



LEASE AGREEMENT

This Lease Agreement (Lease) made and entering into on effective date by and between Huntington Mission Church, a corporation hereinafter referred to as ALandlord@ and City of Jonesboro hereinafter referred to as ATenant@, based on the mutual promises, undertakings, covenants, and conditions herein expressed:

RECITALS:

1. Landlord and Tenant entered into an agreement dated 1st day of January, 2011 for the lease of the Huntington Building.

IT IS THEREFORE AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. Premises. The Landlord, for and in consideration of the covenants, conditions, agreements and stipulations of the Tenant hereinafter expressed, does hereby demise and lease unto the Tenant certain premises currently occupied and used by the city located at 900-B West Monroe, Jonesboro, Arkansas, 72401, with all tenements, improvements and appurtenances thereunto belonging or in any way appertaining, said premises being hereinafter referred to as the Aleased premises@. The leased premises shall not include the North Building and Tenant acknowledges that Landlord shall have exclusive use thereof. (See Exhibit AA@)

2. Term.

- (a) Initial Term. Tenant shall be allowed to continue to use that portion of the building currently occupied and used by the City. This includes the council chambers (sanctuary) and office space currently in use as of date of signing. All for the sum of One (1) Dollar rent per year, not to exceed three (3) years commencing January 1, 2011.
- (b) Notwithstanding paragraph (a) above, Landlord shall be entitled to use the council chambers (sanctuary) every Sunday and occasionally Thursday through Sunday, upon prior agreement and in a manner not interfering with Tenant=s usage.
- (c) Option. Should Tenant need use of the council chambers (sanctuary) for meetings and the First Floor offices in the older office area, past the three year lease, Landlord is agreeable for a maximum of one year extension. Conditions of the Lease would be the same as the initial term. Tenant agrees to allow Landlord to use the conference room at the West end of the East-West hall by February 1, 2011.

- (d) The Tenant shall only be responsible for insuring its own contents. Landlord will be responsible for liability insurance for its activities including the structure. Tenant shall remain responsible to maintain the parking lot and grass during its occupancy. Further, Tenant shall provide trash service consisting of dumpsters and their pick up, during its occupancy.

3. Rent. As rental for the leased premises, Tenant shall pay to Landlord, without deduction, counterclaim or setoff, annual rental in the sum of \$1.00 per annum, payable on the date of execution of this Agreement and on the Anniversary Date of the Effective Date thereafter during the term thereof.

4. Use of Property. The leased premises shall be used by Tenant for operation of City meetings and office work. The leased premises shall not be used for any other purpose without the written consent of Landlord which shall not be unreasonably withheld. Tenant shall comply with all applicable laws or requirements of any governmental entity. Tenant shall not cause or allow a public or private nuisance on the leased premises.

5. Taxes. Landlord agrees to pay for all ad valorem real estate taxes and assessments, if any, on the leased premises.

6. Utilities. Tenant hereby agrees to pay all expenses for utilities in the portion of the building it leases.

7. Insurance. Tenant will maintain and pay for such liability, fire and extended coverage insurance on any of its contents therein. Landlord shall be responsible for coverage on the structure.

8. Repairs, Maintenance and Replacement. Tenant shall, during the term of this Lease and any renewal or extension hereof, at its sole expense, keep the leased premises in good order and repair reasonable wear and tear and damage by accidental fire or other casualty not within the control of Tenant excepted. Tenant, at its sole cost and expense will provide janitorial service to the leased premises.

9. Alteration. Tenant shall not make any alteration, additions or improvements to the leased premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, and all alterations, additions or improvements made by either of the parties hereto upon the leased premises, except movable equipment and trade fixtures put in at the expense of the Tenant, shall be the property of the Landlord and shall remain upon and be surrendered with the leased premises without molestation or injury. Landlord hereby authorizes Tenant may remove its equipment or trade fixtures provided any damage done to the leased premises in the removal of any such equipment or trade fixtures is promptly repaired within 60 days of removal by Tenant, and if not repaired by Tenant in a reasonable time and manner, Landlord may repair same and Tenant shall pay the

cost thereof. Further, any trade fixtures not remove within 60 days of termination or expiration of the lease shall be deemed abandoned and Landlord may dispose of such items at Landlord sole discretion.

10. Liens. Tenant agrees to pay promptly for any work or materials provided by Laborers or materialmen in or about the leased premises, and Tenant shall not permit or suffer any lien to attach to the leased premises and shall promptly cause any such lien, or any claim therefore, to be released; provided, however, that in the event Tenant contests any such lien, Tenant agrees to indemnify Landlord and, if requested, to deposit with the Landlord cash or surety bond in form and company satisfactory to Landlord in an amount equal to twice the amount of such contested claim.
11. Damages to Premises. If the leased premises are destroyed by fire or other casualty to the extent that all of the leased premises are partially destroyed, the Landlord may, at its election, (a) proceed with due diligence to repair or restore the same to the same condition as existed before such damage or destruction, or (b) cancel the Lease as of the date of such damage or destruction by written notice not less than thirty (30) days after such damage or destruction. Should the Landlord elect to repair or restore all rent shall abate until the leased premises are repaired or restored and possession has been redelivered to the Tenant. Should the Landlord elect to cancel then the rent shall be adjusted as of the date on which the damage occurs.
12. Eminent Domain. If greater than fifty percent (50%) in area of the leased premises is taken by eminent domain, Tenant may cancel this Lease as of the date of such taking of possession by written notice to Landlord given not less than thirty (30) days after such taking. If such taking does not materially impair Tenant=s ability to continue its normal business operations on the leased premises, Tenant may elect to continue the Lease.
13. Indemnification. The Tenant shall defend, indemnity and hold the Landlord harmless against any expense, claim, loss or liability as a result of any breach by the Tenant, tenant's agents servants, employees, customers, visitors or licensees, of any covenant or condition of this Lease, or as a result of the Tenant's use or occupancy of the leased premises, or the carelessness, negligence, or improper use of premises by the Tenant, Tenants agents, servants, employees, customers, visitors or licensees. The Tenant's liability under this Lease extends to the acts and omissions of any sub-tenant, and any agent, servant, customer, employee, visitor or licensee of any such sub-tenant. Landlord shall upon demand indemnify, defend and save harmless tenant and its employees and agents from and against all loss, liabilities, costs, claims, damages, actions, and related expenses for bodily injury, death, loss or damage to property, or violation of applicable law that directly or indirectly result from (i) any possession, occupancy or use of the leased premises

prior to the beginning of this Lease, (ii) Landlord=s breach of any agreement, covenant, representation or warranty hereunder, or (iii) from any of the Landlord=s negligent or willful acts, errors or omissions (or those of its employees, agents or subcontractors).

14. Assignment and Subletting. Tenant shall not sublet the premises in whole or in part and shall not sell, assign, mortgage, pledge, or in any manner transfer this Lease, or any interest herein.

15. Default of Tenant.

(a) If the Tenant defaults in the performance of any of the covenants, terms, conditions or provisions of this Lease, including nonpayment of rent, and after written notice from the Landlord, Tenant fails to cure such default within thirty (30) days after receipt of such notice (or fails to cure with due diligence if the default is of such nature as to require more than 30 days), then the Landlord may, at its option (but shall not be required to do so), perform the same for the account of the Tenant and any amount paid or expenses incurred by the Landlord in the performance thereof shall be deemed additional rent and payable when the next installment of rent shall become due. Additionally, if the Tenant defaults in performance of the Lease, or if tenant shall make an assignment for the benefit of creditors, or if the interest of the tenant in the leased premises shall be sold under execution or other process of law, or if the Tenant by any Court, and, after written notice from the Landlord, Tenant fails to cure such default of condition within 30 days after receipt of such notice (or fails to cure with due diligence if the default is of such nature as to require more than 30 days), then the Landlord may lawfully re-enter the leased premises without any demand for possession therefore, and recover possession of the leased premises and improvements thereof, expel the Tenant and those holding under the Tenant and no allowance shall be paid to the Tenant. 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 Tenant under this Lease shall terminate. Landlord shall be entitled to recover from Tenant any and all reasonable expenses incurred in enforcing any of Landlord=s remedies, including reasonable attorneys= fees and costs of removing Tenant=s property from the leased premises.

(b) If Landlord defaults in the performance of any of the covenants, terms, conditions or provisions of this Lease, and after written notice from the Tenant, Landlord fails to cure such default within thirty (30) days after receipt of such notice (or fails to cure with due diligence if the default is of such a nature as to require more than 30 days), then the Tenant may, at its

option (but shall not be required to do so), perform the same for the account of the Landlord and any amount paid or expenses incurred by the Tenant in the performance thereof shall be deemed prepaid rent and shall be deducted from the next installment and successive installments of rent that become due. Additionally, if the Landlord defaults in performance of this Lease, or if Landlord shall make an assignment for the benefit of creditors, or if the interest of the Landlord in the leased premises shall be sold under execution or other process of law, or if the Landlord shall be adjudged a bankrupt, or if a receiver or trustee shall be appointed for cure such default or condition within 30 days after receipt of such notice (or fails to cure with due diligence if the default is of such nature as to require more than 30 days), then the Tenant may terminate this Lease without further notice to Landlord.

16. Vacancies and Waste. Tenant shall not permit the leased premises to remain vacant for a period of thirty (30) days without Landlord=s prior written consent except in cases necessitated by repair, maintenance or alteration. Tenant shall not cause or allow waste to the leased premises. Tenant shall surrender the leased premises at expiration of this Lease in the same condition it was in when delivered to Tenant, destruction by fire, storm, or other casualty, permitted alterations, and ordinary wear and tear excepted. Tenant shall provide thirty (30) days written notice of the date Tenant intends to vacate.

17. Notices. Wherever in this Lease it shall be required or permitted that notice or Demand be given or served by either party to this Lease or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by certified or registered mail, addressed as follows:

TENANT:

City of Jonesboro
ATTN: Mayor=s Office
515 W. Washington Ave.
Jonesboro, AR 72401

LANDLORD:

Huntington Mission Church.
ATTN: Roy E. Cooper, President
1600 Cooper Lane
Jonesboro, AR 72401

18. Successors and Assigns. Subject to any provisions herein restricting the right to assign and sublet, all covenants, promises, conditions and representations herein restricting the right to assign and sublet, all covenants, promises, conditions and representations herein contained shall be binding upon, apply and inure to the parties hereto and their respective heirs, executors, administrators, successors and assigns.

19. Waiver. The failure of either party to insist upon strict performance by the other of any of said parts rights or remedies and shall not be deemed a waiver of any subsequent breach or default by the other in any of the covenants, conditions and agreements of this lease.
20. Holding Over. Tenant agrees there shall be no "hold over" the leased premises after expiration of the term, including the extension period described in paragraph 2.c hereof.
21. Interpretation. The parties hereto agree that it is their intention hereby to create only the relationship of Landlord and Tenant, and no provision hereof, or act of either party hereunder, shall ever be construed as creating the relationship of principal and agent, or a partnership, joint venture or enterprise between the parties hereto.
22. Amendment. Only by written agreement of the parties may this Lease be modified or amended in any manner whatsoever.
23. Governing Law. The terms and conditions of this Lease shall be construed and governed by the laws of the State of Arkansas and any venue for any litigation related to this lease shall be in Jonesboro, Craighead County, Arkansas.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement on the day and year first mentioned. This agreement supercedes any previous agreements.

TENANT:

LANDLORD:

City of Jonesboro _____

Huntington Mission Church

— Roy E. Cooper, President

By: *Roy E. Cooper*
 Printed Name: ROY E. COOPER
 Title: president

Attested by:

Patricia P. [Signature]
 Title: Administrative Assistant