

Original

GENERAL LEASE

This agreement made and entered into this 11 day of December, 1998, by and between **CITY OF JONESBORO, ARKANSAS**, hereinafter called Lessor, and **CITY TEAM MINISTRIES**, 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 does hereby let, lease and demise unto Lessee, subject to the terms and conditions contained herein, the following described property situated in Craighead County, Arkansas:

Begin at the Southeast Corner of Block 13 of Flint's Addition to the City of Jonesboro, Arkansas; thence North on the West line of Union Street 548 feet to the existing North line of Burke Avenue; thence West along aforesaid North line of Burke Avenue 61.2 feet to the point of beginning proper; thence continue West 138.8 feet; thence North 109.5 feet; thence Northeasterly along an 8 Degree 38 Minute Curve to the right 156.3 feet; thence East 181.2 feet to the West line of Union Street; thence South along the West line of Union Street 198.3; thence West 61.2 feet; thence South 60.4 feet to the point of beginning proper. The above described tract being a part of Lots 4, 5, and 6 of Block 13 of Flint's Addition to the City of 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 and conditions herein contained.

2. **TERM:** This lease shall commence on 1-1-99, 1998^{9 RR}, and shall extend for a term of one (1) year. This lease may be renewed annually subject to the consent of both parties.

3. **RENT:** Lessee agrees to pay to Lessor as rental for the term of this lease the sum of Ten and 00/100 Dollars (\$10.00) per year, to be paid annually in advance on the first day of the term of this lease.

4. **UTILITIES:** Lessee agrees to pay all utilities, including, but not limited to gas, electricity, sewer, water, garbage pickup, etc., and further agrees to pay all deposits for same.

5. **CONSTRUCTION OF IMPROVEMENTS AND REPAIRS:** Lessee shall construct improvements on the property and agrees that it will keep and maintain the building, including the roof, walls, parking area, and exterior plumbing in good condition and repair. It is expressly understood and agreed that the Lessor shall not be liable to Lessee for any damages the Lessee may sustain to Lessee's building, merchandise, business or personal records, equipment, or other property on the leased premises.

6. **TAXES:** Lessee shall pay all ad valorem taxes and special assessments, if any, levied and assessed against said premises and the improvements located thereon during the term of this lease and any renewals thereof. Lessee shall likewise be responsible for all other taxes attributable to the property of Lessee on the leased premises and for all license, privilege, and occupation taxes levied, assessed, or charged against Lessee on account of the operation of the business from these premises. Such taxes and assessment shall be prorated for any fractional calendar year.

7. **USE:** Lessee agrees to use the leased premises for the purpose of operating a youth recreational facility and other programs to help the poor and disadvantaged, and for no other purpose or purposes without the written consent of Lessor having been obtained in advance.

8. **PAYMENT OF RENT AND NOTICES:** The rent payable hereunder shall be paid to CITY OF JONESBORO, ARKANSAS, c/o Mayor's Office, 314 West Washington, Jonesboro, Arkansas 72401. Any notice provided for herein shall be given by certified mail with postage prepaid, addressed, if to Lessor, at the address to which the rent is to be paid, and if to Lessee, to the office of the C.F.O. at City Team Ministries, 2302 Zanker Road, San Jose, CA 95131. The person and the place to which notices are to be mailed or delivered may be changed by either party by notice to the other party.

9. **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 any liability for the obligation imposed by this lease. Lessee may only be released from liability by a specific written release executed by Lessor.

10. **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) days after receipt of notice from Lessor specifying such default, or if any petition be filed in bankruptcy, including petitions for arrangements and reorganizations, by or against Lessee and such petition be not dismissed within thirty (30) days after its filing, or if a receiver or trustee be appointed for Lessee by reason of Lessee's insolvency or inability to pay its creditors, 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 re-enter the leased premises and re-let the same as agent for Lessee upon the best terms and conditions reasonably 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 to the attorney for Lessor in such action.

11. **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.

12. **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 quasi public purpose, then the term of this lease shall cease and terminate as of the date of taking.

In the event that a partial taking does not render the leased premises unsuitable for use in the activity or business of the Lessee, this lease shall continue in full force and effect with a reduction in the rent proportionate to the amount and usefulness or necessity of the leased premises actually taken.

All damages awarded as a result of any taking, except such damages as are herein defined as Lessee's damages, shall be awarded to Lessor. Lessee shall be entitled to receive all damages which are compensation for damages to the leasehold estate (including buildings and other improvements thereon) and for removal of Lessee's business, fixtures, furniture and equipment. Lessee's right to damages shall be a right against the taking authority alone, and Lessee shall not be entitled to recover any damages from Lessor.

13. **INSURANCE ON IMPROVEMENTS:** Lessee shall maintain, at Lessee's expense, fire, hazard and extended coverage insurance, in the amount of the replacement

value of any improvements erected upon the leased premises, during the term of this lease and any extensions thereof. A certificate of such insurance shall be delivered to Lessor prior to the inception of this lease.

14. INSURANCE ON LESSEE'S PROPERTY: Lessee shall be solely responsible for maintaining insurance on its property, including, but not limited to, movables, trade fixtures installed by Lessee, furniture, furnishings and inventory.

15. LIABILITY INSURANCE: Lessee shall, during the term of this lease, maintain public liability insurance on the leased premises and on the business operated by the Lessee or any sub-tenant occupying the leased premises. The limits of such public liability insurance shall not be less than \$500,000.00 per person, \$1,000,000.00 per accident, and \$500,000.00 for property damage. The policy representing such insurance shall name Lessor, its successors and assigns, and Lessee as insureds. Such policy shall contain a clause that the insurer will not cancel or change the insurance without giving Lessor, its successors or assigns, ten (10) days' prior written notice; and a certificate of such insurance shall be delivered to Lessor prior to the inception of this lease.

16. COMPLIANCE WITH LAWS: Lessee agrees not to violate any law, ordinance, rule or regulation of any governmental authority having jurisdiction of the leased premises.

17. TRASH: All trash and refuse deposited outside the building must be placed in sufficient receptacles furnished by Lessee (approved by the Public Works Department).

18. INDEMNITY AGAINST DAMAGE OR INJURY: Lessee agrees to defend, indemnify, and hold harmless the Lessor against any claim, expense, loss, or liability as a result of any breach by Lessee of any covenant or condition of this Lease or as a result of Lessee's use or occupancy of the leased premises or as a result of the carelessness,

negligence, or improper conduct of Lessee, Lessee's agents, employees, visitors, or licensees. During the term of Lessee's occupancy and thereafter in the event that Lessee exercises its option to purchase pursuant to paragraph 20, Lessor agrees to defend, indemnify, and hold harmless the Lessee against any claim, expenses, loss or liability as a result of any and all toxic or environmental reasons existing prior to occupancy by Lessee.

19. **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 as herein provided pursuant to Resolution No. 1997-24 passed and adopted on the 7th day of April, 1997, by the Jonesboro City Council. 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 leased premises for the term hereby demised without hindrance or interruption by Lessor or any other person or persons lawfully and equitably claiming by, through or under Lessor, subject to the terms and conditions of this lease. Lessor warrants that to the best of its knowledge no substantive condition exists that would prevent the intended use of the subject property.

20. **OPTION TO PURCHASE:** Lessee is hereby granted an option to purchase the above described property at appraised value prior to improvements. Said appraisal shall be by a qualified appraisal firm to be approved by Lessor and Lessee. The option to purchase granted herein may be exercised at any time during the initial term of this lease or any extension thereof plus one (1) year by giving thirty (30) days written notice to Lessor. Lessor covenants and warrants that it may grant this option to purchase as herein

provided pursuant to Resolution No. 1997-24 passed and adopted on the 7th day of April, 1997, by the Jonesboro City Council.

21. **OPTION TO RE-PURCHASE:** In the event that Lessee exercises its option to purchase as described in the preceding paragraph and in the further event that Lessee ceases to utilize the premises for the purpose of operating a youth recreational facility or for other programs to help the poor and disadvantaged, then Lessee hereby grants Lessor an option to re-purchase the above described property at appraised value with improvements. Said appraisal shall be by a qualified appraisal firm to be approved by Lessor and Lessee.

22. **SUCCESSION:** This lease agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

23. **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.

24. **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 subparagraph is invalid or unenforceable for any reason, all remaining paragraphs and subparagraphs will remain in full force and effect.

25. **INTERPRETATION:** This lease agreement shall be interpreted according to and enforced under the laws of the State of Arkansas.

26. **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 one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

LESSOR

CITY TEAM MINISTRIES
By *Robertson*
President

ATTEST:

LESSEE

STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD)

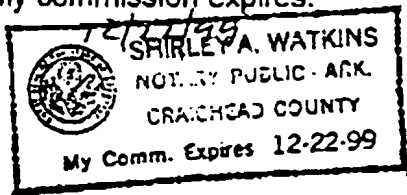
ACKNOWLEDGMENT

BE IT REMEMBERED, that on this day came before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, the within named HUBERT BRODELL and DONNA JACKSON, to me well known, who stated that they were the Mayor and City Clerk, respectively, of the CITY OF JONESBORO, ARKANSAS, in the foregoing General Lease and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official as such Notary Public on this _____ day of _____, 1998.

Shirley A. Watkins
Notary Public

My commission expires:



STATE OF CALIFORNIA)
)
COUNTY OF)

ACKNOWLEDGMENT

BE IT REMEMBERED, that on this day came before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, the within named PATRICK J. ROBERTSON and _____, to me well known, who stated that they were the President and _____, respectively, of the CITY TEAM MINISTRIES, in the foregoing General Lease and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official as such Notary Public on this _____ day of _____, 1998.

Notary Public

My commission expires:

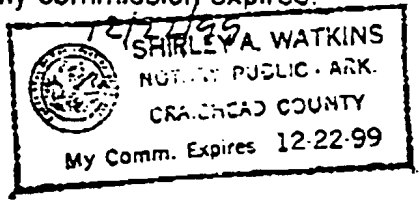
STATE OF ARKANSAS)
)
COUNTY OF CRAIGHEAD) ACKNOWLEDGMENT

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IN TESTIMONY WHEREOF, I have hereunto set my hand and official as such Notary Public on this _____ day of _____, 1998.

Shirley A. Watkins
Notary Public

My commission expires:



STATE OF CALIFORNIA)
)
COUNTY OF) ACKNOWLEDGMENT

BE IT REMEMBERED, that on this day came before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, the within named PATRICK J. ROBERTSON and _____, to me well known, who stated that they were the President and _____, respectively, of the CITY TEAM MINISTRIES, in the foregoing General Lease and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official as such Notary Public on this 21st day of December, 1998.

Mary E. Cairns
Notary Public

My commission expires: