conduct any business thereon or therein, nor store or permit to be stored thereon or therein any explosives, combustible substances or materials of any nature, which would increase the fire hazard or cause a premium to be charged for insurance higher than that charged for the present use of said property; and not to operate, nor permit to be operated, nor to exist thereon or therein, any public or private nuisance.
23. Severability. Each paragraph of this lease agreement is severable from all other paragraphs. In the event any court of competent jurisdiction determines that any paragraph or sub-paragraph is invalid or unenforceable for any reason, all remaining paragraphs and subparagraphs will remain in full force and effect.
24. Interpretation. This lease agreement shall be interpreted according to and enforced under the laws of the State of Arkansas.
25. Entire Agreement. This lease agreement contains the entire agreement of both parties hereto, and no other oral or written agreement shall be binding on the parties hereto. This lease agreement supersedes all prior agreements, contracts and understandings of any kind between the parties relating to the subject matter hereof. This agreement may be executed in all or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
26. Smoke Free Premises. It is agreed that the leased premises are to be smoke free and that the use of tobacco products of any kind will not be permitted on the premises.
27. Early Termination. Should the City of Jonesboro, Arkansas locate a facility for purchase such that all city services/offices can be consolidated into one location, Lessor agrees to accept a 60 day advance notification of the intent to vacate the leased space. Lessee will not incur a penalty for such proper notification and shall not be subject to further rental payments upon the expiration of the 60 day notice and timely vacating of space.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on this
8th day of June, 2005.


LESSOR, David Cahoon