



Walker-Alley & Associates, LLC
REAL ESTATE RESOURCES

May 22, 2008

Mr. Phillip Crego, Esq.
City Attorney
410 W. Washington Avenue
Jonesboro, AR 72401

Dear Mr. Crego,

Please find enclosed three (3) originals of the Real Estate Contract for the sale of property at 101 South Floyd Street, Jonesboro, Arkansas from CenterPoint Energy Resources Corp. to The City of Jonesboro.

Upon acceptance of this contract please return one copy to me, forward one to Lenders Title, and retain one for your records. Please also provide contact information for Lenders Title and we will provide abstracts and the information to assist them in their title search and closing the transaction.

Please do not hesitate to contact me should you have any questions on this matter.

Sincerely,

WALKER-ALLEY & ASSOCIATES

Paul Draper
Director, Sales & Leasing

Enclosures



REAL ESTATE CONTRACT

This REAL ESTATE CONTRACT (the "Agreement") is entered into by and between **CENTERPOINT ENERGY RESOURCES CORP.**, a Delaware corporation ("Seller"), and **THE CITY OF JONESBORO, ARKANSAS**, a municipal corporation ("Buyer").

Subject to all the terms and conditions hereof, and in consideration for the mutual and separate covenants, warranties, representations, Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by Buyer and Seller, it is agreed:

1. Real Estate. Seller shall sell and Buyer shall buy all of Seller's right, title and interest in and to that tract of real property, located in the City of Jonesboro, Craighead County, Arkansas, with a legal description of:

Pt Lot 4 65 x 250 Pt Lot 5, NE NE SW 65x508, commonly known as 101 South Floyd Street

(the "Real Property"), together with all easements, tenements, appurtenances and hereditaments now or hereafter contained in, belonging to or in any way pertaining to or beneficial thereto (collectively, the "Premises"), without warranty or representation as to the existence or ownership of any mineral or other sub-surface rights.

2. Purchase Price; Deposit.

(a) The total purchase price to be paid by Buyer to Seller for the Premises on the Closing Date shall be Seventy Thousand and No/100 United States Dollars (\$70,000.00)(the "Purchase Price"). Lenders Title Company, 2207 Fowler Avenue, Jonesboro, Arkansas 72401, Attn: Danon Fisher (the "Title Company") shall be the closing agent for the sale and the closing of escrow (collectively, the "Closing"). The Purchase Price shall be paid to the Title Company by cashier's check or wire transfer.

(b) Within a reasonable time, not to exceed twenty (20) days after the date this Agreement has been executed by Buyer and Seller (the "Effective Date"), Seller shall deliver to Buyer a preliminary version of the Commitment (defined below).

3. "AS IS" Premises. Buyer acknowledges it shall have an opportunity to inspect the Premises prior to Closing, and accepts it in "AS IS, WHERE IS, WITH ALL FAULTS CONDITION." SELLER MAKES NO REPRESENTATIONS, WARRANTIES OR COVENANTS OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY, CONDITION, SUITABILITY, HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ENVIRONMENTAL/ECOLOGICAL CONDITION OF THE PREMISES. BUYER CERTIFIES BUYER SHALL INSPECT THE PREMISES AND IS NOT RELYING UPON ANY WARRANTIES, REPRESENTATIONS OR STATEMENTS OF SELLER AS TO THE

QUANTITY OF LAND, AREA OF ANY IMPROVEMENTS OR CONDITION OF THE PREMISES. Buyer hereby releases Seller, and shall indemnify and hold harmless Seller from and after the Closing Date from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or in connection with the condition of the Premises.

4. Feasibility Period. Buyer shall have thirty (30) days from the Effective Date of this Agreement (the "Feasibility Period"), to determine the feasibility of Buyer's purchase of the Premises. At any time through and including 11:59 p.m. on the last day of the Feasibility Period, Buyer may, in Buyer's sole discretion, cancel this Agreement upon written notification to Seller. Upon notification of cancellation, except as specifically set forth in Section 5 of this Agreement, Buyer and Seller shall have no further obligation to the other pursuant to this Agreement. If Buyer fails for any reason to provide written notification to Seller prior to the end of the Feasibility Period, then Buyer shall be deemed to have accepted the Premises and shall have waived any right to object to the feasibility of the Premises for any reason.

5. Inspection of Premises. At any time during the Feasibility Period, at Buyer's sole expense, Buyer or its authorized third party professionals may enter upon the Premises for the purpose of making inspections, studies, tests and reports with respect to the Premises (collectively, the "Inspections"). Buyer shall defend, indemnify and hold Seller harmless from any and all claims or liabilities arising from or related to the Inspections. This covenant of Buyer to indemnify Sellers from any claims arising from the Inspections shall expressly survive Closing or the earlier termination of this Agreement.

6. Closing; Possession. The Closing shall take place at the offices of the Title Company, such date not to be later than thirty (30) days after the Effective Date (the "Closing Date"). The Closing shall take place pursuant to a closing insured by the insurance company referenced in the Commitment (as described in Section 7 of this Agreement), such closing protection to be paid for by Buyer (not to exceed \$50.00). Seller shall deliver possession of the Premises to the Buyer on the Closing Date, and Seller shall convey to Buyer insurable title to the Premises, both title and possession being expressly subject to the Permitted Exceptions (defined below).

7. Title Insurance. Seller shall obtain a title commitment issued by Title Company, as agent of Lawyers Title Insurance Company, for a current 2006 ALTA Form Owner's title insurance policy, in an amount equal to the Purchase Price, showing insurable title to the Premises in the Seller (the "Commitment"), subject to the following items (collectively, the "Permitted Exceptions"):

- (a) general real estate taxes for the year in which the Closing Date occurs;
- (b) special improvement district taxes for the year in which the Closing Date occurs;

(c) all governmental laws, codes, ordinances, recorded instruments and restrictions now or hereafter in effect so far as may affect the Premises or any part thereof, including without limitation land use or zoning matters (and amendments and additions relating thereto);

(d) all encroachments and possessory interests which are discovered or are discoverable by either visible inspection of the Premises, or an ALTA survey; and

(e) such other exceptions to title as shall be mutually agreed to by Buyer and Seller, such agreement not to be unreasonably withheld.

Buyer shall pay the cost of the Commitment and the owner's title insurance policy, which will be issued in connection therewith after the Closing. Seller warrants, represents and covenants, between the date Seller executes this Agreement and the Closing Date, Seller shall not willfully create or suffer any unpermitted exceptions to title on the Premises.

8. Closing Documents. At Closing, Seller shall convey to Buyer insurable title to the Premises, in fee simple absolute and in "AS IS, WHERE IS, WITH ALL FAULTS" condition, by Special Warranty Deed, subject to the Permitted Exceptions. At Closing, Seller shall also deliver to Buyer or the Title Company all matters required by the Commitment for the issuance of the owner's policy of title insurance; and all other documents and performances necessary to be furnished hereunder. At Closing, Buyer shall deliver the balance of the Purchase Price to Seller, and all other documents and performances necessary to be furnished hereunder.

9. Warranties. Seller represents, warrants and covenants to Buyer the following are believed to be true and correct, to the best knowledge of persons employed by Seller with familiarity of the Premises (deemed amended by any knowledge of Buyer discovered or discoverable prior to the Closing Date pursuant to the allowed right to enter and inspect) as of the date hereof:

(a) Seller has insurable title to the Premises; free and clear of liens (other than liens to be satisfied by Seller upon the Closing Date) and subject to the Permitted Exceptions;

(b) Seller has all requisite capacity and legal authority required by law to enter into, legally bind and consummate the transaction contemplated by this Agreement;

(c) The execution, delivery and performance by Seller of this Agreement does not and will not contravene or constitute a default under any provision of applicable law or regulation or of any agreement, judgment, injunction, order, decree or other instrument binding upon Seller or result in the creation of any lien or other encumbrance of any asset of Seller, except as herein provided; and

(d) There is no action, suit or proceeding pending or, to the Seller's knowledge threatened, against or affecting the Seller, the Premises or any portion thereof, in any court or before any arbitrator or before or by any governmental or self-regulatory agency that could affect the ability of Seller to consummate the transaction contemplated by this Agreement.

(e) Seller shall provide to Buyer, to the extent in existence, any written document in actual possession of Seller regarding: (i) the environmental condition of the Premises, and (ii) any written notices or citations issued within the ten (10) years prior to the Effective Date alleging noncompliance of the Premises with applicable laws.

Buyer represents, warrants and covenants to Seller the following are true and correct as of the date hereof and shall be true and correct as of the Closing Date:

(i) Buyer has all requisite capacity and legal authority required by law to enter into, legally bind and consummate the transaction contemplated by this Agreement;

(ii) The execution, delivery and performance by Buyer of this Agreement does not and will not contravene or constitute a default under any provision of applicable law or regulation or of any agreement, judgment, injunction, order, decree or other instrument binding upon Buyer or result in the creation of any lien or other encumbrance of any asset of Buyer, except as herein provided;

(iii) No consent or approval is required to be obtained from and no action needed to be taken by or document filed with any judicial, governmental or self-regulatory agency or instrumentality in connection with the execution, delivery and performance of this Agreement or if any such action is required, the same has been or will be duly taken prior to the Closing and at the Closing will be in full force and effect and will constitute valid and sufficient consent or approval therefor;

(iv) There is no action, suit or proceeding pending or to the Buyer's knowledge threatened (nor to the knowledge of the Buyer is there any basis therefor), against or affecting the Buyer in any court or before any arbitrator or before or by any governmental or self-regulatory agency that could affect the ability of Buyer to consummate the transaction contemplated by this Agreement; and

(v) Buyer is not relying upon any warranty, representation, statement (written or oral) or other information obtained by Seller or any agent, employee, independent contractor or other person purporting to represent Seller, solely except as set forth in Section 9 (a-d) above, regarding the Premises and, in addition, if Buyer proceeds to complete acquisition of the Premises, such act shall release Seller with regard to any fact, circumstance, condition or other matter pertaining to the Premises, Buyer having had adequate opportunity to perform all investigations, testing or analysis of the Premises prior to such acquisition, the provisions of this sub-paragraph 9 (v) to expressly survive consummation of this Agreement.

10. Damage or Destruction; Condemnation. The risk of loss or damage to the Premises by fire or other casualty, including without limitation war, terroristic act, flood, earthquake, tornado or act of God, until the execution of the Special Warranty Deed by Seller is specifically and absolutely assumed by Seller.

If any part or all of the Premises is taken by power of eminent domain by other than Buyer, Seller shall have the option to: (i) terminate this Agreement and neither party shall have any further obligation to the other hereunder; or (ii) complete the transaction contemplated by this Agreement and assign to Buyer all condemnation or eminent domain awards, payments or rights otherwise belonging to Seller in connection therewith.

11. Closing Expenses. In addition to the obligations specified previously in this Agreement, the expenses of this transaction shall be paid as follows:

(a) Buyer shall pay for the preparation of all documents to be furnished by Buyer, and for all closing or escrow costs incurred in connection with the Closing, including without limitation payment of all revenue stamps required to be affixed to the deed and recording the deed, limited to ten percent (10%) of the Purchase Price.

(b) Adjustments as to: (a) real estate taxes and special assessments for the year in which the Closing Date falls; (b) water and sewer charges; (c) gas, electricity and other utility charges not billed directly to Seller after Closing and all other appropriate charges shall be pro-rated by the parties as of the Closing Date. Ad valorem, general and other taxes relating to the Premises for all years prior to the year in which the Closing Date falls shall be paid by Seller on or prior to the Closing Date.

(d) Buyer and Seller shall each be responsible for their own legal, accounting, or other professional fees.

Any closing or other costs not specifically accounted for within this paragraph 11 or in other provisions of this Agreement shall be paid by Buyer, subject to the limitation set forth in sub-section 11(a).

12. Remedies Upon Default. If Seller shall default under this Agreement, including without limitation the breach of any warranty or representation of Seller set forth in Section 9 of this Agreement, and such default shall continue for ten (10) days, Buyer shall provide Seller with written notice which shall set forth such default and provide Seller an opportunity to cure such default. If Seller shall be unwilling or unable to cure such default, then Buyer shall have against Seller the sole remedy of terminating this Agreement. If Buyer shall default under this Agreement, including without limitation the breach of any warranty or representation of Buyer set forth in Section 9 of this Agreement, and such default shall continue for ten (10) days, Seller shall provide Buyer with written notice which shall set forth such default and provide Buyer an opportunity to cure such default. If Buyer shall be unwilling or unable to cure such default, then Seller shall have against Buyer all remedies allowed by law.

13. Binding Effect; Non-Exclusivity. This Agreement shall bind and inure to the benefit of Buyer, Seller and their respective successors and assigns. Buyer shall not assign this Agreement without the prior written consent of Seller, such consent to be granted by Seller in Seller's sole discretion. Seller reserves the right to market the Premises (or a portion thereof) and enter into

"back-up" contracts with respect to the Premises; however, such efforts or contracts shall not affect the rights of Buyer pursuant to this Agreement.

14. Notices. All notices and demands hereunder shall be in writing and personally delivered or mailed by registered or certified United States mail, return receipt requested, postage prepaid to:

If to Seller: CENTERPOINT ENERGY RESOURCES CORP.
401 W. Capitol Avenue, Suite 102
Little Rock, Arkansas 72201
Attn: Kenny W. Henderson, Esq.

With a copy to: Paul R. Draper
Walker-Alley & Associates, LLC
610 Marshall Street, Suite 1015
Shreveport, Louisiana 71101

And an add'l copy to: Timothy W. Grooms, Esq.
Quattlebaum, Grooms, Tull & Burrow PLLC
111 Center Street, Suite 1900
Little Rock, Arkansas 72201
Telephone: (501) 379-1700
Facsimile: (501) 379-1701

If to Buyer: Mayor Doug Formon
City of Jonesboro
515 W. Washington Avenue
Jonesboro, Arkansas 72401

With a copy to: Phillip Crego, Esq.
City Attorney
410 W. Washington Avenue
Jonesboro, Arkansas 72401

All notices and demands shall be effective upon receipt if personally delivered or two (2) business days after the date of mailing if mailed. Notice of a change in the foregoing addresses shall be given in compliance with this Section 14.

15. Counterparts. This Agreement 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.

16. Construction. This Agreement and all provisions contained herein have been jointly drafted (or reviewed and negotiated) and agreed to by both Buyer and Seller, Buyer and Seller each having the benefit and advice of legal counsel, and shall be construed accordingly.

17. Captions. All captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provisions hereof.

18. Governing Law and Invalidity. This Agreement shall be governed by the laws of the State of Arkansas.

19. Entire Agreement. This Agreement shall, upon its execution, constitute the entire agreement and understanding of Buyer and Seller and shall not be altered, modified or changed unless the same is in writing and executed by Buyer and Seller. Specifically, all oral or written agreements between Buyer and Seller are superseded by this Agreement.

20. Pronouns. In this Agreement, the use of any gender shall be deemed to include all genders and the use of the singular shall include the plural, wherever it appears appropriate from the context.

21. Severability. If any part of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be deemed inapplicable and deemed severed from this Agreement to the extent so contrary, prohibited or invalid but the remainder of this Agreement shall not be invalidated thereby and shall be given full force and effect so far as possible.

22. Time is of the Essence. The parties specifically agree time is of the essence with regard to all provisions of this Agreement.

23. Brokers and Sales Commissions. Buyer and Seller agree that, other than set forth in this Section 23, in the event any claim by a broker is made for a broker's commission as a result of this Agreement, the respective party shall indemnify, defend and hold the other party harmless from and against any and all liabilities arising out of such claims, including, without limitation, reasonable attorneys' fees, arising out of or connected with any claim by any broker that alleges employment by, negotiation for or dealing with the respective party. Notwithstanding the foregoing, Seller and Buyer agree Walker-Alley & Associates, LLC ("Seller's Broker") represents Seller, such fact having been previously disclosed and known to Buyer, and Seller's Broker shall be entitled to a broker's commission to be paid by Seller at Closing, pursuant to separate agreement between Seller and Seller's Broker. Buyer warrants and represents to Seller that no brokers are involved in this transaction on behalf of Buyer or are entitled to any fee or commission.

[Signatures Follow On Next Page.]

IN WITNESS WHEREOF this Agreement has been duly executed by Buyer on this _____ day of May, 2008.

BUYER:

CITY OF JONESBORO, ARKANSAS

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF this Agreement has been duly executed by Seller on this 21st day of May, 2008.

SELLER:

CENTERPOINT ENERGY RESOURCES CORP.,
A Delaware corporation

By: David M. McClanahan

Name: David M. McClanahan

Title: President + CEO