R-21-133

RESOLUTION NO.

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN OFFER AND ACCEPTANCE AND LEASE AGREEMENT WITH USABLE MUTUAL INSURANCE COMPANY FOR PROPERTY LOCATED AT 515 WEST PERSHING BLVD., NORTH LITTLE ROCK, ARKANSAS; AMENDING THE FY2021 BUDGET (RESOLUTION NO. 9963) AND FOR OTHER PURPOSES.

WHEREAS, certain real property located at 515 West Pershing Boulevard, North Little Rock, Arkansas, owned by USAble Mutual Insurance Company ("USAble") and currently occupied by Arkansas Blue Cross Blue Shield, has been offered for sale; and

WHEREAS, the property for sale is located on 6.76 acres, includes a 92,384 square foot building, and approximately 372 parking spaces; and

WHEREAS, USAble has indicated it will accept an offer to sell the property to the City for the purchase price of $5,000,000.00, including all furniture, furnishings, and equipment (with the exception of IT equipment) in the building, with closing to occur prior to year-end to provide for an inspection period, provided that USAble may lease the property after closing until June 30, 2022, for monthly rent in the amount of $30,000.00; and

WHEREAS, the property will provide sufficient space and parking for multiple City departments, including all employees currently located in the City Services Building, the City Engineer, Community Development Department, the City Attorney's office, as well as a needed training center for North Little Rock Fire Department; and

WHEREAS, continued occupancy of the City Services Building would require imminent costly repairs; and

WHEREAS, the City's purchase and occupancy of the building will contribute to the stability and growth of the surrounding neighborhood; and

WHEREAS, it is in the best interest of the City and its residents to purchase the property and to amend the FY 2021 budget (adopted pursuant to Resolution No. 9963 on December 14, 2020, as amended by Resolution No. 9995 adopted on February 8, 2021, Resolution No. 9999 adopted February 22, 2021, Resolution No. 10046 adopted May 24, 2021, and Resolutions No. 10055, No. 10056, No. 10057 adopted June 28, 2021, and Resolution No. 10092 adopted August 23, 2021) to appropriate funds for the purchase price of the property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor and City Clerk are hereby authorized to enter into an Offer and Acceptance (substantially similar to Exhibit A attached hereto) and to purchase property located at 515 West Pershing Boulevard, North Little Rock, Arkansas, for the purchase price of $5,000,000.00.

SECTION 2: That concurrently with the closing of the purchase of the property, the Mayor and City Clerk are hereby authorized to enter Lease Agreement to lease the property located at 515 West Pershing to USAble Mutual Insurance Company until June 30, 2022, with USAble to pay monthly rent in the sum of $30,000.00.

SECTION 3: That all documents necessary to effectuate the purchase of the property and the lease back of the property to USAble shall be reviewed and approved by the City Attorney.

SECTION 4: That the FY2021 budget (Resolution No. 9963 adopted on December 14, 2020, as amended by Resolution No. 9995 adopted on February 8, 2021, Resolution No. 9999 adopted February 22, 2021, Resolution No. 10046 adopted May 24, 2021, and Resolutions No. 10055, No. 10056, No. 10057 adopted June 28, 2021, and Resolution No. 10092 adopted August 23, 2021) is hereby amended to appropriate from the General Fund fund balance for the purchase price of the property, said funds to be placed as a line item in Special Projects in GL 01-004-72000 - Buildings.

SECTION 4: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Terry C. Hartwick

SPONSOR:

Terry C. Hartwick

Mayor Terry C. Hartwick by AF

Debi Ross

Council Member Debi Ross by AF

Nathan Hamilton

Council Member Nathan Hamilton by AF

Linda Robinson

Council Member Linda Robinson by AF

Maurice Taylor

Council Member Maurice Taylor by AF

ATTEST:

Diane Whitbey, City Clerk

Steve Baxter

Council Member Steve Baxter by AF

Ron Harris

Council Member Ron Harris by AF

Charlie Hight

Council Member Charlie Hight by AF

Jane Ginn

Council Member Jane Ginn by AF

APPROVED AS TO FORM:

Amy Beckman Fields, City Attorney

FILED 11:00 A.M. ___ P.M.

By A. Fields

DATE 9.7.21

Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas

RECEIVED BY S. Lissery

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/ABF

EXHIBIT
A

Colliers

OFFER AND ACCEPTANCE

Date:

1. BUYER and SELLER; PROPERTY: **City of North Little Rock, Arkansas** (**"Buyer"**) submits this offer to **USAble Mutual Insurance Company** (the **"Seller"**), to buy the land and all improvements situated thereon, together with all furnishings and equipment, with the exception of IT equipment, as further defined below, located at **515 West Pershing Blvd., N. Little Rock, Arkansas** (**"The Property"**) and more particularly as shown and described on attached **Exhibit A.**

2. PURCHASE PRICE: Buyer will pay **Five Million and 00/100 Dollars ($5,000,000)** for the Property (the **"Purchase Price"**), payable as follows: cash at closing.

3. EARNEST MONEY: Within **5** business days after Seller gives Buyer written notice that Seller accepts this offer, (the **"Acceptance Date"**) Buyer shall tender a check for **$0.00** made payable to Title Company (as named in Section 8 hereof), to be deposited as earnest money (the **"Earnest Money"**), held in escrow by the Title Company and applied at closing toward the Purchase Price or closing costs. Buyer represents and warrants that the Earnest Money check, and any other funds to be paid to Seller hereunder, shall be drawn on an account in which there are good and sufficient, immediately available funds. If title and survey requirements are not fulfilled or if any special contingency or condition hereto is not satisfied, the Earnest Money shall be promptly refunded to Buyer.

   If Buyer fails to fulfill each of its obligations under this contract or if, after all conditions to be satisfied by Seller have been met, Buyer fails to close this transaction, the Earnest Money shall be released to Seller as liquidated damages and the parties hereto will have no further rights or obligations hereunder. In the event there is at any time a dispute regarding who is entitled to receive the Earnest Money, the party then holding same may interplead the Earnest Money into a court of competent jurisdiction, after deducting its reasonable attorneys' fees and costs to interplead, and upon such interpleader, no party other than Buyer and Seller shall have any further obligation or liability for the Earnest Money or under this contract; this provision is intended to release the Title Company, Listing Agent Firm and Selling Agent Firm (as such are hereinafter named) from all further liability. In any circumstance in which the Earnest Money is to be returned to Buyer or released to Seller pursuant to the terms of this contract, this contract will be deemed null and void the parties hereto will thereafter have no further rights or obligations hereunder.

4. SELLER'S ENVIRONMENTAL PROPERTY DISCLOSURES: Seller hereby represents and warrants to Buyer that to the best of Seller's knowledge and belief:

   A. The Property is not the subject of any administrative or judicial notice or action relating to asbestos, polychlorinated biphenyls, dioxin or other hazardous, toxic or contaminated substances or environmental waste;
   B. Seller has not received any notice of any claim or assertion that the Property is in violation of any environmental protection law, rule or regulation.
   C. No hazardous or toxic substance has been stored, processed or disposed of on the Property while Seller has owned the Property and Seller has no actual knowledge of such prior to Seller acquiring title.
   D. No underground storage tanks are located on the Property and Seller has no actual knowledge of storage tanks ever having been located on the Property.

5. INSPECTIONS AND REPAIRS: Buyer certifies that Buyer has inspected or will inspect, personally or through its representatives, the Property, and that Buyer is not relying upon any warranties, representations or statements of Seller or Seller's agent as to the age or condition of the Property or improvements thereon, other than those expressly set forth herein, if any.

6. RISK OF LOSS: The risk of loss or damage to the Property by fire or other casualty occurring up to the time of Buyer's closing is assumed and retained by Seller.

7. SURVEY: Within **7** days after the Acceptance Date hereof Seller shall furnish to Buyer a copy of all surveys, if any, of the Property currently in Seller's possession or control. In addition, Seller shall provide a new ALTA Certified Survey of the Property, satisfactory to Buyer and certified to Buyer within **14** days after Acceptance by a registered land surveyor, which will be paid for by the Seller (the **"Survey"**).

8. TITLE INSURANCE: Within **14** days after the Acceptance Date hereof Seller shall furnish to Buyer and to the Surveyor, at Seller's cost, an ALTA commitment for an owner's policy of title insurance for each property in the amount of the Purchase Price, naming Buyer as the proposed insured and noting thereon (but not insuring) the current zoning classification of the Property, together with legible and complete copies of each special exception noted on or referred to in such commitment (such commitment and exception documents being collectively referred to as the **"Title Commitment"**),

issued by _____ (the **"Title Company"**), which is a company that is authorized to insure title to real property in the State of Arkansas.

Within **10** days after Seller delivers both the Title Commitment and the Survey to Buyer, Buyer shall deliver written notice to Seller of any exceptions set forth in the Title Commitment to which Buyer objects, and of any deficiencies in or objections to the Survey. Buyer's notice to the Title Company (regarding the Title Commitment) and/or the Surveyor (regarding the Survey), copied to Seller, shall also constitute proper notice to Seller of objections. If Buyer does not timely raise objections to the Title Commitment or Survey they shall be deemed accepted by Buyer.

Within **10** days after Buyer's delivery of notice of objections to the Title Commitment or the Survey, if any, Seller may cure such objections or have the exceptions waived, removed or, when appropriate and acceptable to Buyer, insured over, by the Title Company agreeing to issue a policy consistent with a revised title commitment, or via endorsement thereto, and by Surveyor correcting, completing or modifying and recertifying the Survey. If Seller fails to timely have such objections and/or exceptions waived, removed, corrected or insured over, or within that period of time, Seller delivers written notice to Buyer that it will not so cure, then Buyer shall have the option, by giving written notice to Seller, to:

(a) terminate this contract, in which event the Earnest Money shall be promptly returned to Buyer; or

(b) purchase the Property subject to such objections and exceptions with an appropriate reduction in the Purchase Price as negotiated and agreed to by Seller and Buyer; or

(c) agree to extend the closing date for up to **14** days to give Seller additional time to cure such objections.

If Buyer fails to timely deliver a notice indicating option (b) or (c) above Buyer will be deemed to have elected option (a) and this contract shall be null and void and the Earnest Money promptly refunded to Buyer, and the parties hereto will have no further rights or obligations hereunder.

Seller agrees to cooperate in all respects with the Title Company, both before and after closing, and to promptly provide to the Title Company such documents and information (including social security number or federal tax identification number, as appropriate) as may be reasonably requested to facilitate the closing. Seller shall furnish to Buyer the owner's policy of title insurance consistent with the accepted Title Commitment as soon as practicable after closing and in all events within thirty (30) days after closing.

9. INVESTIGATION PERIOD: Within **7** days after the Acceptance Date hereof Seller shall deliver to Buyer, to the extent in the possession of or available to Seller or Seller's agents, representatives, employees or contractors, all: (1) leases, subleases and other occupancy agreements pertaining to the Property, together with a current rent roll indicating rent payment and security deposit status (if the Property is leased to tenants whose terms will continue 30 or more days beyond the closing), (2) service and maintenance agreements for the Property, (3) warranties for fixtures and equipment that comprise any part of the Property which is to be sold hereunder, (4) other material contracts incidental to the ownership or operation of the Property, and (5) engineering, environmental and other studies with regard to the Property. Buyer shall have **75** days after Seller's Acceptance (the **"Investigation Period"**) to review such materials and conduct such further examinations of the Property, studies, tests and any other inspections and analysis as Buyer shall deem necessary or desirable (including the roof, foundation, parking lots, heating, ventilation and air conditioning systems, plumbing systems, electrical systems and other infrastructure and improvements) to satisfy itself as to such matters which Buyer, in its sole and absolute discretion, considers relevant to its decision to purchase the Property. Seller agrees to have utilities connected and turned on for the entire Investigation Period for Buyer's inspections. Seller expressly grants Buyer authority to meet with Seller's Property Manager during said Investigation Period. Seller further grants Buyer and its engineers, representatives and consultants, a license to go upon the Property and conduct such tests and explorations as are reasonably deemed necessary by Buyer. In the event Buyer, its engineers, representatives and consultants, need access to the interior of the Property in order to conduct such investigations Seller shall grant Buyer such access at reasonable times so as not to unreasonably disturb any current occupant of the Property; Buyer agrees to use good faith efforts to be considerate of any current occupant of the Property so as not to disturb or inconvenience them more than necessary.

Buyer shall obtain satisfactory financing for purchase of the Property, at Buyer's sole discretion, during the Investigation Period. Should Buyer elect to terminate this contract for any reason whatsoever on or before the end of the Investigation Period, then Buyer may, at its option, do so by giving Seller written notice of termination, whereupon the Earnest Money will be promptly refunded to Buyer. If Buyer does not deliver, on or before the expiration of the Investigation Period, either a notice of termination or a notice removing this investigation contingency, this contract shall be deemed null and void and the Earnest Money will be promptly refunded to Buyer.

10. PRORATIONS: Taxes and special assessments due on or before closing shall be paid by Seller. Any deposits and pre-paid rent on rental property are to be transferred to Buyer at closing. Current general taxes and special assessments, rental payments and any interest on assumed loans shall be prorated at closing unless otherwise specified herein.

11. CLOSING: Closing shall occur at such time as is mutually agreed by the parties hereto, provided that the date shall be no later than 15 days after the later to occur of: (a) the expiration of the Investigation Period and any extensions thereof and (b) the satisfaction of all special contingencies and conditions hereto, unless such requirement is waived in writing by both parties hereto and a new date is substituted therefor. Closing shall occur at the Title Company's office located at _____. Unless otherwise agreed by Buyer and Seller, transaction costs will be paid by the party indicated below:

Seller: Title examination or search fees,
Premium for owner's policy of title insurance,
IRS notification form,
Preparation of conveyance documents,
One-half of escrow fees,
One-half of documentary stamps,
Other charges customarily paid by seller.

Buyer: Premium for mortgagee's policy of title insurance,
Recording fees,
Preparation for loan documents,
One-half of escrow fees,
One-half of documentary stamps,
Other charges customarily paid by buyer.

12. CONVEYANCE: At closing, Seller shall deliver title to each Property through a duly executed and recordable general warranty deed, conveying to Buyer good and marketable fee simple absolute title to the Property, subject only to the matters listed as exceptions, either standard or special, in the Title Commitment, which exception is not timely objected to or is deemed approved or waived by Buyer under the terms of this contract. Seller shall further deliver to Buyer, at closing, (a) an affidavit certifying that no labor, materials or services have been furnished to or for the benefit of the Property within one hundred twenty (120) days prior to closing, other than those which have been listed in the affidavit of title and have been paid in full by closing with such affidavit having attached thereto receipts evidencing all such payments; (b) all architectural plans and specifications for the Property that are in the possession or control of Seller or its agents or representatives; and (c) all licenses and permits necessary to the operation of the Property, to the extent they are assignable.

13. POSSESSION: After closing, Buyer agrees to lease the Property to Seller until June 30, 2022, subject to the provisions of the Lease Agreement attached hereto as Exhibit B. Buyer and Seller shall execute the Lease Agreement at closing. Possession of the Property shall be delivered to Buyer at the expiration of the lease term, including all keys, entry codes and other means of access.

14. ATTACHED FIXTURES AND EQUIPMENT; PERSONAL PROPERTY: Unless specifically excluded herein, all fixtures and equipment, if any, attached to the Property are included in the Purchase Price. In addition, all furniture, furnishings, and equipment (with the exception of IT equipment) located on the property are included in the Purchase Price and Seller shall execute a Bill of Sale at closing, substantially similar to Exhibit C attached hereto. The term IT Equipment is defined as including, but not limited to all PC's, Laptops, docking stations, monitors, computer peripheral devices, network servers, network switches, printers, copiers, shredders, scanners, telephones, CAT5/6 cables from wall to IT equipment, projectors, all rack mounted equipment in the demarc room and on each communications closet on floors 1 thru 4.

15. AGENCY: **LISTING AGENT FIRM AND SELLING AGENT FIRM ARE THE SAME AND REPRESENT BOTH BUYER AND SELLER:** Seller and Buyer hereby acknowledge and agree that the Listing/Selling Agent Firm and all licensed personnel associated with the Listing/Selling Agent Firm are representing both Buyer and Seller in the purchase and sale of the above referenced Property and that Listing/Selling Agent Firm has been and is now the agent of both Seller and Buyer with respect to this transaction. Seller and Buyer have both consented to, and hereby confirm their consent to agency representation of both parties. Further, Seller and Buyer:

- agree that the Listing/Selling Agent Firm shall not disclose to either Buyer or Seller any personal, financial or other confidential information concerning the other party without the express written consent of that party. This restriction does not include information actually known by Listing/Selling Agent Firm which must, at Listing/Selling Agent Firm's discretion, be disclosed.
- acknowledge notification that when Listing/Selling Agent Firm represents both parties, a conflict of interest can arise, and Seller and Buyer further agree to forfeit their individual right to receive the undivided loyalty of Listing/Selling Agent Firm. It is understood, however, that Listing/Selling Agent Firm is obligated to treat each party fairly and equitably.
- waive any claim now or hereafter arising out of any conflicts of interest from Listing/Selling Agent Firm representing both parties.

Buyer and Seller acknowledge the Listing/Selling Agent Firm disclosed that the Listing/Selling Agent Firm represents both parties in this transaction, and Buyer and Seller have given their consent to this representation before entering into this Offer and Acceptance.

16. MERGER CLAUSE: This contract, when executed by both Buyer and Seller, shall contain the entire understanding and agreement between Buyer and Seller with respect to the Property and shall supersede all prior or contemporaneous agreements, representations, discussions and understandings, oral or written, with respect to such matters. This contract shall not supersede any agency agreements entered into by Buyer or Seller and Listing Agent Firm or Selling Agent Firm.

17. TIME IS OF THE ESSENCE: Buyer and Seller agree that time is of the essence to this contract and any failure to perform within the time specified shall constitute a breach hereof. All times stated herein shall mean Central time.

18. ATTORNEYS' FEES: In the event this contract is breached by either party and the other party hereto subsequently obtains legal counsel to enforce the contract or obtain any remedies to which the non-defaulting party may be entitled, the defaulting

party agrees to pay the attorneys' fees and court costs of the non-defaulting party, whether or not litigation, arbitration, mediation or some other form of action is instigated.

19. COUNTERPARTS: This contract may be executed in one or more counterparts, each of which shall be regarded as an original hereof but all of which together shall constitute one and the same instrument.

20. NOTICE: Any time notice is required or permitted hereunder, notice to Buyer's real estate salesperson or attorney shall be deemed notice to Buyer and notice to Seller's real estate salesperson or attorney shall be deemed notice to Seller. Notice may be given by (a) personal delivery, (b) first class U.S. Mail, (c) Federal Express or any other reputable form of mail or courier service, or (d) electronic mail if: (i) the sending party is able to confirm receipt and (ii) no more than ten (10) letter or legal size pages (and no larger pages) are being sent, with bigger deliveries to be sent only by method (a), (b) or (c). Notices shall be deemed delivered on the earlier of when received or three (3) business days following deposit into the mail. Notices for Buyer should be emailed to Buyer's agent at: Mark.Bentley@colliers.com.
Notices to Seller should be emailed to:

21. ASSIGNMENT: Buyer may assign its rights under this contract provided Buyer will remain obligated under the terms hereof as though no assignment had occurred until the completion of the closing to either Buyer or its assignee.

This offer is executed by Buyer on _____, **2021** and shall expire unless accepted in writing by Seller at or before 4**:00 PM** Central time on _____, **2021** with such acceptance being promptly thereafter communicated to Buyer.

Colliers Arkansas, Inc.
dba Colliers International
Selling Agent Firm

_____
Mark A. Bentley,
Principal Broker

_____
_____,
Selling Agent

Buyer:

By: _____

Name: _____

Title: _____

The above offer is accepted by Seller on _____, **2021** at _____AM/PM Central time (the "Acceptance Date"). At closing, Seller agrees to pay a sales commission as per a separate agreement.

Colliers Arkansas, Inc.
dba Colliers International
Listing Agent Firm

_____
Mark A. Bentley,
Supervising Broker

_____
_____
Listing Agent

Seller:

By: _____

Name: _____

Title: _____

Colliers

Exhibit A
to
OFFER AND ACCEPTANCE
between
City of North Little Rock as Buyer
And USAble Mutual Insurance Company as Seller

Property

Parcel: 33N-215.00-086.00
Prev Parcel: R0071157

Pulaski County Report

ID: 128488
As of: 5/25/2021

Property Owner

Name: USABLE MUTUAL INSURANCE COMPANY

Mailing Address: C/O COLLIERS INTERNATIONAL
PO BOX 3546
LITTLE ROCK, AR 72203

Type: (CI) Comm. Impr.

Over 65 Freeze: No

Tax Dist: (004) North Little Rock SD

Size (Acres): 6.760

Extended Legal: MILITARY HGHTS REN LTS 3 & 4 25

Property Information

Physical Address: 515 PERSHING BLVD W

Subdivision: MILITARY HEIGHTS RENEWAL

Block / Lot: 25 / 3-4

S-T-R: 27-02N-12W

Property as shown below approximately highlighted in green

Drive, Suite 1000, Little Rock, AR 72202

Exhibit B

LEASE AGREEMENT

This Lease Agreement (the "**Lease**"), dated as of the ___ day of _____, 2021 (the "**Effective Date**"), is entered into by and between City of North Little Rock, a municipality organized and existing pursuant to Arkansas law ("**Landlord**"), and USAble Mutual Insurance Company, an Arkansas mutual insurance company(the "**Tenant**").

RECITALS:

A. Pursuant to that certain Offer and Acceptance dated _____, 2021 (the "**Sale Agreement**"), between Landlord and Tenant, Tenant agreed to sell certain real property located at 515 West Pershing Boulevard, in North Little Rock, Pulaski County, Arkansas (the "**Property**") to Landlord, and Landlord agreed to lease back the Property to Tenant as set forth herein.

B. Pursuant to a Warranty Deed of even date herewith, Tenant conveyed the Property to Landlord (the "**Sale**").

C. Tenant desires to lease the Property, and Landlord is willing to lease the Property to Tenant, on the terms and conditions set forth herein.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreement set forth herein, and for other good and valuable consideration (including, without limitation, the Sale), the receipt and sufficiency of which consideration is hereby acknowledged and confessed by Landlord and Tenant, Landlord and Tenant hereby agree as follows:

1. **Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, all portions of the Property (collectively, the "**Leased Premises**").

2. **Term.** The term of this Lease (the "**Term**") shall commence on the date hereof and continue until June 30, 2022, unless Tenant elects to terminate this Lease by providing Landlord with not less than thirty (30) days' prior written notice thereof.

3. **Use.** Tenant shall use the Leased Premises for the purpose of conducting Tenant's business in substantially the same manner as it did prior to the Sale, and for no unlawful purpose. Tenant may not make any alterations, additions or improvements to the Leased Premises without the prior written consent of Landlord.

4. **Rent.** Tenant shall pay to Landlord rent in the sum of $30,000.00 ("**Monthly Rent**") on the first day of each calendar month during the Term. In the event the Term commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then Monthly Rent shall be prorated for such fractional calendar month on a per-diem basis. If Tenant is owed a reimbursement of prepaid Monthly Rent as set forth herein, Landlord shall pay such amount to Tenant within ten (10) days after the expiration of this Lease. The obligations contained in this section will survive expiration or termination of this Lease.

5. **Taxes**. Tenant shall pay to Landlord ad valorem taxes and assessments of the Leased Premises during the Tenant's occupancy of the Leased Premises on a monthly basis, unless otherwise agreed in writing by the parties. Such amounts shall be based on the amounts levied against the Leased Premises during the prior calendar year and subject to reconciliation between Landlord and Tenant within thirty (30) days after receipt of an invoice from Landlord for same, which must be accompanied by reasonable documentation substantiating the taxes incurred. Landlord agrees to make payment of all ad valorem taxes and assessments of the Leased Premises to such applicable authority prior to delinquency. In no event shall Tenant be liable for any taxes and assessments invoiced to Tenant more than thirty (30) days after the expiration or earlier termination of the Term.

6. **Utilities**. During the term of the Lease, Tenant shall be responsible for and procure all the necessary utilities for the Leased Premises, including, but not limited to electricity, gas, water and sewer services.

7. **Maintenance.** Tenant shall be responsible for any maintenance or repairs of any type during the term of the Lease. Tenant shall provide janitorial services for the Leased Premises.

8. **Acceptance of Leased Premises.** TENANT HAS ACCEPTED THE LEASED PREMISES IN ITS "**AS-IS AND WITH ALL FAULTS**" CONDITION WITH ANY AND ALL FAULTS AND LATENT OR PATENT DEFECTS AND WITHOUT RELYING UPON ANY REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED) OF LANDLORD OR ANY REPRESENTATIVE OF LANDLORD. LANDLORD HAS NOT MADE AND DOES NOT HEREBY MAKE AND HEREBY SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEASED PREMISES OR ITS CONDITION (INCLUDING WITHOUT LIMITATION ANY REPRESENTATION OR WARRANTY REGARDING QUALITY OF CONSTRUCTION, STATE OF REPAIR, WORKMANSHIP, MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE).

9. **Casualty.** In the event that the Leased Premises or any portion thereof should be damaged or destroyed by casualty, Tenant, at its option, may terminate this Lease immediately upon written notice to Landlord, and the parties hereto shall have no further obligations under this Lease.

10. **Insurance.**

A. **Coverage**.

(i) During the term of this Lease, Tenant, at its own cost and expense, shall maintain Comprehensive General Liability, Contractual Liability and Automobile Liability coverages in an amount not less than $1 million for bodily injury and property damage combined single limit. Tenant shall also maintain Worker's Compensation and Employer's Liability coverage as may be required by law.

Notwithstanding the preceding, Tenant shall have the option to maintain self-insurance and/or provide or maintain any insurance required to be maintained by Tenant by this Lease under blanket insurance policies maintained by Tenant.

(ii) During the term of this Lease, Tenant, at its own cost and expense, may elect to maintain a policy or policies of insurance, issued by and binding upon a solvent insurance company, insuring the improvements against all risk of direct physical loss in an amount equal to the full replacement cost of such improvements as of the date of the loss.

B. **Form and Certificates**. Tenant's liability policy shall: (i) name Landlord and its mortgagee (if Landlord has notified Tenant of such mortgagee) as additional insureds; (ii) insure the liability assumed by Tenant hereunder, (iii) be primary without right of contribution from any insurance carried by Landlord hereunder; and (iv) Tenant shall provide 30 days written notice to Landlord prior to cancellation or material change. Certificates evidencing the above coverages shall be provided to Landlord on or before the commencement of the Term.

C. **Waiver of Subrogation.** Landlord, on behalf of itself and its insurers, hereby waives any claim or right of recovery from Tenant, for loss or damage to Landlord or its property or the property of others under Landlord's control, to the extent that such loss is covered by valid insurance policies. Landlord shall provide notice of this waiver of subrogation to its insurers.

11. **Liens.** Tenant hereby agrees to keep the Leased Premises, and the improvements thereon, free and clear of mechanics' liens and other liens for labor, services, equipment or materials caused by Tenant. In the event such a lien is filed or recorded, Tenant shall take all action required to remove the same within thirty (30) days after receipt of written notice from Landlord. In the event that Tenant fails to take such action to remove the lien, then Landlord may do so and all costs associated therewith shall be due to Landlord from Tenant upon demand.

12. **Condemnation.**

A. **Total Taking.** If during the term of this Lease or any extension or renewal thereof, all or a substantial part of the Leased Premises should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this Lease shall terminate and the rent hereunder shall be abated during the unexpired portion of this Lease, effective from the date of taking of the Leased Premises by the condemning authority.

B. **Partial Taking.** If less than a substantial part of the Leased Premises is taken for public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or is sold to the condemning authority under threat of condemnation, Tenant, at its option, may by written notice terminate this Lease.

The rent payable hereunder during the unexpired portion of this Lease shall be adjusted equitably.

C. **Awards.** Landlord shall receive the entire award from any taking or condemnation; however, Tenant may separately pursue a claim (to the extent it will not reduce Landlord's award) against the condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may lawfully have.

13. **Defaults.** The occurrence of any of the following shall constitute a default by Tenant under this Lease:

A. Tenant fails to pay any sum as required hereunder and such failure continues for ten (10) days after receipt of written notice from Landlord; or

B. Tenant fails to observe and perform any other provision of this Lease, and such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided however, that if the default cannot reasonably be cured within said 30-day period, Tenant shall not be deemed to be in default if Tenant timely commences to cure the default and thereafter diligently prosecute the same to completion.

14. **Remedies Upon Default.**

A. Upon the occurrence of an event of default hereunder, Landlord may

1. Terminate this Lease by written notice to Tenant, in which event this Lease shall be ended as to Tenant and all persons holding under Tenant, and all of Tenant's rights shall be forfeited and lapsed, as fully as if this Lease had expired by lapse of time. In such event, Tenant shall be required to vacate the Leased Premises immediately and surrender same to Landlord. If Tenant falls to surrender the Leased Premises immediately to Landlord, Landlord, without prejudice to any other remedy, may enter upon and take possession of the Leased Premises and expel or remove Tenant and any other person who may be occupying the Leased Premises or any part thereof, without being liable for prosecution or any other claim of damages. In the event of termination in accordance with this provision, the rental or any other sums payable by Tenant pursuant to this Lease that have accrued hereunder but are unpaid shall be immediately due and payable by Tenant to Landlord. In addition, Tenant agrees to pay to Landlord upon demand the amount of all loss and damages which Landlord may suffer by reason of such termination, including, without limitation, all expenses incurred by Landlord, including court costs and attorney's fees, in recovering possession of the Leased Premises or enforcing Landlord's rights under this Lease;

2. Cure the default on the behalf of the Tenant, in which event the Tenant shall, upon demand by Landlord, pay all reasonable sums expended by Landlord in accomplishing such cure; and

3. Exercise any right available to Landlord in law or in equity; provided, however, in no event shall Tenant be liable under this lease for any special, punitive or consequential damages.

B. Upon the occurrence of an event of default hereunder, if Landlord fails to cure such default within thirty (30) days after receipt of written notice of such default from Tenant, Tenant may

1. withhold payment of Monthly Rent and additional rents or other amounts due and to accrue hereunder so long as the Landlord remains in default;

2. deduct expenses incurred by the Tenant therefore from the Monthly Rent and additional rents or payments due and to become due hereunder; or

3. terminate this Lease.

15. **Holding Over.** Should Tenant remain in possession of the Leased Premises, or any portion thereof, after the termination of this Lease (whether by expiration of the Term of this Lease or otherwise), without execution of a new Lease or an amendment to this Lease, such holding over shall constitute and be construed as a tenancy at sufferance. Such tenancy shall be subject to all terms and conditions of this Lease, except that all Monthly Rent shall accrue at 1.25 times the Monthly Rent due during the last full month of the Term. This provision shall not be construed, however, as permission by Landlord for Tenant to holdover.

16. **Surrender of Leased Premises.** At the expiration or earlier termination of this Lease, Tenant shall surrender the Leased Premises to Landlord in broom-clean condition, reasonable wear and tear and damage by fire or other casualty excepted. On or before the expiration or earlier termination of this Lease, Tenant shall terminate all contracts entered into by Tenant affecting the Leased Premises. At any time during the Term of this Lease, Tenant may remove its signage, trade fixtures, shelving and racking systems, supplies, movable furniture and equipment, and Seller's Personal Property (as defined in the Sale Agreement) placed on the Property by Tenant. Notwithstanding anything herein to the contrary, the parties hereby agree that nothing contained in this Lease shall alter or expand the "as-is" nature of the Sale or Tenant's obligations and representations with respect to Leased Premises, as contemplated by the Sale Agreement.

17. **Assignment and Lease.** Tenant shall not assign this Lease or any right hereunder or sublet the Leased Premises during the term of this Lease, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord's acceptance of rent from any person other than Tenant shall not be deemed to be a waiver of this provision. Consent to one assignment or subletting shall not be deemed to be consent to any subsequent assignment or subletting. Landlord may assign this Lease or any right hereunder without the consent of, but with notice to, Tenant.

18. **Attorney's Fees.** In the event that either party defaults in the performance of any of the terms, conditions or agreements contained in this Lease and the non-defaulting party places the enforcement of all or part of this Lease in the hands of an attorney for enforcement,

including the filing of a suit upon the same, the defaulting party agrees to pay all of the non-defaulting party's reasonable attorney's fees and costs.

19. **Entire Agreement/Amendment.** This Lease constitutes the complete agreement of the parties with respect to the subject matter hereof and supersedes all previous agreements, representations and understandings concerning the same, whether written or oral. The provisions of this Lease may be modified, amended or waived only by a written instrument, executed by Landlord and Tenant.

20. **Waiver.** A waiver by either party to this Lease of any breach of the covenants, conditions or agreements contained herein shall not be construed as a waiver of any succeeding breach of the same or other covenants, conditions or agreements.

21. **Severability.** If any provision or term of this Lease shall be determined to be illegal, invalid or unenforceable, the remainder of this Lease shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law.

22. **Notices.** Any notice required or sent hereunder shall be in writing and shall be sent as follows:

When to Landlord:	When to Tenant:
City of North Little Rock 300 Main Street N. Little Rock, AR 72114 Attn: Tracy Roulston	with a copy to:
with a copy to:	
Office of the City Attorney 116 Main Street N. Little Rock, AR 72114 Attn: Amy Fields	Attn: Real Estate Department

Either party from time to time, may change its address by written notice to the other party. Notices hereunder shall be deemed effective when delivered by hand delivery, overnight courier, or e-mail, or three days after deposit in the United States mail, first class, postage prepaid.

23. **Quiet Enjoyment.** Upon Tenant's payment of all sums due hereunder and provided that Tenant is not otherwise in default hereunder, Tenant shall peaceably and quietly hold, occupy and enjoy the Leased Premises for the term of this Lease without hindrance, ejection or interruption by Landlord, or persons lawfully claiming through Landlord.

24. **Binding Effect.** Subject to prohibitions against assignment, this Lease shall be binding upon the parties, their personal representatives, successors and assigns.

25. **Governing Law.** This Lease is governed by the laws of the State of Arkansas, and the exclusive venue for any action brought with respect hereto, will be in a court of competent jurisdiction in Pulaski County, Arkansas.

WITNESS the signatures of the parties as of the date first written above.

LANDLORD:

City of North Little Rock, a municipality organized and existing pursuant to Arkansas law

By: _____

ATTEST:

_____
City Clerk

TENANT:

USAble Mutual Insurance Company
an Arkansas corporation

By:_____

Exhibit C

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That USAble Mutual Insurance Company ("Grantor"), for and in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration in hand paid by the City of North Little Rock, Arkansas, a duly incorporated city of the first class under the laws of the State of Arkansas ("Grantee"), the receipt of which is hereby acknowledged, does hereby sell, assign, transfer, deliver and convey unto the Grantee and unto its successors and assigns forever, all its right, title, interest and claim in and to all furnishings, fixtures, and equipment, less and except any and all IT equipment, located at 515 West Pershing Blvd., North Little Rock, Pulaski County, Arkansas. The term "IT Equipment" shall defined as including, but not limited to, PC's, Laptops, docking stations, monitors, computer peripheral devices, network servers, network switches, printers, copiers, shredders, scanners, telephones, CAT5/6 cables from wall to IT equipment, projectors, all rack mounted equipment in the demarc room and on each communications closet on floors 1 thru 4".

TO HAVE AND TO HOLD unto the said Grantee and its successors and assigns forever. And the Grantor does hereby warrant that it is the legal owner of, and as such is authorized to sell, the aforesaid property to Grantee.

And the Grantee, by its acceptance of this Bill of Sale and the aforesaid property, acknowledges that such property is sold to the Grantee as is, without any warranties, and no warranties of merchantability or fitness for a particular purpose, nor any other warranties, express or implied, except for those set forth above concerning title to such property, are made in connection with the sale of the aforesaid property to the Grantee.

IN WITNESS WHEREOF, the Grantor has executed and delivered this instrument on and as of the _____ day of _____, 2021.

GRANTOR:

USAble Mutual Insurance Company

By _____

Name: _____

Title: _____

Exhibit C

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) SS.
COUNTY OF PULASKI)

On this day, before me, a Notary Public within and for the State and County aforesaid, personally appeared _____, to me well known, who stated and acknowledged s/he executed the foregoing instrument for the consideration, uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2021.

_____
Notary Public

My Commission Expires:

_____

ACCEPTED BY GRANTEE:

City of North Little Rock, Arkansas
300 Main Street
North Little Rock, AR 72114

By _____
Terry C. Hartwick
Mayor