

**Fayetteville Advertising and  
Promotion Commission  
September 29, 2025**

Location: Fayetteville Town Center, 15 W. Mountain Street

Commissioners: Elvis Moya, Chair, Tourism & Hospitality Representative  
Katherine Kinney, Tourism & Hospitality Representative  
Elliot Hunt, Tourism & Hospitality Representative  
Chrissy Sanderson, Tourism & Hospitality Representative  
Sterling Hamilton, Commissioner at-large  
Sarah Bunch, City Council Representative  
Mike Wiederkehr, City Council Representative

Staff: Ryan Hauck, CEO

**Agenda**

- I. Call to order at 2:00p.m.
- II. Administration
  - A. Additions or changes to the agenda may be added upon request from a majority of the commissioners.
  - B. Review and approval of August and September meeting minutes.
  - C. Collections Contract with City of Fayetteville.
- III. Reports
  - A. Meet the Team
    - Miletus Callahan-Barile, Maintenance Supervisor, Fayetteville Town Center
    - Robbie Courtway, Event Services Coordinator II, Fayetteville Town Center
    - Melissa Freeman, Marketing Manager, Experience Fayetteville
  - B. CEO Report, Ryan Hauck. An executive overview of the previous month
  - C. Financial Report, Jennifer Walker, VP of Finance
  - D. Music Cities Recap, Tina Archer-Cope, VP of Sales
  - E. Downtown Fayetteville Coalition Update, Kelly Rich, DFC Executive Director
  - F. Ozark Folkways, Abby Hollis, President Elect
- IV. Old Business
  - A. Discussion and Vote. Lease Agreement with Ozark Folkways.
- V. New Business
  - A. Discussion. Downtown Fayetteville Coalition Funding Request
- VI. Good of the Order/ Adjournment
  - A. FTC Ballroom Airwalls – a sight to behold, they are amazing!

## **Fayetteville A&P Commission Meeting Minutes – August 25, 2025**

Location: Fayetteville Town Center, 15 W. Mountain St.

### **Commissioners Present:**

Chair Elvis Moya, Elliot Hunt, Chrissy Sanderson, Sterling Hamilton, Sarah Bunch, Mike Wiederkehr

### **Absent:**

Katherine Kinney

### **Staff:**

CEO Ryan Hauck

### **I. Call to Order**

- Meeting called to order by Chair Moya at 3:00 p.m., delayed one hour due to UA lockdown.
- Roll call: all commissioners present except Kinney.

### **II. Administration**

- Approval of July Minutes – Motion: Hunt, Second: Bunch. Approved unanimously.
- Agenda Changes (Hauck): Town Center office survey results added; Walker Stone House address corrected; DFC item moved to September agenda.
- Visitor Guide Invoice – Invoice ~\$7,000 higher than initial approval due to addition of a detailed map. Still under the total project budget. Motion: Hamilton, Second: Hunt. Approved unanimously.

### **III. Reports**

- CEO Report (Hauck): EF event calendar redesign (AI), 'Favoriteville' trademark filed, sales funnel data added. LinkedIn +163 followers; hotel occupancy down, ADR up. Several new restaurants announced. Town Center secured 5 events, strong revenue. Griffin Stroupe in Leadership Class 39. HMR +3%.
- Finance Report (VP Walker): Revenue +1% over, expenses -6% under July targets; overall 1.7% above seasonal budget. Operating income \$412,137. Cash & investments \$5.2M. TC unearned revenue: \$272K (2025), \$334K total.
- Updated FOIA Overview (Blake Pennington, City of Fayetteville attorney): Clarified polling rules, remote participation requirements, roll call identity checks. Reviewed prohibited scenarios
- Clinton House Museum (Joshua Youngblood, Clinton House Museum board president): Avg. 60–65 weekly visitors (120+ summer). 10K social followers, 15K website visits. Partnerships: Shiloh Museum, UA Special Collections, FHS. Current exhibit by Andrew Kilgore. Open Wed–Sun with intern/board coverage. Preparing fundraising campaign, diversifying board. Request for continued A&P funding. Youngblood was asked about the museum being used as event space, what the UA

does for maintenance, and grants (being explored). Commissioner Bunch asked if the A&P funded this request if the museum planned for this to be the last request for funding and Youngblood affirmed that.

- Ozark Folkways (Abby Hollis, incoming board president): \$60K in free programming, strong music/arts history. Transition plan with Folk School Fayetteville & Experience Fayetteville includes visual arts and expanded programming. Community support expressed through several letters/testimony. Request: (1) favorable lease terms in 2026, (2) below-market lease + revenue share + signature event beginning 2027.

#### **IV. Old Business**

- Bylaws Update presented at July meeting (CEO Transition policy + FOIA language) – Motion: Wiederkehr, Second: Sanderson. Approved unanimously.
- Favoriteville Festival Fund – Discussion: unused funds roll to next year; fund supports sustaining large events; cap at 30% event budget; staff recommend events to commission. Motion: Sanderson, Second: Hunt. Approved unanimously.
- Walker Stone House – Hauck reviewed appraisal (\$975K value, purchased for \$750K in 2016). Total investment to date ~\$1M; expected maintenance \$500–600K over 5 years. Tax credits have not been pursued. Renter makes minor repairs only.
- Ozark Folkways Letter of Intent (Walker Stone House) – Year 1–2 lease \$1/year; Years 3–5 below-market rent + event requirement. Motion: Wiederkehr, Second: Bunch. Approved unanimously.

#### **V. New Business**

- Clinton House Museum Funding – Hauck recommended \$17,500 for FY2026. Motion: Sanderson, Second: Hamilton. Approved unanimously.
- FTC Office Lease Renewal – Lease up Oct. 29; new rate \$19/sq ft (+\$20K, still below market). Commissioners supported 3-year renewal. Conflict noted in property offerings: alternative property owned by Hamilton would not be considered. Motion: Wiederkehr, Second: Hunt. Approved unanimously for CEO to negotiate and execute 3-year lease.

#### **VI. Good of the Order**

- Updates: FTC mural and ballroom airwalls.
- Baum Walker 'Party Animals' event: Fri – 10,600 tickets (9,200 scanned); Sat – 10,200 tickets (9,200 scanned).

#### **VII. Adjournment**

- Motion: Sanderson, Second: Hamilton. Approved unanimously.
- Meeting adjourned at 5:28 p.m.

Minutes prepared by Amy Stockton, Experience Fayetteville

## **Fayetteville A&P Commission Special Public Meeting Minutes**

September 4, 2025 – Fayetteville Town Center – 2:00 p.m.

**Present:** Chair Elvis Moya, Sterling Hamilton, Mike Wiederkehr, Sarah Bunch, Chrissy Sanderson, Elliot Hunt, Katherine Kinney

### **I. Call to Order**

Chair Moya called the meeting to order at 2:02 p.m.

### **II. New Business**

Chair Moya called the meeting to order and asked for a motion to move into executive session to discuss the continued employment or discipline of an employee. Commissioner Kinney made the motion with Commissioner Bunch seconding it.

Executive session began at 2:08pm.

At 6:09 p.m. the commission concluded executive session and Chair Moya called the public meeting back to order.

Chair Moya requested a motion to make a temporary suspension of the executive session with the plan to reconvene at 8:30am tomorrow in person in this room and there is no action to be taken at this time. Commissioner Sanderson made the motion which was seconded by Commissioner Bunch.

The meeting was adjourned at 6:15 p.m.

Minutes submitted by Amy Stockton, Experience Fayetteville

## **Fayetteville A&P Commission Special Public Meeting Minutes**

September 5, 2025 – Fayetteville Town Center – 8:30 a.m.

**Present:** Chair Elvis Moya, Sterling Hamilton, Mike Wiederkehr, Sarah Bunch, Chrissy Sanderson, Elliot Hunt

**Absent:** Katherine Kinney

### **I. Call to Order**

Chair Moya called the meeting to order at 8:30 a.m.

### **II. New Business**

Chair Moya asked for a motion to move back into executive session to discuss the continued employment or discipline of an employee. Commissioner Sanderson made the motion with Commissioner Bunch seconding it.

Commissioner Hunt requested that the commission take roll call. Chair Moya took roll call and confirmed that all commissioners were present with the exception of Commissioner Katherine Kinney,

Chair Moya asked for another motion to move back into executive session to discuss the continued employment or discipline of an employee and Commissioner Sanderson made the motion with Commissioner Bunch seconding it.

The commission concluded the executive session and reconvened the public meeting at 10:07 a.m.

Chair Moya asked if there was a motion to place the CEO on paid administrative leave effective immediately pending the outcome of an internal personnel matter. Commissioner Bunch made the motion which was seconded by Commissioner Sanderson. It was approved unanimously by a roll call vote by Commissioners Moya, Hamilton, Wiederkehr, Bunch, Sanderson and Hunt.

Chair Moya stated that at this time the commission would be placing the CEO on paid administrative leave pending the outcome of an internal personnel matter. He stated that the commission would not be making any further comments at this time.

Chair Moya asked for a motion to adjourn with Commissioner Bunch making the motion and Commissioner Hamilton seconded it.

The meeting was adjourned at 10:10 a.m.

*Minutes prepared by Amy Stockton, Experience Fayetteville*

## **Fayetteville A&P Commission Meeting Minutes – September 18, 2025**

Location: Fayetteville City Hall, Room 101, 113 W. Mountain Street

### **Commissioners Present:**

Chair Elvis Moya, Chrissy Sanderson, Sterling Hamilton, Sarah Bunch, Mike Wiederkehr

### **Absent:**

Elliot Hunt

### **I. Call to Order**

- Meeting called to order by Chair Moya at 2:00pm
- Roll call: all commissioners present except Hunt

### **II. New Business**

- Motion was made by Hamilton to reschedule September 22<sup>nd</sup> meeting to September 29 at the Fayetteville Town Center; it was seconded by Sanderson and passed unanimously.

### **III. Executive Session**

- Chair Moya called for a motion to move into executive session to discuss the continued employment or discipline of a current employee. Commissioner Kinney made the motion which was seconded by Commissioner Sanderson which was passed unanimously via roll call vote.
- The Commission entered executive session at 2:05pm.

### **IV. New Business**

- The Commission reconvened after executive session at 5:47pm and Chair Moya asked for a motion to remove the CEO from paid administrative leave and return to the office on Tuesday, September 23<sup>rd</sup>. Commissioner Bunch made the motion which was seconded by Commissioner Sanderson. It was passed unanimously via a roll call vote.

### **VII. Adjournment**

- Motion: Commissioner Sanderson, Second: Commissioner Hamilton. Approved unanimously.
- Meeting adjourned at 5:50 p.m.

Minutes prepared by Amy Stockton, Experience Fayetteville

# Memo



**To:** Fayetteville Advertising & Promotion Commissioners  
**From:** Ryan Hauck, CEO  
**Date:** September 24, 2025  
**Re:** Collections Contract with City of Fayetteville

---

## Background

The proposed contract with the City of Fayetteville continues the longstanding procedure followed by the City of Fayetteville and the A&P Commission for the collection of Hotel, Motel and Restaurant taxes. This agreement would remain in effect for an initial term of five years with a renewal procedure.

This agreement outlines the duties and obligations to be performed by the City of Fayetteville and outlines that A&P agrees to pay the city 2% of the A&P portion of the HMR taxes collected for performing the duties and obligations.

This contract was approved during the November 18, 2024 A&P Commission meeting by a vote of 6-1. The signed contract was not received by the city; thus it has been recommended to present the contract for approval at this time due to new commission and staff signatories.

## Budgetary Impact:

The 2026 budgetary impact is projected to be \$108,000. The fee for collecting is 2% of A&P collections and budgetary impact varies depending on the amount of HMR revenue collected.

## Recommendation:

The staff recommends the commission approve the contract with the City of Fayetteville, as presented, and authorize Chair Moya and CEO Ryan Hauck to sign it.

## AGREEMENT

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the City of Fayetteville, Arkansas, a municipal corporation, and the Fayetteville Advertising and Promotion (A&P) Commission.

**WITNESSETH, IN CONSIDERATION** of mutual promises of the parties contained herein and other good and valuable consideration, the parties agree as follows:

1. This agreement continues the longstanding procedure followed by the City and the A&P Commission for the collection of Hotel, Motel & Restaurant taxes. This agreement shall remain in full force and effect for an initial term of five years from the above date. Upon completion of the initial term, this agreement will automatically be renewed for an additional five year term unless either party notifies the other party in writing at least sixty (60) days prior to the expiration of the initial term that no renewal is desired.

2. The A&P Commission agrees to pay 2% of the A&P portion of the Hotel, Motel, Restaurant (HMR) taxes collected by the City in consideration of the following duties and obligations to be performed by the City:

- a. Provide reporting forms and handle all communications with the tax remitters concerning the HMR tax;
- b. Receive tax reports and remittance forms from the tax remitters;
- c. Check tax reports for accuracy and timely reporting;
- d. Invoice tax remitters for underpaid taxes and/or penalties and interest if applicable;
- e. Perform collection efforts in accordance with established procedures as described in Exhibit "A";
- f. Disburse funds to Bond Trustees for debt service on outstanding bonds supported by the A&P Commission's portion of the HMR taxes;
- g. Provide a monthly accounting of all revenues collected for the previous month and remit the collections less the bond payments and collection fees to the A&P Commission by the 15<sup>th</sup> of the month;
- h. Invest funds not needed for immediate expenditures as part of the City's pooled investments and allocate interest on the basis of percentage of ownership in the pool.

3. The City of Fayetteville and the Fayetteville Advertising and Promotion Commission agree to work collaboratively to develop necessary rules and regulations to implement Sections 35.26 and 35.27 of the Code of Fayetteville.

4. Neither party may assign any of its rights or obligations under this agreement, without the express written consent of the other.

5. The parties agree and understand that this Agreement is exclusive of any and all other agreements, and that it in no way alters, amends or abridges any rights, obligations or duties of the parties contained in such agreements.

6. A waiver by either party of any of the terms or conditions herein shall be limited to that particular instance, and shall not be construed as a general waiver of any other breaches by either party.

7. This Agreement constitutes the entire understanding of the parties, and no modification or variation of the terms of this agreement shall be valid unless made in writing and signed by the duly authorized agents of the City and the A&P Commission.

**IN WITNESS WHEREOF**, the City of Fayetteville and the Fayetteville Advertising and Promotion Commission have executed this Agreement on or as of the date first written above.

**FAYETTEVILLE  
ADVERTISING & PROMOTION  
COMMISSION**

**CITY OF FAYETTEVILLE,  
ARKANSAS**

By: \_\_\_\_\_  
**Elvis Moya**, Chairperson

By: \_\_\_\_\_  
**Molly Rawn**, Mayor

Witness:

Attest:

By: \_\_\_\_\_  
**Ryan Hauck**, Chief Executive Officer

By: \_\_\_\_\_  
**Kara Paxton**, City Clerk Treasurer

## **Exhibit “A”**

### **HMR COLLECTION PROCEDURES**

#### **ACCOUNTING DIVISION**

At the end of each month, after balancing collections with General Ledger accounts:

1. Analyze listing of payments received for the year to determine which establishments are delinquent.
2. Prepare a list of all establishments that are delinquent. If an establishment has had to be prosecuted within the last two years, immediately refer to the City Prosecutor. Indicate on the list if the delinquent establishment also has an alcoholic beverage permit. If an establishment has a private club or an on premises consumption permit, also indicate if they are delinquent in their supplement beverage tax payments.
3. Send notices to all establishments that are delinquent in their HMR remittances. This notice shall advise each establishment of the date (21 days after notice mailed) delinquent taxes must be paid to avoid referring the case to the City Prosecutor.
4. If delinquent taxes are not paid by the stated date, refer the case to the City Prosecutor’s Office.

#### **CITY PROSECUTOR’S OFFICE**

5. Upon receipt of the delinquent HMR file, the City Prosecutor may send a letter/notice that charges will be filed unless delinquent taxes are paid within thirty (or fewer) days. The City Prosecutor shall be authorized to commence prosecution anytime after thirty days from the initial delinquency discovered by the Accounting Department.

## Executive Updates

### August Updates for September A&P Commission Meeting

#### Marketing & Communications

- Visitors Guide distributed to 13 Welcome Centers, local hotels/attractions, plus 341 mailed requests.
- Paid media: Arrivalist shows 31.5% Arrival Lift.
- Social media audience (Meta): 122,654 (+11% YoY).
- Vanny attended multiple summer events; new Ale Trail passport launches Oct. 5 at Falltoberfest.
- RFQ Process for Agency of Record and Public Relations
  - Currently reviewing RFQ responses with Marketing Team. Would a commissioner like to be included in this process?
- [Paid and Earned Media Report](#) – Outright
- [Web Traffic Report](#) – Pixel Perfect
- [Social Media Report](#) – AM Group

**Hotel occupancy (August 2025):** 65.3% (-4% YoY); ADR: \$140.87 (+8% YoY).

#### Visitor Center & Destination Services

- 1,422 visitors (+35% vs. 2024).
- Sales: \$2,592 vs. \$2,757 in 2024.
- International visitors from 10 countries.
- Prep underway for Julie Pennington and Ryan to attend American Bus Association (Jan. 2026) – 50 appointments requested.
- Upcoming:
  - Prep to host NWA Travel and Meeting Professionals in November at Walton Arts Center,
  - Terra Studios to facilitate the spotlight artist program in the Visitors Center
  - Researching the possibility of adding a CTA hospitality program – training program for front-line hospitality staff and volunteers

#### Special Events

- U of A football & soccer season launched, Washington County Fair, Warbirds at Arkansas Air & Military Museum, Party Animals Tour, Ozark Vintage Market, Sundays on the Square.

#### Sales & Events

- Tradeshow: Connect Marketplace – 40+ association track appointments.

- Prospective Business: TakeOff North America 2026 (450 attendees) & Adventure Travel Trade Association 2027 (450 attendees, 636 room nights, \$329k estimated EI).
- Definite Business in August: Fayetteville Enduro (200 participants & \$40K estimated EI) & Party Animals Tour (24,000 spectators, estimated 2,200 room nights, \$5.5M estimated EI). Outrigger Cup (estimated 320 room nights, \$152K estimated EI)
- Lost: 2025 Youth Residential Summit & two junior golf tournaments (ROI concerns).
- LinkedIn +136 followers in August; strong engagement leading up to MCC.

## **Town Center**

- 18 events in August (5,700 total attendees); revenue \$60,712 vs. \$40,421 last year.
- 24 September events confirmed; 37 contracts in negotiation (\$477k).
- Milestones: airwall installation, alcohol service training, River Management Symposium 2027 booking.
- Ongoing focus on rebranding FTC and outreach to attract new business.

## **New Restaurant welcomes:**

### **Now Open:**

Moonhouse Coffee Bar & Bistro - 129 W Lafayette St

Osaka House now open at 32 W Joyce Blvd.

Folklore Ice Cream shop now open inside Folklore of Fayetteville on the square at 16 W Center Street

The Collective now open at 216 W Dickson Street for dinner service

Plomo Quesadillas - Moved locations on Dickson

### **Coming Soon:**

KDK's Chicken & Waffles set to open a brick-and-mortar location at 1772 N College Avenue in September

Handshake restaurant to open in café space at Fayetteville Public Library by year end

Confident Coffee Roasters to open October 1<sup>st</sup>, on the corner of Rolling Hills Drive and Old Missouri Road

Todd and Nickki Golden plan to open a new event space, "the Golden Venue " at Citizens Drive (former locations of Girls Gone BBQ and El Sol)

## **Looking Ahead**

- Falltoberfest, Sunday October 5<sup>th</sup>, presented by DFC
- Possible October Commission retreat (Oct. 27) to discuss 2026 budget, programming and planning

August Collections  
(July Activity)

**\$44,839** + **\$325,546**  
Lodging + Restaurant

**\$18,884**  
Prior Dues Collected

**\$389,269**  
Total HMR Collected

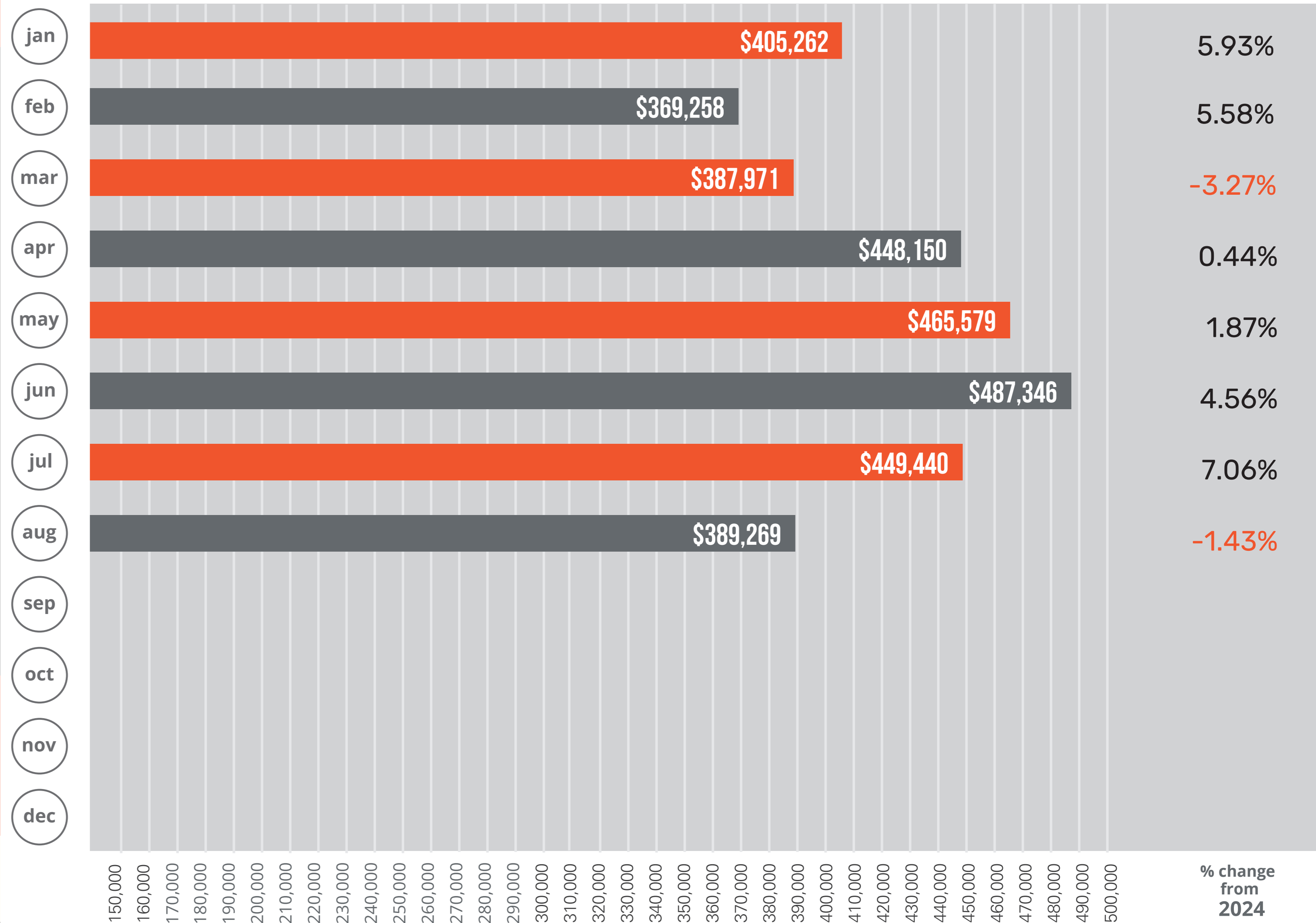
Previous YTD (Jan-Aug) HMR A&P Tax Collection Totals

| 2021        | 2022        | 2023        | 2024        | 2025        |
|-------------|-------------|-------------|-------------|-------------|
| \$2,498,513 | \$2,940,050 | \$3,255,882 | \$3,317,425 | \$3,402,274 |

29.58%      17.67%      10.74%      1.89%      2.56%

Change over previous year

2025 Monthly A&P Tax Collections\*\*



\*\*This represents half of total HMR tax collections. The other half goes to Fayetteville Department of Parks, Natural Resources, and Cultural Affairs 13

# Memo



**To:** Jennifer Walker, Interim CEO, Experience Fayetteville  
Fayetteville Advertising & Promotion Commissioners

**From:** Jennifer Walker, VP Finance, Experience Fayetteville

**Date:** September 15, 2025

**Re:** Financial Statements – August 2025

---

This packet contains Experience Fayetteville Financial Statements for the month ended August 31, 2025. The following reports are included in the packet:

- Summary P&L Financials for month ended August 31, 2025
- Balance Sheet for month ended August 31, 2025

Target Budget August – 67%

Revenue target 67% of budget or higher by the end of August 2025.

Expenditures target 67% or lower at August 2025.

Total Revenue YTD: \$4,133,569 or 66%; We are 1% below target.

Tax Receipts - \$3,402,275 (2% below budget ytd)

Town Center - \$439,129 (5% below budget ytd)

Other - \$292,166

Total Operating Expenditure YTD: \$3,814,488 or 61%; this is 6% under budget.

EF Main - \$3,136,062

Town Center - \$678,426

HMR tax – YTD August Collections (July activity) are 1.0% above the seasonally adjusted budget.

Operating Net Income is \$319,081 year to date.

**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ August 31, 2025**

|   | <b>CONSOLIDATED</b> |                    |                        |              |
|---|---------------------|--------------------|------------------------|--------------|
|   | Year-to-Date        |                    |                        |              |
|   | Actual              | Budget             | Over/(Under)<br>Budget | % of Budget  |
| <b>Revenue</b>                                    |                     |                    |                        |              |
| Hotel, Motel, Restaurant Taxes Revenue            | 3,402,275           | 5,231,140          | (1,828,865)            | 65.0%        |
| Rental Revenue                                    | 409,673             | 650,500            | (240,827)              | 63.0%        |
| Event Revenue                                     | 71,307              | 53,700             | 17,607                 | 132.8%       |
| Visitor Center Store Revenue                      | 17,179              | 30,000             | (12,821)               | 57.3%        |
| Parking Revenue                                   | 25,867              | 48,000             | (22,134)               | 53.9%        |
| Advertising Revenue                               | 2,275               | 3,500              | (1,225)                | 65.0%        |
| Grant/Other Revenue                               | 156,100             | 206,000            | (49,900)               | 75.8%        |
| Interest and Investment Revenue                   | 48,893              | 50,100             | (1,207)                | 97.6%        |
| <b>Total Revenue</b>                              | <b>4,133,569</b>    | <b>6,272,940</b>   | <b>(2,139,371)</b>     | <b>65.9%</b> |
| <b>Expenses</b>                                   |                     |                    |                        |              |
| <b>Operating Expenses</b>                         |                     |                    |                        |              |
| Rental Expenses                                   | 48,804              | 126,000            | (77,196)               | 38.7%        |
| Event Expenses                                    | 47,976              | 146,175            | (98,199)               | 32.8%        |
| Visitor Center & Museum Store                     | 13,669              | 27,750             | (14,081)               | 49.3%        |
| Personnel   | 1,309,134           | 2,228,707          | (919,573)              | 58.7%        |
| Sales & Marketing                                 | 942,054             | 1,481,925          | (539,871)              | 63.6%        |
| Office and Administrative                         | 494,507             | 913,133            | (418,626)              | 54.2%        |
| Bond Payments                                     | 465,200             | 702,000            | (236,800)              | 66.3%        |
| Contribution to Capital Reserves                  | 100,000             | 100,000            | -                      | 0.0%         |
| Other Tourism Support - Community, Art Court, DFC | 193,143             | 347,250            | (154,107)              | 55.6%        |
| TheatreSquared Contribution                       | 200,000             | 200,000            | -                      | 100.0%       |
| <b>Total Operating Expenses</b>                   | <b>3,814,488</b>    | <b>6,272,940</b>   | <b>(2,458,452)</b>     | <b>60.8%</b> |
| <b>Net Operating Income/(Loss)</b>                | <b>319,081</b>      | <b>-</b>           | <b>319,081</b>         | <b>0.0%</b>  |
| <b>Other Income</b>                               |                     |                    |                        |              |
| Unrealized Gain/(Loss) on Investments             | (106,421)           |                    |                        | 0.0%         |
| <b>Other Expenses</b>                             |                     |                    |                        |              |
| FFE & Improvements                                | 757,548             | 1,081,500          | (323,952)              | 70.0%        |
| Depreciation Expense                              | 192,803             |                    |                        | 0.0%         |
| Cost of Goods Sold                                | -                   |                    |                        | 0.0%         |
| <b>Net Income/(Loss) (without CX Grants)</b>      | <b>(737,691)</b>    | <b>(1,081,500)</b> | <b>450,230</b>         | <b>68.2%</b> |

**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ August 31, 2025**

|  | <b>Experience Fayetteville</b> |                  |                        |              |
|--|--------------------------------|------------------|------------------------|--------------|
|  | Year-to-Date                   |                  |                        |              |
|  | Actual                         | Budget           | Over/(Under)<br>Budget | % of Budget  |
| <b>Revenue</b>   |                                |                  |                        |              |
| Hotel, Motel, Restaurant Taxes Revenue                     | 3,402,275                      | 5,231,140        | (1,828,865)            | 65.0%        |
| Rental and Event Revenue                                   | 67,800                         | 45,000           | 22,800                 | 150.7%       |
| Visitor Center Store Revenue                               | 17,179                         | 30,000           | (12,821)               | 57.3%        |
| Advertising Revenue  | 2,275                          | 3,500            | (1,225)                | 65.0%        |
| Grant & Other Revenue                                      | 156,100                        | 206,000          | (49,900)               | 75.8%        |
| Interest and Investment Revenue                            | 48,812                         | 50,000           | (1,188)                | 97.6%        |
| <b>Total Revenue</b>                                       | <b>3,694,441</b>               | <b>5,565,640</b> | <b>(1,871,199)</b>     | <b>66.4%</b> |
|  |                                |                  |                        |              |
| <b>Expenses</b>  |                                |                  |                        |              |
| <b>Operating Expenses</b>                                  |                                |                  |                        |              |
| Event Expenses   | 42,206                         | 121,175          | (78,969)               | 34.8%        |
| Visitor Center & Museum Store                              | 13,669                         | 27,750           | (14,081)               | 49.3%        |
| Personnel  | 852,651                        | 1,419,605        | (566,954)              | 60.1%        |
| Sales & Marketing  | 937,659                        | 1,460,305        | (522,646)              | 64.2%        |
| Office and Administrative                                  | 331,534                        | 541,593          | (210,059)              | 61.2%        |
| Bond Payments  | 465,200                        | 702,000          | (236,800)              | 66.3%        |
| Contribution to Capital Reserve                            | 100,000                        | 100,000          | -                      | 0.0%         |
| Other Tourism Support - Community, Art Court, DFC          | 193,143                        | 347,250          | (154,107)              | 55.6%        |
| TheatreSquared Contribution                                | 200,000                        | 200,000          | -                      | 0.0%         |
| <b>Total Operating Expenses</b>                            | <b>3,136,062</b>               | <b>4,919,678</b> | <b>(1,783,616)</b>     | <b>63.7%</b> |
|  |                                |                  |                        |              |
| <b>Net Income/(Loss) Before Other Revenue and Expenses</b> | <b>558,379</b>                 | <b>645,962</b>   | <b>(87,583)</b>        | <b>86.4%</b> |
|  |                                |                  |                        |              |
| <b>Other Income</b>  |                                |                  |                        |              |
| Unrealized Gain/(Loss) on Investments                      | (106,421)                      | -                | (106,421)              | 0.0%         |
|  |                                |                  |                        |              |
| <b>Other Expenses</b>                                      |                                |                  |                        |              |
| FFE & Improvements   | 345,011                        | 460,000          | (114,989)              | 75.0%        |
| Depreciation Expense                                       | 65,051                         |                  |                        |              |
| Cost of Goods Sold   | -                              |                  |                        |              |
|  |                                |                  |                        |              |
| <b>Net Income/(Loss)</b>                                   | <b>41,896</b>                  | <b>185,962</b>   | <b>(37,645)</b>        | <b>22.5%</b> |

**Fayetteville A and P Commission**  
**Statement of Budget, Revenue and Expense**  
**Year-to-Date @ August 31, 2025**

|  | <b>Town Center</b> |                    |                        |              |
|--|--------------------|--------------------|------------------------|--------------|
|  | Year-to-Date       |                    |                        |              |
|  | Actual             | Budget             | Over/(Under)<br>Budget | % of Budget  |
| <b>Revenue</b>   |                    |                    |                        |              |
| Rental Revenue   | 409,673            | 650,500            | (240,827)              | 63.0%        |
| Event Revenue  | 3,507              | 8,700              | (5,193)                | 40.3%        |
| Parking Revenue  | 25,867             | 48,000             | (22,134)               | 53.9%        |
| Interest and Investment Revenue                            | 82                 | 100                | (18)                   | 81.5%        |
| <b>Total Revenue</b>                                       | <b>439,129</b>     | <b>707,300</b>     | <b>(268,171)</b>       | <b>62.1%</b> |
|  |                    |                    |                        |              |
| <b>Expenses</b>  |                    |                    |                        |              |
| <b>Operating Expenses</b>                                  |                    |                    |                        |              |
| Rental Expenses  | 48,804             | 126,000            | (77,196)               | 38.7%        |
| Event Expenses   | 5,770              | 25,000             | (19,230)               | 23.1%        |
| Personnel  | 456,483            | 809,102            | (352,619)              | 56.4%        |
| Sales & Marketing  | 4,395              | 21,620             | (17,225)               | 20.3%        |
| Office and Administrative                                  | 162,973            | 371,540            | (208,567)              | 43.9%        |
| <b>Total Operating Expenses</b>                            | <b>678,426</b>     | <b>1,353,262</b>   | <b>(674,836)</b>       | <b>50.1%</b> |
|  |                    |                    |                        |              |
| <b>Net Income/(Loss) Before Other Revenue and Expenses</b> | <b>(239,297)</b>   | <b>(645,962)</b>   | <b>406,665</b>         | <b>37.0%</b> |
|  |                    |                    |                        |              |
| <b>Other Expenses</b>                                      |                    |                    |                        |              |
| FFE & Improvements   | 412,538            | 621,500            | (208,963)              | 33.6%        |
| Depreciation Expense                                       | 127,752            |                    |                        | 0.0%         |
| <b>Net Income/(Loss)</b>                                   | <b>(779,587)</b>   | <b>(1,267,462)</b> | <b>487,875</b>         | <b>61.5%</b> |

# Fayetteville A&P Commission

## Balance Sheet

As of August 31, 2025

### ASSETS

#### Current Assets

|                             |  |                  |
|-----------------------------|--|------------------|
| Cash                        |  | 3,960,759        |
| Investments                 |  | 1,197,420        |
| Accounts Receivable         |  | 614,886          |
| Prepaid Expenses            |  | 51,561           |
| Deposits                    |  | 40,838           |
| Inventory Asset             |  | 21,449           |
| <b>Total Current Assets</b> |  | <b>5,886,913</b> |

#### Other Assets

|                           |             |                  |
|---------------------------|-------------|------------------|
| Capital Assets            |             |                  |
| Furniture & Fixtures      | 300,660     |                  |
| Equipment                 | 761,581     |                  |
| EF/CVB Building           | 940,410     |                  |
| EF/CVB Land               | 198,621     |                  |
| Building Additions        | 1,844,537   |                  |
| Walker-Stone House        | 1,179,152   |                  |
| Vehicles                  | 122,860     |                  |
| Construction in Progress  | 456,456     |                  |
| Accumulated Depreciation  | (1,938,202) |                  |
| <b>Total Other Assets</b> |             | <b>3,866,074</b> |

### TOTAL ASSETS

**9,752,987**

### LIABILITIES AND EQUITY

#### Current Liabilities

|                          |         |                |
|--------------------------|---------|----------------|
| Accounts Payable         | 537,338 |                |
| Unearned Revenue         | 341,032 |                |
| <b>Total Liabilities</b> |         | <b>878,371</b> |

#### Long Term Liabilities

|  |            |                   |
|--|------------|-------------------|
| Notes Payable - City of Fayetteville Solar | 386,825.75 |                   |
| <b>Total Liabilities</b>                   |            | <b>386,825.75</b> |

#### Equity

|                              |           |                  |
|------------------------------|-----------|------------------|
| Unreserved Fund Balance      | 8,091,663 |                  |
| Operating Reserve            | 1,000,000 |                  |
| Capital Reserve              | -         |                  |
| Temporarily Restricted Funds | 45,558    |                  |
| Net Revenue                  |           |                  |
| Gain/(Loss) on Investments   | (106,421) |                  |
| Net Revenue                  | (543,009) | (649,430)        |
| <b>Total Equity</b>          |           | <b>8,487,791</b> |

### TOTAL LIABILITIES AND EQUITY

**9,752,987**

# Memo



**To:** Fayetteville Advertising & Promotion Commissioners

**From:** Ryan Hauck, CEO

**Date:** September 24, 2025

**Re:** Walker Stone House Lease Agreement with Ozark Folkways

---

## Background

This document is a Letter of Intent (LOI) concerning a proposed Lease Agreement between A&P Commission and Ozark Folkways. The LOI outlines terms for leasing the Walker-Stone House, including rent, responsibilities, and capital improvements. The LOI is non-binding and subject to approval by A&P Commission's commissioners.

The lease is for sixty (60) months, commencing on the 1<sup>st</sup> day of October, 2025 and ending the 30<sup>th</sup> day of September 2030.

## Budgetary Impact:

Rent for years 1 and 2 is \$1.00 a year. Rent for years 3-5 is 10% of tenant's net income for that year. Tenant is responsible for utilities and regular lawn care.

## Recommendation:

The staff recommends the commission authorize the CEO to enter into this lease agreement with Ozark Folkways

## LEASE AGREEMENT

**This Lease Agreement** (hereinafter the "Lease") made on the \_\_\_\_\_ day of \_\_\_\_\_, 2025, between the **Fayetteville Advertising and Promotion Commission**, a governmental agency of the City of Fayetteville, Arkansas created pursuant to City of Fayetteville Ordinance 2310 pursuant to Arkansas Code Anno. § 26-75-605 (referred to herein as "Landlord") and **Ozark Folkways, an Arkansas nonprofit corporation** (referred to herein as "Tenant").

WHEREAS, Landlord is the sole owner of certain land, a building and other facilities located at 207 W. Center Street, Fayetteville, Arkansas 72701 and more fully described herein, which it desires to lease to Tenant; and

WHEREAS, Tenant is a nonprofit corporation that desires and is authorized to lease said property; and

WHEREAS, the parties desire to enter into a lease agreement to define their respective rights, duties, and liabilities concerning such a lease;

NOW, THEREFORE, for and in consideration of the mutual covenants contained in this agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Description of Premises.** Landlord hereby leases to Tenant property located at 207 W. Center St., Fayetteville, Arkansas 72701, known colloquially as the "Walker-Stone House," comprising land and a building, together with the improvements on such property (the "Premises"). A full legal description of the property is attached hereto as Exhibit A and is incorporated herein as if set out word for word.
2. **Term.** The term of the Lease shall be sixty (60) months, commencing on the 1st day of October, 2025, and terminating on the 30th day of September, 2030 (the "Duration"), unless sooner terminated under the provisions of this Lease.
3. **Rent.** During the term of this Lease, Tenant shall pay to Landlord rental as follows:
  - a. **Year 1 (October 1, 2025, through September 30, 2026):** One Dollar (\$1.00) annually, to be paid on or before December 31, 2025.
  - b. **Year 2 (January 1, 2026, through December 31, 2026):** One Dollar (\$1.00) annually, to be paid on or before December 31, 2026.
  - c. **Years 3-5 (January 1, 2027, through September 30, 2030):** Ten percent (10%) of Tenant's Net Income for that particular year. The rental for years 3 and 4 shall be paid on or before December 31 of each respective year. The rental payment for year 5 shall be paid on or before September 1, 2030, and shall be calculated as 10% of Tenant's Net Income for that year up to and including August 31, 2030.

Rent payments shall be made payable to Landlord and mailed to the address for Landlord shown in the Notices paragraph of this Lease or at such other address as Landlord shall notify Tenant of in writing. For the purposes of this Lease, "Net Income" shall be defined as Tenant's total revenues from programming and events occurring at the Premises, less all

ordinary and necessary operating expenses attributable to the Premises, determined in accordance with Generally Accepted Accounting Principles (GAAP). Tenant shall provide Landlord with a financial statement certified by its treasurer or accountant to substantiate the calculation.

4. **Tenant's Right to Terminate for Financial Hardship.** Notwithstanding anything herein to the contrary, during Years 1 through 5 of the Lease Duration, Tenant shall have a one-time right to terminate this Lease upon the occurrence of a Financial Hardship. For the purposes of this Lease, "Financial Hardship" shall be defined as a condition where the Tenant's total ordinary and necessary operating expenses attributable to the Premises exceed its total revenues from all programming and events occurring at the Premises for two (2) consecutive fiscal quarters, as determined in accordance with Generally Accepted Accounting Principles (GAAP). To exercise this right, Tenant must provide Landlord with at least thirty (30) days prior written notice of termination, which notice shall include a financial statement certified by its treasurer or accountant substantiating the Financial Hardship. Upon the effective date of termination, this Lease shall be null and void, and Tenant shall surrender the Premises in accordance with the "Surrender and Holding Over" provision, having paid all sums due up to the date of termination.
5. **Use of Premises.** Tenant shall use the Premises for the purpose of operating a folk arts school, artisan market, and for related administrative, educational, and community functions. Use of the Premises not in keeping with the foregoing description shall not be permitted without the prior written consent of Landlord. In no event shall Tenant use or permit the Premises to be used for any purpose that is unlawful, that would invalidate required insurance policies, or that would constitute a nuisance.
6. **Insurance.**
  - a. **Property Insurance:** The Premises shall be included on Landlord's fire and casualty insurance policy, and the premium charges shall be paid by Landlord.
  - b. **Renter's and Liability Insurance:** Tenant shall, at Tenant's sole expense, provide and keep in force renter's insurance coverage on Tenant's personal property and equipment. Tenant shall also provide and keep in force, for the benefit of Tenant and Landlord, commercial general liability insurance against claims for personal injury, bodily injury or death, and property damage or destruction occurring in, on or around the Premises in amounts no less than \$1,000,000.00 per occurrence, with an aggregate not less than \$2,000,000.00. Landlord shall be named as an Additional Insured on such policy. Tenant shall provide Landlord with a certificate of insurance evidencing this coverage prior to taking possession of the Premises. The policy shall require that the insurer provide Landlord with at least thirty (30) days' written notice prior to any cancellation or material change in coverage.
  - c. **Termite Contract:** Throughout the Duration of the Lease and any renewal periods, Landlord shall maintain at its sole expense a termite contract with a reputable, licensed, and insured pest control operator registered to do business in the state of Arkansas.

- d. **Hold Harmless:** Tenant acknowledges and agrees that Tenant shall hold Landlord harmless for any loss or damage to Tenant's personal property for any reason.
7. **Utilities and Refuse Removal.** Tenant shall be responsible for both the procurement and payment of all utilities including, but not limited to, water, sewer, electricity, gas, internet, telecommunications, and other data services, and for all charges connected with removal of refuse from the Premises.
8. **Repairs and Maintenance.**
- a. **Tenant's Responsibilities:** Tenant, at Tenant's sole expense, shall be responsible for ordinary repairs and maintenance to keep the Premises in good condition. Tenant shall also be responsible for providing regular lawn/grounds care and maintenance, including landscaping and mowing.
- b. **Landlord's Responsibilities (Major Repairs):** Landlord shall be responsible for any costs associated with major structural improvements, system failure, or improvements necessary to resolve life safety issues. This responsibility includes the heating and air conditioning system, roof, exterior walls, exterior plumbing, foundation, structural components of the Premises, and pavement that becomes defective or damaged during the Duration due to ordinary wear and tear and not due to the negligence of Tenant or Tenant's agents or invitees. Upon notice from Tenant, Landlord will promptly cause repairs to be made and restore the defective or damaged portions to good condition.
9. **Climate Control.** Landlord will maintain the internal heating and air conditioning system of the Premises between 65 to 75 degrees Fahrenheit from the date the current tenant vacates the Premises until Tenant assumes possession of the Premises.
10. **Alterations and Improvements.** Tenant may not make any changes, alterations, additions or major repairs to the Premises, including any existing or future structures and existing artistic pieces, unless all plans and specifications for such work have been approved by Landlord or its agent and by any agency of the state of Arkansas required by law to approve such projects. Such projects shall be performed by persons, companies or agencies which are properly trained and licensed and approved in advance by Landlord's facilities management department, provided that such approval will not be unreasonably withheld. Landlord may inspect any such project to ensure compliance with plans, specifications, and applicable law. Landlord may inspect the Premises at any time upon adequate notice and without interruption of Tenant's use, and may, if necessary, designate necessary maintenance and repairs to be made by Tenant.
11. **Capital Improvements**
- a. **Definitions:**
- i. "Capital Improvements" means material repairs, replacements, restorations, or upgrades to the Building or Premises with a useful life exceeding one (1) year.

- ii. “Grants” means public or private historic preservation/building grants, tax credits, incentives, or similar funding sources.
  - iii. “Fiscal Year” means Tenant’s fiscal year, which runs from January 1st through December 31st of a given calendar year.
  - iv. “Five-Year Plan” means the rolling five-year capital improvements plan agreed by the parties, as may be updated and amended from time to time.
- b. **General Agreement:** Beginning on January 1, 2027, Tenant acknowledges that Capital Improvements may be required to accommodate Tenant’s contemplated use, comply with applicable law, or maintain the Premises in a first-class condition. Tenant agrees to cooperate with and provide reasonable assistance to Landlord in the planning, permitting, scheduling, and completion of all such Capital Improvements. Without limiting the foregoing, Tenant shall (i) promptly furnish Landlord with all operational information, space plans, and technical specifications reasonably requested by Landlord; (ii) designate a single point of contact empowered to confer with Landlord’s architects, engineers, and contractors; (iii) review and either approve or provide detailed written comments on all plans and cost estimates within five (5) business days after receipt; and (iv) coordinate its own improvements, fixturing, and move-in activities so as not to interfere unreasonably with Landlord’s completion of the Capital Improvements. Landlord shall have sole discretion with respect to the selection of contractors, the sequencing of the work, and construction means and methods, provided that Landlord shall perform the Capital Improvements in a diligent and commercially reasonable manner.
- c. **Grant Funding:** Commencing January 1, 2027, Tenant shall use diligent, good-faith efforts to identify, apply for, and secure Grants to fund Capital Improvements. Within thirty (30) days after the start of each Fiscal Year, the parties shall meet to update the Five-Year Plan, to prioritize projects, and confirm roles, schedules and deliverables. Tenant shall endeavor to obtain not less than fifty percent (50%) and up to one hundred percent (100%) of Capital Improvement costs from Grants. Tenant has no obligation whatsoever to contribute its own funds toward Capital Improvements, and a failure to obtain Grants shall not constitute a default. If Grants do not fully fund a project, Landlord may elect (but is not obligated) to fund any shortfall, or the project may be deferred, rescope, or reprioritized.
- d. **Cooperation and Administration:** Landlord shall reasonably cooperate with Tenant’s Grant efforts, including but not limited to executing applications and related documents, and providing information reasonably required by Grant sources. If Landlord must be the applicant, it shall apply and make funds available for the project, provided Tenant complies with Grant conditions. Tenant shall not accept Grant terms that impose liens, easements, restrictive covenants, or other encumbrances without Landlord’s prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Scopes, budgets, and schedules are subject to Landlord’s reasonable approval. Grant proceeds shall be used solely for approved Capital Improvements and allowable related

costs, and the recipient shall comply with all applicable Grant requirements. Tenant shall maintain reasonable books and records regarding Grant applications and expenditures, and shall provide status updates upon Landlord's reasonable request. Capital Improvements funded in whole or in part by Grants shall be designed and constructed in compliance with applicable law and Grant requirements.

- e. **Ownership of Improvements:** Upon installation, all Capital Improvements shall become Landlord's property and part of the Premises, subject to any Grant conditions consented to by Landlord.

**12. Destruction of Premises.**

- a. **Minor Damage:** If the Premises are damaged by fire or other casualty but not rendered wholly untenable, Landlord shall repair the damage with reasonable diligence. Rent shall be abated in a just and proportionate amount based on the extent to which the damage and repairs interfere with Tenant's use of the Premises.
- b. **Major Damage:** If the Premises are damaged by fire or other casualty to such an extent that they are rendered wholly or substantially untenable, or if repairs cannot reasonably be completed within one hundred eighty (180) days from the date of the casualty, either Landlord or Tenant may terminate this Lease by providing written notice to the other party within thirty (30) days of the casualty. Upon such termination, Tenant shall pay all rent due up to the date of the casualty, and this Lease shall be null and void. If neither party terminates, Landlord shall repair the damage with reasonable diligence, and rent shall be fully abated from the date of the casualty until the repairs are substantially complete.

13. **Condemnation.** In the event the Premises, or any part thereof, are taken in condemnation proceedings, Tenant may cancel this Lease and all condemnation moneys shall belong to the Landlord.

14. **Subletting or Assignment.** Tenant shall not assign this Lease or any interest herein, or sublet the Premises or any part thereof, without first obtaining Landlord's written consent.

15. **Folk School Assets.** Landlord agrees to keep the assets being left by the former tenant, Folk School of Fayetteville, Inc., stored in the Walker-Stone House pending the execution of this Lease. Should this Lease not be executed, Landlord shall provide Tenant access to remove said assets upon twenty-four hours' written notice from Tenant at a mutually agreeable time.

16. **Peaceful Use.** Landlord covenants that if the Tenant shall pay the rental and perform all of the covenants of this Lease, the Tenant shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises without hindrance.

17. **Surrender and Holding Over.** Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in as good a condition and repair as they

were at the commencement of the Lease Term, reasonable wear and tear excepted. Tenant shall remove all of its personal property and trade fixtures and shall repair any damage to the Premises caused by such removal. If Tenant holds over after termination, a month-to-month tenancy shall be created at a rental of no less than 110% of the rent applicable during the last year of the written term.

18. **Taxes and Assessments.** Landlord represents that the Premises are currently exempt from ad valorem real estate taxes. Landlord shall be responsible for any real estate taxes that may be assessed against the Premises during the Lease Term. However, Tenant shall be solely responsible for and shall pay before they become delinquent all taxes, licenses, fees, and assessments levied or assessed upon Tenant's personal property, business operations, or trade fixtures located at the Premises.
19. **Liens.** Tenant shall keep the Premises free from any mechanic, materialman, or other liens arising out of any work performed or materials furnished for which the Tenant is legally responsible to the provider for payment. Tenant shall notify Landlord in writing within ten (10) days of the filing of any such lien. If Tenant fails to discharge such lien within thirty (30) days of its filing, Landlord may, at its option, pay to discharge the lien, and the amount paid, including reasonable attorneys' fees, shall be deemed Additional Rent due from Tenant to Landlord on demand.
20. **Waste.** Tenant shall not commit or suffer to be committed any waste upon the Premises or any nuisance or other act which may disturb the quiet enjoyment of any neighboring property.
21. **Space Heaters.** Tenant shall not use any portable electric or kerosene space heaters within the Premises without obtaining the prior written consent of the Landlord, which may be withheld in Landlord's sole discretion due to fire safety concerns.
22. **Default and Remedies.**
  - a. **Events of Default:** The occurrence of any of the following shall constitute an "Event of Default" by Tenant:
    - i. Failure to pay rent or any other sum required under this Lease when due, if such failure continues for ten (10) days after written notice from Landlord.
    - ii. Failure to perform any other covenant or condition of this Lease, if such failure continues for fifteen (15) days after written notice from Landlord, provided that if the cure cannot reasonably be completed in fifteen (15) days, an Event of Default shall not occur if Tenant begins to cure within that period and diligently prosecutes the cure to completion.
    - iii. Abandonment or vacation of the Premises for a continuous period of forty-five (45) days.
  - b. **Landlord's Remedies:** Upon any Event of Default, Landlord shall have the right, at its option and without further notice, to exercise any one or more of the following remedies:

- i. Terminate this Lease, in which case Tenant shall immediately surrender the Premises to Landlord and promptly pay all sums due under this Lease.
  - ii. Repossess the Premises by suit for unlawful detainer, forcible entry and detainer or otherwise, without demand or notice of any kind to Tenant, except as required by applicable law, and without terminating this Lease. Landlord may enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, subject to applicable law, without being liable for prosecution or any claim for damages therefor unless solely caused by Landlord's gross negligence or intentional misconduct. Furthermore, without demand or notice, except as required by applicable law and subject to applicable law, Landlord may alter locks or other security devices at the Premises or deprive Tenant of access to the Premises. Landlord shall not be required to provide a new key or right of access to Tenant, subject to the limitations of applicable law.
  - iii. Re-let the Premises on behalf of Tenant and receive the rent therefrom, with Tenant remaining liable for any deficiency between the rent due under this Lease and the net amount received from re-letting.
  - iv. Pursue any other remedy now or hereafter available to Landlord under the laws of the state of Arkansas.
- c. **Limitation on Liability:** Notwithstanding any other remedy available to Landlord, in the event of a Tenant default resulting directly from a "Force Majeure" event or a termination by Tenant due to "Financial Hardship" as defined herein, Tenant's total liability to Landlord shall be capped and limited to all rent and other sums due and payable under this Lease as of the date of the default or termination. A "Force Majeure" event shall mean any cause beyond Tenant's reasonable control, including but not limited to, acts of God, fire, flood, epidemic, pandemic, war, governmental action or order, national emergency, riot, or terrorism, which prevents Tenant from performing its obligations under this Lease.

23. **Notices.** All notices required under this Lease shall be deemed to be properly served if delivered in writing personally or sent by certified mail with return receipt requested to Tenant at:

Ozark Folkways  
22733 N. Highway 71  
Winslow, AR 72959  
Attn: Sarah Jones, Executive Director

and to Landlord at:

Fayetteville A&P Commission  
21 South Block Ave.  
Fayetteville, AR 72701  
Attn: \_\_\_\_\_

24. **Governing Law.** This Lease shall be governed by, construed, and enforced in accordance with the laws of the state of Arkansas. Any legal action taken pursuant to this Lease shall be filed in Washington County, Arkansas.
25. **Authority to Enter Into Agreement.** Each party represents and warrants to the other that it has the full right, power, and authority to enter into this Lease and to perform all of its obligations hereunder. The individual(s) executing this Lease on behalf of each party represents and warrants that they are duly authorized to do so and to thereby bind the party for whom they are signing.
26. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written. This Agreement may not be changed or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

**WITNESS** our signatures as of the day and date first above stated.

[SIGNATURE PAGE TO FOLLOW]

LANDLORD:

FAYETTEVILLE ADVERTISING AND PROMOTION COMMISSION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

TENANT:

OZARK FOLKWAYS, an Arkansas nonprofit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

Part of Block 25 in the original plat of the town (now city) of Fayetteville, Washington County, Arkansas, more particularly described as beginning at a point 100 feet West of the Northeast corner of Block 25, thence South 102 feet, thence West 154 feet to a point 3 feet North of the East end of a stone retaining wall, thence South 3 feet to the East end of said retaining wall, thence West with the top of said retaining wall 71.9 feet more or less, to the West boundary of Block 25, thence North 105 feet, more or less, to the Northwest corner of Block 25, thence East 225.9 feet to the point of beginning. Subject to easements and restrictions of record.