

## EXCHANGE AGREEMENT

This agreement made this 12th day of October, 2009, by and between the City of Jonesboro, Arkansas, (hereinafter referred to as "City") and City Water and Light Plant of the City of Jonesboro (hereinafter referred to as "CWL") (City and CWL hereinafter collectively referred to as the "Parties") as follows:

### WITNESSETH:

WHEREAS, the City owns certain real property ("City Property", consisting of building and approximately 1.1 acre AND approximately 14.96 acres of excess land) in Craighead County, Arkansas as shown in attached Exhibit A;

WHEREAS, CWL owns certain real property ("CWL Property", consisting of approximately 2 acres) in Craighead County, Arkansas as shown in attached Exhibit B; and

WHEREAS, the Parties are desirous of exchanging their properties as described herein;

THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

1. **LAND TO CITY:** The Parties acknowledge and agree that at the closing of this transaction ("Closing"), CWL shall convey all its rights, title and interest in the CWL Property to the City.
2. **LAND TO CWL:** The Parties acknowledge and agree that at the Closing, City shall convey all its rights, title and interest in the City Property to CWL.
3. **MONEY TO CITY:** CWL shall pay the sum of Eighty Thousand and no/100 Dollars (\$80,000.00) to the City at Closing, which is the positive difference in the appraised value of the CWL Property and the City Property, with the City Property being valued more than CWL property according to the appraisal.
4. **TIMING OF EXCHANGE:** The exchange of the CWL Property and City Property shall occur simultaneously.
5. **CLOSING COSTS:** The Parties acknowledge and agree that any real estate transfer tax stamps, title insurance fees and miscellaneous reasonable and customary closing costs related to this transaction shall be paid one half by CWL and one half by City.
6. **PRORATIONS:** The Parties are not required to pay property taxes; therefore, there shall be no proration necessary for taxes.
7. **CLOSING DATE AND LOCATION:** Closing shall take place on October 14, 2009, at Lenders Title in Jonesboro, Arkansas or such other date and location as the Parties may agree.

8. **EXISTING IMPROVEMENTS:** Ownership of existing improvements on the City Property and CWL Property, respectively, shall vest with the party who ultimately receives ownership of the property on which those improvements exist, and no additional compensation shall be made between the Parties for these existing improvements.
9. **CONVEYANCE:** The CWL Property and City Property, respectively, shall be conveyed by the respective parties to each other by general warranty deed, free and clear of all liens and encumbrances, except taxes not yet due and payable, and all easements, rights-of-way, covenants, reservations, restrictions, and limitations of record including applicable zoning laws, or as otherwise stated herein, if any, which do not materially affect the value or use of the property (collectively, the "Permitted Exceptions").
11. **TITLE REQUIREMENTS:** The City shall be supplied with a commitment for an owner's title insurance policy in the amount of \$361,000 for the CWL property (which is to be conveyed to the City as in paragraph 1). CWL shall be supplied with a commitment for an owner's title insurance policy in the amount of \$441,000 for the City Property (which is to be conveyed to CWL as stated in paragraph 2). The cost of title insurance shall be borne evenly by the City and CWL. Any encumbrances or defects in title other than the Permitted Exceptions must be removed from said commitments and subsequent title insurance policies issued free and clear of said encumbrances and title defects, unless waived in writing by the applicable grantee. The final policies shall be subject only to standard exceptions and the Permitted Exceptions.
12. **SURVEY:** If either of the parties requests a survey, the requesting party shall be responsible for the survey.
13. **POSSESSION:** Possession of City Property shall be delivered to CWL at Closing and delivery of the deed. Possession of CWL Property shall be delivered to City at Closing and delivery of the deed.
14. **RISK OF LOSS:** The City, as the current owner of City Property, assumes risk of loss or damage to the City Property occurring up to the time of Closing. CWL, as the current owner of CWL Property, assumes risk of loss or damage to CWL Property occurring up to the time of Closing. Upon Closing, City's responsibility as owner of City Property shall cease and CWL's responsibility as owner of CWL Property shall cease.
15. **REPRESENTATIONS, WARRANTIES, AND COVENANTS:** As an inducement to the other party hereto to proceed towards Closing hereunder, both parties hereto hereby represent, warrant, and covenant as of the Effective Date of this Agreement and as of the date of Closing, with respect to their specific tract of the property only that:
  - a. The parties have full power, authority and legal right, and have obtained all necessary consents and approvals, to execute, deliver, and perform their respective obligations under this Agreement;
  - b. The execution, delivery, and performance by the parties of their respective obligations under this Agreement will not conflict with or result in a breach of, or constitute a default under, any of the

provisions of any law, governmental rule, regulation, judgment, decree, or order by which a party hereto is bound, or by any of the provisions of any contract or lease to which a party hereto is a party or by which a party hereto is bound; and

- c. This Agreement and the parties' respective obligations hereunder are legal, valid, and binding obligations, enforceable in accordance with their terms, and there are no adverse rights or options, claims, defenses, personal or otherwise, or offsets whatsoever to the enforceability or validity of this Agreement.

16. **SEVERABILITY:** If any part of this Agreement 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 amended to the extent so contrary, prohibited or invalid and the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.
17. **CWL APPROVAL:** This transaction was approved by CWL's Board of Directors at their regular monthly meeting held on September 22, 2009.
18. **CITY APPROVAL:** This transaction was approved by City Council on     Sep 15    , 2009.
19. **GOVERNING LAW:** This agreement shall be governed by the laws of the State of Arkansas.
20. **SURVIVAL OF CONDITIONS:** The terms and conditions of this agreement, and all representations, covenants, warranties, understandings, acknowledgements, and agreements, made herein, shall survive the Closing, and shall not be deemed to have merged or terminated upon Closing.

THIS AGREEMENT IS EXECUTED BY CITY ON THIS 13 OF  
October, 2009.

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THIS AGREEMENT IS EXECUTED BY CWL ON THIS 12th OF  
October, 2009.

By: (Signature)  (Printed) Ron Bowen

Title: Manager

By: (Signature) N/A (Printed) \_\_\_\_\_

Title: \_\_\_\_\_

BLAT DEA PART OF THE SW 1/4 OF SECTION22-TOWNSHIP 14 NORTH-RANGE 4 EAST AND A PART OF  
THE SW 1/4 SECTION 23-TOWNSHIP 14 NORTH-RANGE 4 EAST  
CRAIGHEAD COUNTY, ARKANSASCERTIFICATE OF SURVEY:

THIS IS TO CERTIFY THAT HAYWOOD, EDWARD AND ASSOCIATES, INC., CIVIL ENGINEERS AND SURVEYORS, HAVE SURVEYED A PART OF THE SE 1/4 SE 1/4 OF SECTION 22-TOWNSHIP 14 NORTH-RANGE 4 EAST AND A PART OF THE SW 1/4 SW 1/4 SECTION 23-TOWNSHIP 14 NORTH-RANGE 4 EAST ALL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT A:

BEGIN AT THE SOUTHEAST CORNER OF SECTION 22-TOWNSHIP 14 NORTH-RANGE 4 EAST; THENCE NORTH ON THE SECTION LINE 40' TO THE NORTH RIGHT-OF-WAY LINE OF ARKANSAS STATE HIGHWAY NO. 18; THENCE S89° 14' W ON SAID RIGHT-OF-WAY LINE 74' TO THE POINT OF BEGINNING PROPER; THENCE CONTINUE S89° 14' W ON SAID RIGHT-OF-WAY LINE 560.0'; THENCE N0° 26' W 321.4'; THENCE N84° 16' W 204.7'; THENCE N68° 29' W 191.4' TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF MISSOURI PACIFIC RAILROAD; THENCE N52° 56' E ON SAID RIGHT-OF-WAY LINE 604.0' TO A FENCE; THENCE S40° 07' E ALONG SAID FENCE 100.0'; THENCE S43° 24' E ALONG SAID FENCE 154.0'; THENCE S39° 17' E ALONG SAID FENCE 98.0'; THENCE S33° 05' E ALONG SAID FENCE 89.0'; THENCE S40° 16' E ALONG SAID FENCE 79.0' TO THE END OF SAID FENCE; THENCE S37° 30' E 213.0' TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF ABANDONED J.L. C AND E. RAILROAD; THENCE S29° 56' E ON SAID RIGHT-OF-WAY LINE 504.3' TO THE NORTH RIGHT-OF-WAY LINE OF ARKANSAS STATE HIGHWAY NO. 18; THENCE S89° 14' W ON SAID RIGHT-OF-WAY LINE 114.4' TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF J.L.C. AND E. RAILROAD; THENCE N29° 56' W ON SAID RIGHT-OF-WAY LINE 155.3'; THENCE SOUTH 155.8' TO THE POINT OF BEGINNING PROPER, CONTAINING 15.02 ACRES.

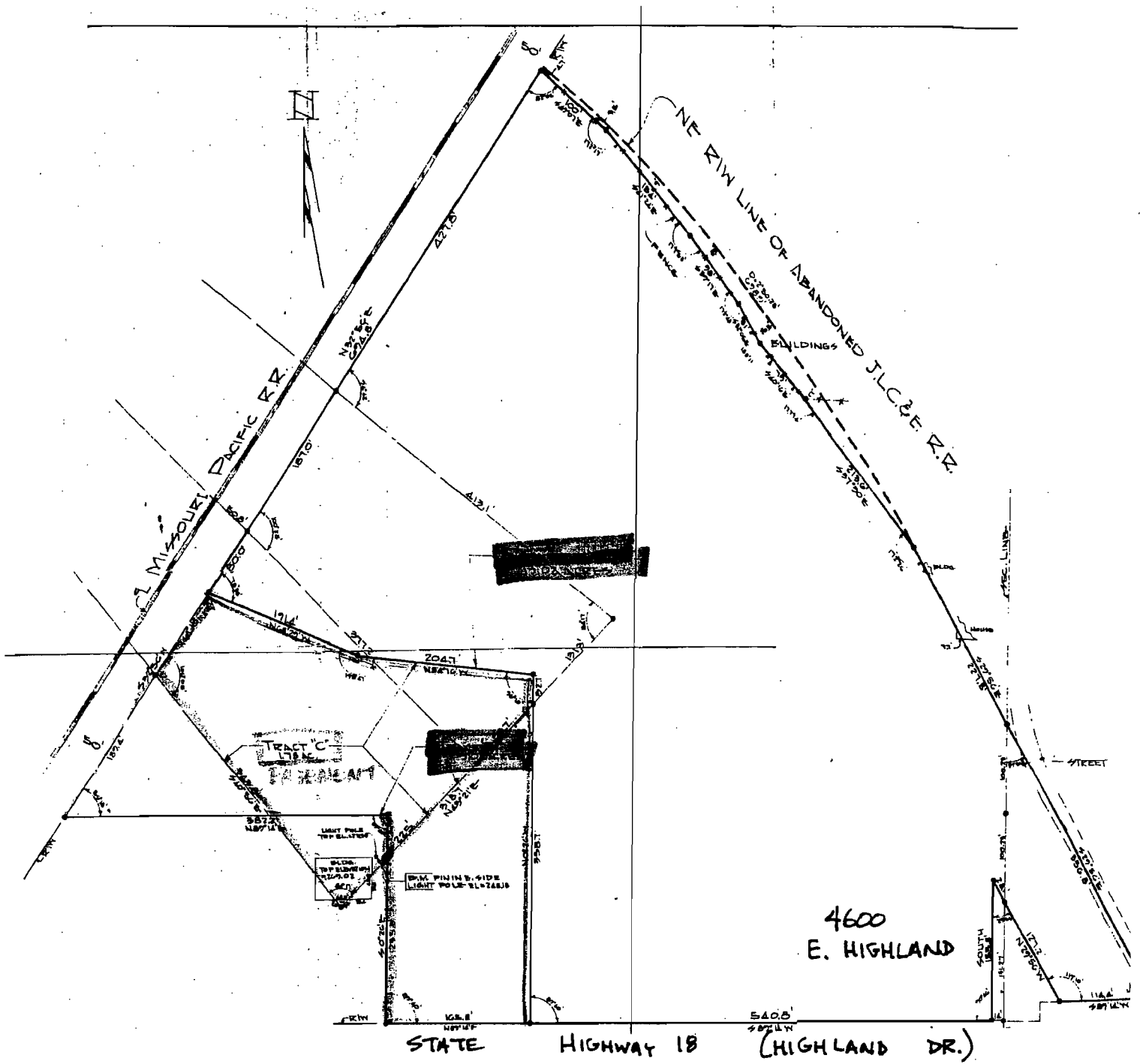
THE ABOVE DESCRIBED TRACT IS SUBJECT TO EXISTING STREET AND BUILDINGS ALONG THE LINE ABOVE DESCRIBED AS S29° 56' E ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF J.L. C. AND E. RAILROAD.

TRACT B:

BEGIN AT THE SOUTHEAST CORNER OF SECTION 22-TOWNSHIP 14 NORTH-RANGE 4 EAST; THENCE NORTH ON THE SECTION LINE 40' TO THE NORTH RIGHT-OF-WAY LINE OF ARKANSAS STATE HIGHWAY NO. 18; THENCE S89° 14' W ON SAID RIGHT-OF-WAY LINE 554.8' TO THE POINT OF BEGINNING PROPER; THENCE N0° 26' W 321.4'; THENCE N84° 16' W 204.7'; THENCE N68° 29' W 191.4' TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF MISSOURI PACIFIC RAILROAD; THENCE S32° 56' W ON SAID RIGHT-OF-WAY LINE 303.4'; THENCE N89° 14' E 382.2'; THENCE S0° 26' E 235.3' TO THE NORTH RIGHT-OF-WAY LINE OF ARKANSAS STATE HIGHWAY NO. 18; THENCE N89° 14' E ON SAID RIGHT-OF-WAY LINE 165.8' TO THE POINT OF BEGINNING PROPER, CONTAINING 3.04 ACRES.

TRACT C:

BEGIN AT THE SOUTHEAST CORNER OF SECTION 22-TOWNSHIP 14 NORTH-RANGE 4 EAST; THENCE NORTH ON THE SECTION LINE 40' TO THE NORTH RIGHT-OF-WAY LINE OF ARKANSAS STATE HIGHWAY NO. 18; THENCE S89° 14' W ON SAID RIGHT-OF-WAY LINE 554.8'; THENCE N0° 26' W 321.4' TO THE POINT OF BEGINNING PROPER; THENCE CONTINUE N0° 26' W 32.7'; THENCE N84° 16' W 204.7'; THENCE N68° 29' W 191.4' TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF MISSOURI PACIFIC RAILROAD; THENCE S32° 56' W ON SAID RIGHT-OF-WAY LINE 114.0'; THENCE S40° 56' E 343.8'; THENCE N63° 21' E 318.7' TO THE POINT OF BEGINNING PROPER, CONTAINING 2.78 ACRES.



DAN AVE. ←

DAN AVE. - HWY 91

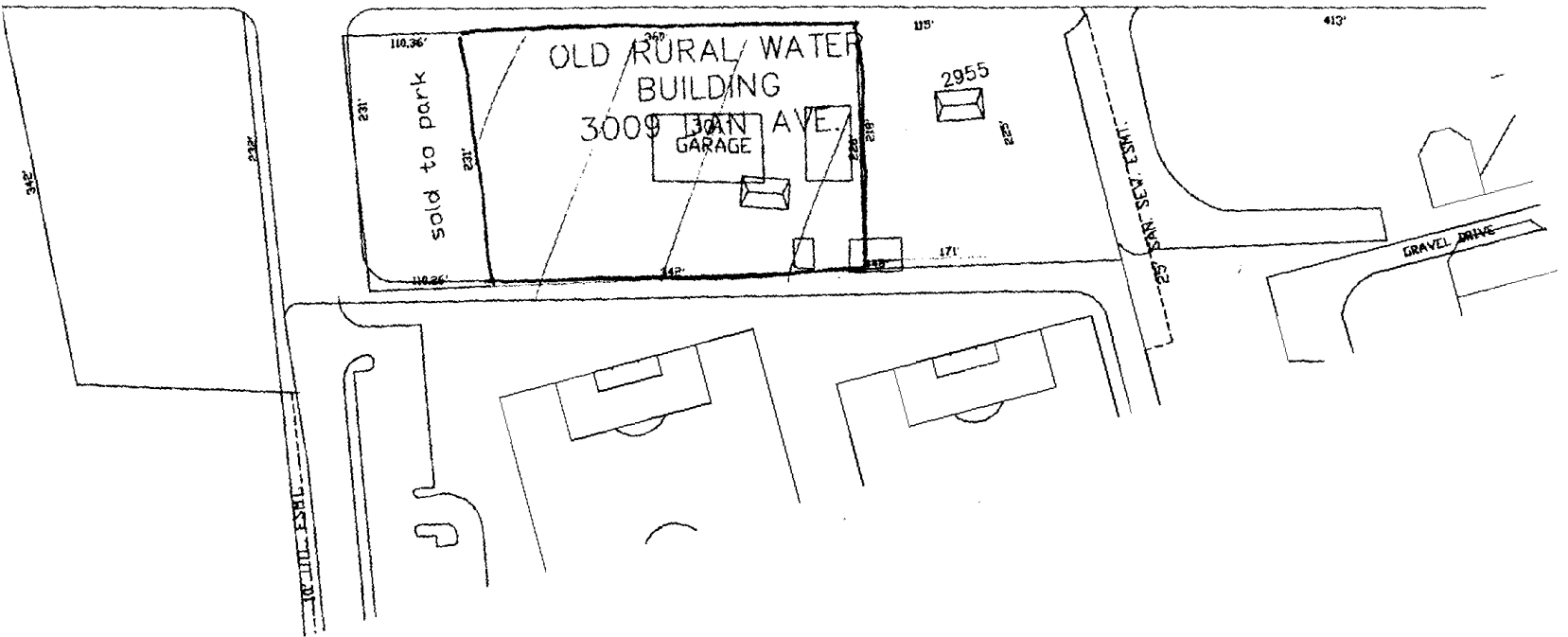


EXHIBIT B