

# Commercial Lease

Page 1 of 6

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Form Serial Number: **081GLM-8N7CUM-0Q1301**

This Commercial Lease is made this (month) May (day) 20, (year) 2010, between Lakeside Contractors, LLC who, whether one or more, will hereinafter be designated as Lessor, and City of Jonesboro/JETS who, whether one or more, will hereinafter be designated as Lessee.

Lessor leases to Lessee the following described Property:

Lot 2 of Meadows first replat of Meadows addition; a replat of part of block 2 Wilson 2nd AND Tract A - part of the NE 1/4 of the SW 1/4 of Section 13, Township 14N, Range 3E, Craighead County, City of Jonesboro, AR; as shown on attachment

The term of this Commercial Lease is Eighteen (18) months, commencing on (month) January (day) 1, (year) 2011, at 12:00a.m. a.m./p.m. and ending on (month) June (day) 30, (year) 2012, at 5:00 p.m. a.m./p.m.

The Lessee agrees to pay the Lessor the following rental, to-wit:

☒ Base Rent: \$2,000<sup>00</sup>/month / \$36,000 Term ☐ Percentage Rent: \_\_\_\_\_  
PER MONTH / TOTAL FOR TERM

☐ Common Area Maintenance Contribution: \_\_\_\_\_

☐ Real Estate Tax Contribution: \_\_\_\_\_

☐ Property Insurance Contribution: \_\_\_\_\_

☐ Merchant Association Dues: \_\_\_\_\_

☒ Deposit in the amount of \$0.00 which will be tendered directly to Lessor, it being agreed by Lessee and Lessor that agent shall not hold such funds. Said Deposit will be returned to Lessee upon expiration of this Commercial Lease if Lessee follows all terms of this Commercial Lease and if the Property is returned to Lessor in the same condition as it was received, less reasonable wear and tear.

☐ Other: \_\_\_\_\_

Lessee agrees to pay the rental in monthly installments, in advance, on the First day of each month. The payments are to be made to Lakeside Contractors, LLC, P.O. Box 5036, Jonesboro, AR 72403 or to such other place as the Lessor may designate. Any installment of rent that is not paid when due shall be subject to a late charge of Five % of the monthly rent if the rent has not been paid before the Fifth day of the month. Any such late charge shall be considered additional rent.

The parties hereto covenant as follows:

**1. RENT:** Lessee will promptly pay the stipulated rental in advance at the place designated.

# Commercial Lease

John White Real Estate

Page 2 of 6



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## 2. USE:

(a) The Property will be used by the Lessee only for the following lawful purpose, to-wit:

General transit/transportation business to include all applicable office uses, repair and maintenance of vehicles, storage of vehicles and parts, storage of revenue related equipment, fuel storage and dispensing, and other transit/transportation related business.

and for no other purpose;

(b) Lessee will not do, or permit anything to be done, in, upon or about the Property that increases the fire hazard beyond that which exists by reason of the ordinary use or occupancy of the Property for the purpose specified in Paragraph 2 hereof. Lessee agrees to pay to Lessor, on demand, any increase in fire insurance premiums on the building and improvements that Lessor may have to pay because of Lessee's use or occupancy of the Property. Lessee will not do, or permit to be done, anything that will make uninsurable the Property or any part thereof;

(c) Lessee will not do, or permit to be done, anything in, about or upon the Property that interferes with the rights of or tends to annoy other tenants of Lessor, that conflicts with the State or Municipal laws or regulations of the Fire Department or Arkansas Department of Health, that creates a nuisance, or that is dangerous to persons or property.

**3. NUISANCE:** Lessee acknowledges that should any nuisance abatement or similar proceeding be commenced or threatened against Lessor, Lessee, or the Property by any municipal, county, state or federal nuisance abatement board or enforcement entity, wholly or partially resulting from the action or inaction of Lessee or guests of Lessee in, on or about the Property, such action or inaction shall constitute a material breach of this Commercial Lease by Lessee entitling Lessor to all available remedies set forth in this Commercial Lease or by applicable laws.

**4. ASSIGNMENT OR SUBLETTING:** Lessee shall not have the right to assign this Commercial Lease or sublet any part of the Property without the written consent of the Lessor first endorsed hereon. If Lessor consents to an assignment or subletting, the Lessee shall remain liable for payment of the specified rental and the due performance of all the agreements and conditions herein. Consent to one or more assignment or sublease shall not waive the provisions of this paragraph as to future attempts to assign or sublease.

**5. SUCCESSORS:** Lessor's interest in this Commercial Lease shall pass to and vest in Lessor's heirs, devisees, successors and assigns.

**6. ALTERATIONS AND IMPROVEMENTS:** Lessee will not make any alterations, changes or improvements without Lessor's prior written consent. If consent is given, then the cost of such alterations, changes or improvements shall be paid by Lessee. Lessor shall have the right to require Lessee to provide a bond for any liens placed on the Property. Upon the termination of this Commercial Lease, Lessor shall have the right to retain the Property as altered, changed or improved by Lessee, or Lessor may require the Lessee to restore the Property to the conditions existing as of the date Lessee went into possession of the Property under the terms of this Commercial Lease. In the event any changes, alterations or additions to the Property are required by law, ordinance, regulation, Fire Department, Arkansas Department of Health, Americans With Disabilities Act, or the Environmental Protection Agency, then the cost of such changes, alterations or additions shall be paid by the Lessee.

# Commercial Lease

John White Real Estate

Page 3 of 6



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Association

Form Serial Number: **081GLM-8N7CUM-0Q1301**

**7. OPERATING EXPENSES:** Operating expenses of the Property shall be paid by Lessor unless otherwise noted below. The Lessor will pay the taxes assessed against the real Property and the improvements thereon, and will keep the outside walls and roof in repair, provided however, that the Lessee will never be held liable for damages for failure to repair the roof or outside walls unless any gross negligence has occurred by Lessee. Lessor is to have exclusive use of the roof. In the event the walls should so deteriorate as to require rebuilding, or if the cost of repairing the outside walls or the roof should exceed 100 % of the value of improvements, the Lessee shall have the right to terminate this Commercial Lease on giving thirty (30) days notice to the Lessor. The Lessor will pay the premium for property insurance on the Property. Such premium shall be the cost of property insurance covering not less than Eighty (80 %) percent of the replacement value of the Property. Such property insurance policy shall name Lessor as an insured party. Any proceeds from any insurance claim shall be paid to Lessor. Lessee will keep the Property, including plumbing, water tower, parking area, sidewalks, sewer lines, water pipes, gas pipes, and electric wiring in repair throughout the term of this Commercial Lease. Lessee will pay for the repair and maintenance of the heating, ventilating, and air conditioning equipment and ducts. Lessee will pay for the replacement of the heating, ventilating and air conditioning equipment as needed. The floors, fixtures and plate glass, including storefront doors, will be repaired or replaced as needed by Lessee. Lessee will pay as additional rent, any tax on rents that may from time to time be assessed by a governmental body. Lessee will pay for janitorial and extermination services. Lessee will pay all utility bills, including the sanitary sewer tax that accompanies the monthly water bill except for \_\_\_\_\_. Upon the expiration of this Commercial Lease, in course or by breach of any of its provisions, Lessee will restore the Property to Lessor in as good condition as when possession was taken by Lessee, ordinary wear and tear excepted.

**8. SIGNS:** No sign, picture or advertisement shall be displayed on any part of the outside of any building on the Property or on or about the Property without the previous consent in writing of the Lessor, and the Lessor may remove the same without notice to the Lessee and at Lessee's expense. Upon termination of this Commercial Lease, Lessee will remove any sign, advertisement or notice painted on or affixed to the Property and restore the place it occupied to the condition that existed as of the date this Commercial Lease takes effect.

**9. HOLD HARMLESS:** Lessee assumes all risk of and liability for damages to persons or property arising during the term of this Commercial Lease from the present or future condition of the Property, including walls and roof, both latent and manifest, and agrees to save the Lessor harmless. Lessee has inspected and accepts the space in "as is" condition.

**10. PROPERTY, FIRE AND CASUALTY:** In the event of a substantial destruction (substantial destruction as herein used means destruction that will cost Eighty (80 %) percent or more of the value of the improvements prior to destruction to restore such improvements) of the Property by fire, cyclone, or act of God, this Commercial Lease may be terminated on notice from the Lessee to the Lessor, or Lessor may elect to rebuild for the use of the Lessee, and in that event Lessor shall notify Lessee within sixty (60) days after said destruction, and shall then proceed with all reasonable diligence, delay due to adjustment of insurance loss and other unavoidable delays excepted, to restore the Property; and this Commercial Lease shall continue in full force and effect, except that, as the sole and exclusive remedy of the Lessee, there shall be a proportionate abatement of the rent payable by the Lessee during the time the Property is untenable or in part untenable. In the event of a partial destruction (partial destruction as herein used means destruction that will cost less than Eighty (80 %) percent of the value of the improvements on the Property prior to destruction to restore such improvement) of the Property by fire, cyclone, or act of God, the Lessor will repair said Property for the use of the Lessee, and this Commercial Lease shall continue in full force and effect, except that, as the sole and exclusive remedy of the Lessee, there shall be proportionate abatement in the rent payable by the Lessee during the time the Property is untenable or in part untenable.

# Commercial Lease

John White Real Estate

Page 4 of 6



Copyright  
**2010**  
Arkansas  
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Association

Form Serial Number: **081GLM-8N7CUM-0Q1301**

**11. HOLDING OVER:** This Commercial Lease shall not be renewable except by written agreement between Lessor and Lessee. Should Lessee be allowed to remain in possession of the Property after termination of this Commercial Lease, either in course or by reason of the breach of any of its provisions by the Lessee, or should Lessor accept any rent after such termination, neither the remaining in possession nor the acceptance of the rent shall be deemed a renewal of this Commercial Lease or a tenancy from year to year, but on the contrary, the status of the Lessee shall be deemed that of a tenant at will, and the Lessee will immediately vacate the Property upon being notified to do so by the Lessor. On termination of this Commercial Lease in course Lessee agrees to surrender possession of the Property without demand. Failing to do so, Lessee will, in addition to the damages generally recoverable, be liable to Lessor for all damages Lessor may sustain, including claims made by any succeeding tenant against Lessor which are founded upon delay or failure in delivering possession of the Property to the succeeding tenant.

**12. CONTINUOUS OCCUPANCY:** Lessee will not permit the Property to remain vacant or unused for the purposes for which leased for more than thirty (30) consecutive days without written consent of the Lessor.

**13. RIGHTS OF MORTGAGEE:** The Lessor hereby subordinates this Commercial Lease to any mortgage, deed of trust or encumbrance that the Lessor may have placed, or may hereafter place, on the Property. Lessee agrees to execute Estoppel documents on demand and any instrument that may be deemed necessary or desirable to render such mortgage, deed of trust or encumbrance, whenever made, superior and prior to this Commercial Lease.

**14. BREACH OF AGREEMENT:** In the event of a breach of any of the terms or conditions hereof by Lessee, Lessor may (a) take possession of the Property and lease the same for the account of the Lessee upon such terms as may be acceptable to Lessor, and apply the proceeds received from such leasing, after paying the expenses thereof, toward the payment of the rent that the Lessee herein is obligated to pay and collect the balance thereof from the Lessee; or (b) to take possession of the Property and collect from Lessee all damages sustained by reasons of such breach; or (c) to pursue any remedy or remedies that may be available at law or in equity. Should bankruptcy, insolvency, or receivership proceedings of any kind be instituted by or against Lessee, or any one of the Lessees if more than one are included in the designation "Lessee" herein, or should Lessee's interest in this Commercial Lease, or the interest of any one of the Lessees, if more than one are included under the designation "Lessee" herein, devolve or pass by operation of law to any other person or corporation, then, at the option of Lessor, that shall be considered a breach of the terms and conditions of this Commercial Lease, and Lessor may pursue the remedies provided for in this Paragraph 14.

**15. LANDLORD'S LIEN:** As security for the rent herein provided for, and as security for the payment of all damages that may be sustained by Lessor in the event there is a breach of any of the terms hereof by Lessee, the Lessor shall have a lien on all the furniture, fixtures and other personal property, excepting merchandise carried in stock for sale, which may be brought into or upon the Property. The Lessor shall have the power to sell such furniture, fixtures, and other personal property at a public sale, and to apply all amounts realized therefrom to the payment of the accrued rentals or to the claim or claims of Lessor for damages. Before making such sale, Lessor shall publish a five (5)-day notice thereof by one insertion in a daily newspaper published in the City/County of Jonesboro/Craighead, Arkansas; such sale is to be for cash; Lessor may bid thereat as any third person might do; and Lessee hereby waives any and all rights of redemption granted by the laws of Arkansas.

**16. TIME IS OF THE ESSENCE:** Time is of the essence of each of the agreements and conditions herein to be performed by the Lessee. Further, all times and dates set forth in this Commercial Lease refer to Arkansas Central time and date. The failure of Lessor to insist upon performance of any of the agreements and conditions herein in any one or more instances shall not be waiver of the right thereafter to insist upon full and complete performance of such agreements and conditions. Receipt by the Lessor of rent with knowledge of the breach of any of the agreements and conditions hereof shall not be deemed a waiver of such breach.

**17. NOTICE:** All notices required and given between the parties of this Commercial Lease shall be given in writing to the Lessor at the Lessor's office located at P.O. Box 5036, Jonesboro, AR 72403 and to the Lessee at the described Property.

# Commercial Lease

John White Real Estate

Page 5 of 6



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**18. RELETTING:** Lessor may place a "for lease" sign or signs on the Property during the last thirty (30) days this Commercial Lease is in force.

**19. CONDEMNATION:** If the Property be subjected to any eminent domain proceedings, this Commercial Lease shall terminate if all of the Property is taken or if the portion taken is so extensive that the residue is wholly inadequate for Lessee's purposes, as set out in Paragraph 2 hereof. If the taking be partial, then Lessee's rentals shall be reduced in the proportion that the space taken bears to the space originally leased. In such condemnation proceedings Lessee may claim compensation for the taking of any removable installations that by the terms of this Commercial Lease Lessee would be permitted to remove at the expiration of this Commercial Lease, but Lessee shall be entitled to no additional award, it being agreed that any damages allocable to full fee simple ownership of the entire Property shall in any event be payable to Lessor.

**20. LESSOR'S RIGHT OF ENTRY:** Lessor may at any time enter the Property for inspection purposes.

**21. AGENCY DISCLOSURE:** The subparagraph(s) selected below shall represent the agency relationships reflected in this Commercial Lease Agreement:

☒ **A. Lessor Agency:** When the Lessee is not represented by a separate agent, the only agency in effect is that between Lessor and the agent.

☐ **B. Lessee Agency:** Lessor authorizes the Lessor's agent to pay from the Lessor Agent's leasing fee a share deemed competitive by the agent, to \_\_\_\_\_ as agent of the Lessee.

☐ **C. Dual Agency:** The Lessor and the Lessee agree that John White Real Estate \_\_\_\_\_ may represent both parties in this transaction to lease the Property to the Lessee subject to an agency agreement or similar representation agreement with the named agent. Should this situation arise the Lessor and the Lessee agree to the following:

- (a) The agent shall not disclose to the Lessee or Lessor any personal, financial or other confidential information about the other party without that party's express written consent. This restriction excludes information related to material property information that is known to the agent and other information that must at the agent's discretion be disclosed.
- (b) The Lessee acknowledges notification that when the agent represents both parties, a possible conflict of interest can arise; and under this agreement the Lessee and Lessor agree to forfeit their right to receive the undivided loyalty of the agent, provided that the Lessee has also agreed, under its agreement with the agent, to forfeit their right to receive the undivided loyalty of the agent. It is understood, however, that the agent is obligated to treat each party fairly and equitably.
- (c) The Lessee and Lessor agree to waive any claim now or hereafter arising out of the agent's representing both parties.

**22. FAIR HOUSING:** Lessee agrees that Lessor will provide equal service to all persons regardless of race, color, religion, sex, national origin, handicap, or familial status. Additionally, Lessee agrees that the Lessor and Lessee must comply with all state and federal laws while performing this Commercial Lease.

# Commercial Lease

John White Real Estate

Page 6 of 6



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**23. ENTIRE AGREEMENT AND LIMITATION OF WARRANTIES:** Lessee has examined the Property herein leased and accepts it in the condition in which it is at present. Lessee agrees that no representation or warranty or agreement has been made by the Lessor or any agent of the Lessor that is not herein expressed.

**24. SPECIAL CONDITIONS:**

a) Lessee may install signage per paragraph 8 of this Lease that meets Lessor's approval, which will not be unreasonably delayed or withheld.

**25. COUNTERPARTS:** This Commercial Lease may be executed in multiple counterparts each of which shall be regarded as an original hereof but all of which together shall constitute one in the same.

THIS IS A LEGALLY BINDING AGREEMENT WHEN SIGNED BY THE PARTIES BELOW. READ IT CAREFULLY. YOU MAY EMPLOY AN ATTORNEY TO DRAFT THIS FORM FOR YOU. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY PART, CONSULT YOUR ATTORNEY BEFORE SIGNING. REAL ESTATE AGENTS CANNOT GIVE YOU LEGAL ADVICE. THE PARTIES SIGNED BELOW WAIVE THEIR RIGHT TO HAVE AN ATTORNEY DRAFT THIS FORM AND HAVE AUTHORIZED THE REAL ESTATE AGENT(S) TO FILL IN THE BLANKS ON THIS FORM.

THIS FORM IS PRODUCED AND COPYRIGHTED BY THE ARKANSAS REALTORS® ASSOCIATION. THE SERIAL NUMBER BELOW IS A UNIQUE NUMBER NOT USED ON ANY OTHER FORM. THE SERIAL NUMBER BELOW SHOULD BE AN ORIGINAL PRINTING, NOT MACHINE COPIED, OTHERWISE THE FORM MAY HAVE BEEN ALTERED. DO NOT SIGN THIS FORM IF IT WAS PREPARED AFTER DECEMBER 31, 2010.

**FORM SERIAL NUMBER: 081GLM-8N7CUM-0Q1301**

The above Commercial Lease is executed on  
(month) June (day) 4, (year) 2010, at 9:00 AM (a.m.)(p.m.).

Signature: [Signature]

Printed Name: Lakeside Contractors, LLC  
**Lessor**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_  
**Lessor**

Signature: [Signature]

Printed Name: John M. White  
**Lessor's Principal or Supervising Broker**

Signature: [Signature]

Printed Name: Gregory L Morris  
**Lessor's Agent**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_  
**Lessee**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_  
**Lessee's Principal or Supervising Broker**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_  
**Lessee's Agent**

\_\_\_\_\_  
Lessee's address other than leased premises