

LEASE AND SERVICES AGREEMENT

THIS LEASE AND SERVICES AGREEMENT (the “Agreement”) is made and entered into on the _____ day of _____, 2017, by and between **MAAS LEADERS, LLC** (“MAAS”), an Arkansas limited liability company, and **THE CITY OF JONESBORO** (the “City”) upon the terms and conditions contained herein.

WITNESSETH:

WHEREAS, municipalities often use their public transit systems to provide a platform for individuals, businesses, and organizations to advertise and market certain products or services to the general public.

WHEREAS, the City owns and operates the Jonesboro Economical Transit System (“JETS”), which is a public transit system providing fixed route and paratransit services to area residents throughout the City.

WHEREAS, the City has identified specific opportunities for the placement of advertisements on JETS buses, vehicles, structures, and other property (collectively, “Advertisement Placement Area” or “Leased Space”); the Advertisement Placement Area has been specifically set forth in Exhibit “A” of this Agreement.

WHEREAS, MAAS is a Jonesboro-based business providing advertising, marketing, and public relations services for people, businesses, and other entities in and throughout the State of Arkansas.

WHEREAS, MAAS desires to lease and license the Advertisement Placement Area from the City and City desires to lease said Advertisement Placement Area to MAAS subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and other consideration contained in this Agreement, the delivery and sufficiency of which is acknowledged, the parties agree as follows:

1. Leased Advertisement Placement Area. The City hereby leases and licenses to MAAS the exclusive use and rights to the Advertisement Placement Area for the purposes of this Agreement. In addition to the areas described in Exhibit “A,” the parties may amend and modify this Agreement to add additional opportunities for advertisement placements as they become known. Any and all amendments to this Agreement must be in writing and approved by the parties.

2. Term. This Agreement shall run on a two year term commencing on _____, 2017 (the “Commencement Date”) with its initial term expiring on _____, 2019. Upon the expiration of any term the Agreement shall be automatically extended for an additional two year term unless one party provides to the other ninety (90) days’ prior written notice of its intent not to renew. There shall be no limit on the number additional terms.

3. Exclusive Service Provider. The City agrees that MAAS shall be the exclusive service provider for the City for the sale, creation, license, placement or mounting of advertising

on the Leased Space. The City agrees that it shall not, either directly or indirectly, contract with any other person, entity, or organization for such purposes nor provide these services itself. Additionally, the City agrees, if received, to refer all advertising inquiries related to the Leased Space to MAAS.

4. Rental.

4.1 Revenue Sharing. In consideration for the lease of the Advertisement Placement Area, MAAS shall pay to the City forty-five percent (45%) of its actual receipts from customers for the display of advertisements in the Leased Space net of any refunds issued to advertisers based on the City's failure to perform under this Agreement (the "City Share"). Provided, however, that gross receipts (sales) or similar taxes shall not be considered for the purposes of calculating the City Share.

4.2 Payments. On or before the fifteenth (15) day of each calendar month, MAAS shall calculate and remit to the City the City Share together with a report evidencing the receipts and the calculation for the preceding calendar month. The City may, upon reasonable notice, inspect or audit MAAS's books and accounts related to revenue derived from the sale of advertisements the subject of this Agreement.

5. MAAS's Duties. Except as otherwise specified in this Agreement, the duties and obligations of MAAS include the following:

5.1. Advertisement Sales. MAAS shall use its reasonable best efforts to sell, promote, and secure advertising contracts for valuable consideration, including by marketing the availability of the advertisement space in appropriate media. MAAS will enter into a contractual relationship with each advertiser on terms and conditions it deems reasonable and necessary prior to placing any advertisements.

5.2 Advertisement Rates. MAAS shall establish all advertisement rates for the Leased Space.

5.3 Advertisement Production & Placement. Subject to the limitations set forth in Paragraph 7, MAAS shall be responsible for the production, development or acquisition of the physical advertising media or graphics; the placement of the media or graphics onto the appropriate substrate; and for affixing the final advertisement panels.

6. City's Duties. Except as otherwise specified in this Agreement, the duties and obligations of the City include the following:

6.1. Marketing. The City agrees to use its best efforts to market the Leased Space for advertising purposes to prospective advertisers; this specifically includes (subject to all applicable laws) the advertisement of the availability of the advertisement spaces on social media and any public access media. The City agrees that the Mayor will draft a letter explaining the nature of the project and providing information of the specific advertising opportunities. Additionally, the City agrees to provide, at minimum, information on advertising opportunities on its webpage and the JETS's webpage; the City agrees to include a link from its webpage and the JETS's webpage to MAAS's website that allows prospective advertisers to obtain additional information about

advertising opportunities. The City further licenses to MAAS the use of the JETS and City logo for the use in promotional materials or other advertisements.

6.2 JETS Property. The City shall be responsible for maintaining all JETS buses or vehicles, JETS structures, JETS space, or other JETS property in a clean and operating manner. If there is an advertisement placed on any JETS bus or vehicle, JETS structure, JETS space, or other JETS property that is no longer operating or otherwise in use for a period over five (5) days, the City agrees to notify MAAS. In the event that the JETS property is not returned to its ordinary and working condition within ten (10) days of such notice, MAAS, at its sole discretion, may issue refunds to any advertiser based on the City's failure to perform under this Agreement.

6.3 Speed Frames. The City agrees to provide, install and maintain Speed Frames for each advertising position identified in Exhibit "A". The City shall promptly repair or replace any defective or damaged Speed Frame.

6.4 Access to City Property. The City agrees to provide reasonable access to property owned by the City in order for MAAS or its designees to affix final advertisement panels or conduct any other activity as required to effectuate the purpose of this Agreement.

7. Prohibited Advertisements. The City shall approve all advertisements placed on any Leased Space. Prior to the final production of any advertisement, MAAS shall provide a draft of the proposed advertisement to the City for its approval or rejection. All drafts of proposed advertisements shall be sent to the JETS director. The City shall either accept or reject the advertisement within three (3) business days after receiving the draft of the proposed advertisement. Further, only advertisements for goods and services saleable in commerce or which promote commercial or economic activity will be allowed on any Leased Space. Attached as Exhibit "B" to this Agreement is a list of prohibited advertisements.

8. Vandalism. The City agrees to use its best efforts to protect and preserve any the Leased Space or property used in connection with this Agreement from vandalism or defacement. If vandalism occurs, the parties agree to work in good faith to rectify any issues related to the vandalism. In the event of multiple acts of vandalism leaving more than twenty percent (20%) of advertisement placements defaced, destroyed or unusable at any particular time, the parties shall share equally in the cost of replacing the advertisements on the Leased Space, unless the vandalism resulted from neglect of the City or a City employee in which case, the City shall bear full responsibility for replacing the advertisements.

9. Default/Remedies/Termination.

9.1 Default & Remedies. If a party defaults in the performance of any of the covenants, terms, conditions or provisions of this Agreement, including nonpayment of rent, and after written notice from the other party, fails to cure such default within twenty (20) days after receipt of such notice (or fails to cure with due diligence if the default is of such nature as to require more than 20 days to cure), then the non-defaulting party may, at its option, either (a) terminate this agreement after providing written notice to the defaulting party; or (b) with prior written notice to the defaulting party, perform the same

for the account of the defaulting party and any amount paid or expenses incurred by the non-defaulting party in the performance thereof shall be assessed against the defaulting party. All rights and remedies of the non-defaulting party herein created or otherwise extending at law are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other.

9.2 Effect of Termination. In the event of nonrenewal or termination of this Agreement all advertising contracts entered by MAAS prior thereto shall be honored and fulfilled during the term thereof and the Parties shall share receipts from these contracts in accordance with this Agreement shall be entitled to its share of the actual receipts from the sales of advertisements in the Leased Space received after the effective date of termination.

10. Authorization. The City represents and warrants that it has obtained all necessary approvals and is duly authorized to enter into this Agreement.

11. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Arkansas.

12. Severability. In the event that any provision of this Agreement shall be held to be illegal, invalid, or unenforceable for any reason, said illegality, invalidity, or unenforceability shall not affect the remaining provisions, but shall be fully severable, and the Agreement shall be construed and enforced as if said illegal, invalid, or unenforceable provisions had never been inserted herein.

13. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement and shall have the same effect as if all the parties hereto had executed a single document. The parties may exchange signature pages by facsimile or electronically which shall constitute true, correct, and binding originals.

14. Binding Effect. The Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

15. Assignment. MAAS shall have the ability to assign this Agreement, in whole or in part, after obtaining written consent to the assignment from the City.

16. Joint Preparation. The Agreement was jointly drafted and prepared by the parties and no presumption, either in favor or against any party, shall be deemed to exist with respect to the interpretation of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Lease and Services Agreement as of the date and year first above written.

THE CITY OF JONESBORO

MAAS LEADERS, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____