

**ASSIGNMENT OF LEASES
AND ASSUMPTION AGREEMENT**

THIS ASSIGNMENT OF LEASES AND ASSUMPTION AGREEMENT (the "Assignment") is executed and delivered by and between **MERCANTILE CENTER, LLC**, an Arkansas limited liability company ("Assignor") and **THE CITY OF JONESBORO, ARKANSAS**, a duly organized municipal corporation, its successors and assigns ("Assignee"); WITNESSETH:

WHEREAS, Assignor has heretofore entered into those certain leases set forth on **Exhibit B** attached hereto (the leases, and all amendments and assignments thereto collectively referred to as the "Leases"), situated at 300 S. Church Street, Jonesboro, Arkansas 72401 (the "Property") and being more particularly described on **Exhibit A** which is attached hereto and made a part hereof for all purposes;

WHEREAS, Assignee desires to purchase from Assignor, and Assignor desires to sell and assign to Assignee, the Leases and the leasehold estate created thereby.

NOW, THEREFORE, for and in consideration of the premises and the agreements and covenants herein set forth, together with the sum of Ten Dollars (\$10.00) and other good and valuable consideration on this day paid and delivered by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER, DELIVER and CONVEY unto Assignee the Leases, and all of the rights, benefits and privileges of the landlord under the Leases, but subject to all terms, conditions, reservations and limitations set forth in the Leases.

TO HAVE AND TO HOLD the Leases unto Assignee, its successors and assigns, forever, and Assignor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, the assigned Leases unto Assignee, its successors and assigns, against every person whomsoever lawfully claiming or attempting to claim the same, or any party thereof, by, through or under Assignor, but not otherwise.

(a) It is specifically agreed that Assignor shall not be responsible to the tenants under the Leases for the discharge and performance of any and all duties and obligations to be performed and/or discharged by the landlord thereunder after the date hereof. By accepting this Assignment and by its execution hereof, Assignee hereby assumes and agrees to perform all of the terms, covenants and conditions of the Leases on the part of the landlord therein required to be performed, from and after the date hereof, but not prior thereto. Assignee covenants and agrees to indemnify, save and hold harmless Assignor from and against any and all losses, liabilities, expenses (including reasonable attorneys' fees), claims or causes of action existing in favor of or asserted by a tenant under any of the Leases arising out of or relating to Assignee's failure to perform any of the obligations of the landlord under the Leases after the date hereof.

(b) Assignor hereby agrees to indemnify and hold harmless Assignee from and against any and all losses, liabilities and expenses (including reasonable attorneys' fees) incurred by Assignee as a result of claims or causes of action brought against Assignee, as Assignor's successor in interest to

the Leases, arising out of or relating to a breach of any of the Leases and the obligations of the landlord thereunder occurring prior to the date hereof.

(c) Assignor warrants and represents that, as of the date of this Agreement:

(i) the Leases are in full force and effect in accordance with their terms, and have not been modified or amended, except in such amendments or assignments set forth on **Exhibit B**;

(ii) Assignor is not in default under any of the Leases and no condition exists which, with the passage of time or the giving of notice, or both, would become an event of default under any of the Leases, and that the Leases are in full force and effect. Assignor is not aware of any default by a tenant under any of the Leases, of rent payment or otherwise;

(iii) Assignor is the sole landlord under each of the Leases and has not previously assigned, mortgaged, otherwise transferred its interests in any of the Leases, and Assignor has the authority to assign the Leases to Assignee without notice or consent to the tenants under the Leases; and

(iv) Assignor has not received any prepayments of rent of more than thirty (30) days under any of the Leases, and Assignor has not entered into any agreement with any tenant to accept prepayments of rent under any Lease.

(d) All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Assignment may be executed in several counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignee and Assignor have caused this Assignment of Lease and Assumption Agreement to be executed as of the 24th day of August, 2012.

ASSIGNEE:

THE CITY OF JONESBORO, ARKANSAS, _____

ASSIGNOR:

MERCANTILE CENTER, LLC.,
an Arkansas limited liability company


By: 
Name: Mark Duckworth
Title: Member

EXHIBIT A

[THE PROPERTY]

Tract 1: Lots 3, 4, 5, The North 8 feet of the West 125 feet of Lot 7, and Lots 8, 9 and 10 of Stephenson's Church Street Addition to the City of Jonesboro, Arkansas, LESS AND EXCEPT: The North 20 feet of Lots 3 and 10 of Stephenson's Church Street Addition to Jonesboro, Arkansas, including the North 20 feet of an abandoned alley lying between said lots; ALSO LESS AND EXCEPT: Beginning at the Southwest corner of the Intersection of Creath Avenue and East Street in the City of Jonesboro; thence South perpendicular to Creath Avenue 227.5 feet; thence West 2.74 feet; thence North perpendicular to Creath Avenue 227.5 feet; thence East 2.74 feet to the point of beginning, being a part of Lots 3, 4, 5 and 6 of Stephenson's Church Street Addition to the City of Jonesboro, Arkansas.

Tract 2: Lots 9, 13, 14, 15, 16, 18, 19, 20 and 21; the West Half of Lot 17; and the East Half of Lot 17 less and except the following: Part of the East Half of Lot 17, Block "A" of Thorn's Church Street Addition to the City of Jonesboro, Arkansas, more particularly described as follows: Begin at the Southwest corner of the East Half of Lot 17 aforesaid; thence East along the South line of Lot 17, 7 feet 3 inches; thence North to the North line of Lot 17 and a point which is 9 feet East of the Northwest corner of the East Half of Lot 17; thence West 9 feet to said Northwest corner; thence South along the one-half lot line to the point of beginning.

Tract 3: Lot 8, Block A, Thorn's Church Street Addition to the City of Jonesboro, Arkansas.

Tract 4: Lot 6 and all of Lot 7, less the North 8 feet of the West 125 feet thereof, in Stephenson's Church Street Addition to Jonesboro, Arkansas.

EXHIBIT B

[THE LEASES]