

LEASE AGREEMENT

This Agreement is made and entered into on this 19th day of ~~August~~ ^{Sept}, 2012, by and between SOUTHWEST CHURCH OF CHRIST ("Lessor") and the CITY OF JONESBORO; ARKANSAS ("Lessee"), and based upon the mutual promises, covenants and conditions herein expressed:

1. Premises. The Lessor, for and in consideration of the covenants, conditions, agreements and stipulations of Lessee, hereinafter expressed, does hereby devise and lease unto Lessee certain property located in Jonesboro, Craighead County, Arkansas, more particularly described as follows:

A PART OF THE NORTH HALF OF THE SOUTH HALF OF SECTION 24 OF TOWNSHIP 14 NORTH, RANGE 3 EAST, JONESBORO, CRAIGHEAD COUNTY, ARKANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 1 OF NETTLETON STATION MINOR PLAT, RECORDED IN BOOK "C" PAGE 193, THENCE SOUTH ALONG THE WEST RIGHT-OF-WAY OF JAMES STREET A DISTANCE OF 160 FEET, MORE OR LESS, TO THE NORTH EDGE OF A PARKING LOT; THENCE WEST ALONG THE NORTH EDGE OF THE PARKING LOT A DISTANCE OF 370 FEET, MORE OR LESS; THENCE NORTH A DISTANCE OF 160 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF LOT 1 OF NETTLETON STATION MINOR PLAT; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 1 A DISTANCE OF 368.44 FEET TO THE POINT OF BEGINNING, CONTAINING APPROXIMATELY 1.4 ACRES.

Said property shall hereinafter be referred to as the "Property".

2. Term. The initial term of this Lease shall be for one (1) year, beginning on September 1, 2012, and ending on August, 31, 2013 (the "Initial Term"). This Lease shall automatically renew for successive (1) year renewal terms ("Renewal Term"). Provided however, this Lease shall not automatically renew if either party gives written notice of non-renewal to the other party at least thirty (30) days prior to the expiration of the then current term. This Lease may also be terminated as provided in paragraph 3 below.

3. Termination. Either party may terminate this Lease at any time, with or without cause, upon giving the other party thirty (30) days written notice. Lessor shall be entitled to keep all lease payments upon termination of this Lease.

4. Rental. Lessee agrees to pay and Lessor agrees to accept as rent for said premises the sum of One and no 00/100 Dollars (\$1.00) per year payable in advance on or before the 1st day of the Initial Term and each Renewal Term thereof. Lessee shall pay said lease payment to Lessor at the following address:

Southwest Church of Christ
1601 James Street
Jonesboro, AR 72401

5. Utilities. Lessee shall be responsible for the prompt and full payment of any and all charges for water, sewer, electricity, gas, telephone and other utilities to the Property.

6. Taxes. Lessee shall pay all real property taxes and assessments, if any, due for the Property and any and all personal property taxes on improvements or other personal property of Lessee placed on the Property.

7. Condition of Premises. It is expressly agreed and understood by Lessee that it is leasing the demised premises "As Is" in its current condition. Lessee's taking possession of the Property shall be conclusive evidence of Lessee's acceptance thereof in good order and satisfactory condition, and that the Property are acceptable for the uses anticipated by this lease. Any additional plumbing, electrical or other work which needs to be performed shall be at Lessee's own expense. Lessee agrees that no representations respecting the condition of the Property and no promises to alter, repair or improve the Property, either before or after the execution hereof, have been made by Lessor, or its agents unless the same are contained herein and made a part hereof.

8. Improvements By Lessee. Any improvements or personal property placed upon the Property shall remain the property of the Lessee and shall not become a part of the Property. Upon termination of this Lease, Lessee shall remove any such improvements and personal property and shall return the Property to its condition prior to improvement being made. Any improvements or personal property remaining on the Property after the termination of this Lease shall be deemed abandoned and shall become property of the Lessor.

9. Maintenance and Repairs. It is understood and agreed by the Lessee that it shall be responsible for all repairs and maintenance to the Property, specifically, Lessee shall keep the Property mowed and trimmed and any improvements or personal property placed on the Property shall be maintained in good working order. It is agreed that Lessee will not make nor permit (other than routine maintenance) to be made any repairs, alterations, additions, improvements, or changes in the premises without, in each case, first obtaining the written consent of the Lessor. A consent to a particular repair, alteration, addition, improvement or change shall not be deemed a consent to or a waiver of restrictions against repairs, alterations, additions, improvements, or changes in the future.

10. Insurance.

A. During the term of this lease, Lessee shall procure and maintain at Lessee's sole cost and expense the following types of insurance in good and solvent insurance companies acceptable to Lessor:



1. Comprehensive public liability insurance, including property damage (and product liability insurance, if applicable) insuring both Lessor and Lessee against liability for injury to persons or property occurring in or about the Property or arising out of the ownership, maintenance, use or occupancy thereof. The liability under such insurance shall not be less than \$1,000,000.00 bodily injury and not less than \$500,000.00 for the property damage per accident. Lessor shall be furnished with Certificates of Insurance on all policies issued to Lessee hereunder.

2. Any desired insurance coverage on equipment or other property placed on the Property and owned by Lessee and on fixtures.

B. Lessee agrees not to suffer anything to be done or remain upon or about the Property which will invalidate any policy of insurance which may now or hereafter be placed upon the Property.

11. Conduct of Business and Uses. The Property is leased to Lessee for the purpose of a picnic and rest area in conjunction with activities conducted by the Lessee at the City Pool Complex adjacent to the Property and its related uses. Lessee agrees that the Property will be used for those purposes only and no other, except with the prior written consent of the Lessor.

Lessee shall not use in any way, or permit or suffer the use of the Property or any part thereof, to either directly or indirectly prepare, produce, generate, manufacture, refine, treat, transport, store, maintain, handle, dispose of, transfer, or process any Hazardous Substance as defined herein.

“Hazardous Substance” means any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCBs, or any other substances the removal of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any and all federal, state, county, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), as these laws have been amended or supplemented.

In the event of a failure of Lessee to comply with this section, same shall be considered as default and Lessor shall have such rights and remedies as are herein provided therefor in the section entitled “Default.”

12. Creation of Nuisance and Waste. Lessee agrees that it will not create a nuisance or commit waste nor permit a nuisance or waste to be committed upon the Property. Lessee further agrees to comply with all city, county, state and federal laws, ordinances, and regulations. In the

event Lessee violates any city, county, state, or federal law, ordinance or regulation, this lease shall be terminable at the sole discretion of Lessor.

13. Indemnity Against Damage or Injury. Lessee agrees to defend, indemnify, and hold harmless the Lessor, its employees, agents and assigns 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 the use or occupancy of the Property by Lessee, Lessee's agents, servants, employees, invitees or licensees, or as a result of the negligence or improper use or conduct of Lessee, Lessee's agents, servants, employees, customers, invitees, or licensees.

14. Subletting. Lessee shall not sublet the premises in whole or in any part and shall not sell, assign, mortgage, pledge, or in any manner, transfer this lease, or any interest herein; nor shall Lessee permit any transfer of Lessee's interest created hereby, nor allow any lien upon Lessee's interest.

15. Default. If the Lessee defaults in the performance of any of the covenants, terms, conditions, or provisions of this lease, including non-payment of rent, and after written notice from the Lessor, Lessee fails to cure such default within ten days after receipt of such notice, then the Lessor may, at its option, re-enter the Property without any demand for possession therefore and recover possession of the Property and the improvements thereof, expel the Lessee and those holding under the Lessee, and no allowance shall be paid to the Lessee. 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 Lessee under this lease shall terminate and the Lessee agrees that in the event of such termination, Lessee will indemnify the Lessor against all unavoidable loss of rent and expense of re-letting, which the Lessor may incur by reason of such termination for the remainder of the unexpired term of this lease.

16. Waiver. The failure of the Lessor to insist upon strict performance by Lessee of any of the covenants, conditions and agreements of this lease shall not be deemed a waiver of any of the Lessor's rights or remedies and shall not be deemed a waiver of any subsequent breach or default by Lessee in any of the covenants, conditions and agreements of this lease. No surrender of the Property shall be affected by Lessor's acceptance of rental or by any other means whatsoever unless the same be evidenced by Lessor's written acceptance of such a surrender.

17. Remedies. All rights or remedies of Lessor herein created or otherwise existing at law are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other. All such rights and remedies may be exercised and enforced concurrently and whenever and as often as deemed desirable.

18. Authorization. Each of the parties do hereby represent and warrant that they have the full power and authority to execute this Agreement and to perform the obligations and covenants imposed upon it by the terms of this Lease. The Agreement constitutes a valid and legally binding obligation of Lessor and Lessee, enforceable in accordance with its terms and conditions.

19. Redelivery of Premises. At the end of the term of this lease, or upon earlier termination by Lessor in accordance with the terms of this lease, Lessee agrees to surrender possession of the Property without demand. In the event Lessee fails to do so, Lessee shall be responsible not only for the damages generally recoverable by Lessor, but also for all damages Lessor may sustain, including claims made by any subsequent Lessee against Lessor due to the delay or failure in the delivery of the premises to such subsequent Lessee. Lessee further waives any and all notice to which Lessee may be entitled under the laws of the State of Arkansas as a prerequisite to suit against Lessee for failure to deliver the leased premises.

20. Successor and Assigns. All covenants, promises, conditions, representations herein contained shall be binding upon, applied and inure to the parties hereto and their respective heirs, executors, administrators, successors and assigns.

21. Interpretation. Parties agree that the law of the State of Arkansas will govern all disputes under this lease, and determine all rights hereunder.

22. Entire Agreement. This lease agreement contains the entire understanding of the parties, and such understanding may not be modified except in writing signed by the parties.

23. Time of Essence. The time of the making of the payments and of keeping the covenant herein are of the essence of this agreement and the parties hereto so agree.

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

LESSOR:

LESSEE:

SOUTHWEST CHURCH OF CHRIST

CITY OF JONESBORO

By: Don Sellers 8/20/12

By: Best Woodley 8/22/12