

## LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into as of June 22, 2020, by and between GRAND AVENUE BAPTIST CHURCH ("Landlord") and FORT SMITH PUBLIC SCHOOLS, an Arkansas school district ("Tenant").

1. Premises, Term and Rent.

(a) Landlord leases to Tenant, and Tenant leases from Landlord on an exclusive basis the commercial kitchen (the "Premises") located at 3900 Grand Avenue, Fort Smith, AR 72904 (the "Building"), including all furniture, fixtures, and equipment located in the commercial kitchen.

(b) The term of this Lease shall be one (1) year (the "Initial Term") commencing on July 1, 2020 (the "Commencement Date") and ending June 30, 2021. The annual rental for the Initial Term shall be \$12,000 per year ("Rent"), payable in monthly installments of \$1,000 each. Payments of Rent hereunder shall commence on the Commencement Date. All monthly installments of Rent shall be paid in advance, on or before the 10<sup>th</sup> day of each month, without demand, to Landlord at the address set forth hereafter. Rent for any partial months in which Rent is payable hereunder shall be prorated accordingly.

2. Appurtenances and Access. Landlord grants to Tenant and covenants that Tenant shall have during the entire term of this Lease, at no additional cost to Tenant, parking lots associated with the Building and shall ensure adequate and proper ingress and egress to the Premises.

3. Renewal Term. Provided Tenant is not then in default hereunder beyond applicable periods of grace, notice and/or cure, Tenant may at its option renew this Lease for four (4) additional periods of one (1) year each commencing on the first day after the Initial Term, upon all terms, conditions, and obligations set forth herein.

4. Utilities. Landlord, at Landlord's expense, shall be responsible for the provision of all utilities serving the Premises, including but not limited to gas, electricity, water, sewer and garbage removal, during the entire term of this Lease, including any extension thereto.

5. Tenant's Repairs and Maintenance. Tenant will keep the Premises, including without limitation the interior walls, floors and ceiling (but excluding any items that Landlord is required to repair pursuant to the terms of this Lease), as clean and in as good repair as same are at the Commencement Date, reasonable wear and tear and damage by fire, other casualty, or condemnation excepted. Tenant, at Tenant's expense, shall be responsible for janitorial services for the Premises. Tenant shall be responsible for obtaining all permits for Tenant's use.

6. Landlord's Repairs and Maintenance. Landlord shall maintain and keep in reasonably good repair and working order, at Landlord's expense, the roof, exterior walls and other structural components of the Building, all windows, all light fixtures, sprinkler system, current fire detection system, HVAC system, electrical wiring and plumbing systems of the Building, any

adjoining yard (including landscaping) and parking lot, and all underground water and sewerage pipes.

7. Right of Entry. Landlord may at reasonable times and on reasonable notice to Tenant enter the Premises to inspect them and make any repairs required by Section 6 or required by Section 5 that Tenant has failed to make (provided that Landlord shall only be entitled to make such repairs described in Section 5 if Tenant has failed to make such repairs within 15 days after written notice thereof from Landlord), and during the ninety (90) days preceding the expiration of this Lease, may show the Premises to persons who may wish to lease same, provided Landlord does not interfere with Tenant's occupancy. If Landlord makes any repairs required to be made by Tenant under Section 5, Tenant shall pay Landlord as additional rent a sum equal to the amounts expended by Landlord plus interest thereon at the rate of ten percent (10%) per annum within ten (10) days after Landlord presents Tenant with a statement setting forth the repairs made and the amounts expended.

8. Taxes, Assessments and other Charges. Landlord shall pay all general ad valorem taxes and all special assessments which may be levied, assessed, or imposed upon the Premises, and upon any subsequent improvements except for any taxes assessed as a result of Tenant's occupancy or use of the Premises. Tenant shall pay all personal property and/or use taxes assessed against Tenant's property or assessed as a result of Tenant's occupancy and use of the Premises.

9. Fire or Other Casualty. If the Premises should be damaged or destroyed by fire or other casualty (a) so as to cause a material alteration in the character of the Premises and to prevent Tenant from using them in substantially the manner theretofore used, and (b) such that the same cannot reasonably be repaired by Landlord within ninety (90) days after the occurrence of such casualty, then either Landlord or Tenant may terminate this Lease upon giving notice to the other within thirty (30) days after the casualty occurs. Should such termination occur on any day other than the last day of a monthly rental period, any unearned prepaid rent shall be refunded to Tenant.

If the Premises are materially damaged by fire or other casualty and neither party elects to terminate this Lease, or if the Premises should be damaged by fire or other casualty and still be fit for Tenant's continued use in substantially the same manner as theretofore used or if the same can reasonably be repaired within the aforesaid ninety (90) day period, then this Lease shall continue in effect and the Premises shall be restored by Landlord to its condition immediately prior to the casualty. While such restoration is in progress, Tenant shall be entitled to a fair and appropriate abatement of the rental to be paid, said abatement to be based on the amount and value of the Premises that remains useable by Tenant during the restoration period. Should the damage necessitating such restoration occur on any day other than the last day of a monthly rental period, then the amount of prepaid rent to be refunded to Tenant shall be based on the amount and value of undamaged space used by Tenant during the remainder of said monthly rental period.

10. Surrender of Premises. At the expiration of the term of this Lease, Tenant shall peaceably yield up to Landlord the Premises and all erections and additions made thereto except as hereinbefore provided, in good repair in all respects, reasonable use, wear and tear and damage by fire or other casualty or by condemnation excepted provided, however, that Tenant may remove and keep all trade fixtures, machinery and equipment installed by Tenant and removable without materially damaging the Premises (unless such damage is repaired by Tenant).

11. Holding Over. Should Tenant hold over the term hereby created with the consent of Landlord, Tenant shall become a tenant from month to month upon the covenants and conditions in this Lease contained, and shall continue to be such tenant until thirty (30) days after either party serves upon the other notice of intention to terminate such monthly tenancy. Should such termination occur on any day other than the last day of any rental period, any unearned prepaid rent shall immediately following surrender of the Premises to the Landlord, be refunded to Tenant.

12. Use of Premises. The Premises shall be used for general office space and other related uses. Tenant will not at any time use or occupy the Premises in material violation of laws, ordinances, or regulations of any government or agency having jurisdiction.

13. Indemnity Insurance. Tenant shall procure and maintain the following policies of insurance:

(a) Property insurance covering (i) all personal property and (ii) all trade fixtures and tenant improvements; and

14. Quiet Enjoyment. As long as Tenant is not in default hereunder beyond applicable grace, notice and/or cure periods, Landlord covenants that Tenant shall peaceably hold and enjoy the Premises, subject to the terms of this Lease.

15. Eminent Domain. If the whole of the Premises shall be taken or condemned by any competent authority for any public use or purpose or if such portion thereof shall be taken or condemned as shall materially change the character of the Premises so as to prevent Tenant from using them in substantially the same manner as theretofore used, the term hereby granted shall cease on the day prior to the taking of possession by such authority or the day prior to vesting of title in such authority, whichever first occurs, and an appropriate pro rata portion of any rent paid in advance by Tenant shall be refunded.

If a portion of the Premises shall be condemned or taken, and if such taking does not result in a material alteration in the character of the Premises so as to prevent Tenant from using them in substantially the same manner as theretofore used, then this Lease shall continue in effect, and the Premises shall be restored to a complete architectural unit by Landlord and any damage to the Premises shall be repaired by Landlord. After the date Tenant is required to surrender possession of the portion taken, the rental payable hereunder shall be reduced in proportion to the decrease in the fair rental value of the Premises.

If Tenant's means of ingress and egress to and from the Premises are materially affected by any taking or condemnation, then Tenant may at its option cancel and terminate this Lease upon giving Landlord notice within thirty (30) days of such taking. In the event Tenant shall elect not to cancel and remain in possession and occupation of the Premises, however, the terms and conditions of this Lease shall remain in full force and effect.

The entire award of damages or compensation for a taking of the Premises, whether such taking be in whole or in part, shall belong to and be the property of Landlord, except for such compensation as may be made for Tenant's moving or relocation expenses, Tenant's business interruption losses and for the taking of Tenant's trade fixtures, which compensation shall belong



In the event of any default hereunder, Landlord at any time thereafter, may re-enter the Premises and expel, remove, and put out Tenant or any person or persons occupying the Premises and may remove all personal property therefrom. Upon re-entry Landlord may, at its option, relet the Premises or any part thereof as the agent of Tenant, and Tenant shall pay Landlord the difference between the rent hereby reserved for the portion of the term remaining at the time of re-entry and the amount received under such reletting for such portion of the term. Upon re-entry Landlord may at its option, terminate this Lease and at any time thereafter recover from Tenant all sums then due as well as the present value of the amount by which all rent and other payments to be made by Tenant for the remainder of the Lease term exceed the reasonable rental value of the Premises for the remainder of the Lease term.

All actions taken by Landlord pursuant to this Section 20 shall be without prejudice to any other remedies that otherwise might be used for the collection of arrears of rent or for the preceding breach of covenant or conditions.

If Tenant has failed to cure any default hereunder within the applicable periods of grace and/or notice and cure set forth above, Landlord may elect, but shall not be obligated, to comply with any condition, agreement, or term required hereby to be performed by Tenant, and Landlord shall have the right to enter the Premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for such correction by Landlord shall not be deemed to waive or release the default of Tenant or the right of Landlord to take any action as may be otherwise permissible hereunder in the case of any default.

19. No Waiver. The subsequent acceptance of rent hereunder by Landlord shall not be deemed a waiver of any preceding breach of any obligation hereunder by Tenant other than the failure to pay the particular rental so accepted, and the waiver of any breach of any covenant or condition by Landlord shall not constitute a waiver of any other breach regardless of knowledge thereof.

20. Gender. Wherever appropriate herein, the words "Landlord" and "Tenant" and the pronouns referring thereto, shall be construed singular or plural, masculine, feminine or neuter as the facts warrant.

21. Broker. Each party warrants and represents that no broker was involved in negotiating or consummating this Lease, and agrees to indemnify and hold harmless the other from and against any and all claims for brokerage commissions arising out of any communications or negotiations had by it with regard to the Premises.

22. Waiver of Subrogation. Landlord and Tenant hereby waive all rights of recovery and causes of action that either has or may have or that may arise hereafter against the other, whether caused by negligence, intentional misconduct, or otherwise, for any damage to premises, property or business caused by any perils covered or coverable by all-risk fire and extended coverage, building, contents, and business interruption insurance, or for which either party may be reimbursed as a result of insurance coverage affecting any loss suffered by it; provided; however, that the foregoing waivers shall be ineffective if they invalidate any policy of insurance of the

parties hereto, now or hereafter issued. Landlord and Tenant will use their best efforts to have their respective insurance companies waive their rights of subrogation as contemplated herein.

23. Heirs, Successors, and Assigns. All the terms, covenants, and conditions hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto.

24. Waiver of Security Interests. Landlord hereby waives any and all security interests, liens, and other rights and interests, whether granted by statute or otherwise, in and to any and all fixtures, furniture, equipment and other personal property of Tenant.

25. Entire Agreement. The entire understanding between the parties is set out in this Lease, this Lease supersedes and voids all prior proposals, letters and agreements, oral or written, and no modification or alteration of this Lease shall be effective unless evidenced by an instrument in writing signed by both parties. The law of the State of Tennessee shall be applicable.

26. Execution of Agreement; Counterparts. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of electronic transmission will constitute effective execution and delivery of this Lease as to the parties and may be used in lieu of the original Lease for all purposes. Signatures of the parties electronically transmitted by .pdf or similar imaging transmission will be deemed to be their original signatures for any purpose whatsoever.

**[The remainder of this page has been intentionally left blank.]**

IN WITNESS WHEREOF, the parties hereto have set their respective hands or caused this instrument to be duly executed on or as of the day and date first above written.

**LANDLORD:**

**GRAND AVENUE CHURCH**

By: \_\_\_\_\_

Name: Don Lehman

Title: Executive Pastor

**TENANT:**

**FORT SMITH PUBLIC SCHOOLS**

By: \_\_\_\_\_

Name: Dr. Doug Brubaker

Title: Superintendent of Schools

*[Signature Page to Lease Agreement]*