

ARKANSAS DEPARTMENT OF POLLUTION
CONTROL AND ECOLOGY

LOCATION - SUBJECT _____
Building Expansion

MINUTE ORDER NO. 78-39

PAGE 1 OF 1 PAGES

The director and staff are hereby authorized to proceed with
the building expansion as outlined in the attached lease amendment.

COMMIS-
SIONERS

[Handwritten signatures and initials]
R.C. Boye

Ralph A. Demas Submitted by A. Sacrey Date Passed 6/30/78
Chairman

be made by Owner, Lessee shall have the right and privilege to store
and install fixtures and equipment on the demised premises so long

AMENDMENT TO LEASE

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, on June 14, 1977, Rector-Phillips-Morse, Inc., Agent, as Owner, leased certain premises to the Department of Pollution Control and Ecology, State of Arkansas, as Tenant, on terms and conditions more particularly set forth in that certain Lease Agreement attached hereto, marked Exhibit "A", and incorporated herein by reference, and

WHEREAS, the Owner and Tenant desire to amend said Lease Agreement to reflect the parties' agreement that Owner shall at Owner's expense construct an addition to the improvements currently on the premises subject to said Lease Agreement, and to make certain additional premises subject to the lease; and in consideration of same Tenant hereby agrees as follows:

1. The premises and improvements thereon subject to the lease are Lots 4 and 5, National Investors Industrial Sites Subdivision, Little Rock, Arkansas.

2. Paragraph 1 of the Lease Agreement is deleted and the following paragraph substituted therefor:

"1. TERM: The term of this lease shall be for approximately eight (8) months, the exact term to be determined as set forth herein. It shall commence on the first day next following the date the addition to the demised premises is ready for occupancy, and shall terminate on June 30, 1979, unless extended, as provided herein. Lessor shall give Lessee written notice specifying the date on which the demised premises will be ready for occupancy at least ten (10) days in advance thereof. Prior to completion of the improvements to be made by Owner, Lessee shall have the right and privilege to store and install fixtures and equipment on the demised premises so long as same does not interfere with the Owner's work."

3. Effective the day after the addition to the demised premises is ready for occupancy, paragraph 2 of the Lease Agreement is deleted and the following paragraph substituted therefor:

"2. RENT: The rent under this Lease Agreement shall be One Hundred Seven Thousand Three Hundred Twenty-Eight Dollars (\$107,328.00) per year, payable in equal monthly installments of \$8,944.00 on the first day of each month. Rent for the first month shall be prorated if the effective date of this paragraph is not the first day of a month. Owner shall provide Tenant with advance monthly statements in triplicate for each month's rent. Rental shall be payable to Owner at P. O. Box 3118, Little Rock, Arkansas, 72203, or such other place as may be designated by Owner."

4. The following additional paragraphs are hereby added to the lease:

"15. CONSTRUCTION: Owner shall construct an addition to the existing building and appurtenances thereto on the demised premises according to plans and specifications dated June 2, 1978, previously approved by both parties, construction to commence as soon as is practicably possible after the execution of this Amendment to Lease."

"16. OPTION TO RENEW: At the expiration of the original term of this Lease Agreement, Tenant shall have the option to extend and renew this lease for an additional two (2) year period ending June 30, 1981, upon all the terms and conditions of this lease. Tenant shall give to Owner written notice of its exercise of such option at least ninety (90) days prior to the expiration of the original term of this lease. At the expiration of the first extended term of this Lease Agreement, Tenant shall have the option to extend and renew this lease for an additional two (2) year period ending June 30, 1983, upon the terms and conditions of this lease; provided that, the rental during such two (2) year period shall be One Hundred Seven Thousand Three Hundred Twenty-Eight Dollars (\$107,328.00) per year plus the percent of increase in the Consumer Price Index (all urban customers) between the first day of the month the addition to the premises is ready for occupancy and July 1, 1981. (For example,

if such increase is 10%, the annual rental shall be calculated as follows:

$\$107,328.00 \times .10 = \$10,732.80, + \$107,328 = \$118,060.80$ annual

rent, payable in equal advance monthly installments of \$9,838.40.)

Tenant shall give to Owner written notice of its exercise of the second such option at least ninety (90) days prior to the expiration of the first extended term of this lease. At the expiration of the second extended term of this Lease Agreement, Tenant shall have the option to extend and renew this lease for an additional period ending five (5) years from the date the addition to the premises was ready for occupancy, upon the terms and conditions of this lease; with the rental to be the same as that payable during the previous two (2) year period. Tenant shall give to Owner written notice of its exercise of the third such option at least ninety (90) days prior to the expiration of the second extended term of this lease."

5. Except as amended hereby, all other terms, covenants and conditions of the original Lease Agreement remain in full force and effect.

IN WITNESS WHEREOF; each of said parties hereto has caused such party's name to be hereunto subscribed on this _____ day of June, 1978.

LESSOR: Rector-Phillips-Morse, Inc., Agent

STATE OF ARKANSAS, LESSEE
Department of Pollution Control and Ecology

By *R.H. Cherry*
EX-V-P

By _____

ATTEST: *J. R. [Signature]*
scay

ATTEST: _____

APPROVED: STATE BUILDING SERVICES

BY _____
State Leasing Officer

By _____
Director

LEASE AGREEMENT

THIS INDENTURE OF LEASE is made on this 14th day of June, 1977, by and between RECTOR-PHILLIPS-MORSE, AGENT, whose address is P. O. Box 3118, Little Rock, Arkansas 72203 (hereinafter referred to collectively as "Owner"); and the DEPARTMENT OF POLLUTION CONTROL AND ECOLOGY, State of Arkansas (hereinafter referred to as "Tenant").

W I T N E S S E T H:

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, the Owner demises and leases to the Tenant and Tenant rents from Owner the following described premises, building, and appurtenances thereto according to the terms of this Agreement, to wit:

Lot 5, NATIONAL INVESTOR INDUSTRIAL SITES SUBDIVISION,
Little Rock, Pulaski County, Arkansas.

upon the following terms and conditions:

1. TERM: The term of this lease is 24 months, commencing on the first (1st) day of July, 1977, and ending on the 30th day of June, 1979.

2. RENTAL: The State shall pay to the Lessor the sum of Sixty Thousand, Eight Hundred Forty and no/100 (\$60,840.00) dollars per annum, payable in installments of \$5,070.00 per month, in advance.

The first installment to be due and payable monthly on the First day of July, 1977, to Rector-Phillips-Morse at P.O. Box 3118, Little Rock, Arkansas 72203, or at such other place as shall be designated by the Lessor.

3. USE: The demised premises shall be used for the purpose of exercising all those functions delegated to the Department of Pollution Control and Ecology. The demised premises shall not be put to any other use without the prior consent of Owner, which consent shall not be unreasonably withheld.

4. ASSIGNMENT: Tenant shall not assign or sublet the demised premises without the prior written consent of the Owner, which consent shall not be unreasonably withheld. Any such assignment or subletting shall in no way relieve the Tenant from the liability of any of its obligations under this lease. Owner may assign this lease without Tenant's consent.

5. OWNERSHIP OF IMPROVEMENTS: (a) All improvements placed upon the demised premises shall be the property of the Owner unless specifically excepted herein. Any fixture, equipment, or machine which Tenant may subsequently install upon the demised premises shall be and remain the property of and may be removed by the Tenant; provided, however, Tenant shall repair all damage to the demised premises resulting from the removal of said fixture or machinery and restore said premises to the condition which existed prior to the installation of said fixture or machine. No improvement shall be constructed on the demised premises, nor shall any alterations of any improvement on the demised premises be made unless Owner shall have first given written approval of the plans and specifications of such improvement or alteration.

(b) Owner, at the expiration of this Lease Agreement, may require the removal of Tenant, at Tenant's expense, of any fixtures, equipment, or improvements placed on the demised premises by Tenant, and may require Tenant to restore the demised premises, at Tenant's expense, to the same general condition said premises were in when entered upon, damage resulting from fire, unavoidable insured casualty, and normal wear and tear excepted.

6. MAINTENANCE: Owner shall maintain the roof and outside walls of the structure and the parking lot to be constructed on the demised premises at Owner's expense. Owner shall also maintain, at its expense, the air conditioning system, provided that Tenant shall, at its expense, keep the system professionally serviced not less often than every six (6) months. All other improvements placed upon the demised premises, including but not limited to the interior and landscaping, shall be maintained by the Tenant in a good state of repair. Except as otherwise provided herein, the maintenance of the building and parking lot in a clean and orderly condition shall be at Tenant's expense.

7. UTILITIES: Tenant shall promptly pay all deposits for utilities and all bills for utilities which Tenant uses upon the demised premises.

8. TAXES AND INSURANCE: Owner shall maintain adequate casualty insurance on the demised premises, excluding fixtures installed by Tenant, the policy of insurance to exclude the right of subrogation against Tenant. Owner shall pay all general real and improvement district taxes upon the demised premises.

9. LIABILITY: Owner is hereby absolved of any and all liability for any damage, loss or injury to the property of the Tenant, the agents, employees or visitors of Tenant, except such as may be caused by the negligence or default of Owner, his agents, servants or employees. Nothing in this lease shall be construed to waive the sovereign immunity of the State of Arkansas or any intities thereof.

10. HOLDOVER: Upon the termination of this lease by expiration of its term or upon any earlier termination for any reason whatsoever, Tenant will peacefully and quietly deliver possession thereof to Owner. In the event Tenant shall hold over after the expiration or termination of this lease, or any extension thereof, said holding over shall be construed as a tenancy from calendar month to calendar month at a monthly rental equal to the rental for the last month paid under this lease. A month-to-month tenancy arising by holding over under this paragraph may be terminated by either Tenant or Owner giving written notice to the other party on or before the day any monthly rent is due with termination becoming effective on the day the next following monthly rental would have otherwise become due.

11. CASUALTY: If at any time the demised premises or any part thereof shall be damaged by fire, or other major casualty, and in the cost of repairing the damage shall not exceed twenty per cent (20%) of the value of the improvements of the premises herein leased, the Owner shall, within one hundred twenty (120) days from the date of such occurrence, repair the damage caused by said fire or other casualty. If, however, the damage shall exceed twenty per cent (20%) of the value of the improvements of the demised premises, or any part thereof, then Owner shall have the option of either restoring said premises as set out above or terminating this lease as of the date of said fire or other casualty by giving written notice of its election to Tenant within fifteen (15) days after the date of such occurrence. If Owner elects to restore said premises, such restoration shall be completed as promptly as possible and within one hundred twenty (120) days from the date of notice of such election. In the event said restoration shall not be completed within said one hundred twenty (120) day period, Tenant shall have the right to terminate this lease by written notice of termination to Owner. If the damage should render the premises untenable in whole or in part for use in performing Tenant's statutory functions, the rental from the date of said fire, or other major casualty to the date of the completion of the restoration of the premises shall be abated, such abatement being figured on a pro rata basis on the rentals herein provided for.

12. NOTICE: Any notice, demand, request or other instrument which may be or is required to be given under this lease shall be delivered in person or sent by United States Certified Mail, postage prepaid, and shall be addressed (i) if to Tenant at the demised premises or at such other address as Tenant shall designate by written notice.

13. PEACEABLE POSSESSION: Tenant shall lawfully and peaceably have, hold and occupy the premises during the term herein specified, and Owner warrants to defend the Tenant in the peaceful and quiet enjoyment of the premises against the lawful claims of all persons claiming by, through or under Owner.

14. LEASE BINDING: Except as hereinabove limited, the interests of the Owner and the Tenant in this lease shall pass to the successors and assigns of the respective parties and the successors and assigns of the Owner and Tenant shall be bound by the covenants and conditions of this lease.

IN WITNESS WHEREOF, each of said parties hereto has caused such party's name to be hereunto subscribed on the date first mentioned above.

LESSOR: Rector-Phillips-Morse, *Agent*

STATE OF ARKANSAS, LESSEE
Department of Pollution Control & Ecology

BY *[Signature]*
Ex-V-P

BY *S. Ladd Davis*

ATTEST: _____

ATTEST: *[Signature]*

APPROVED: STATE BUILDING SERVICES

BY *Helin H. Vauell*
State Leasing Officer

BY *[Signature]*
Director