

LETTER OF INTENT

Re: Proposed Terms and Conditions For Exchange of Real Property Between City of Jonesboro, Arkansas (“City”) and City Water & Light Plant of the City of Jonesboro, Arkansas (“CWL”).

This letter sets forth the basic business terms for a simultaneous exchange of real property between the City and CWL:

**IDENTIFICATION OF CITY
PROPERTY:**

“City Property” shall mean that approximately .16 acre tract of real property described as part of Lots 7 and 8, Block 1 of Stephenson’s Church Street Addition, as shown in “orange” on Exhibit “A” attached hereto.

**IDENTIFICATION OF CITY
EASEMENT AREA:**

“City Easement Area” shall mean the area shown in “pink” on Exhibit “A” attached hereto.

**IDENTIFICATION OF CWL
PROPERTY:**

“CWL Property” shall mean an approximately 25 acre tract of real property described as part of the Northwest Quarter, Section 14, Township 14 N, Range 3 E, as shown in “pink” on Exhibit “B” attached hereto.

**IDENTIFICATION OF CWL
EASEMENT AREA:**

“CWL Easement Area” shall mean the area shown in “orange” on Exhibit “A” attached hereto which is located North of existing parking areas located on the North side of the City Property.

**SIMULTANEOUS EXCHANGE
OF PROPERTY:**

City agrees to convey the City Property to CWL and grant CWL an easement for ingress and egress across the City Easement Area. In consideration thereof, CWL will convey the CWL Property to the City and grant City an ingress and egress easement across the CWL Easement Area. The easement granted to the City across the CWL Easement Area will automatically terminate if the City ceases to use the adjacent property for parking purposes.

PROPERTY VALUES:

For purposes of the exchange transaction, the value of the City Property is deemed to be \$126,000.00 and the value of the CWL Property is deemed to be \$125,000.00 CWL shall either pay the City the difference between the value of

the City Property and the value of the CWL Property in cash, or alternatively, include additional property in the legal description of the CWL Property to be conveyed to City as is necessary to equal the value of the City Property (based on a per acre value of \$5,000.00 per acre of the CWL Property).

SURVEY: CWL, at its expense, shall have the CWL Property, CWL Easement Area, City Property and City Easement Area surveyed. The Definitive Agreement (as defined below) between the parties will incorporate the legal descriptions from the surveys.

CLOSING DATE: Within sixty (60) days after all required Approvals (as defined below) are obtained by CWL and City as stated below.

TITLE COMMITMENT: CWL, at its expense, shall obtain commitments for title insurance for an owner's policy of title insurance for the City Property and the CWL Property in the amount of the respective property values and also covering the City Easement Area and CWL Easement Area which such commitments shall show title in the respective owner free and clear of all liens and encumbrances, except taxes not yet due and payable and all easements, rights-of-way, covenants, reservations and restrictions of record and which do not materially affect the intended use of the property.

CONDITIONS OF PURCHASE: The terms of the proposed transaction will be set forth in a definitive agreement (the "Definitive Agreement") and related agreements to be negotiated and entered into by the parties following the execution of this letter of intent (the "Transaction Documents"). The parties will negotiate in good faith to arrive at mutually acceptable forms of the Transaction Documents for approval, execution, and delivery as soon as reasonably practicable. The Transaction Agreements will contain representations, warranties, indemnities, conditions, and agreements which are customary or appropriate in transactions of similar scope and significance to the parties.

BOARD/CITY COUNCIL APPROVAL ("APPROVALS"): This transaction is subject to: (1) approval of the CWL Board of Directors and; (2) all approvals required to be

obtained by the City under state and local law, including any approvals required by the Jonesboro City Council.

TERMINATION:

This letter will automatically terminate if Definitive Agreements have not been executed on or before thirty (30) days of the date hereof. Such date may be extended by mutual agreement of the parties.

City and CWL hereby acknowledge that this Letter of Intent is not a binding contract and that the purpose of this Letter of Intent is to set forth certain key business issues pertaining to the execution of a potential Definitive Agreement for the exchange of the real property. The completion of the transaction is expressly contingent and conditioned upon the negotiation and execution of a Definitive Agreements satisfactory to both parties.

CITY WATER & LIGHT PLANT OF THE CITY OF JONESBORO

By: 
Name: Jake Rice
Title: Manager

CITY OF JONESBORO

By: _____
Name: Harold Perrin
Title: Mayor

EXHIBIT "A"
CITY PROPERTY

EXHIBIT "B"
CWL PROPERTY

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