



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Signature Copy

Resolution: R-EN-046-2020

File Number: RES-20:049

Enactment Number: R-EN-046-2020

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2020
ANNUAL BUDGET FOR THE POLICE DEPARTMENT

WHEREAS, a Police Department facility located at the Jonesboro Airport was destroyed by a tornado on March 28, 2020 and the operations had to be replaced immediately due to public safety; and,

WHEREAS, Resolution 19:165 adopted the 2020 Budget for the City of Jonesboro; and,

WHEREAS, the City of Jonesboro, Arkansas desires to enter into a lease contract from June 1, 2020 to December 31, 2021 with Halsey Properties LLC for a building located at 2319 East Matthews Avenue, Jonesboro, Arkansas consisting of approximately two thousand two hundred (2,200) rentable square feet, with rent at Two Thousand Seven Hundred Fifty and No/100 Dollars (\$2,750.00) per month under the terms and conditions of the Lease Agreement; and,

WHEREAS, the Lease Agreement provides after December 31, 2021, the City shall have the right and option to extend the term until June 30, 2022 on a month to month basis; and,

WHEREAS, the 2020 Police Department Budget will need to be increased in order to include seven monthly lease payments of \$2,750.00 totaling \$19,250 for the remaining portion of 2020.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS,
THAT:

Section 1: The sum of \$19,250 will be added to the Police Department's 2020 budget fixed asset line item, said sum shall come from the unappropriated funds in the General Fund with the expectation of partial reimbursement by FEMA and/or insurance.

Section 2: The Mayor, Harold Perrin and City Clerk, Donna Jackson, are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate the agreement.

PASSED AND APPROVED THIS 5TH DAY OF MAY, 2020.

ATTEST

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into by and between **HALSEY PROPERTIES LLC** an Arkansas limited liability company ("Landlord"), and **THE CITY OF JONESBORO, ARKANSAS**, a subdivision of the State of Arkansas ("Tenant").

1. Definitions.

a. *Premises; Use.* The Premises means the space in that certain building located at 2319 East Matthews Avenue, Jonesboro, Arkansas 72401 (the "Building") consisting of approximately two thousand two hundred (2,200) rentable square feet (the "Premises"). Tenant acknowledges that Tenant is renting the Premises to conduct city business.

b. *Term.* The Term shall commence on June 1, 2020 (the "Commencement Date") and shall terminate on December 31, 2021 (the "Initial Term"). Notwithstanding the foregoing, at any time after March 31, 2021, Tenant may terminate this Lease on sixty (60) days written notice. Upon written notice to Landlord received by Landlord no less than thirty (30) days prior to the expiration of the Initial Term (the "Renewal Option Notice"), Tenant shall have the right and option ("Renewal Option") to extend the Term for the Premises until June 30, 2022, on the terms and conditions hereof, at the rental rate set forth in Section 3.c. below (the Renewal Term and the Initial Term collectively referred to herein as the "Term"). Landlord and Tenant agree the Renewal Term shall be on a month to month basis, and any party can terminate on thirty (30) days' notice to the other party. If Tenant shall fail to provide a Renewal Option Notice to Landlord in the time set forth herein, then Landlord and Tenant agree the then Renewal Option shall be deemed to be terminated. In Landlord's sole discretion, Tenant shall not be entitled to exercise the Renewal Option for the Renewal Term if Tenant is in default under the terms of this Lease either at the time it provides the Renewal Option Notice, or at the beginning of the Renewal Term. No other amendment of this Lease shall be binding on either party unless it is in writing and signed by Landlord and Tenant.

In the event Tenant holds over after the end of the Term or upon earlier termination of the Lease, the Rent shall increase to one hundred twenty five percent (125.00%) of the pre-termination rate, and Landlord may pursue any remedies to remove Tenant from the Premises.

c. *Rent.* The Rent shall be due and payable to Landlord in advance on the first day of each month at Landlord's place of business at 301 West Washington Avenue, Suite 200, Jonesboro, Arkansas 72401, or such other place as Landlord may designate. Monthly Rent shall be Two Thousand Seven Hundred Fifty and No/100 United States Dollars (\$2,750.00) per month.

2. Lease. For the duration of the Term, Landlord hereby leases to Tenant and Tenant hereby accepts the Premises for the exclusive purpose of using the Premises to operate the City of Jonesboro's business. Tenant shall pay the Rent by the first day of each month throughout the effectiveness of this Lease. Tenant shall return the Premises to Landlord in the same condition as the Premises is delivered to Tenant subject to reasonable wear and tear; provided, any improvements to the Premises (other than trade fixtures that can be removed without materially damaging the Premises) shall be considered a permanent part of the Premises and shall belong to Landlord. Any property left on the Premises after the termination date shall automatically and irrevocably be deemed abandoned and shall become the exclusive property of Landlord with Landlord having the right to keep or remove the abandoned property at Tenant's expense. Tenant shall not assign this Lease or sublet all or any part of the Premises without the prior written consent of the Landlord, which consent may be withheld in Landlord's absolute discretion. Any approved assignment or sublet by Tenant shall not relieve Tenant of any obligations under the Lease.

3. **Maintenance and Repair.** Tenant acknowledges it has inspected the Premises and accepts the Premises in "AS IS" condition. Landlord shall maintain and repair the exterior of the Premises in satisfactory condition during the Term (subject to contribution from Tenant for damage to any of these structures caused by Tenant, its employees, agents, licensees or invitees). Landlord shall not be responsible for any damages caused by failure to maintain any of the foregoing items unless and until Landlord has received written notice of a problem and has had a reasonable time to repair the same.

Tenant shall, at its cost and expense, repair and maintain the interior of the Premises. Tenant shall not make any modifications to the Premises without Landlord's express written consent. Any approved modifications shall become part of the Premises and shall become Landlord's property upon termination of the Lease. Landlord has the right to specify approved contractors who will do any work or maintenance within the Premises. Notwithstanding the foregoing, Landlord shall reimburse Tenant for repairs to the interior of the Premises in excess of Five Thousand and No/100 United States Dollars (\$5,000.00) in any calendar year during the term of this Lease, so long as such repairs are not the result of damage caused by Tenant, its employees, agents, licensees or invitees.

4. **Common Area.** The "Common Area" is the part of the Building designated by Landlord from time to time for the common use of all tenants and their invitees, including among other facilities, parking area, sidewalks, landscaping, curbs, loading areas, private streets and alleys, lighting facilities, hallways, elevators, and other areas and improvements provided by Landlord for the common use of all tenants and their invitees, all of which shall be subject to Landlord's sole management and control and shall be operated and maintained in such manner as Landlord, in its reasonable discretion, shall determine. Landlord reserves the right to change from time to time the dimensions and location of the Common Area. Tenant and its employees, customers and licensees shall have the non-exclusive right and license to use the Common Area as constituted from time to time, such use to be in common with Landlord, other tenants of the Building and other persons permitted by Landlord to use the same, and subject to such reasonable rules and regulations governing use as Landlord may from time to time prescribe. Tenant shall not place any temporary signage, or solicit business or display merchandise, within the Common Area, or distribute handbills therein, or take any action which would interfere with the rights of other persons to use the Common Area without the prior written consent of the Landlord. Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to prevent the public from obtaining prescriptive rights or to make repairs or alterations, but such repairs or alterations shall be done in a manner so as to cause a minimum of interference with Tenant's business.

5. **Default.** Landlord may declare Tenant in default if Tenant: (i) fails to pay its Rent or any other sums due under this Lease within five (5) days of the due date; (ii) fails to perform any of its other obligations under this Lease and the failure shall continue for ten (10) days following written notice from Landlord; or (iii) if the Premises shall be deserted or vacated for a period of more than seven (7) days. If Tenant fails to pay the Rent within the five (5) day grace period, Landlord shall have the option to declare the Tenant in default or assess a late fee of ten percent (10%) of the past-due amount. If the past-due Rent (plus late fees) is not paid in full, Landlord shall have the option to declare Tenant in default or exercise any other remedies available to Landlord. Exercise of the option to assess a late fee instead of declaring Tenant in default shall not waive Landlord's right to declare Tenant in default in the future. After Landlord declares Tenant in default, Landlord may immediately terminate this Lease and/or pursue any remedies available at law or equity, including without limitation, altering all locks and other security devices without terminating this Lease and leasing the Premises for the account of Tenant without releasing Tenant from Tenant's obligations under this Lease or accepting Tenant's surrender.

6. **Signage.** Tenant may display signage on the Premises at locations designated by the Landlord. All signage displayed by Tenant must be approved by Landlord, in writing, prior to Tenant displaying

such signage. Tenant must remove its signage upon termination of the Lease and return the area where the signage was located to its previous condition.

7. **No Waste.** Tenant agrees that it will not commit waste nor permit waste to be done to or upon the Premises. Tenant shall keep and maintain the Premises in compliance with, and shall not cause or permit the Premises to be in violation of, any federal, state or local laws, ordinances or regulations relating to occupational hazards, industrial hygiene or to the environmental conditions on, under, about or affecting the Premises. Tenant shall not use, generate, manufacture, store or dispose of on, under or about the Premises or transport to or from the Premises any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation any substances defined as or included in the definition of hazardous substances, hazardous wastes, hazardous materials or toxic substances under any applicable federal or state laws or regulations (collectively, the "Hazardous Materials"). If Tenant desires to have Hazardous Materials on the Premises, Tenant must make written request to Landlord detailing the specific Hazardous Materials and documenting to Landlord's satisfaction the Tenant's plan for managing the Hazardous Materials, keeping the Hazardous Materials from contaminating the Premises, complying with all applicable laws, rules and regulations. Landlord shall have no obligation to permit the Hazardous Materials on the Premises. In the event Landlord approves the presence of the Hazardous Materials, Tenant shall be bound to comply with the plans it specified for the handling of the Hazardous Materials and, no matter what, shall keep the Hazardous Materials from contaminating the Premises and, no matter what, shall comply with all applicable laws, rules and regulations. Landlord shall not be required to incur any expense in connect with such compliance.

8. **Insurance.** Landlord shall maintain, at its expense, commercial general liability insurance, insuring Tenant, Landlord, and Landlord's agents against all liability for injury to or death of a person or persons or damage to property arising from the Tenant's use and occupancy of the Premises, fire and extended insurance similar coverage for the full replacement cost of the Building (including earthquake and flood insurance) and public liability insurance in such amounts and with such deductible amounts as would be maintained by a prudent landlord of similar commercial properties in Craighead County, Arkansas. Additionally, Landlord may obtain and carry any other form or forms of insurance as it may reasonably desire or as any Landlord's mortgagee may require.

9. **Condemnation/Casualty.** If the whole or a portion of the Premises shall be taken by any public or quasi-public authority under any statute or by right of eminent domain, or by private purchase in lieu thereof, and the portion remaining after the taking cannot, in the sole judgment of Landlord, be used economically or profitably, then, on written notice from Landlord to Tenant or on written notice from Tenant to the Landlord, to be effective as of the effective date of the taking, this Lease shall terminate. If a portion of the Premises shall be condemned, and, in the determination of Landlord, the remaining portion can be operated economically and profitably, this Lease, as to such part, shall continue in full force and effect, and the rents payable hereunder shall be reduced in proportion to the portion taken, and, as to the portion taken, this Lease shall terminate. All condemnation awards or proceeds, whether for the whole or a portion of the Premises shall belong to and be the property of Landlord; provided, however, that Tenant shall have the right to recover from the condemning authority compensation for the taking of any personal property of Tenant, and any relocation costs incurred by Tenant. Notwithstanding anything herein, Landlord may terminate this Lease if Landlord deems such loss to be detrimental to Landlord.

10. **Casualty.** If the Premises are totally or partially destroyed by fire or other casualty and there are, Landlord may terminate this Lease or elect to rebuild as follows. If the Premises are totally or partially destroyed by fire or other casualty so that they cannot be restored or made suitable for Tenant's business needs, as determined by Landlord, within one (1) month from the date of the casualty or the date of expiration of the Term, whichever occurs earlier (the "Rebuild Date"), either Landlord or Tenant may terminate this Lease by giving written notice to the other party within ten (10) days after the date of the

casualty, failure to do so within the specified time period shall mean that the Lease is in full effect. To the extent of the insurance proceeds allocable to the Premises, Landlord will restore the Premises as nearly as possible to the condition which existed immediately prior to such casualty. If Landlord, subject to unavoidable delays or force majeure, does not restore the Premises by the Rebuild Date, Tenant may terminate this Lease. Such restoration shall be commenced promptly and prosecuted with reasonable diligence. Notwithstanding anything herein, Landlord may terminate this Lease if Landlord deems such loss to be detrimental to Landlord.

11. **Taxes.** Landlord shall pay all ad valorem real property taxes for the Premises, but Tenant shall be solely responsible for all other taxes, including without limitation taxes for all property owned by Tenant.

12. **Utilities and Trash.** Tenant shall be responsible for both the procurement and payment of all utilities including, but not limited to, water, electric, gas, cable, internet, telecommunications, and other data services.

Landlord does not warrant that any service will be free from interruptions caused by repairs, renewals, improvements, changes of service, alterations, strikes, lockouts, labor controversies, civil commotion, riot, accidents, inability to obtain electrical power, fuel, steam, water, supplies or labor or other cause beyond the reasonable control of Landlord. No such interruption of service shall be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof, or render Landlord liable to Tenant for damages, by abatement of rent or otherwise, or relieve Tenant from performance of Tenant's obligations under this Lease. Tenant hereby waives and releases all claims against Landlord for damages for interruption or stoppage of service.

In the event that by agreement with Tenant, Landlord furnishes extra or additional services to be paid for by Tenant, a failure to pay for such services within five (5) days after notice to Tenant shall authorize Landlord, in Landlord's discretion and without further notice, to immediately discontinue such services and terminate any agreement for such services. Tenant shall remove and properly dispose of all Tenant's trash on the Premises.

13. **Compliance with Applicable Law.** Tenant shall comply at all times during the Term with all applicable laws, ordinances and regulations. Tenant shall comply with all rules and regulations Landlord concerning the Premises and any memorandum or other publication, applicable to Tenant, issued as a supplement, amendment, as a replacement for or in addition to the rules and regulations of Landlord.

14. **Right of Entry.** Landlord reserves the right during the Term to enter the Premises during normal business hours of Tenant, after reasonable prior notice to Tenant, for purposes of inspecting the Premises. During the Term or any extensions of the Term, Landlord may enter the Premises as needed from time to time as is customary with the re-leasing of the Premises.

15. **Bankruptcy.** If Tenant shall become insolvent or if bankruptcy proceedings shall be instituted by or against Tenant during the terms of this Lease, Landlord is hereby irrevocably authorized, at its option, to cancel this Lease for default. Landlord may elect to accept rent from such receiver, trustee, or other judicial officer during the term of their fiduciary capacity without affecting Landlord's rights as contained in this Lease, but no receiver, trustee, or other judicial officer are granted any right, title, or interest in or to the Premises by virtue of the terms of this Lease.

16. **Notices.** Any notice or demand required or permitted to be delivered hereunder may be delivered in person or shall be deemed to be delivered when deposited in the United States mail, postage prepaid,

registered or certified mail, return receipt requested. Notice shall also be deemed to have been delivered when deposited, prepaid, with any overnight express mail service, addressed as provided below:

If to Landlord: HALSEY PROPERTIES LLC
301 West Washington Avenue, Suite 200
Jonesboro, Arkansas 72401

If to Tenant: THE CITY OF JONESBORO

Jonesboro, Arkansas 72401

17. **No Oral Agreements.** This written agreement may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreement of the parties. There are no unwritten oral agreements between the parties. Any provision of this Lease may be changed, waived or terminated only by written instrument specifically referring to this Lease signed by the party against whom the change, waiver or termination is sought to be enforced. Each of the parties hereto hereby acknowledges no other party, or agent or attorney of any other party, has made any promise, representation or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce the other party to execute this Lease or any of the other documents referred to herein and each party hereto acknowledges it has not executed this Lease or such other documents in reliance upon any such promise, representation or warranty not contained herein.

18. **Construction.** This Lease and all provisions contained herein have been jointly drafted (or reviewed and negotiated) and agreed to, and shall be deemed to have been prepared jointly by the parties hereto, each being sophisticated in transactions such as the one contemplated by this Lease and each having the benefit and advice of legal counsel (or the opportunity to seek such counsel), and shall not be construed in favor of or against any party to this Lease. This Lease may be executed in counterparts. This Lease shall be governed by the laws of the State of Arkansas, and Arkansas shall be the exclusive forum for any disputes arising in connection with this Lease. If any part of this Lease or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be deemed inapplicable and deemed omitted to the extent so contrary, prohibited or invalid but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. Time is of the essence with respect to all obligations of Tenant under this lease.

19. **Estoppel Certificate.** Tenant agrees that it will from time to time, upon request by Landlord, execute and deliver to Landlord within ten (10) business days after demand therefor an estoppel certificate in Landlord's form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified).

20. **Rules and Regulations.** Landlord reserves the right to make, establish and amend, from time to time, in Landlord's sole discretion, subject to the provisions herein, reasonable rules and regulations which shall be applicable to the Premises and the Tenant. Tenant shall comply with such rules and regulations as may be set forth from time to time.

21. **Representations and Warranties of Landlord.** Landlord hereby warrants and represents to Tenant as follows: **Authority.** Landlord is a limited liability company duly formed and validly existing under the laws of the State of Arkansas, with full power and authority to execute and deliver this Lease, and perform its obligations hereunder. **Validity.** This Lease has been duly executed and delivered by Landlord and constitutes the legal, valid and binding obligation of Landlord, enforceable in accordance with its terms, except to the extent that such enforceability may be limited by bankruptcy, insolvency,

reorganization, moratorium or other similar laws affecting the enforcement of creditor's rights or by general principles of equity. No Violations. Neither the execution nor delivery of this Lease by Landlord, nor the performance by Landlord of its obligations hereunder will (i) violate or conflict with the provisions of, or constitute an event of default under any note, loan, mortgage, indenture, deed of trust, license, lease or other agreement to which Landlord is a party, or to which it or any of its properties may be bound; or (ii) violate any judgment, ruling, order, writ, injunction, decree, statute, rule or regulation applicable to Landlord or any of its properties or assets.

22. **Representations and Warranties of Tenant.** Tenant hereby represents and warrants to Landlord that: Authority. Tenant has full power and authority to execute, by the party or parties executing this Lease, and to deliver this Lease, and to perform its obligations hereunder. Validity. This Lease has been duly executed and delivered by Tenant and constitutes the legal, valid and binding obligation of Tenant, enforceable in accordance with its terms, except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditor's rights or by general principles of equity. No Violations. Neither the execution nor delivery of this Lease by Tenant, nor the performance by Tenant of its obligations hereunder will (i) violate or conflict with the provisions of, or constitute an event of default under any note, loan, mortgage, indenture, deed of trust, license, lease or other agreement to which Tenant is a party, or to which it or any of its properties may be bound; or (ii) violate any judgment, ruling, order, writ, injunction, decree, statute, rule or regulation applicable to Tenant, or any of its properties or assets.

23. **Waiver.** The failure of any party to enforce any of the provisions of this Lease, or any rights with respect hereto, or the failure to exercise any right provided for herein, will in no way be considered a waiver of such provisions, rights or elections, or in any way affect the validity of this Lease. The failure of any party to enforce any such provisions, rights or remedies will not prejudice such party from later enforcing or exercising the same or any other provisions, rights or remedies which it may have under this Lease. No custom or practice which may evolve between the parties in the administration of the terms of this Lease shall waive or diminish the right of either party to insist upon the performance by the parties in strict accordance with the terms hereof.

24. **Attorney's Fees.** The prevailing party in any litigation instituted to enforce the terms of this Lease shall recover from the other party, in addition to any other relief or damages awarded, such prevailing party's attorney's fees, and costs and expenses incurred in prosecuting any such litigation.

25. **Real Estate Agent.** This Lease was negotiated by Jerry Halsey, Jr. ("Landlord's Broker"). Landlord's Broker is acting as agent for Landlord and does not represent Tenant. Landlord agrees to pay its respective broker a commission pursuant to a separate agreement.

The parties further disclose that some members of Landlord, including without limitation Jerry Halsey, Jr. hold a valid Arkansas real estate license.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed this day of 2020.

LANDLORD:



HALSEY PROPERTIES LLC

GARY HALSEY, JR. for Halsey Properties LLC TENANT:

CITY OF JONESBORO, ARKANSAS

Name: _____

Title: _____

By: _____

LANDLORD INITIALS: _____

TENANT INITIALS: _____

[Handwritten initials]