

Arkansas Building Authority
STATE OF ARKANSAS
COUNTY OF PULASKI

Lease Term: 8/4/11 to 8/4/61
Annual Rent: \$5,925.00
Acres: 59.25 Rate: \$ 100.00/acre
Type: Land only
Worked By: Catherine Mulkey
County: 16 Agency: 000
Lease #: N9289

STATE OF ARKANSAS GROUND LEASE AGREEMENT

This Lease is made this 9th day of April, 2012, by which Lessor leases the PREMISES to Lessee through ABA, Lessor's Leasing Agent.

"LESSOR" means: State of Arkansas, Board of Developmental Disabilities Services (DDS), a state agency.

"LESSEE" means: THE CITY OF JONESBORO, ARKANSAS, acting by and through Harold Perrin, Mayor of Jonesboro, as Lessee, a political subdivision.

"ABA" means the Real Estate Services Section of Arkansas Building Authority. By law ABA is the leasing agency for LESSEE. Arkansas Code Annotated §22-2-114. ABA is not an additional LESSEE and therefore shall not owe any rent.

"PREMISES" means the property which is the subject of this Lease which is further described in paragraph #1.

1. DESCRIPTION OF PREMISES:

The LESSOR hereby leases to the LESSEE the land ("Leased Land") described in the Legal Description which is attached hereto and incorporated herein by reference as "Exhibit A". The total acreage leased is 59.25 acres.

2. TERM:

The initial term will be for a period of fifty (50) years commencing on August 4, 2011 and terminate as of August 4, 2061. However, this Agreement and lease term is predicated upon the following conditions: If after a five (5) year period from the date of the DDS Board approval (August 4, 2011) improvements proposed by the LESSEE, as stated in Special Provisions #10(k) have not been completed by August 4, 2016, the term of this lease will be reduced to a sixteen (16) year period and terminate as of December 31, 2027.

3. RENT:

The LESSEE shall pay to the LESSOR a rental fee of \$100.00 per acre per year for the term of the lease. The rent shall be five thousand nine hundred and twenty five dollars (\$5,925.00) per year for a period of fifty (50) years totaling payments of two hundred ninety six thousand two hundred and fifty dollars (\$296,250.00). The initial payment is due on the completion of this agreement. Each subsequent payment is due by January 31 of that year.

4. UTILITIES AND SERVICES:

The LESSOR shall not be responsible to furnish any utilities and services.

5. MAINTENANCE, REPAIR AND REPLACEMENT:

The LESSOR shall not be responsible for any and all maintenance, repairs or replacements. The LESSEE shall, at its expense, maintain the interior and exterior of all buildings, improvements and facilities in good condition and repair, in a manner appropriate to the intended use thereof.

6. FAILURE TO PERFORM:

The covenant to pay rent and the covenant to provide any service, utility, maintenance, or repair required under this Lease are dependent. If the LESSOR shall breach any of the conditions required to be performed by it under this Lease, LESSEE may cure such breach and deduct the cost thereof from rent subsequently becoming due hereunder. If LESSOR fails to correct a deficiency within thirty (30) days after written notice from ABA and LESSEE, or within an appropriate shorter period stated in the notice, in the event of a deficiency constituting a hazard to the health and safety of the LESSEE'S employees, property, or any other person, ABA and LESSEE may elect to terminate this Lease.

7. DAMAGE BY FIRE OR OTHER CASUALTY:

LESSEE shall bear the risk of loss by fire or other casualty and shall maintain fire and extended coverage insurance to the full replacement value of the PREMISES. LESSEE shall bear the risk of loss for its personal effects and maintain adequate coverage throughout the lease term. If, at any time during the term of this Lease, the structure and facilities erected upon the Leased Premises shall be substantially damaged or destroyed by fire or other casualty, then the LESSEE shall have the option of (a) commencing and thereafter proceeding with reasonable diligence (subject to a reasonable time allowance for appropriation of additional funds required and for any other unavoidable delay), at its sole cost and expense, to restore or rebuild the same as nearly as possible to its value immediately prior to such damage or the same as nearly as possible to its value immediately prior to such damage or destruction, or (b) if the LESSEE determines that the replacement or repair of the facilities is not feasible, choose not to rebuild or replace the facilities. The LESSEE agrees to notify the LESSOR through ABA of which option will be utilized.

8. ALTERATIONS:

The LESSEE shall have the right during the existence of the Lease to erect upon the Leased Premises softball fields and other fixtures, install signs, and other structures necessary for the creation of an athletic complex as may be needed; to erect additions thereto, and to place appropriate signs in or upon the buildings and premises. Unless otherwise disposed of, such improvements and facilities shall be and remain the property of the LESSEE and may be removed therefrom by the LESSEE within ninety (90) days after termination or expiration of the Lease. Failure on the part of the LESSEE to perform in accordance with any and all provisions of this Lease shall in no way affect the LESSEE'S right, title, and interest in and to any and all structures and facilities installed hereunder. The LESSOR has the right to approve any and all plans before any structure, facility, addition, or building is erected on the leased premises. Any alterations proposed by LESSEE that will permanently modify the leased PREMISES shall be requested in writing by LESSEE and accompanied by a complete set of architectural plans and specifications for review by the LESSOR and ABA Design Review. LESSEE may not proceed with the requested improvements until ABA Design Review has reviewed and written permission by LESSOR has been provided to LESSEE.

- i. The LESSEE, at its option, may dispose of improvements and facilities in place; upon the expiration or termination of this Lease, in accordance with applicable laws and regulation in affect at the time of the disposal.
- ii. Disposal may include, but is not limited to, conveyance of improvements and facilities to the LESSOR upon payment to the LESSEE the sum of one dollar (\$1.00).
- iii. Upon receipt of written notice that LESSEE owned building(s) constructed pursuant to this Lease are no longer required by the LESSEE, the LESSOR shall have, for a period of no less than one hundred and eighty (180) calendar days from the date of receipt thereof, the exclusive option to purchase all the right, title, and interest in and to said building(s) for the sum of one dollar (\$1.00). In the event the LESSOR elects to exercise said option, it agrees to serve written notice of its intent upon the LESSEE within the one hundred and eighty (180) day period, or such other times as may be mutually agreed upon, and the parties shall proceed to conclude negotiations with reasonable promptness.
- iv. If the LESSOR chooses not to exercise its option to purchase any buildings constructed pursuant to this Lease, the LESSEE shall remove said buildings from the leased premises within ninety (90) days. If the LESSEE fails to remove the buildings from the leased premises within the agreed upon time, the LESSOR may have the buildings removed or otherwise disposed of. The LESSEE shall be liable to the LESSOR for any and all costs incurred by the LESSOR as a result of the LESSOR removing the buildings from the leased property.
- v. The LESSEE agrees to remove any hazardous wastes or materials generated on leased property in a timely manner. This includes waste and materials left on the property after the expiration of the lease and the vacating of the leased property by the LESSEE. If the LESSEE fails to remove hazardous wastes and materials upon the vacating of the property, the LESSEE agrees to pay all costs, including fines, incurred by the LESSOR in removing the wastes.

9. TERMINATION:

In addition to other remedies provided herein, the LESSOR shall have the right to terminate this Lease if the LESSEE fails to observe or comply with any of the terms or conditions herein within thirty (30) days after being notified in writing by the LESSOR of such failure. In the event that more than thirty (30) days is reasonably required to observe or perform, the LESSEE shall, in good faith and within said thirty (30) days, initiate action and provide a plan for observance or performance, and shall diligently prosecute the same to completion. However, if any actions of the LESSEE threaten or actually harm the health and safety of the individuals residing at the Human Development Center, the LESSEE will take immediate action to protect the health and safety of the individuals and employees at the Human Development Center. Failure to take immediate action will result in the automatic termination of this lease.

If the PREMISES cease to be used for the purpose of an athletic complex, then LESSOR may terminate this Lease by giving twelve (12) months written notice to LESSEE through ABA.

10. SPECIAL PROVISIONS:

- (a) LESSEE shall ensure that this facility conforms to the Arkansas Fire Prevention Code, as amended, Arkansas State Plumbing Code, The National Electrical Code, and any other state and local laws, codes, authorities, etc., applicable to the leased facility including the Arkansas Adopted Americans with Disabilities Act Accessibility Guidelines for

Buildings and Facilities (ADAAG), and any and all federal, state and local laws, codes, authorities, rules and regulations applicable to leased facilities.

- (b) The LESSOR, LESSEE and ABA agree that should the Lease expire prior to the execution of any proposed amendment agreement, the parties agree that the Lease is hereby reinstated and ratified upon the Amendment Agreement being fully executed by the parties. The provisions, terms, and conditions of any subsequent Amendment Agreement shall govern in the event of conflict or inconsistencies, or both. This paragraph should not be construed between the parties as an agreement that the Lease will be extended for additional terms, but rather as an option between the parties to enter into future negotiations for additional terms should they so desire.
- (c) LESSEE agrees to accept the PREMISES in "as is, where is" condition.
- (d) The LESSOR guarantees to the LESSEE for the entire term of the Lease and extensions thereof, a right of ingress and egress to the Leased Premises over and across LESSOR's land, common entrances and rights-of-way provided the ingress and egress does not affect the program, plans, or activities of the LESSOR. The LESSOR agrees to grant the LESSEE the necessary easements, without cost, for LESSEE access to the Leased Premises provided such easements do not affect the programs, plans, or activities of the LESSOR. Such grants of easement shall remain in effect or be revised in a mutually agreed upon fashion, as long as the LESSEE requires use of the Leased Premises and this lease is in effect.
- (e) The LESSOR reserves the right of access over and to the Leased Premises. LESSOR access, pursuant to the provision, will be done in a manner which does not interfere with LESSEE operations.
- (f) The LESSEE may, with the permission and authorization of the DDS Board, sublet or assign portions of the Leased Premises only for purpose of the operation of the exiting athletic complex. If the death of or injury to any person, or the loss of or damage to any property is caused by the LESSEE in the course of its use of the Leased Premises, the LESSEE is fully liable for any damages suffered.
- (g) The LESSEE shall not suffer any waste to be committed in or about said premises; shall keep the premises free and clear of any and all refuse and other nuisance; and strictly adhere to applicable regulations for the use and disposal of chemicals; and observe all other applicable laws, rules, regulations, and ordinances relating to the maintenance, use and occupancy of the premises. The LESSEE has acquired no mineral rights under the terms of this Lease. The LESSOR retains the right to lease or dispose of the mineral interest in the leased property and may develop, lease or otherwise dispose of the mineral interests during the terms of this Lease. Nothing in this Lease limits or restricts the mineral rights of the LESSOR.
- (h) Should any provision or portion of such provisions of this Lease be held invalid, the remainder of this Lease or the remainder of such provision shall not be affected thereby.
- (i) All notices, demands or communications to be given under this Lease shall be given in writing by personal delivery, by first class certified mail, postage prepaid, return receipt requested and shall be deemed given when received by the addressee. All such notices, demands, or communications shall be addressed to

LESSOR, ABA or LESSEE, as applicable, at the addresses set forth below or to such other addresses as the addressee shall have furnished to the other party:

Notice to LESSOR: Dr. James C. Green, Commissioner
Developmental Disabilities Services
Arkansas Department of Human Services
PO Box 1437, Mail Slot 2500
Little Rock, AR 72203

Notice to LESSEE: Office of the MAYOR
City of Jonesboro
314 West Washington
Jonesboro, AR 72401

Notice to ABA: Real Estate Service Section, Administrator
Arkansas Building Authority
501 Woodlane, Suite 101N
Little Rock, AR 72201

- (j) LESSOR and LESSEE agree that the leased property is to be used solely for recreation purposes, specifically the operation of an athletic complex, consisting primarily of softball fields and other recreation fields. If at any time the LESSEE wishes to use the property for any other purpose, this request must be presented to the Board of Developmental Disabilities Services (Board), or its successor, for consideration and approval. If the property is used by the LESSEE for any other purposes without the consent of the Board or its successor, then this Lease Agreement automatically terminates.
- (k) Improvements to be made by the LESSEE include a synthetic surface, handicap accessible softball field (referred to a "Miracle Field"), improved concession stand/bathroom facilities, additional asphalted areas and playground equipment. If for unforeseen reasons these projects are not completed within a five-year period ending August 4, 2016, the LESSEE may petition the LESSOR for an additional period of time to accomplish completion. Failure to obtain an additional completion period will result in this lease termination date being adjusted to the date of December 31, 2027, as before-mentioned. LESSOR and LESSEE, by mutual written agreement, may provide for alternative advance notification procedures, as appropriate for purposes of termination.

11. MISCELLANEOUS:

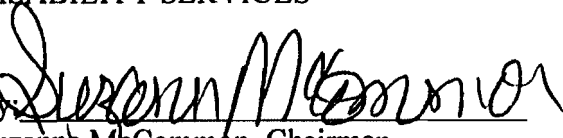
- (a) The Lease and any modifications or amendments to it will not be valid without the written approval of ABA.
- (b) This Lease shall benefit and bind the parties hereto and their heirs, personal representatives, successors and assigns.
- (c) The LESSEE may terminate this Lease by written notice from ABA to LESSOR upon the taking by eminent domain of any part of the PREMISES. This provision does not prevent the LESSEE from claiming or recovering from the condemning authority the value of LESSEE'S leasehold interests.

- (d) Nothing in this Lease shall be construed to waive the sovereign immunity of the STATE OF ARKANSAS or any entities thereof.
- (e) This Lease contains the entire agreement of the parties.
- (f) It is understood by the parties that this Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

Executed by the parties who individually represent that each has the authority to enter into this Lease.

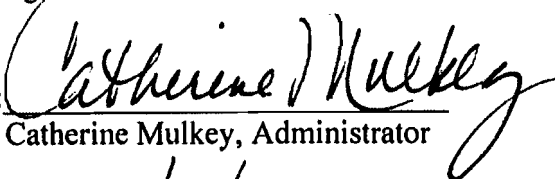
LESSOR:
AR BOARD OF DEVELOPMENTAL
DISABILITY SERVICES

LESSEE:
CITY OF JONESBORO

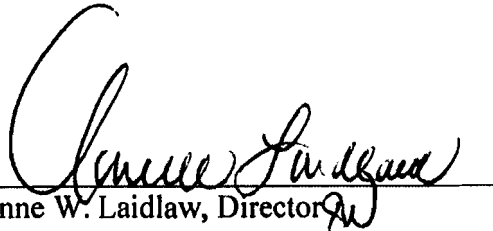
By: 
Suzanna McCommon, Chairman
Board of Development Disabilities Services

Date: 4-20-12

ARKANSAS BUILDING AUTHORITY
As Agent for the DDS Board

By: 
Catherine Mulkey, Administrator

Date: 5/3/12

By: 
Anne W. Laidlaw, Director

Date: 5/7/12

Legal Description

A part of the Northwest Quarter of the Southwest Quarter of Section 4, Township 13 North, Range 4 East more particularly described as follows: Commencing at the Southwest corner of Section 4, township 13 North, Range 4 East and run North approximately 660 feet to the Southwest property corner of the Human Development Center for a point of beginning; Thence run North 01 degrees 42 minutes 00 seconds East for 1163 feet to a point; Thence run South 86° 08' 16" East for 2613 feet more or less to a point on the West R.O.W. of Arkansas State Highway 1 South; Thence run in a Southwest direction along said West R.O.W. approximately 920 feet to the South property line of the Human Development Center; Thence run West along said South boundary North 86° 08' 16" West to the point of beginning containing 64.25 acres, more or less.

Less and Except the following:

A tract of land situated in the North ½ of the South ½ of the Southwest ¼ of Section Four, Township Thirteen North, Range Four East of the Fifth Principal Meridian, (N ½-S ½-SW ¼ Sec. 4, T.13 N., R.4 E.), located in Craighead County, Arkansas being more particularly described as follows:

Commencing at a 5/8" rebar found at the West Quarter Corner of Section Four, Township Thirteen North, Range Four West of the Fifth Principal Meridian (West ¼ Cor. Sec. 4, T.13 N., R.4 E.);

THENCE South 01 degrees 42 minutes 00 seconds West for a distance of 1552.89 feet along the West line of said Section Four to a point;

THENCE South 87 degrees 34 minutes 15 seconds East for a distance of 40.00 feet to a 5/8" rebar set in the centerline of an East-West road, said point being the TRUE POINT OF BEGINNING.

THENCE South 87 degrees 34 minutes 15 seconds East for a distance of 497.49 feet to a 5/8" rebar set in the centerline of an East-West road;

THENCE South 01 degrees 42 minutes 00 seconds West for a distance of 432.35 feet to a 5/8" rebar set on the South line of the North ½ of the South ½ of the Southwest ¼ of said Section Four;

THENCE North 88 degrees 50 minutes 00 seconds West for a distance of 497.47 feet along said South line of a 5/8" rebar;

THENCE North 01 degrees 42 minutes 00 seconds East for a distance of 443.31 feet parallel to the West line of Section Four to the TRUE POINT OF BEGINNING.

Together with and subject to covenants, easements, and restrictions of record.

Said property contains 5.000 acres more or less.