

Arkansas State Building Services
STATE OF ARKANSAS
COUNTY OF PULASKI
Standard Lease Form 1
Approved by Attorney General
June, 1990

Maureen Strobel

Lease Term: 08/01/99 to 07/31/2049
Annual Rent: \$ 10.00
Square Feet: n/a Rate: \$n/a
Type: New - LA
Worked By: Maureen Strobel
County: 16 Agency: 000
Pre-Audit #: N9105

STATE OF ARKANSAS LEASE AGREEMENT

This Lease is made this 3rd day of August, 1999, by which Lessor leases the PREMISES to Lessee through SBS Leasing Section, Lessor's Leasing Agent.

For the purposes of this Lease Agreement the following definitions apply:

"LESSOR" means: ARKANSAS STATE UNIVERSITY, an Institution of the State of Arkansas.

"LESSEE" means: CITY OF JONESBORO, ARKANSAS, a Municipality of the State of Arkansas.

"SBS" means the Leasing Section of Arkansas State Building Services. By law SBS is the leasing agency for LESSOR. Arkansas Code Annotated §22-2-114.

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

1. DESCRIPTION OF PREMISES:

Approximately 5 acres of land situated on Arkansas Highway 49 in Craighead County, Arkansas more particularly described as:

A part of the Northeast quarter of the Southeast quarter of Section 9, Township 14 North, Range 4 East; all situated in Craighead County, Arkansas. *See Survey Plat attached hereto and incorporated herein by reference as Exhibit "A".*

2. TERM:

The initial term shall commence August 1, 1999 and continue for a period of fifty (50) years, terminating July 31, 2049, unless terminated sooner as provided herein.

3. RENT:

The LESSEE agrees to pay \$10.00 per calendar annum on or before the fifteenth (15) day of August of each lease year. Such amount to be paid to LESSOR at: P. O. Box 2100, State University, Arkansas.

4. UTILITIES AND SERVICES:

The LESSOR will furnish the following utilities and services:

No - Electricity

No - Gas

No - Water and Sewer

5. USE:

This Lease is executed with the understanding and agreement that the LESSEE is obligated to construct a building or improvement on the PREMISES as a public accommodation to enhance the community of Jonesboro with a facility to house a municipal fire and training facility. Construction shall commence within one (1) year of the date of lease execution and shall be completed within five (5) years or this Lease shall be terminated. Any extensions of these dates is at the sole discretion of the LESSOR and must be provided to the LESSEE in writing through SBS.

6. HAZARDOUS MATERIALS:

LESSEE covenants, represents, and warrants that LESSEE'S use of the PREMISES shall not and will not involve the use, storage, generation, or disposal of Hazardous Materials (as defined by the USEPA), and that LESSEE shall not cause or permit any Hazardous Materials to be brought, used, stored, generated, or disposed on or about the PREMISES by LESSEE, its agents, employees, contractors, subcontractors, or invitees (collectively "LESSEE'S parties"), and in compliance with all laws, including, without limitation, Environmental Laws and with all governmental authorities. LESSEE shall be subject to all penalties of the Law should Hazardous Materials be found on the PREMISES.

7. IMPROVEMENTS/ALTERATIONS:

The LESSEE shall be permitted to make improvements upon the PREMISES with LESSOR'S written approval, which shall not be unreasonably withheld. Any major improvements or changes to the PREMISES involving a change in the surface grade/elevation shall be submitted with surveys and adequate documents to illustrate the improvement for approval by the LESSOR.

8. MAINTENANCE, REPAIR AND REPLACEMENT:

The LESSEE shall maintain the leased PREMISES, including the building and all equipment, fixtures, and appurtenances furnished by the LESSEE upon the leased PREMISES, in good repair and tenantable condition. For the purpose of so maintaining said PREMISES and property, the LESSOR may at reasonable times, and with the approval of the authorized LESSEE representative in charge, enter and inspect the property once a year to ensure the PREMISES is being maintained in a safe and inhabitable condition.

9. 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. If the PREMISES are destroyed by fire or other casualty, this Lease will immediately terminate and the LESSEE shall remove all debris from the PREMISES

and restore the PREMISES to a condition as good as at the time of Lease execution. In case of partial destruction or damage, the LESSEE may terminate the Lease by giving written notice to the LESSOR through SBS, within fifteen (15) calendar days of the destruction, or restore the improvement to a condition comparable to its original integrity.

10. SPECIAL PROVISIONS:

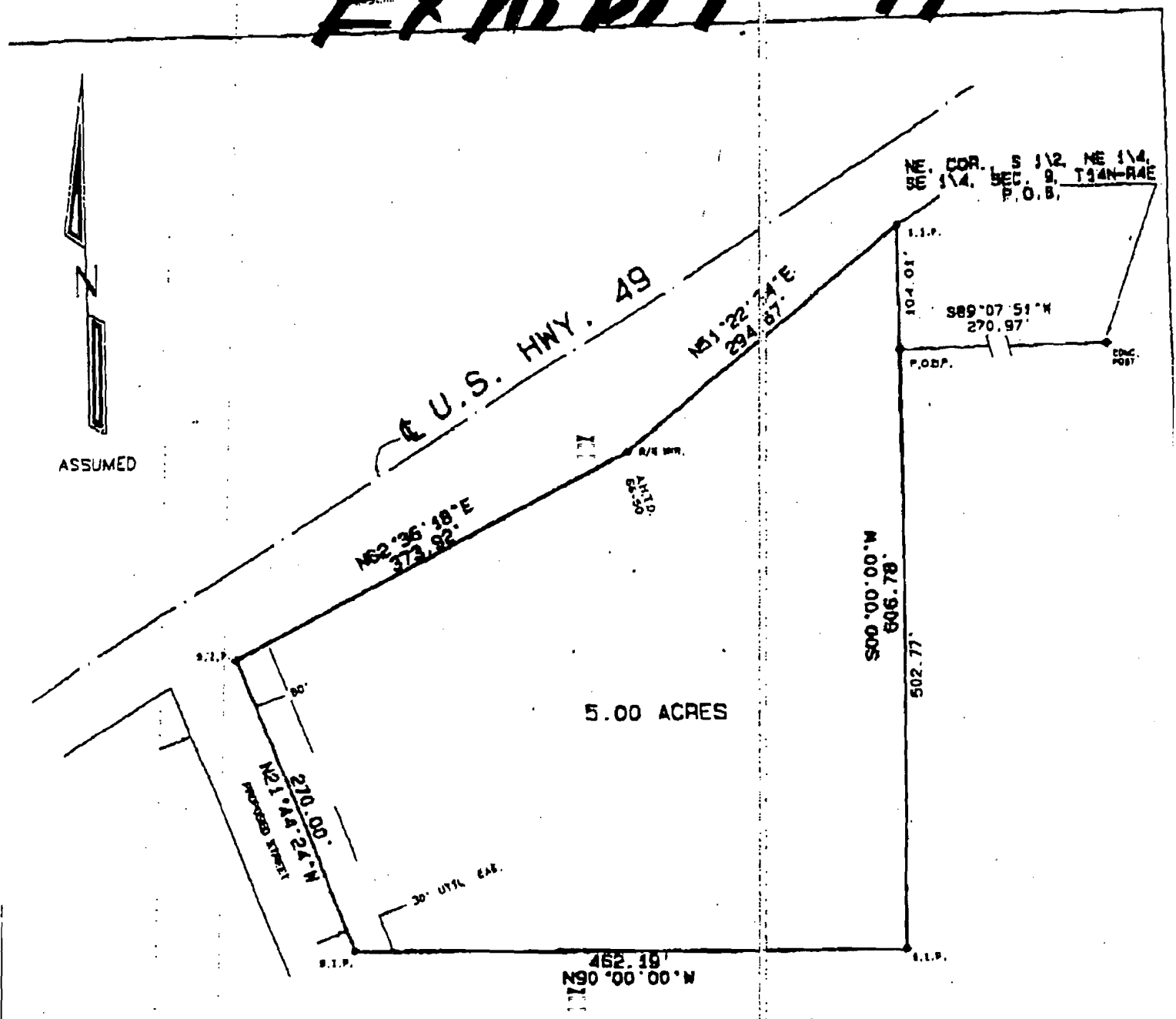
- (a) Upon expiration or termination of this Lease, LESSEE shall peaceably and quietly deliver to LESSOR the PREMISES. All improvements made upon the PREMISES shall be removed and the land restored to a condition as good or better than at the time of Lease execution, if requested by LESSOR, within 120 days of lease termination.
- (b) LESSEE shall indemnify LESSOR and save it harmless from and against any and all claims, actions, damages, liabilities and expenses in connection with the loss of life, personal injury or any part thereof, or the occupancy or use by LESSEE or any part thereof, or occasioned wholly or in part by an act or omission of the LESSEE, its agents, volunteers, contractors, employees, servants, lessees, or concessionaires. In the case, the LESSOR shall, without fault or in part, be made a party to any litigation commenced by or against LESSEE, then LESSEE shall protect and hold LESSOR harmless and shall pay all costs, expenses and reasonable attorney's fees incurred or expended by the LESSOR in connection with such litigation.
- (c) LESSEE shall not assign, sublet or transfer this Lease without the prior written consent of the LESSOR, which shall not be unreasonably withheld. The assignment, sublease or transfer shall be evidenced by a document prepared by SBS and executed by all parties.
- (d) During the lease term, should it be determined by mutual consent that the useful life of the PREMISES improvements constructed by LESSEE have disintegrated below what is reasonably acceptable for the purpose in which they were originally constructed or if they create a nuisance or hazard to the general public, the LESSEE shall remove the remaining structure, debris and materials from the property and restore the PREMISES to a condition acceptable to LESSOR, at such time the Lease shall terminate.
- (e) The purpose of this Lease Agreement is to provide the LESSEE a location to build a new fire and training facility. If during the term of the Lease, the LESSEE desires to use the location herein described for any purpose other than providing fire protection, the LESSOR will have the sole authority of approving such request through SBS. If this request cannot be mutually agreed upon, the LESSOR will have the authority, through SBS, to terminate this Agreement at the end of the annual anniversary date of the Lease and the LESSOR will take possession of the property.
- (f) The LESSEE, in consideration of this Lease Agreement, will be responsible for constructing a street from the entrance on U. S. Highway 49 to facilitate ingress and egress to the fire station and the University Equine Center, as indicated in the Survey Plat attached hereto and incorporated herein by reference as Exhibit "A".
- (g) The LESSEE shall construct said street according to the provisions of the Standard Specification for Highway Construction, Arkansas Highway Commission, 1993 and maintain same according to Typical Paving Section attached hereto and incorporated herein by reference by Exhibit "B".
- (h) LESSOR shall approve all building plans through SBS.

11. MISCELLANEOUS:

- (a) The Lease and any modifications or amendments to it will not be valid without the written approval of SBS.
- (b) This Lease shall benefit and bind the parties hereto and their heirs, personal representatives, successors and assigns.
- (c) The LESSOR may terminate this Lease by written notice from SBS to LESSEE 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.

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

Exhibit "A"



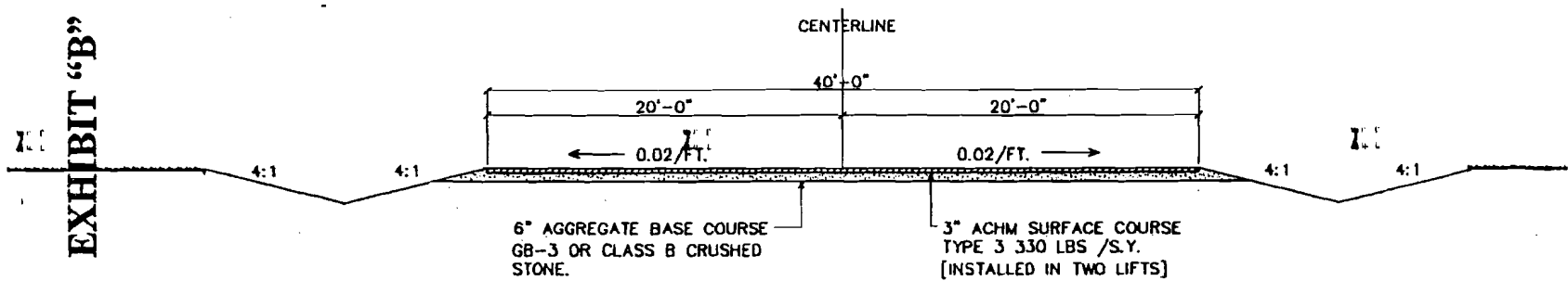
CERTIFICATE OF SURVEY:

THIS IS TO CERTIFY THAT HAYWOOD, KENWARD, BARE AND ASSOCIATES INC., PROFESSIONAL LAND SURVEYORS HAVE SURVEYED THE FOLLOWING PARCEL OF LAND:

A PART OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 14 NORTH, RANGE 4 EAST, JONESBORO, CRAIGHEAD COUNTY ARKANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF AFORESAID SECTION 9; THENCE S89°07'51"W - 270.97' TO THE POINT OF BEGINNING PROPER; THENCE S00°00'00"W - 502.77'; THENCE N90°00'00"W - 462.19' TO THE EAST RIGHT OF WAY LINE OF A PROPOSED STREET; THENCE N21°44'24"W ALONG SAID RIGHT OF WAY LINE 270.00' TO THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 49; THENCE N62°36'18"E ALONG SAID RIGHT OF WAY LINE 373.92'; THENCE N51°22'34"E ALONG SAID RIGHT OF WAY LINE 294.67'; THENCE S00°00'00"W - 104.01' TO THE POINT OF BEGINNING PROPER, CONTAINING 5.00 ACRES MORE OR LESS SUBJECT TO ALL RIGHTS OF WAY AND EASEMENTS OF RECORD.

EXHIBIT "B"



TYPICAL PAVING SECTION SCALE: 1/8" = 1'-0"
ARKANSAS STATE UNIVERSITY EQUINE CENTER

ASU EQUINE CENTER
TYPICAL PAVING SECTION



CONSTRUCTION
OFFICE