

## **JOINT OWNERSHIP AND OPERATION AGREEMENT**

THIS JOINT OWNERSHIP AND OPERATION AGREEMENT (the "Agreement"), made and entered into on June 24, 2010, between CITY WATER & LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS ("CWL") and CITY OF JONESBORO ("City").

WHEREAS, CWL and City desire to jointly purchase and operate certain GPS equipment;  
WHEREAS, CWL and City desire to set forth in writing their respective rights and obligations as to the Equipment.

FOR GOOD AND VALUABLE CONSIDERATION, IT IS, THEREFORE, AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1.     **Equipment.** This Agreement shall govern the purchase, ownership and operation of the equipment described in Exhibit A attached hereto (the "Equipment"). The term "Equipment" shall also be deemed to include all equipment and accessories necessary to make the Equipment fully operational and functional, including but not limited to the base unit, antenna, wire, cables, hardware, computer equipment and communications equipment.
2.     **Funding of Purchase of Equipment.** CWL shall contribute Twenty Thousand Dollars (\$20,000.00) towards the purchase price of the Equipment. The City shall be responsible for the remaining cost of the Equipment.
3.     **Ownership Interest.** In exchange for the contribution described in paragraph 2, CWL shall own an undivided one-half (Y2) ownership interest in the Equipment. The City shall own the remaining one-half (1/2) interest in the Equipment.
4.     **Use of Equipment.** City shall have unlimited use of the Equipment for GPS data processing. CWL shall have unlimited use of the Equipment for GPS Data Processing. The Equipment shall be compatible with CWL's existing "rover units" and CWL and City shall be

entitled to use the Equipment to operate its "rover units" and for related purposes. The Equipment shall be configured and installed in a manner to so that field rover units can communicate with the Equipment by cellular telephone or device. City and CWL, at their respective expense, shall be responsible for providing and maintaining their own field rover units.

5. Installation, Operation and Maintenance. City, at its expense, shall be responsible for the installation, operation and maintenance of the Equipment. City, at its expense, shall also be responsible for providing all power and communication service for operation of the Equipment. City shall maintain the Equipment in good and working condition and in a manner that minimizes any periods of unavailability of the Equipment for its intended use.

6. Location of Equipment. The Equipment may be installed on a temporary basis on property owned by CWL. However, the Equipment will be installed on a permanent basis at a location owned or leased by the City. If mutually agreed by City and CWL, City may move the Equipment to a different location.

7. Term. The term of this Agreement shall commence upon execution hereof and shall continue until terminated in accordance with paragraph 8 below.

8. Termination. This Agreement may be terminated by either party as follows:

8.1 By mutual written agreement signed by both parties.

8.2 For breach by any party in the event of a material default by the other party and failure by the defaulting party to cure same within ten (10) days of receipt of written notice of such default from the non-defaulting party.

8.3 At any time with or without cause upon one hundred twenty (120) days written notice to the other party.

9. Assignment. Except as provided in paragraph 10 below, no party shall sell, assign,

transfer, hypothecate, pledge or encumber its interest in the Equipment or its rights in this Agreement in any manner without the prior written consent of the other party hereto.

10. Right of First Refusal. Any party that desires to transfer its interest in the Equipment ("Selling Party") pursuant to a bona fide offer ("Offer") to purchase, all, but not part, of its interest in the Equipment shall serve upon the non-selling party notice ("Notice") of the Offer, together with a written copy of the Offer. The non-selling party shall have the option to purchase all, but not part, of the Selling Owner's interest in the Equipment at a price equal to the purchase price set forth in the Offer by serving written notice within thirty (30) days of receipt of the Notice. In the event the non-selling party should fail to timely exercise its option to purchase the Selling Party's interest in the Equipment, the Selling Party may proceed to sell its interest to the purchaser pursuant to the Offer.

11. Waiver of Right of Partition. Each of the parties, for itself, and its successors and assigns, does irrevocably waive and release all rights now existing or which may hereafter accrue to obtain a partition of the Equipment, or any part thereof, and each party hereto hereby irrevocably consents and agrees that no party will, at any time, commence or maintain an action for a partition of the Equipment.

12. Rights Upon Termination of Agreement. In the event of termination of this Agreement pursuant to paragraph 8, the non-terminating party shall purchase, and the terminating party shall sell, all of its interest in the Equipment the other party. The purchase price for the terminating party's interest in the Equipment shall be an amount equal to the Fair Market Value of such interest. Closing shall be within 30 days following termination of this Agreement. Fair Market Value shall mean the fair market value of the non-terminating party's interest in the Equipment as agreed upon between CWL and City or, if City and CWL are unable to agree upon fair market value, CWL and City shall select an independent and

qualified third party valuation company to determine Fair Market Value.

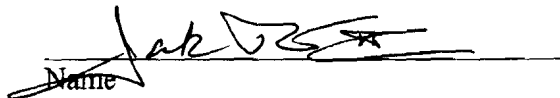
13. Tenancy in Common. The parties acknowledge that their ownership of the Equipment is as tenants-in-common and that this Agreement is not intended to create a partnership or joint venture between the parties.

14. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

15. Authority. The parties have full power and authority to execute, deliver, and perform this Agreement to which they are parties, and are duly authorized to, and have taken all action necessary to authorize such parties to execute, deliver and perform the Agreement to which they are parties, and are and will continue to be duly authorized to perform such Agreement.

CITY WATER & LIGHT PLANT OF THE CITY OF JONESBORO, ARKANSAS

By: JAKE RICE III

  
Name

GENERAL OPERATIONS DIRECTOR  
Title:

CITY OF JONESBORO \_\_\_\_\_

**Exhibit A - Description of Equipment**

GPS base station