

Lease with Caddo Valley Flea Market Inc,

LEASE AGREEMENT

This agreement made and entered into by and between Shaw Family, represented by Kres Shaw, hereinafter called LESSOR, and Caddo Valley Flea Market Inc., hereinafter called LESSEE. WITNESSETH:

1. **LEASED PREMISES:** That the lessor for the considerations, purposes and covenants hereinafter set out, does hereby let, lease and demise unto the Lessee for a period of one year beginning June 1, 2014 and ending May 31, 2015, the following land and property in Clark County, Arkansas, to-wit:

107 Valley Drive, Arkadelphia, (Caddo Valley) Arkansas, described as a line behind the old canoe rental building from river to a point west and 20' behind metal building, making a 90 degree angle to square up land for use and parking, going all the way to the highway.

This lease does not include all of the real property owned by Lessors located at this location.

2. **RENT.** Rent shall be paid as follows:

For the period beginning June 1, 2014 and ending May 31, 2015, Lessee shall pay the sum of Two Thousand (\$2000.00) per month, for each and every month.

All of the above-mentioned rental payments shall be payable in advance on the 1st day of each month during the term of this lease and same shall be mailed to the Lessor by the Lessee or delivered to the Lessor by the Lessee. The mailing address is: 13447 Shaffer Road, Garfield, Arkansas 72732

In the event any rent payment is made more than ten (10) days subsequent to the due date for said rental payment, a late charge of Fifty dollars (\$50.00) will be assessed.

3. **UTILITIES.** Lessee shall be responsible for the prompt and full payment of all charges for water (including sewer taxes), electricity, gas, telephone, waste and other utilities consumed on the premises and the utilities accounts shall be in the name of the Lessee.

4. **TAXES.** Lessee shall be responsible for all taxes required for the operation of their business such as, but not limited to: Personal Property Tax on inventory and personal property Lessee owns on business premises; City Occupation Tax; Corporate Franchise Tax; Sales Tax; State and Federal Payroll Taxes; State and Federal Income Taxes. Lessor will be responsible for Real Estate Tax.

5. **REPAIRS.** Lessee, at Lessee's own cost and expense, shall maintain and keep the improvements located on the leased premises in as good repair as when the leased premises were received, or in their

highest state of repair during the lease term, ordinary wear and tear and casualties beyond Lessee's control excepted, and Lessee shall, at the termination, surrender or forfeiture of this lease, return said premises to Lessor in as good and satisfactory condition as existed at the inception of the lease. Lessee shall also be responsible for the payment of any costs and expenses incurred in connection with the maintenance and repair necessary for any improvements placed on the leased premises during the term of this lease.

6. ALTERATIONS. Lessee shall have the right and privilege to make, at Lessee's expense, ordinary repairs and alterations to the leased premises, provided, however, no alterations of a structural nature shall be made to the leased premises without the prior written consent of Lessor. Any improvements erected on said premises by Lessee shall be and become a part of the realty and pass to Lessor at the termination of this lease unless the parties hereto agree in writing to the contrary and to the removal of said improvements by Lessee upon termination, *except for 2 5 ton AC/Heaters + Duct work g.p.d. 7/8*

7. FIXTURES. All trade fixtures installed by the Lessee or acquired by Lessee independently of this lease shall remain Lessee's property and may be removed by Lessee at the expiration of this lease. Provided, however, Lessee shall restore the leased premises to as good a condition as when the premises were received and repair any damage thereto caused by such removal.

8. ACCEPTANCE OF PREMISES. It is expressly understood and agreed by the Lessee that Lessee is leasing the demised premises in its current condition and that if the plumbing or electrical wiring proves to be inadequate for Lessee's purposes that Lessee may, at Lessee's own expense, have such required additional plumbing and electrical wiring installed.

9. TITLE AND QUIET ENJOYMENT. Lessor covenants and warrants that Lessor is the owner in fee simple absolute of the leased premises and may lease said premises as herein provided. Upon payment by Lessee of the rents herein provided and upon the observance and performance of all the covenants, terms and conditions upon Lessee's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the demised premises for the term hereby devised without hindrance or interruption by Lessor or by any other person or persons lawfully or equitably claiming by, through or under Lessor, subject to the terms and conditions of this lease.

10. CONDUCT OF BUSINESS AND USES. It is understood and agreed that the leased premises are leased to the Lessee for the purpose of operating a flea market, and Lessee covenants and agrees with and unto the Lessor that the leased premises will be used for the purposes 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 nor permit to be done anything in, upon, or about the leased premises that increases the hazards of fire beyond that which exists by reason of the uses and occupancy of the flea market. Lessee will not do nor 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. Lessee agrees that Lessee will not commit waste nor permit waste to be committed or done upon the leased premises.

11. SIGNS AND ADVERTISING. 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.

12. MAINTENANCE OF OUTSIDE AREA OF LEASED PREMISES. Lessee agrees to keep and maintain the grass area surrounding the leased premises in a neat and orderly condition at all times, and Lessee shall be responsible for the proper maintenance of the parking area of the leased premises.

13. INSURANCE. Lessee shall be solely responsible for maintaining insurance on Lessee's property including, but not limited to movables, trade fixtures, furniture, furnishings, and inventory.

14. LIABILITY INSURANCE. 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, employees, customers, visitors, or licensees, of any covenants or conditions 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, employees, customers, visitors, or licensees. Lessee agrees to keep and maintain at all times during the terms hereof, in full force and effect, with a company acceptable to Lessor, insurance against third party liability with limits of liability thereunder of not less than \$500,000.00 per occurrence, and Lessor shall be a named insured in such policy or policies.

15. LESSEE'S DEFAULT. Lessee shall be in default under the provisions of this lease agreement upon the happening of any of the following events or conditions:

a. Failure to pay the rentals provided herein at the times, in the amounts, and in the manner hereinbefore set forth;

b. Failure to keep or perform any of the covenants on the part of the Lessee herein to be kept or performed;

c. Should the Lessee become insolvent, or become bankrupt, either voluntary or involuntary, or make any assignment for the benefit of creditors, or if a receiver be appointed for the benefit of Lessee's creditors, or if a receiver be appointed for Lessee to take charge of and manage Lessee's affairs, or if any levy of execution against the Lessee remains unsatisfied for a period of ten (10) days from and after the levy of the same.

16. REMEDIES IN THE EVENT OF DEFAULT. In the event of a default by Lessee during the term hereof, Lessor may, at Lessor's option, declare this lease thereupon terminated, and Lessor shall have the right to enter upon and take possession of the Leased premises, either with or without notice, and to evict and expel therefrom, without legal process and without thereby being guilty of any manner of trespass either at law or in equity which remedy is in addition to any other remedies of Lessor either at law or in equity, including, without limitation, the collection of delinquent rents, possession of the leased premises, damages for breach of this agreement by Lessee, or otherwise. No delay in or failure to exercise any of the options herein granted to Lessor by reason of a default shall be a waiver thereof, and

the waiver on one occasion of a default shall not be deemed a waiver of Lessor's right to exercise Lessor's remedies by reason of the same or a similar default at any later occasion.

17. **ASSIGNMENT AND SUBLETTING.** Lessee shall not assign this lease, nor sublet the leased premises or any part thereof, without obtaining the prior written consent of the Lessor. The consent of the Lessor to a particular assignment or subletting shall not be construed to relieve Lessee from the obligation to obtain the consent in writing of Lessor on any other or future assignment or subletting.

18. **SURRENDER OF POSSESSION.** At the end of the term of this lease, or upon earlier termination by Lessor in accordance with the option 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 possession of the leased premises to such succeeding tenant. 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.

19. **OPTION TO EXTEND**

a. Subsequent to the rental period stated in paragraph #1, if the Lessee shall have fully performed every agreement and covenant on Lessee's part, the Lessee is hereby granted the right and option to extend this lease for an additional one year period beginning on June 1, 2015 to May 31, 2016, for which the lessee shall pay the sum of Two Thousand Five Hundred Dollars (\$2500.00) per month.

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20. **BINDING EFFECT.** This agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, legal representatives, successors and/or assigns.

21. **TIME OF ESSENCE.** The time of the making of the payments and of the keeping of the covenants herein are of the essence of this agreement and the parties hereto so agree.

22. **NOTICES.** Any notice called for or permitted under the terms hereof may be given in writing and sent by ordinary mail to the last address of the party to whom the notice is to be given as designated by such party in writing. Lessor hereby designates Lessor's address as: 13447 Shaffer Road, Garfield, Arkansas 72732. Lessee hereby designates Lessee's address as: 107 Valley Drive, Arkadelphia, Arkansas.

Any notice so given shall be deemed given when deposited with the United States Mail service. Designations of address may be changed by written notice given by ordinary mail from either party to the other.

23. **SEVERABILITY.** Each paragraph of this lease agreement is severable from all other paragraphs. In the event any court of competent jurisdiction determines that any paragraph or subparagraph is invalid, or unenforceable for any reason, all remaining paragraphs and subparagraphs will remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on this ____1st____ day of June, 2004.

LESSOR: Shaw Family

By: Kres Shaw

Kres Shaw

LESSEE: Caddo Valley Flea Market Inc.

By: Julie Dickerson

Julie Dickerson

By: Nick Stover

Nick Stover