

LEASE AGREEMENT

This Lease Agreement (_Lease_) made and entering into effective as of January 1, 2008, hereinafter "Effective Date," by and between CITY OF JONESBORO, hereinafter referred to as _Landlord,_ and FIRST BAPTIST CHURCH, d/b/a HUNTINGTON MISSION CHURCH, hereinafter referred to as _Tenant,_ based on the mutual promises, undertakings, covenants, and conditions herein expressed:

RECITALS:

1. Landlord and Tenant entered into an agreement dated January 1, 2008 for the lease of the Huntington Building.

IT IS THEREFORE AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. Premises. The Landlord, for and in consideration of the covenants, conditions, agreements and stipulations of the Tenant hereinafter expressed, does hereby demise and lease unto the Tenant certain premises located at 900-B West Monroe, Jonesboro, Craighead County, Arkansas, 72401, with all tenements, improvements and appurtenances thereunto belonging or in any way appertaining, said premises being hereinafter referred to as the "leased premises."
2. Term.
 - a. The Initial Term. Unless otherwise terminated pursuant to the terms hereof, the initial term of this Lease is for a period of two (2) years commencing on the Effective Date and ending at midnight on the second (2nd) anniversary thereof, which may be referred to hereinafter as the "Initial Term." The Initial Term and any Extended Terms shall be referred to hereafter as "Term."
 - b. Extended Term. Upon the expiration of the Initial Term of this Lease, the term of this Lease may be extended for an additional one (1) year period (the "Extended Term") if the Tenant shall give Landlord notice in writing at least thirty (30) days prior to the expiration of the Initial Term that it intends to extend the term of this Lease. The Extended Term hereunder shall be subject to all the terms and conditions of this Lease.
3. Rent. As rental for the leased premises, Tenant shall pay to Landlord, without deduction, counterclaim or setoff, annual rental in the sum of \$1.00 per annum, payable on the date of execution of this Agreement and on the Anniversary Date of the Effective Date thereafter during the term hereof.
4. Use of Property. The leased premises shall be used by Tenant for operation of Huntington Mission Church. The leased premises shall not be used for any other purpose without the written consent of Landlord which shall not be unreasonably withheld. Tenant shall comply with all applicable laws or requirements of any governmental entity. Tenant shall not cause or allow a public or private nuisance on the leased premises.

Tenant shall be permitted to use the leased premises during normal business hours. The kitchen space and former family life room of the leased premises may be used by other parties after normal business hours at the discretion of the Landlord.

5. Taxes. Landlord agrees to pay for all ad valorem real estate taxes and assessments, if any, on the leased premises.
6. Utilities. Landlord agrees to cause the necessary mains, conduits and other facilities to be provided to supply water, electricity and gas used in the leased premises. Tenant hereby agrees to pay all expenses of occupancy including licenses and utilities.
7. Insurance. Landlord may maintain and pay for such liability, fire and extended coverage insurance on the leased premises, including any improvements thereon in an amount equal to the full insurable value of the improvements with proper clauses in the policies of insurance making the losses payable to Landlord.

Tenant shall provide liability insurance with companies approved by Landlord insuring Landlord and Tenant against claims for personal injury, death or property damage in the minimum amount of \$1,000,000.00 in the aggregate per occurrence.

Landlord shall specifically be made an additional insured in all of the above mentioned policies. Tenant shall promptly provide Landlord with copies of insurance policies and endorsements evidencing the above insurance coverage.

8. Repairs, Maintenance and Replacement. Tenant shall, during the term of this lease and any renewal or extension hereof, at its sole expense, keep the leased premises in as good order and repair as it is at the date of commencement of this Lease, reasonable wear and tear and damage by accidental fire or other casualty not within the control of Tenant excepted.
9. Alteration. Tenant shall not make any alteration, additions or improvements to the leased premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, and all alterations, additions or improvements made by either of the parties hereto upon the leased premises, except movable equipment and trade fixtures put in at the expense of the Tenant, shall be the property of the Landlord and shall remain upon and be surrendered with the leased premises without molestation or injury. Landlord hereby authorizes. Tenant may remove its equipment or trade fixtures provided any damage done to the leased premises in the removal of any such equipment or trade fixtures is promptly repaired by Tenant, and if not repaired by Tenant in a reasonable time and manner, Landlord may repair same and Tenant shall pay the cost thereof.
10. Liens. Tenant agrees to pay promptly for any work or materials provided by laborers or materialmen in or about the leased premises, and Tenant shall not permit or suffer any lien to attach to the leased premises and shall promptly cause any such lien, or any claim therefore, to be released; provided, however, that in the event Tenant contests any such

lien, Tenant agrees to indemnify Landlord and, if requested, to deposit with the Landlord cash or a surety bond in form and company satisfactory to Landlord in an amount equal to twice the amount of such contested claim.

11. Damages to Premises. If the leased premises are destroyed by fire or other casualty to the extent that all of the leased premises are partially destroyed, the Landlord may, at its election, (a) proceed with due diligence to repair or restore the same to the same condition as existed before such damage or destruction, or (b) cancel the Lease as of the date of such damage or destruction by written notice not less than thirty (30) days after such damage or destruction. Should the Landlord elect to repair or restore all rent shall abate until the leased premises are repaired or restored and possession has been redelivered to the Tenant. Should the Landlord elect to cancel then the rent shall be adjusted as of the date on which the damage occurs.
12. Eminent Domain. If greater than fifty percent (50%) in area of the leased premises is taken by eminent domain, Tenant may cancel this lease as of the date of such taking of possession by written notice to Landlord given not less than thirty (30) days after such taking. If such taking does not materially impair Tenant's ability to continue its normal business operations on the leased premises, Tenant may elect to continue the lease.
13. Indemnification. Tenant shall upon demand indemnify, defend and save harmless the landlord and its employees and agents from and against all loss, liabilities, costs, claims, damages, actions, and related expenses for personal or bodily injury, death, loss or damage to property, or violation of applicable law that directly or indirectly result from its possession, occupancy or use of the leased premises, or from any of its negligent or willful acts, errors or omissions (or those of its employees, agents or subcontractors). Landlord shall upon demand indemnify, defend and save harmless tenant and its employees and agents from and against all loss, liabilities, costs, claims, damages, actions, and related expenses for personal or bodily injury, death, loss or damage to property, or violation of applicable law that directly or indirectly result from (i) any possession, occupancy or use of the leased premises prior to the beginning of this Lease, (ii) Landlord's breach of any agreement, covenant, representation or warranty hereunder, or (iii) from any of Landlord's negligent or willful acts, errors or omissions (or those of its employees, agents or subcontractors).
14. Assignment and Subletting. Tenant shall not sublet the premises in whole or in part and shall not sell, assign, mortgage, pledge, or in any manner transfer this Lease, or any interest herein, without in each case having obtained Landlord's written consent, which consent shall not be unreasonably withheld. In the event of such assignment or subletting, Tenant shall remain liable for the performance of this lease.
15. Default of Tenant. (a) If the tenant defaults in the performance of any of the covenants, terms, conditions or provisions of this Lease, including nonpayment of rent, and after written notice from the Landlord, Tenant fails to cure such default within thirty (30) 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 30 days), then the Landlord may, at its option (but shall not

be required to do so), perform the same for the account of the Tenant and any amount paid or expenses incurred by the Landlord in the performance thereof shall be deemed additional rent and payable when the next installment of rent shall become due. Additionally, if the Tenant defaults in performance of the Lease, or if tenant shall make an assignment for the benefit of creditors, or if the interest of the tenant in the leased premises shall be sold under execution or other process of law, or if the Tenant by any Court, and, after written notice from the Landlord, Tenant fails to cure such default of condition within 30 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 30 days), then the landlord may lawfully re-enter the leased premises without any demand for possession therefore, and recover possession of the leased premises and the improvements thereof, expel the Tenant and those holding under the Tenant and no allowance shall be paid to the Tenant. Such re-entry shall not constitute trespass and shall not prejudice any other remedies which might otherwise be provided by law for breach of covenant, and upon entry, the rights of the Tenant under this Lease shall terminate. Landlord shall be entitled to recover from Tenant any and all reasonable expenses incurred in enforcing any of Landlord's remedies, including reasonable attorneys' fees and the costs of removing Tenant's property from the leased premises. (b) If Landlord defaults in the performance of any of the covenants, terms, conditions or provisions of this Lease, and after written notice from the Tenant, Landlord fails to cure such default within thirty (30) 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 30 days), then the Tenant may, at its option (but shall not be required to do so), perform the same for the account of the Landlord and any amount paid or expenses incurred by the Tenant in the performance thereof shall be deemed prepaid rent and shall be deducted from the next installment and successive installments of rent that become due. Additionally, if the Landlord defaults in performance of this Lease, or if Landlord shall make an assignment for the benefit of creditors, or if the interest of the Landlord in the leased premises shall be sold under execution or other process of law, or if the Landlord shall be adjudged a bankrupt, or if a receiver or trustee shall be appointed for the Landlord by any Court, and, after written notice from the Tenant, Landlord fails to cure such default or condition within 30 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 30 days), then the Tenant may terminate this Lease without further notice to Landlord.

16. Vacancies and Waste. Tenant shall not permit the leased premises to remain vacant for a period of thirty (30) days without Landlord's prior written consent except in cases necessitated by repair, maintenance or alteration. Tenant shall not cause or allow waste to the leased premises. Tenant shall surrender the leased premises at expiration of this Lease in the same condition it was in when delivered to Tenant, destruction by fire, storm, or other casualty, permitted alterations, and ordinary wear and tear excepted.
17. Notices. Wherever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by certified or registered mail, addressed as follows:

LANDLORD:

TENANT:

City of Jonesboro

First Baptist Church d/b/a
Huntington Mission Church

ATTN: Mayor's Office _____
515 W. Washington Ave _____
Jonesboro, AR 72401 _____

ATTN: _____

Jonesboro, AR _____

- 18. **Successors and Assigns.** Subject to any provisions herein restricting the right to assign and sublet, all covenants, promises, conditions and representations herein restricting the right to assign and sublet, all covenants, promises, conditions and representations herein contained shall be binding upon, apply and inure to the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 19. **Waiver.** The failure of either party to insist upon strict performance by the other of any of the covenants, conditions and agreements of this Lease shall not be deemed a waiver of any of said party's rights or remedies and shall not be deemed a waiver of any subsequent breach or default by the other in any of the covenants, conditions and agreements of this lease.
- 20. **Holding Over.** If Tenant remains in possession of the leased premises after the expiration of the term of this Lease, or renewal term of this Lease, as the case may be, without a new lease reduced to writing and duly executed, even if Tenant shall have paid, and Landlord shall have accepted, rent in respect to such holding over, Tenant shall be deemed to be occupying the leased premises only as a Tenant from month to month, subject to all the covenants, conditions and agreements of this Lease.
- 21. **Lease Termination.** Notwithstanding any provisions to the contrary either party may terminate this lease agreement without further ramifications upon 60 days written notice to the other.
- 22. **Interpretation.** The parties hereto agree that it is their intention hereby to create only the relationship of Landlord and Tenant, and no provision hereof, or act of either party hereunder, shall ever be construed as creating the relationship of principal and agent, or a partnership, joint venture or enterprise between the parties hereto.
- 23. **Amendment.** Only by written agreement of the parties may this Lease be modified or amended in any manner whatsoever.
- 24. **Governing Law.** This terms and conditions of this Lease shall be construed and governed by the laws of the State of Arkansas and any venue for any litigation related to this lease shall be in Jonesboro, Craighead County, Arkansas.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement on the day and year first above mentioned.

LANDLORD

TENANT

CITY OF JONESBORO

FIRST BAPTIST CHURCH d/b/a
HUNTINGTON MISSION CHURCH

By *Roy Cooper*

Name: ROY E COOPER

Title: Trustee
