

LEASE AGREEMENT

This Lease is made this day of ,2009 between JONES TRUST (LESSOR) and _____ (LESSEE).

1. PREMISES. The LESSOR hereby leases to the LESSEE, and the LESSEE hereby leases from the LESSOR the approximately _____ square feet of the Center for Nonprofits at St. Mary's campus at 1200 West Walnut, Street, Rogers, Arkansas. This includes an allocation of ten percent of tenant's rental space for common area usage (breakrooms, restrooms, hallways, parking lots, etc.). This area is shown on the drawing or plat attached hereto (PREMISES). Lessee will attach a schedule of the daily hours of operation.

The LESSOR will pay up to \$10.00 per square foot for the finishing of the PREMISES. The LESSEE must work with the LESSOR'S space planner and chief operating officer on the LESSEE'S needs, including, without limitation, coordination of materials involving flooring, paint palettes, trim, and other finishes. The cost of the space planner will be part of the \$10.00 per square foot to be paid by the LESSOR. All finishing work in the PREMISES will be performed by or coordinated with the General Contractor under contract with the LESSOR for work at the Northwest Arkansas Nonprofit Center.

2. TANGIBLE PERSONAL PROPERTY. The LESSOR and the LESSEE acknowledge that tangible personal property, consisting primarily of furniture and equipment, is located in the PREMISES being leased by the LESSEE. The LESSOR agrees that the LESSEE may use the tangible personal property as it wishes during the term of this Lease without paying any additional rent to the LESSOR. The LESSEE acknowledges:

- a. That the LESSEE is accepting the tangible personal property "as is" and "where is",
- b. That the LESSOR is making no warranties or representations about the tangible personal property,
- c. That the LESSOR DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, in regard to the tangible personal property,
- d. That the LESSEE will pay for all repairs to, maintenance of, and service contracts on the tangible personal property,
- e. That the LESSEE will discard at its own expense any tangible personal property that does not work and cannot be made to work,
- f. That the LESSOR will have no liability for damage to property or injury to person caused by the tangible personal property, and
- g. That the LESSEE will indemnify and hold harmless the LESSOR for all damage or injury caused by the tangible personal property.

3. ACKNOWLEDGEMENT BY LESSEE. The LESSEE acknowledges that the Northwest Arkansas Nonprofit Center campus and the tangible personal property

therein is a gift from the Sisters of Mercy to the LESSOR; so the LESSEE agrees not to conduct any business that is not in line with the beliefs and doctrine of the Sisters of Mercy. In addition, the LESSEE shall not use the PREMISES or the tangible personal property in any manner that will violate the *Ethical and Religious Directives for Catholic Health Care Services*, as promulgated by the United States Conference of Catholic Bishops, as amended from time to time, and as interpreted by the local Bishop.

4. TERM. The term of this Lease will begin on _____, 2009 and end on _____, 20 . The parties intend to, but are not bound to, negotiate during the last year of this Lease a new lease on terms favorable to both parties.

5. RENT. The LESSEE shall pay to the LESSOR as rent for the PREMISES at the rate of \$6.00 per square foot per year. Rent shall be payable on the first day of each month to the LESSOR at P.O. Box 2035, Springdale, Arkansas 72765. The rent will be adjusted annually based on the Consumer Price Index – All Urban Consumers – all items as published by the U.S. Bureau of Labor Statistics, with any increase not to exceed 3%.

6. UTILITIES AND SERVICES PROVIDED BY LESSOR. The LESSOR will furnish the following utilities and services:

- Electricity, Gas, Trash Removal, Water and Sewer
- Janitorial Services and Supplies, Common Area only
- Elevator Service

- Ballast and Bulb Replacement in Common Areas

- Maintenance of all structural supports and exterior walls of the building, including windows, doors, and passageways from the lobby, street, and parking areas leading to the leased property, and the adjacent sidewalks and entrance lobby

- Keep the sidewalks and entrance lobby free of snow, ice, rubbish, and other obstructions

- Provide lawn and plant maintenance for the common areas

- Maintenance in good working order and repair all plumbing, toilet facilities and other fixtures and equipment installed for the general supply of hot and cold water, heat, air conditioning (including monthly maintenance and filters)

- Provide security for the building

- The LESSOR shall provide monthly pest control service for the PREMISES.

For these utilities and services, the LESSEE will pay the LESSOR at the rate of \$4.00 per square foot per year, which payment shall be prorated and paid monthly on the first day of each month. This rate will be adjusted annually based on the Consumer Price Index—All Urban Consumers—All Items as published by the U.S. Bureau of Labor Statistics. The LESSOR and the LESSEE agree to meet every three years to address whether the Consumer Price Index adjustments are adequate, inadequate, or more than adequate for the LESSOR to recover its cost of providing these utilities and services and further agree to adjust the amount up or down, if appropriate, at such three-year review.

In addition to the above described services, the LESSOR shall provide ballast and bulb replacement in those areas of the PREMISES that are not in the common areas on a per item cost basis. The LESSOR agrees to have all ballasts and bulbs in the non-common areas of the PREMISES in working order at the time of occupancy, so that the LESSEE will only be charged for those replacement bulbs and ballasts within the non-common areas of the PREMISES that stop working after the commencement of this Lease.

7. AGREEMENTS OF LESSEE. The LESSEE agrees to the following terms and conditions:

a. At the end of the term of this Lease, the LESSEE shall deliver up the PREMISES in the same order, condition, and repair as received by the LESSEE, depreciation from ordinary wear and tear, and the elements excepted.

b. The LESSEE'S use and occupancy of the PREMISES shall be for only nonprofit or governmental purposes.

c. The LESSEE shall conduct the LESSEE'S use in a lawful manner and in compliance with all governmental laws, rules, regulations, and orders applicable to the business of the LESSEE conducted in and upon the PREMISES.

d. The LESSEE acknowledges that the LESSOR desires that the PREMISES be a "green" facility that recycles as much as possible, that the LESSOR will provide recycling bins on each floor of the PREMISES, and that the LESSOR will empty the recycling bins on a regular basis. Therefore, the LESSEE agrees to require its employees, licensees, and invitees to place all recyclable products in the recycling bins as appropriate and not to contaminate bins by mixing items.

e. The LESSEE agrees that the LESSOR or the LESSOR'S duly authorized agents and representatives shall have the right at all reasonable times during the term hereof to enter upon the PREMISES or any part thereof for the purpose of inspecting the same, following reasonable advance notice to the LESSEE, except such notice shall be excused in the case of an emergency.

8. FAILURE TO PERFORM. Should the LESSEE default in the payment of the rent stated herein or the utilities and services fee stated herein and such default continues for seven (7) business days after receipt by the LESSEE of written notice thereof from the LESSOR, or should the LESSEE default in the performance of any other material covenant or agreement herein and such other default continues for thirty (30) days after receipt by the LESSEE of written notice thereof from the LESSOR, or if the default of the LESSEE is of a type which is not reasonably possible to cure within thirty (30) days, if the LESSEE has not commenced to cure said default within the said thirty (30) day period and LESSEE does not thereafter diligently prosecute the curing of such default to completion, the LESSOR may, so long as such default continues, (a) terminate the Lease and remove the LESSEE from the Premises or (b) not terminate this Lease and hold the LESSEE responsible for the obligations hereof but have the right to remove the LESSEE from the Premises and the right to relet the Premises and the right to pursue any and all remedies provided at law or in equity.

9. DAMAGE BY FIRE OR OTHER CASUALTY. The LESSOR shall bear the risk of loss by fire or other casualty and shall maintain fire and extended coverage insurance to the full replacement value of the PREMISES. If the PREMISES are destroyed partially or completely by fire or other casualty, the rent shall abate or be reduced proportionately until the PREMISES are repaired. The LESSOR will not provide insurance for the LESSEE'S property that is kept on the PREMISES; so the LESSEE will have to provide its own insurance or else self-insure.

10. ALTERATIONS. The LESSEE may attach fixtures and install signs in or to the PREMISES with LESSOR'S approval which shall not be unreasonably withheld. Such fixtures and signs shall remain the property of the LESSEE and may be removed from the PREMISES within a reasonable time after the termination of this Lease provided the LESSEE shall restore the PREMISES to a condition as good as at the beginning of this Lease, ordinary wear and tear excepted.

11. CONDITION OF PREMISES. The LESSEE accepts the PREMISES in "As Is" condition, however, this does not relieve the LESSOR of its responsibility to assure that the PREMISES conforms to the Arkansas Fire Prevention Code, as amended, Arkansas State Plumbing Code, The National Electrical Code, and any other state or local laws, codes, authorities, etc., applicable to the leased facility including the Arkansas adopted Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (ADAAG). If the LESSOR obtains a certificate of occupancy from the City of Rogers for the PREMISES, the LESSOR will be deemed to have complied with all of the Codes.

12. CONDEMNATION. If all or any portion of the PREMISES or a significant portion of the Building's parking lot should be subjected to a condemnation or other eminent domain proceeding pursuant to any law, the LESSOR shall be entitled to any and all compensation for such taking. This shall not preclude the LESSEE from pursuing a claim and retaining any award from the condemning authority or entity for damage or loss to the LESSEE'S leasehold estate and separate damages which the LESSEE may suffer, provided that such damages are completely separate from the damages to which the LESSOR is entitled and in no manner reduce the award or payment to the LESSOR. If any civil or military governmental authority should temporarily requisition the PREMISES or any part thereof, the LESSEE shall be entitled to retain any award or payment therefore. In the event of a temporary requisition, there shall be no reduction in the rent payable from the LESSEE to the LESSOR. In the event of a taking by condemnation or any other eminent domain proceeding other than a temporary requisition, the rent hereunder shall be reduced effective upon the loss of possession of the property in an amount appropriate to such taking. If all or part of the PREMISES should be taken in the condemnation or eminent domain proceedings to such an extent that the LESSEE is no longer able to use all or part of the PREMISES, the LESSEE shall have the right to terminate this Lease as to the part that cannot be used, and receive a proportionate reduction in rent. If the LESSEE reasonably determines that the remainder of the PREMISES in a partial taking situation is unusable to the LESSEE due to the partial taking, then the LESSEE shall have the right to cancel this Lease immediately.

13. ASSIGNMENT AND SUBLETTING: The LESSEE shall not have the right to assign or sublet all or part of the PREMISES without the express written consent of the LESSOR, which consent shall not be unreasonably withheld, conditioned, or delayed.

14. NOTICE. All writings, notices, and other communications by the LESSOR and LESSEE under this Lease shall be in writing and addressed as follows:

If to LESSOR, to: Jones Trust
P.O. Box 2035
Springdale, Arkansas 72762
Attn: Al Stehben

If to LESSEE, to:

Attn: _____

Except to the extent that personal service of notice may be required herein, any writing, notice, or other communication, other than a telegram, shall be deemed given when deposited in the United States mails, postage prepaid, first class, and addressed as hereinabove provided. An address may be changed by notice as provided in this paragraph.

15. MISCELLANEOUS. This Lease shall bind and inure to the benefit of the heirs, successors, and assigns of the respective parties hereto. The LESSEE shall have quiet and peaceful possession of the Premises against any adverse claim of any party as long as the LESSEE is not in default hereunder. Time is of the essence of this Lease. No waiver of any breach of any covenant, agreement, obligation, or condition of this Lease shall be construed to be a waiver of any subsequent breach of the same or any other covenant, agreement, obligation, condition or provision hereof. The paragraph titles are for convenience only and do not limit the content of the paragraphs. This Lease contains the entire agreement of the parties. It is understood by the parties that this Agreement shall be constructed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted.

16. GOVERNING LAW. This Lease shall be deemed to have been made in the State of Arkansas, shall be construed in accordance with, and the rights and liabilities of the parties hereunder shall be governed by, the laws of such state, without regard to its Conflicts of Law doctrine, and this Lease shall be deemed in all respects to be a contract of such state.

IN WITNESS WHEREOF, the parties have executed this Lease by their duly authorized representatives.

Jones Trust
By _____ By _____
Roy Clinton, Executive Director Lessee