

Cabot City Council - Work Session Meeting

Veterans' Event Center
April 4, 2022 @ 6:30 p.m.

CALL TO ORDER

MUNICIPAL SERVICES COMMITTEE – CHAIRMAN, ED LONG

1. A & P 2021 Recap Report And 2022 Visions And Expectations – Presented by Jay Lallu
2. Parks & Recreation Commission Report – Presented by Travis Young
3. A Resolution Authorizing the Mayor and City Clerk – Treasurer to Enter Into an Agreement with CAPDD for Grant Administration – Presented by Brian Boroughs
4. A Resolution to Authorize the Mayor and City Clerk – Treasurer to Enter Into A Lease Agreement with Gary and Sharon Countz – Presented by Mayor Ken Kincade

BUDGET & PERSONNEL COMMITTEE – CHAIRMAN, MATT WEBBER

POLICE & FIRE COMMITTEE – CHAIRMAN, JAMES REID

COMMUNITY DEVELOPMENT COMMITTEE – CHAIRMAN, ED LONG

MILITARY AFFAIRS COMMITTEE – CHAIRMAN, RON WAYMACK

GENERAL COMMUNITY INPUT

ADJOURNMENT

This Page left Blank

**Contract for Project Management
City of Cabot
Central Arkansas Planning and Development District**

THIS AGREEMENT, authorized and effective **1st of April 2022**, by and between the following parties:

Central Arkansas Planning and Development District, hereinafter called the PROGRAM MANAGER; and City of Cabot, acting herein by Mayor Ken Kincade, herein duly authorized, hereinafter called the OWNER;

WHEREAS, the OWNER has received funds allocated to the unit of government as an outcome of the Coronavirus State and Local Fiscal Recovery Fund, herein referred to as the RECOVERY FUND, through the American Rescue Plan Act, herein referred to as ARPA.

WHEREAS, the OWNER has received authorization to incur costs, or has received project funding approval provided by the United States Department of the Treasury.

NOW THEREFORE, the parties do agree as follows:

A. GENERAL SCOPE OF SERVICES PROVIDED BY PROGRAM MANAGER

The PROGRAM MANAGER shall perform all of the necessary services provided under this agreement in connection with the program management of funds allocated to the OWNER through the Coronavirus State and Local Fiscal Recovery Fund.

1. The **Scope of Services** performed by the PROGRAM MANAGER shall include but not be limited to assisting the OWNER with services relating to the following activities as necessary.
 - Comprehensive guidance, administration, record keeping, and performance of the necessary work in the eligibility, expenditure, administration, and reporting of federal funding from or directly originating with the federal government, and anticipated contracts which may include the host of contracts and programs available under the ARP and other federal spending initiatives in compliance with the Treasury Federal Regulations, Guidance and FAQ's, Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds and 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and other applicable laws, regulations, guidance and FAQ's;
 - Research, develop and prepare grant applications and/or other public assistance documents as needed;
 - Collaborate with the OWNER on project formulation; information gathering, and project development;
 - Develop program guidelines, policies, written procedures, implementation plans or other pertinent documents;
 - Serve as the Point of Contact with the City Treasurer and/or City Clerk and Mayor;
 - Ensure that proper financial management and internal controls are developed and implemented for prevention of fraud and abuse, consistent with statutorily mandated guidelines and procedures as required by the laws of the state of Arkansas;

- Review and assist with processing payment requests, determining allowable and eligible costs, compliance with federal regulations and guidance;
- Conduct, assist with and/or present at public hearings or meetings in conjunction with the OWNER;
- Assist in responding to Requests for Information or documentations from U.S. Department of the Treasury or other federal or state agencies;
- Provide, at a minimum, monthly project status reports and management reports;
- Provide procurement documents and assistance, including but not limited to preparing and writing requests for qualifications, request for proposals, or other applicable procurement processes for identified projects that align with the specific federal funding in compliance with federal and state law As per 2 CFR § 200.319, Respondents awarded and tasked with any of these specific responsibilities are excluded from competing for such procurements.
- Report management including entering information in the grant portal and final reporting or any similar procedure required for the specific federal funding;
- Review, advise and assist with the management of the closeout process;
- Handle subaward procurement, risk assessment, management, administration, monitoring and close-out;
- Coordinate with the OWNER's financial staff on project-specific cost accounting and tracking;
- Assist with any and all audit services and resolve any requests for information, justification, audit findings, and eligibility appeals;
- Document labor compliance and Domestic Preference in Procurement when applicable;
- Maintain records that document that the costs of the management of federal funding is reasonable; and
- Provide post-award federal funding administration and close-out;
- Providing services in water improvements, sewer improvements, broadband, industrial parts, and closing out projects;
- Facilitating small purchase agreements, competitive negotiations, and public participation.
- Organizing community participation plans;
- Categorizing eligible costs;
- Providing services and conducting environmental review;
- Ensuring compliance with federal laws and authorities such as: historic preservation, flood plain management, wetlands protection, endangered species, air quality, farm lands protection, environmental justice, EPA environmental standards, the Davis-Bacon Act, labor standards, and Corps of Engineers Permits;
- Facilitating acquisitions of right of way and easements;
- Providing services related to construction management;
- Facilitating bidding and contract award processes;
- Providing services related to reporting and auditing related activities including: maintaining physical records at offices, conducting necessary reports, and providing necessary documentation for audits; and
- Providing services related to the administration and management of federal funds.

B. GENERAL SCOPE OF SERVICES PROVIDED BY OWNER

The OWNER, as consideration for the agreement by the PROGRAM MANAGER to assume certain duties described above, agrees to assume the following duties and obligations:

1. To make a final review of all services performed and to authorize same prior to implementation and/or commitment to record.
2. To assume full liability as to any and all claims arising out of the performance by PROGRAM MANAGER of the above-defined services.
3. To pay out of local funds all program costs arising out of the above-described project which are incurred by the PROGRAM MANAGER on behalf of the OWNER and approved by the OWNER in accordance with guidance from the United States Department of the Treasury.
4. To furnish all information, data, reports, records and maps as exist, available and necessary for performing all work outlines in this Agreement.
5. To cooperate with the PROGRAM MANAGER to facilitate the performance of the work described in this Agreement
6. To reimburse the PROGRAM MANAGER in accordance with the procedures set forth in Section III, COMPENSATION AND METHOD OF PAYMENT.

C. COMPENSATION AND METHOD OF PAYMENT

For services provided under this Agreement, the PROGRAM MANAGER shall receive compensation not to exceed **\$163,361.44**. Under no circumstance may the total contract amount be increased without a formal amendment increasing the Scope of Services.

Payment shall be made on an hourly rate schedule as agreed upon by the PROGRAM MANAGER and OWNER. Monthly, effective April 2022 through December 2026, the PROGRAM MANAGER shall provide the OWNER financial records of time spent on program management on an hourly basis to determine payment. At no point in the four-year program management period shall the funds exceed **\$163,361.44**.

D. INVOICES FOR PAYMENT

Invoices shall be submitted to the OWNER to cover the amount earned on a project/service basis. Invoices must include a description of services for which compensation is being requested including an explanation of requests for partial payments for ongoing services within a phase.

E. OTHER RELEVANT ATTACHMENTS

List here, starting with Attachment 1, any attachments that will be a part of the Agreement.

F. TERMS AND CONDITIONS

1. Termination of Contract for Cause

If, through any cause, the PROGRAM MANAGER shall fail to fulfill in timely and proper manner his/her obligations under this Contract, or if the PROGRAM MANAGER shall violate any of the covenants, agreements, or stipulations of this Contract, the OWNER shall thereupon have the right to terminate this contract by giving 30 days written notice to the PROGRAM MANAGER of such termination and specifying the effective date of such termination. In the event of termination for cause, OWNER agrees to provide PROGRAM MANAGER with 30 days written notice to cure any default and in the event the same is not cured or resolved, all finished or unfinished documents, data studies and reports prepared by the PROGRAM MANAGER under this contract shall, at the option of the OWNER, become its property, and the PROGRAM MANAGER shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents. Notwithstanding the above, the PROGRAM MANAGER shall not be relieved of liability to the OWNER for damages sustained by the OWNER by virtue of any breach of the contract by the PROGRAM MANAGER, and the OWNER may withhold any payments to the PROGRAM MANAGER until such time as the exact amount of damages due the OWNER from the PROGRAM MANAGER is determined.

2. Termination for Convenience of OWNER

The OWNER may terminate this Contract any time by giving at least a Thirty Day notice in writing from the OWNER to the PROGRAM MANAGER by certified mail or by courier requiring acknowledgment of delivery. If the Contract is terminated by the OWNER as provided herein, the PROGRAM MANAGER will receive equitable compensation under this Contract, less payments of compensation previously made; provided, however, that if less than 60 percent of the services covered by this Contract have been performed upon the effective date of such termination, the PROGRAM MANAGER shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under this contract) incurred by the PROGRAM MANAGER during the Contract period which are directly attributable to the uncompleted portion of the service covered by this contract. If this Contract is terminated due to the fault of the PROGRAM MANAGER, Section A hereof relative to the termination shall apply.

3. Changes

The OWNER may, from time to time, request changes in the scope of the services of the PROGRAM MANAGER to be performed hereunder. Such changes should be in writing to the PROGRAM MANAGER signed by the OWNER's CEO or authorized project manager. Any changes, including any increase or decrease in the amount of the PROGRAM MANAGER'S compensation, which are mutually agreed upon by and between the OWNER and the PROGRAM MANAGER, shall be incorporated in written amendments to this Contract.

4. Personnel

- a. The PROGRAM MANAGER represents that it has, or will secure at its expense, all personnel required in performing the services under this Contract. Personnel shall not be employees of or have any contractual relationship with the OWNER.
- b. All the services required hereunder will be performed by the PROGRAM MANAGER or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such services.
- c. No person who is serving sentence in a penal or correctional institution shall be employed on work under this Contract, including parolees or individuals on probationary or work release status
- d. None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the OWNER. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.

5. Assignability

The PROGRAM MANAGER shall not assign any interest on this Contract and shall not transfer any interest in the same (whether by assignment or notation), without the prior written consent of the OWNER thereto.

6. Reports and Information

The PROGRAM MANAGER, at such times and in such forms as the OWNER may require, shall furnish the OWNER such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.

7. Records and Audits

The PROGRAM MANAGER, if requested by the OWNER, shall maintain accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records as may be deemed necessary by the OWNER to assure proper accounting for all project funds, both Federal and non-Federal shares. These records will be made available for audit purposes to the OWNER or any authorized representative and will be retained for three years after the expiration of this Contract unless permission to destroy them is granted by the OWNER after consultation with the Arkansas Department of Emergency Management.

G. FINDINGS CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the PROGRAM MANAGER under this Contract are confidential, and the PROGRAM MANAGER agrees that they shall not be made available to any individual or organization without the prior written approval of the OWNER. Provided, however, OWNER and PROGRAM MANAGER acknowledge and agree the funding and projects contemplated by this Agreement utilize public funds and that as such non-exempt information may be available to the public through appropriate requests pursuant to the Arkansas Freedom of Information Act (FOIA). In the event a FOIA request is submitted to PROGRAM MANAGER it is agreed it will be timely forwarded to the appropriate representative of OWNER by the PROGRAM MANAGER for direction as to the appropriate and lawful response.

H. COPYRIGHT

No reports, maps or other documents produced in whole or in part under this Contract shall be the subject of any application for copyright by or on behalf of the PROGRAM MANAGER.

I. COMPLIANCE WITH LOCAL LAW

The PROGRAM MANAGER shall comply with all applicable laws, ordinances and codes of the federal, State and local governments.

J. CIVIL RIGHTS ACT/EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Contract, the PROGRAM MANAGER agrees as follows:

1. The PROGRAM MANAGER will not discriminate against any employee or applicant for employment because of race, creed, sex, color, age, handicap, veteran status or national origin. The PROGRAM MANAGER will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, age, handicap, veteran status or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The PROGRAM MANAGER agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the OWNER setting forth the provisions of this non-discrimination clause.
2. The PROGRAM MANAGER will, in all solicitation or advertisements for employees placed by or on behalf of the PROGRAM MANAGER; state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, age, handicap, veteran status or national origin.
3. The PROGRAM MANAGER will insert the foregoing provisions in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
4. The PROGRAM MANAGER will comply with Executive Order 11246, entitled Equal Employment Opportunity, as amended by Executive Order 11375, and as supplemented in

the Department of Labor regulations 4 CRF 6(D).

5. The PROGRAM MANAGER will comply with Section 109 of the Housing and Community Development Act of 1974 stating that no person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

K. "SECTION 3" HANDICAPPED (IF \$2,500 OR OVER)

Affirmative Steps for Handicapped Workers

1. The PROGRAM MANAGER will not discriminate against any employee or applicant for employment because of physical or mental handicap regarding any position that the employee or applicant for employment is qualified. The PROGRAM MANAGER agrees to take affirmative steps to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices including: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, pay or other form of compensation and selection for training, including apprenticeship.
2. THE PROGRAM MANAGER agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.
3. In the event of the PROGRAM MANAGER'S noncompliance with the requirements of this clause, noncompliance actions may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor pursuant to the Act.
4. The PROGRAM MANAGER agrees to post notices in conspicuous places, available to employees and applicants for employment. Such notices shall state the PROGRAM MANAGER'S obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.
5. The PROGRAM MANAGER will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract, which they are bound by the terms of Section 503 of the Rehabilitation Act of 1973 and are committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.
6. The PROGRAM MANAGER will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each subcontractor with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

L. INTEREST OF OTHER PUBLIC OFFICIALS AND/OR MEMBERS OF THE LOCALITY

No member of the governing body of the locality, nor officer, employee, or agent of the locality, who exercises any functions or responsibilities in connection with the planning and carrying out of the program shall have any direct or indirect personal financial interest in this Contract; and the PROGRAM MANAGER shall take appropriate steps to ensure compliance.

M. INTEREST OF PROGRAM MANAGER AND EMPLOYEES

The PROGRAM MANAGER covenants that neither it nor its employees presently has any interest and shall not acquire interest, directly or indirectly, in the project area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of its services hereunder.

N. ACCESS TO RECORDS

The OWNER, and any appropriate State or Federal agencies, shall have access to any books, documents, papers and records of the PROGRAM MANAGER doing work under this Contract, which are directly pertinent to the projects for the purpose of making audit, examination, excerpts and transcriptions.

O. MISCELLANEOUS PROVISIONS

1. This Agreement shall be construed under and in accordance with the laws of the State of Arkansas and the United States of America.
2. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns where permitted by this Agreement.
3. In case any provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or enforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
4. This Agreement may be amended by the mutual agreement of the parties hereto and in writing to be attached to and incorporated into this Agreement.

P. TIME OF PERFORMANCE

1. The services of the PROGRAM MANAGER shall commence on **1st of April 2022**. All of the services required and performed hereunder shall be completed no later than December 31, 2026.

This execution of the Agreement on behalf of the OWNER has been duly authorized as follows:

WITNESS our hands onto this Contract on this **Insert Sign Date**.

OWNER: <u>City of Cabot, AR</u>	
<i>(City)</i>	
Witness: _____	Name: _____
	<i>(Owner)</i>
Name: <u>Ken Kincade</u>	Signature: _____
<i>(Typed Name of Signee)</i>	<i>(Mayor)</i>
PROGRAM MANAGER: <u>Central Arkansas</u>	
<u>Planning and Development District, INC.</u>	
Witness: _____	Name: _____
Name: <u>Rodney Larsen</u>	Signature: _____
<i>(Typed Name of Signee)</i>	<i>(Executive Director)</i>

This Page left Blank

COMMERCIAL LEASE

This Lease Agreement (the Lease) is made between the City of Cabot (Lessor) of 101 North Center Street, Cabot, Arkansas, 72023 and Gary and Sharon Countz on behalf of Lighthouse Retail Inc. (collectively referred to as Lessee) of 221 CR 367, Wynne, Arkansas 72396. For and in consideration of the covenants and agreements hereinafter contained Lessor does hereby let, lease, and demise unto Lessee, and Lessee does hereby lease from Lessor, the following described premises in the City of Cabot, County of Lonoke, State of Arkansas:

905 West Main Street

The Lease is subject to the following terms and conditions:

1. **TERM.** The term of the Lease shall be for a period beginning on the 1st day of June 2022, and ending on the 31st day of May, 2025.
2. **RENTAL.** As rental for the premises, Lessee shall pay to Lessor rent in the amount of \$4,400 per month due on the first day of each month for that month's rental, during the term of the Lease. All rental payments shall be made to Lessor, 101 North Center Street, Cabot, Arkansas. Lessee agrees that its obligation and/or liability to pay any late or otherwise unpaid rental payments survives termination of the Lease.
3. **CONDUCT OF BUSINESS AND USES.** Lessee shall use and occupy the premises only for the purpose of operating a Sears Retail Store and related uses, and Lessee covenants and agrees with and unto Lessor that the premises will be used for that purpose and those related to them and no other, except with the prior written consent of Lessor. Lessee covenants and agrees that Lessee will not do or permit to be done anything in, upon, or about the leased premises that increases the hazard of fire beyond that which exists by reason of the uses and occupancy of the premises for the purposes mentioned. Lessee will not do or permit to be done anything within Lessee's control which would make the leased premises, or the improvements thereon, uninsurable in whole or in part.
4. **ACCEPTANCE OF PREMISES.** It is expressly understood and agreed by the Lessee that it is leasing the demised premises in its current condition and that such condition is in all ways acceptable.
5. **CARE AND MAINTENANCE OF PREMISES.** Lessee shall, at his own expense and at all times, maintain the premises in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the premises and shall surrender the same, at termination hereof, in as good condition as received, normal wear and tear excepted. If the plumbing or electrical wiring proves to be inadequate for its purposes the Lessee may, at its own expense, have such required additional plumbing and electrical wiring installed. Lessee shall be responsible for all repairs required, excepting the roof, exterior walls, and structural foundations, which shall be maintained by Lessor. Lessee shall also maintain in good condition such portions adjacent to the premises, such as sidewalks, driveways, lawns

and shrubbery, which would otherwise be required to be maintained by Lessor. Lessee agrees that the obligations and/or liability arising thereunder will survive termination of the Lease.

6. ALTERATIONS. Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to or about the premises.
7. ORDINANCES AND STATUTES. Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.
8. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this lease or sublet any portion of the premises. Any such assignment or subletting shall be void and at the option of the Lessor, may terminate this lease.
9. UTILITIES. All applications and connections for utility service on the demised premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including but not limited to those for sewer, water, gas, electricity, and telephone services. Lessee agrees that any payments it may owe and/or liabilities it may accrue in regards to this paragraph will survive termination of the Lease.
10. ENTRY AND INSPECTION. Lessee shall permit Lessor or Lessor's representative to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter.
11. TAXES. Lessee shall pay for all license, privilege, and occupation taxes levied, assessed, or charged against Lessee on account of the operation of Sears from these premises. Lessee agrees that any payments it may owe and/or liabilities it may accrue in regards to this paragraph will survive termination of the Lease
12. UNTENANTABILITY. Should the improvements on the leased premises, or any part thereof, be rendered unfit for occupancy for the purposes for which they are hereby let, by reason of fire, windstorm, or other act of nature or unavoidable casualty, the rentals hereinabove stipulated to be paid by the Lessee, or such proportion thereof as is related to that portion of the improvements on the premises rendered untenable by reason of such damage, shall be remitted and abated by Lessor while the same remains unfit for occupancy and until the premises involved shall have been repaired or returned to tenantable condition. Lessee may, upon the occurrence of any such casualty, elect to terminate this lease if the cost of replacing or repairing the improvements so damaged upon the premises equals or exceeds fifty per cent (50%) of the property damage insurance coverage maintained by Lessor thereon. Lessor shall in no way be liable or responsible for any damage to any property of the Lessee in or about the leased premises by reason of flood, water, fire, windstorm or other casualty or act of nature.

13. **SIGNS AND ADVERTISING.** No sign, picture, advertisement, or notice except on the glass of the doors or windows shall be displayed on any part of the outside of such building or on or about the premises hereby demised without the previous consent, in writing, of the Lessor, with exception of the current metal sign attached to the side of the building as of the date of this Lease. Upon termination of this lease, Lessee will remove any sign, advertisement or notice painted on or affixed to the leased premises, and restore the place it occupied to the condition which existed as of the date this lease takes effect.
14. **SURRENDER OF POSSESSION.** At the end of the term of the Lease, or upon earlier termination by Lessor in accordance with the options herein reserved, Lessee agrees to surrender possession of the leased premises without demand. Should Lessee fail so to do, Lessee shall be responsible in addition to the damages generally recoverable by Lessor by reason of any breach by Lessee, for all damages Lessor may sustain, including claims made by any succeeding tenant against Lessor which are founded upon delay or failure in delivering possession of the leased premises to such succeeding tenants. Lessee hereby waives any and all notice to which Lessee may otherwise be entitled under the laws of the State of Arkansas as a prerequisite to a suit against Lessee for the unlawful detention of the leased premises. Lessee agrees that any obligations and/or liability arising out of this paragraph shall survive termination of the Lease.
15. **INDEMNITY AGAINST DAMAGE OR INJURY.** Lessee agrees to defend, indemnify, and hold harmless the Lessor against any claim, expense, loss or liability as a result of any breach by Lessee, Lessee's agents, servants, employees, customers, visitors, or licensees, of any covenant or condition of this lease, or as a result of Lessee's use or occupancy of the leased premises, or as a result of the carelessness, negligence, or improper conduct of Lessee, Lessee's agents, servants, employees, customers, visitors, or licensees. Lessee agrees to keep and maintain at all times during the term hereof, in full force and effect, with a company or companies acceptable to Lessor, insurance against third party liability by reason of Lessee's occupancy of the leased premises. It is agreed that nothing in this entire document constitutes a waiver of Lessor's sovereign immunity, or any other type of immunity to which it may be entitled to claim, and that Lessor has not in fact waived any such immunity. Lessee agrees that any obligations and/or liability arising out of this paragraph shall survive termination of the Lease.
16. **WAIVER OF SUBROGATION.** Lessor and Lessee and all parties claiming under them hereby mutually release and discharge each other from all claims and liabilities arising from or caused by any hazard covered by insurance on the leased premises, or covered by insurance in connection with the property or activities conducted on the leased premises, regardless of the cause of the damage or loss. Lessee agrees that any obligations and/or liability arising out of this paragraph shall survive termination of the Lease.
17. **LESSOR'S REMEDIES ON DEFAULT.** If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not completely cure any such default within 10 days, after the giving of such notice (or if

such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such 10 days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Lessor may terminate this lease on not less than 30 days' notice to Lessee. On the date specified in such notice the term of this lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessor or other occupants and their effects. Lessee agrees that any obligations and/or liability arising out of this paragraph shall survive termination of the Lease.

18. COMMON AREA EXPENSES. In the event the demised premises are situated in a shopping center or in a commercial building in which there are common areas, Lessee agrees to pay his pro-rata share of maintenance, taxes, and insurance for the common area.
19. WAIVER. No failure of Lessor to enforce any term hereof shall be deemed to be a waiver either during the life of the Lease or after its termination.
20. NOTICES. Any notice called for or permitted under the terms hereof may be given in writing and sent by ordinary mail to the addresses designated herein. Lessor designates its address as 101 North Second Street, Cabot, Arkansas 72023. Lessee hereby designates its address as 221 CR 367, Wynn, Arkansas 72396. For any notice mailed to the designated address, notice shall be deemed given three days after said notice was mailed. Designations of address may be changed by written notice given by ordinary mail from either party to the other.
21. HEIRS, ASSIGNS, SUCCESSORS. This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.
22. OPTION TO RENEW. This Lease may be renewed or extended only upon the written agreement of the Lessor and Lessee.
23. SUBORDINATION. This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.
24. ENTIRE AGREEMENT. The forgoing constitutes the entire agreement between the parties and may be modified upon the written agreement of the Lessor and Lessee.
25. VENUE. The Lessor and Lessee agree that any legal suit or other action commenced pursuant to this Lease, or the fulfillment or enforcement thereof, shall be filed in a court of appropriate jurisdiction in Lonoke County, Arkansas. Lessee agrees that the agreements and obligations in this paragraph shall survive termination of the Lease.
26. BINDING AGREEMENT. The below signatories agree that they have fully read this entire document and are in full agreement with it and everything stated herein. They

further agree that they have had the opportunity to consult with legal counsel prior to signing. They further agree that this is a binding agreement and that they are authorized to bind their respective parties.

CITY OF CABOT, LESSOR

ATTEST:

Ken Kincade, Mayor

Tammy Yocom, Clerk~Treasurer

Date

Date

Gary Countz, Lessee on behalf of
Lighthouse Retail Inc.

Sharon Countz, Lessee on behalf of
Lighthouse Retail Inc.

Date

Date