

1 **AN ORDINANCE AUTHORIZING THE EXECUTION OF A COMERCIAL LEASE**
2 **WITH AN OPTION TO PURCHASE BETWEEN THE CITY OF ST. LOUIS AND R**
3 **AND C COMPANY; PRESCRIBING THE FORM AND DETAILS OF SAID**
4 **COMMERCIAL LEASE; AUTHORIZING OTHER RELATED ACTIONS IN**
5 **CONNECTION THEREWITH; CONTAINING AN EMERGENCY CLAUSE.**

6 WHEREAS, the City of St. Louis, Missouri (the "City"), is a body corporate and a
7 political subdivision of the State of Missouri, duly created, organized and existing under and by
8 virtue of its charter, the Constitution and laws of the State of Missouri; and

9 WHEREAS, the City's St. Louis Metropolitan Police Department, a Division of the
10 Department of Public Safety, has a need to obtain a building for its evidence warehousing,
11 garaging certain police vehicles and other related uses; and

12 WHEREAS, R and C Company has a suitable building located at 2150 S. 59th Street
13 within the City which may serve said need; and

14 WHEREAS, R and C Company is willing to enter into a Commercial Lease with an
15 Option to Purchase said building at 2150 S. 59th Street within the City.

16 BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

17 SECTION ONE. The Board of Aldermen hereby approves, and the Comptroller of the
18 City is hereby authorized and directed to execute, on behalf of the City, the Commercial Lease
19 with an Option to Purchase for 2150 S. 59th Street within the City by and between the City and R
20 and C Company, attached hereto as **Exhibit A**, and the City Register is hereby authorized and
21 directed to attest to the Commercial Lease with an Option to Purchase for 2150 S. 59th Street and
22 to affix the seal of the City thereto. The Commercial Lease with an Option to Purchase for 2150
23 S. 59th Street shall be in substantially the forms attached, with such changes therein as shall be

24

1 approved by the Comptroller executing the same and as may be consistent with the intent of this
2 Ordinance and necessary and appropriate in order to carry out the matters herein authorized.

3 SECTION TWO. The Comptroller of the City or her designated representatives are
4 hereby authorized and directed to take any and all actions to execute and deliver for and on
5 behalf of the City any and all additional certificates, documents, agreements or other instruments
6 as may be necessary and appropriate in order to carry out the matters herein authorized, with no
7 such further action of the Board of Aldermen necessary to authorize such action by the
8 Comptroller or her designated representatives

9 SECTION THREE. The Comptroller or her designated representatives, with the advice
10 and concurrence of the City Counselor and after approval by the Board of Estimate and
11 Apportionment, is hereby further authorized and directed to make any changes to the documents,
12 agreements and instruments approved and authorized by this Ordinance as may be consistent
13 with the intent of this Ordinance and necessary and appropriate in order to carry out the matters
14 herein authorized, with no such further action of the Board of Aldermen necessary to authorize
15 such changes by the Comptroller or her designated representatives.

16 SECTION FOUR. This being an ordinance for the preservation of the public peace,
17 health, and safety, it is hereby declared to be an emergency measure within the meaning of
18 Sections 19 and 20 of Article IV of the Charter of the City of St. Louis and therefore shall
19 become effective immediately upon its passage and approval by the Mayor.

EXHIBIT A

PURCHASE CLAUSE

1
2
3
4
5 Lessee shall have the obligation to purchase the Leased Premises, with closing of sale at any time
6 during the Lease, by notifying Lessor in writing not less than sixty (60) days nor more than one hundred
7 twenty (120) days prior to the date of purchase, of Lessee's intention to buy. To be valid, this Lease, at
8 the time of said notice, must be in full force and effect and Lessee shall have performed all its terms and
9 conditions. Also, to be valid, said notice must include a non-refundable earnest deposit in the amount of
10 Fifty Thousand and NO/100 Dollars (\$50,000.00) in the form of cash or check. Said earnest deposit and
11 any prepaid rents and security deposit shall apply against the purchase price specified below. If Lessee
12 should default after giving notice to buy, the earnest deposit shall become the property of the Lessor and
13 shall not apply to the purchase price of any future exercise of purchase. However, such default shall not
14 void the Lessee's purchase rights below.
15

16 -If the purchase closes on or before June 30, 2015, the sale price shall be Nine Hundred Fifty
17 Thousand and NO/100 Dollars (\$950,000.00).

18 -If the purchase closes on or before June 30, 2016, the sale price shall be Nine Hundred Seventy Five
19 Thousand and NO/100 Dollars (\$975,000.00).

20 -If the purchase closes on or before June 30, 2019, the sale price shall be One Million and NO/100
21 Dollars (\$1,000,000.00).
22

23 Per Paragraph 14 of the Schedule of Additional Provisions in the Commercial Lease, the final cost of
24 the roof which has been paid by Lessor shall be added to the sale price.
25

26 Purchaser shall receive from Seller, a credit of Twenty Five Thousand and NO/100 Dollars
27 (\$25,000.00) towards the Purchase prices above for every full year Purchaser has occupied the Leased
28 Premises.
29

30 At the time of closing, sales commission shall be equal to 6% of the total sale price (inclusive of the
31 portion of the cost of replacing the roof paid by Lessor as set forth above) shall be paid by Lessor, 100%
32 to Hilliker Corporation. Any unamortized lease commission shall be credited to Seller.
33

34 Lessee and Lessor hereby acknowledge that the following agency disclosure has previously been
35 made: A. William Aschinger of Hilliker Corporation is the Lessor's Agent (the Listing Agent) and is
36 serving solely as agent for the Lessor in connection with this transaction; H. Meade Summers, III of
37 Hilliker Corporation is the Lessee's Agent and is serving solely as agent for the Lessee in connection with
38 this transaction; and the Lessee's Agent is not acting as a sub-agent of the Lessor's Agent, notwithstanding
39 the fact that the Lessee's Agent will be receiving a portion of the commission paid by the Lessor.
40 Principal parties agree that notice to them occurs upon delivery of notice to their agent, at Hilliker
41 Corporation, and each principal party acknowledges receiving on initial contact, Missouri Brokers
42 Disclosure Form and said agency disclosure. Principal parties acknowledge that said agents are third
43 party beneficiaries of this Contract, only for its terms related to payment of sales commission and that
44 investigation of due diligence issues are not within agents' scope of service.
45

46 Earnest deposit to be retained by Title Partners LLC or another title company designated by Lessee
47 (the "title company") without interest but the title company shall not be liable for earnest deposit until
48 actually in form of cash in hands of the title company. If sale is closed, earnest deposit to apply on sale
49 price. If sale be not closed by date fixed therefor owing to a failure of performance by Lessee, earnest
50 deposit shall be forfeited by Lessee, per the terms stipulated above, and paid to Lessor as liquidated
51 damages and Lessor's sole and exclusive remedy for Lessee's failure to perform.
52

53 Rents, general taxes based on latest available assessment and rate, subdivision upkeep assessments,
54 and where applicable, interest, insurance premiums, water rates, sewer service charge, gas and electric
55 bills, fuel supply and operating expenses to be prorated and adjusted on the basis of thirty (30) days to the

1 month, Lessor to have last day. Delinquent rents over thirty days, except for Lessee's rent, if any, to be collected by Lessor and not adjusted. Lessee to pay all recording fees, except fees for documents recorded to clear the title and to release any Monetary Encumbrances (defined below), fees for those documents to be paid by Lessor.

6 Lessor shall furnish general warranty deed, subject to leases and to occupancy of tenants existing on the date of closing and real estate taxes for year of closing. All personal property and fixtures included in this sale are guaranteed by Lessor to be paid for in full. The general warranty deed shall convey the Leased Premises to Lessee free and clear of all mortgages, deeds of trust, security instruments, financing statements, liens of any kind (including, without limitation, any mechanic's liens or other statutory lien), and any other monetary encumbrances whatsoever (the "Monetary Encumbrances"). Lessor shall cause such Monetary Encumbrances to be paid or discharged at or before the closing of the purchase of the Leased Premises. At any closing on the purchase of the Leased Premises, Lessor shall deliver evidence of authority to sell the Leased Premises (including, without limitation, copies of Lessor's articles of incorporation, by-laws, and resolutions authorizing the sale of the Leased Premises) and any affidavits, statements, or other documents requested by the Lessee or the title company (including, without limitation, any seller's affidavit or owner's affidavit).

19 At any time, Lessee shall have the right to review the title to the Leased Premises, including, without limitation, obtaining a title commitment and survey of the Leased Premises. If such title commitment or survey reveals any matters concerning the Leased Premises that are unsatisfactory to Lessee, in Lessee's sole discretion, Lessee agrees to notify Lessor of such matters (the "Title Objections"). If Lessor is unable to remove or otherwise cure such Title Objections to Lessee's sole discretion within 30 days after receipt of the Title Objections (but in all events not later than 5 days before the date set for closing, even if this means Lessor has less than 30 days to cure such Title Objections), Lessee shall have the right to cancel such closing and/or Lessee's purchase obligation hereunder, and, notwithstanding anything in this Exhibit A or elsewhere in this Lease to the contrary, in such event, the earnest deposit shall be returned to Lessee and this Lease shall remain in force and effect, provided, however, the Lessee shall have no obligation to purchase the Leased Premises.

31 If, after purchase notice is given, the Leased Premises be destroyed or damaged by fire, windstorm or otherwise, Lessor shall restore same within one hundred eighty (180) days if possible and sale closing date shall be extended accordingly. Lessor shall assume risk of such destruction or damage and shall have the obligation to obtain consent of insurance companies to sale contract.

36 If improvements or additions are in progress, or have been completed, at Lessor's direction within six months prior to sale closing date, Lessor shall furnish reasonable security against mechanics' liens or satisfactory evidence of payment of bills.

40 Leased Premises to be accepted in its present condition unless otherwise stated herein. Lessor warrants at the time of execution of the Lease, that (it) (he) has not received any written notification from any governmental agency requiring any repairs, replacements, or alterations to said Leased Premises which have not been satisfactorily made.

45 Lessor shall at Lessee's request, execute a recordable notice of the Purchase Clause.

47 Lessor represents and warrants to Lessee, and covenants with Lessee, the following: (a) that at the time of execution of the Lease, the title to the Leased Premises is free of any encumbrances which cannot be released by Lessor at the time of closing, other than zoning regulations and normal utility easements, and that Lessor will, during the term of this Lease, use all reasonable diligence to protect the title from encumbrances; (b) Lessor has not entered into any agreement concerning the transfer or lease of the Leased Premises (excepting the Lease and any existing or future mortgage on the Leased Premises, which mortgage shall be discharged by Lessor at any closing hereunder or before), and Lessor covenants and agrees not to enter into any such sale contract, lease or other agreement with respect to the Leased Premises so long as the Lease is in effect; (c) Lessor has not received any notices relating to any violation

1 of any fire, zoning, or health laws or regulations which affect the Leased Premises; (d) to the best of
2 Lessor's knowledge, the Leased Premises are in compliance with applicable environmental laws, rules
3 and regulations, and there are no hazardous materials in, on or under the Leased Premises, and there has
4 been no storage, disposal, discharge, deposit, injection, dumping, leaking, spilling, placing or escape of
5 any hazardous materials on, in, under or from the Leased Premises; (e) to the best of Lessor's knowledge,
6 there are no underground storage tanks on the Leased Premises; and (f) there is no pending or threatened
7 litigation involving the Leased Premises (including, without limitation, condemnation actions). Lessor
8 shall advise Lessee immediately of any information which would make any of the foregoing untrue.
9

10 Notwithstanding anything else in this Exhibit A or elsewhere in the Lease to the contrary, the
11 satisfaction of each of the following shall be a condition precedent to Lessee's obligation to purchase (and
12 close on such purchase) of the Leased Premises: (i) that the title company has committed to issue to
13 Lessee an owner's policy of title insurance in a form satisfactory to Lessee, containing any endorsements
14 required by Lessee, and not disclosing any exceptions to title other than those reviewed and approved by
15 Lessee as set forth above; (ii) Lessor has delivered the general warranty deed described above and all
16 other documents which Lessee or the title company may require of Lessor (including, without limitation,
17 any seller's affidavits, resolutions, or other authority/organizational documents); (iii) Lessor is not in
18 breach of the Lease or the terms of this Exhibit A and that Lessor has performed all of its obligations
19 hereunder, and (iv) all representations and warranties of Lessor, if any, are true and correct as of the date
20 of closing. In the event that the foregoing conditions have not been satisfied, then, notwithstanding
21 anything else in this Exhibit A or elsewhere in the Lease to the contrary, the earnest deposit shall be
22 returned to Lessee and this Lease shall remain in force and effect, provided, however, the Lessee shall
23 have no obligation to purchase the Leased Premises.
24

25 The words Lessee and Lessor, where appearing in this contract shall be construed in the plural, if more
26 than one. This contract shall bind the heirs, legal representatives, successors and assigns of the parties
27 hereto. Neither party is bound by any representation of value of the Leased Premises. Purchase Clause
28 assignable by Lessee with written consent of Lessor.
29

30
31 Lessor: Lessee:
32
33 R and C Company City of St. Louis
34

35
36 By: _____ By: _____
37 Name: _____ Name: Darlene Green
38 Title: _____ Title: Comptroller

COMMERCIAL LEASE

This Lease, made and entered into, this _____ day of June, 2014,

by and between _____ R and C Company

Parties *hereinafter called Lessor, and City of St. Louis,*

hereinafter called Lessee,

WITNESSETH, That the said Lessor for and in consideration of the rents, covenants and agreements hereinafter mentioned and hereby agreed to be paid, kept and performed by said Lessee, or Lessees, successors and assigns, has leased and by these presents does lease to said Lessee the following described Leased Premises, situated in the _____ City _____ of _____ St. Louis State of Missouri, to-wit: City of St. Louis Ordinance No. 69799

Premises 2150 South 59th Street, St. Louis, MO 63110, being a 1.45± acre site improved with a 55,453± sq. ft. office/warehouse building

Use of Premises To have and to hold the same, subject to the conditions herein contained, and for no other purpose or business than that of St. Louis Police Department evidence warehousing, garaging certain police vehicles and other related activities, and any other lawful purposes for and during the term of Five (5) Years

Terms and Rental commencing on the 1st Day of September 2014
and ending on the 31st Day of August 2019
at a yearly rental of See Rent Schedule Below
payable in advance in equal quarterly installments of See Rent Schedule Below

Rent Schedule

Years	Period	Mod. Gross Annual Rent	Mod. Gross Quarterly Rent
1-2	September 1, 2014 through August 31, 2016	\$180,000.00	\$45,000.00
3-5	September 1, 2016 through August 31, 2019	\$200,000.00	\$50,000.00

on the 1st day of each and every quarter (being the first day of January, April, July and October during the calendar year) during the said term.

This Lease is not assignable, nor shall said Leased Premises or any part thereof be sublet, used or permitted to be used for any purpose other than above set forth without the written consent of the Lessor endorsed hereon, such consent not to be unreasonably withheld, delayed or conditioned; and if this Lease is assigned or the Leased Premises or any part thereof sublet without the written consent of the Lessor, or if the Lessee shall become the subject of a court proceeding in bankruptcy or liquidating receivership or shall make an assignment for the benefit of creditors, this Lease may by such fact or unauthorized act be cancelled at the option of the Lessor. Any assignment of

Assignment or Sub-letting this Lease or subletting of said Leased Premises or any part thereof with the written consent of the Lessor shall not operate to release the Lessee from the fulfillment on Lessee's part of the covenants and agreements herein contained to be by said Lessee performed, nor authorize any subsequent assignment or subletting without the written consent of the Lessor.

Repairs and Alterations All repairs and alterations deemed necessary by Lessee shall be made by said Lessee at Lessee's cost and expense with the consent of Lessor; and all repairs and alterations so made shall remain as a part of the realty; all plate and other glass now in said Leased Premises is at the risk of said Lessee, and if broken, is to be replaced by and at the expense of said Lessee.

Lessee's Initials _____

Lessor's Initials _____

The Lessor reserves the right to prescribe the form, size, character and location of any and all awnings affixed to and all signs which may be placed or painted upon any part of the Leased Premises, and the Lessee agrees not to place any awning or sign on any part of the Leased Premises without the written consent of the Lessor, or to bore or cut into any column, beam or any part of the Leased Premises without the written consent of Lessor. The Lessee and all holding under said Lessee agrees to use reasonable diligence in the care and protection of said Leased Premises during the term of this Lease, to keep the water pipes, water heaters, sewer drains, lighting systems, doors and drive-in doors, heating and air conditioning systems and sprinkler systems and the 2 ton, 10 ton and 15 ton cranes in good order and repair and to surrender said Leased Premises at the termination of this Lease in substantially the same and in as good condition as received, ordinary wear and tear excepted.

The Lessee agrees to keep said Leased Premises in good order and repair and free from any nuisance or filth upon or adjacent thereto, and not to use or permit the use of the same or any part thereof for any purposes forbidden by law or ordinance now in force or hereafter enacted in respect to the use or occupancy of said Leased Premises. The Lessor or legal representatives may, at all reasonable hours, enter upon said Leased Premises for the purpose of examining the condition thereof and making such repairs as Lessor may see fit to make.

If the cost of insurance to said Lessor on said Leased Premises shall be increased by reason of the occupancy and use of said Leased Premises by said Lessee or other person under said Lessee, all such increase over the existing rate shall be paid by said Lessee to said Lessor on demand. The Lessee agrees to pay double rent for each day the Lessee, or any one holding under the Lessee, shall retain the said Leased Premises after the termination of this Lease, whether by limitation or forfeiture. In addition, Lessee shall be liable to Lessor from any damage which Lessor may suffer due to claims from a succeeding tenant as a result of such holding over.

**Damage to
Tenant's
Property**

Lessor shall not be liable to said Lessee or any person or corporation, including employees, for any damage to their person or property caused by water, rain, snow, frost, fire, storm and accidents, or by breakage, stoppage or leakage of water, gas, heating and sewer pipes or plumbing, upon, about or adjacent to said Leased Premises.

The destruction of said Leased Premises by fire, or the elements, or such material injury thereto as to render said Leased Premises unquestionably untenable for 180 days, shall at the option of said Lessor or Lessee produce and work a termination of this Lease.

If the Lessor and Lessee cannot agree as to whether said Leased Premises are unquestionably untenable for 180 days, the fact shall be determined by arbitration; the Lessor and the Lessee shall each choose an arbitrator within five days after either has notified the other in writing of such damage, the two so chosen, before entering on the discharge of their duties, shall elect a third, and the decision of any two of such arbitrators shall be conclusive and binding upon both parties hereto.

If it is determined by arbitration, or agreement between the Lessor and Lessee, that said Leased Premises is not unquestionably untenable for 180 days, then said Lessor must restore said Leased Premises at Lessor's own expense, with all reasonable speed and promptness, and in such case a just and proportionate part of said rental shall be abated until said Leased Premises have been restored.

Possession of said Leased Premises and all additions and permanent improvements thereof shall be delivered to Lessor upon ten days' written notice that Lessor has exercised said option, and thereupon Lessor shall be entitled to and may take immediate possession of said Leased Premises, any other notice or demand being hereby waived.

Any notice of default or regarding forfeiture under this Lease shall be in writing and shall be deemed to be duly given (i) when delivered personally; (ii) three (3) days following mailing by certified mail, return receipt requested, (iii) one (1) day after delivery to a nationally recognized courier service for overnight delivery, or (iv) when delivered by local courier service, with signed acknowledgement of delivery, addressed, to Lessor at Lessor's notice address or to Lessee at Lessee's notice address. The addresses, which are stipulated in the Schedule of Additional Conditions, may be changed from time to time by either party by serving notice to the other party in the manner above provided.

Re-Entry

Said Lessee will quit and deliver up the possession of said Leased Premises to the Lessor or Lessor's heirs, successors, agents or assigns, when this Lease terminates by limitation or forfeiture, with all window glass replaced, if broken, and with all keys, locks, bolts, doors, climate control and plumbing appliances and fixtures, sprinkler and all other components of the Leased Premises in as good order and condition as the same are now, or may hereafter be made by repair in compliance with all the covenants of this Lease, save only the wear thereof from reasonable and careful use.

But it is hereby understood, and Lessee hereby covenants with the Lessor, that such forfeiture, annulment or voidance shall not relieve the Lessee from the obligation of the Lessee to make the monthly payments of rent and pay occupancy, pass through and maintenance expenses hereinbefore reserved, at the times and in the manner aforesaid; and in case of any such default of the Lessee, the Lessor may re-let the said Leased Premises as the agent for and in the name of the Lessee, at any rental and on any terms readily obtainable, applying the proceeds and avails thereof, first, to the payment of such expense as the Lessor may be put to in re-entering, repairing, maintaining and re-leasing the Leased Premises, as well as legal and collection expenses, and then to the payment of said rent, pass through, occupancy and maintenance expenses as the same may from time to time become due, and toward the fulfillment of the other covenants and agreements of the Lessee herein contained, as they become due, and the balance, if any, shall be paid to the Lessee; and the Lessee hereby covenants and agrees that if the Lessor shall recover or take possession of said Leased Premises as aforesaid, and be unable to re-let and rent the same so as to realize a sum equal to the rent and other sums hereby reserved, the Lessee shall and will pay the Lessor any and all loss of difference of rent for the residue of the term, including occupancy, pass through and maintenance expenses, repair costs, leasing costs and legal and collection expenses. The Lessee hereby gives to the Lessor the right to place and maintain its usual "for rent" signs upon said Leased Premises, in the place that the same are usually displayed on property similar to that herein demised, and show prospective tenants through the Leased Premises, during normal business hours, during the last ninety days of this Lease.

Lessee's Initials _____

Lessor's Initials _____

SEE SCHEDULE OF ADDITIONAL PROVISIONS ATTACHED HERETO AND FORMING AN INTEGRAL PART OF THIS COMMERCIAL LEASE. SEE ALSO EXHIBIT A CONCERNING LESSEE'S PURCHASE RIGHTS. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF THE SCHEDULE OF ADDITIONAL PROVISIONS AND THE TERMS OF THIS COMMERCIAL LEASE, THE TERMS OF THE SCHEDULE OF ADDITIONAL PROVISIONS SHALL GOVERN AND CONTROL. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF EXHIBIT A AND THE TERMS OF THE COMMERCIAL LEASE, THE TERMS OF EXHIBIT A SHALL GOVERN AND CONTROL. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF EXHIBIT C AND THE TERMS OF THE COMMERCIAL LEASE, THE TERMS OF EXHIBIT C SHALL GOVERN AND CONTROL.

City of St. Louis Ordinance No. 69799

**No
Constructive
Waiver**

No waiver of any forfeiture, by acceptance of rent or otherwise, shall waive any subsequent cause of forfeiture, or breach of any condition of this Lease; nor shall any consent by the Lessor to any assignment or subletting of said Leased Premises, or any part thereof, be held to waive or release any assignee or sub-lessee from any of the foregoing conditions or covenants as against him or them; but every such assignee and sub-lessee shall be expressly subject thereto.

Whenever the word "Lessor" is used herein it shall be construed to include the heirs, executors, administrators, successors, assigns or legal representatives of the Lessor; and the word "Lessee" shall include the heirs, executors, administrators, successors, assigns or legal representatives of the Lessee and the words Lessor and Lessee shall include single and plural, individual or corporation, subject always to the restrictions herein contained, as to subletting or assignment of this Lease.

IN WITNESS WHEREOF, the said parties aforesaid have duly executed the foregoing instrument or caused the same to be executed the day and year first above written.

R and C Company
Lessor

City of St. Louis
Lessee

By: _____
John Camie

By: _____
Darlene Green

By: _____
Charles Rallo, Jr.

Title: Comptroller

Approved as to form:

Date: _____

Winston Calvert
City Counselor

Attest:

Parrie L. May
City Register

SCHEDULE OF ADDITIONAL PROVISIONS

This Schedule of Additional Provisions is attached to and made a part of that certain Commercial Lease dated June ____, 2014 (including this Schedule and all other exhibits or attachments to such Commercial Lease, the "Lease"), by and between R and C Company, as Lessor and City of St. Louis, as Lessee, to set forth additional provisions which have been agreed to in said Lease as follows, to-wit:

1. During the term of this Lease, the Lessor shall pay all real estate taxes and fire and extended coverage insurance premiums on the Leased Premises except as otherwise provided herein. Lessor shall also maintain the foundation, structural components and exterior walls, except, however, those items specifically excluded on Exhibit C attached hereto and incorporated herein and repairs as may become required or more expensive due to abuse or neglect by the Lessee. Lessee shall give Lessor written notice of defect or need for repairs, after which Lessor shall have reasonable opportunity to repair same or cure such defect. Lessor's liability with respect to any defects, repairs or maintenance for which Lessor is responsible under any of the provisions of this Lease shall be limited to the cost of such repairs or maintenance or the curing of such defect. Lessee shall accept Leased Premises in an "As Is" condition and shall assume all other expenses of tenancy and occupancy including, but not limited to the maintenance and replacement of roof, plumbing systems, utility services, janitorial maintenance, electrical and mechanical equipment, plumbing systems and sprinkler systems, windows and doors, liability and contents insurance as well as landscaping, grass cutting, snow removal and parking surfaces maintenance and replacement.

2. Lessor shall maintain the existing mechanical and electrical equipment, plumbing systems and existing wet sprinkler systems in the northern 30,000 sq. ft. section during the first sixty (60) days of this Lease. After the first sixty (60) days of this Lease, Lessee shall accept all future responsibilities per the above.

3. Lessee shall, during the term of this Lease, provide insurance on the Leased Premises as follows: public liability, \$1,000,000.00 combined single limit. To the extent permissible under applicable law and Lessee's policy, the public liability policy shall name Lessor as additional named insured. Lessee shall furnish Lessor with certificate of said insurance policy.

4. If at any time during the term of this Lease, real estate taxes or the fire and extended coverage insurance premiums on the Property of which the Leased Premises are a part shall be increased over the amount thereon for the year 2014, Lessee shall pay 100% of the additional amount, within thirty (30) days of receiving written notice of such increase. Lessee's share of any increases for the last year of this Lease shall be pro-rated.

5. Upon execution of this Lease by both parties, and prior to Lessee's occupancy, Lessee shall deposit with Lessor on demand the first month's rent and first quarter's rent of Sixty Thousand and NO/100 (\$60,000.00) Dollars and a security deposit of Twenty Thousand and NO/100 (\$20,000.00) Dollars. The security deposit shall be held by Lessor as security for the performance of Lessee's obligations under this Lease. The security deposit is not an advance rental deposit or a measure of Lessor's damages in case of Lessee's default. Upon each occurrence of an event of default, Lessor may use all or part of the security deposit to pay delinquent payments due under this Lease, and the cost of any damage, injury, expense or liability caused by such event of default, without prejudice to any other remedy provided herein or provided by law. Lessee shall pay Lessor on demand the amount that will restore the security deposit to its original amount. The security deposit shall be the property of Lessor and draw no interest, but shall be paid to Lessee when Lessee's obligations under this Lease have been completely fulfilled. Lessor shall be released from any obligation with respect to the security deposit upon transfer of this Lease, the security deposit, and the Leased Premises to a person or entity assuming Lessor's obligations.

Lessee's Initials _____

Lessor's Initials _____

6. Lessee agrees that at any time, if requested by Lessor, Lessee will execute a Subordination, Non-Disturbance, and Attornment Agreement (“SNDA”), which will subordinate the terms of this Lease to the lien of a mortgage or deed of trust by Lessor against the Leased Premises, provided that the holder of such mortgage or deed of trust agrees that no foreclosure of such mortgage or deed of trust (or a conveyance in lieu thereof) shall work a termination of this Lease or disturb Lessee’s quiet possession of the Leased Premises. Additionally, any such SNDA shall recognize the Lessee’s purchase rights under the Lease. If Lessor has an existing mortgage(s) or deed(s) of trust on the Leased Premises, Lessor shall deliver a SNDA from each of its lender(s) in a form satisfactory to Lessee within 60 days of the date of the Lease. Lessee agrees to attorn to any purchaser at any foreclosure sale of any mortgage or deed of trust subject to the non-disturbance provisions of this paragraph and any SNDA.

7. Lessee agrees that from time to time upon the request of Lessor it will execute and deliver such statements or certificates as may be required by any lender to Lessor or prospective purchaser of Leased Premises regarding the status of Lessee's lease and occupancy. Lessee further agrees that within ten days after receipt from Lessor of a request for confirmation of lease terms and status, it will execute and return same to Lessor, noting any corrections thereto, failing which the terms and status of this Lease and Lessee's occupancy thereunder shall be deemed as stated in such notice.

8. If the whole or any substantial part of the Leased Premises should be taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof and the taking would, in Lessee’s reasonable judgment, prevent or materially interfere with the use of the Leased Premises for the purpose for which they are being used, this Lease shall terminate and the rent shall be abated during the unexpired portion of this Lease, effective when the physical taking of said Leased Premises shall occur and Lessor and Lessee shall have no further claims against one another for this cause.

9. The Lessee may mount a sign on the front of the building and a sign on the rear of the building so long as the signs are in compliance with the applicable sign codes and do not damage the property. Lessee shall remove all signs, at Lessee’s expense, at the end of this Lease, repairing any damage caused by the signs or their removal.

10. Any rent or other payments, notice or document required or permitted to be delivered hereunder shall be addressed to the parties hereto at the respective addresses set out below, or at such other address as they may hereafter specify by written notice delivered in accordance herewith:

Lessee's Initials _____

Lessor's Initials _____

All payments are to be made without adjustment or offset. Any payment not received by

Lessor prior to the 10th day after the date due shall be subject to a late penalty of \$250.00 and be subject to interest at the rate of 1% per Month, pro-rated on a thirty (30) day per month basis, commencing the date originally due.

11. Lessee and Lessee's invitees shall have the use of all the parking spaces on the parking lot.

12. This Lease shall be void and of no force and effect unless the following conditions and contingencies are met to Lessee's sole satisfaction on or before July 15, 2014:

-Lessee's satisfaction of all building and property conditions to enable Lessee to receive an occupancy permit.

-Lessee and Lessor's satisfaction and agreement on a roof bid, to include removing of skylights, for the entire building, per paragraph 14.

-Lessor shall provide three (3) roof bids by Monday, June ____, 2014 to Lessee. Lessor and Lessee shall mutually agree on the chosen bid by July 10, 2014.

13. Lessee shall not allow on or about the Leased Premises, materials or substances designated as hazardous by any government agency, except small amounts of materials or substances for normal housekeeping and maintenance purposes.

14. Prior to the commencement of this Lease, but only after such time as Lessee has confirmed that the conditions and contingencies in Paragraph 12 have been met to Lessee's satisfaction and the Lease has been executed by all parties Lessor shall, at its expense:

A. Install a new roof, per paragraph 12 above up to a budget of \$350,000.00. If the bid chosen is

above \$350,000.00, Lessee shall pay the difference at the time of the roof installation.

(Roof bid

shall be attached as Exhibit "B".)

B. Inspect, repair and provide report that all existing heaters and air conditioning systems are in

operating condition.

Lessee's Initials _____

Lessor's Initials _____

C. Inspect, repair and provide a report that the existing wet sprinkler system in the northern, 30,000

sq. ft. section is in operating condition.

D. Note to Lessee: Lessor has provided a "Building Disclosure Sheet" as Exhibit "C". This notes additional repairs Lessor shall complete as well as items Lessor is not addressing but making Lessee aware of.

- The following shall remain on the Leased Premises:
- Shelving units shall remain
- Concrete platform in northern section remains
- Rail in floor of northern section remains.

Completed work shall comply with all applicable building codes.

15. Lessee shall otherwise accept the property in an "As Is" condition, perform all other leasehold improvements, and shall:

- A. As mentioned above, agree with Lessor on the type and bid for a new roof to be installed on the entire building.
- B. At Lessee's expense, provide a heavy duty steel ramp in the northern recessed loading dock area for its use.
- C. At Lessee's expense, provide a sprinkler system for the southern 25,000± sq. ft. section, if necessary.

Completed work shall comply with all applicable building codes.

16. Except for the improvements described in paragraphs 15.B. and 15.C. above, at Lessor's option, Lessee may be required to remove its leasehold improvements by the lease termination date.

17. Purchase Clause. Lessee shall have the obligation to purchase the property by the end of the Lease as outlined in the Purchase Clause attached hereto as Exhibit "A".

18. Lessee and Lessor hereby acknowledge that the following agency disclosure has previously been made: A. William Aschinger of Hilliker Corporation is the Lessor's Agent (the Listing Agent) and is serving solely as agent for the Lessor in connection with this transaction;

Lessee's Initials _____

Lessor's Initials _____

H. Meade Summers, III of Hilliker Corporation is the Lessee's Agent and is serving solely as agent for the Lessee in connection with this transaction; and the Lessee's Agent is not acting as a sub-agent of the Lessor's Agent, notwithstanding the fact that the Lessee's Agent will be receiving a portion of the commission paid by the Lessor. Principal parties agree that notice to them occurs upon delivery of notice to their agent, at Hilliker Corporation, and each principal

party acknowledges receiving on initial contact, Missouri Brokers Disclosure Form and said agency disclosure. Principal parties acknowledge that said agents are third party beneficiaries of this Lease, only for its terms related to payment of sales commission and that investigation of due diligence issues are not within agents' scope of service.

19. Default by Lessee. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Lessee: (a) The failure by Lessee to make any payment of rent or any other amount required to be paid by Lessee hereunder, as and when due, and such failure shall continue for a period of 10 days after written notice thereof from Lessor to Lessee; and (ii) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee (other than that described above in clause (a)), and such failure shall continue for a period of 30 days after written notice thereof from Lessor to Lessee, provided, however, that if such default is of a nature that cannot be cured within such 30 day period, Lessee shall have such additional and reasonable time necessary to effect such cure provided Lessee commences the cure within the 30 day period and thereafter continues to pursue such cure in a diligent manner. In no event shall Lessee be liable for any punitive, consequential, or exemplary damages under this Lease, excepting, however, consequential damages payable by Lessor to a new tenant arising from Lessee's holding over in the Leased Premises as specifically provided in this Lease.

20. Default by Lessor. In the event that Lessor is in default of any of its agreements, representations, warranties, or covenants under this Lease, Lessee shall provide notice of such default to Lessor, whereupon Lessor shall have 30 days from the receipt of such notice to cure such default, provided, however, that if such default is of a nature that cannot be cured within such 30 day period, Lessor shall have such additional and reasonable time necessary to effect such cure provided Lessor commences the cure within the 30 day period and thereafter continues to pursue such cure in a diligent manner. If Lessor fails to cure such default, Lessee may pursue any remedy it has at law or in equity against Lessor, and specifically, if the same involves the payment of any sum by Lessor, or the making of repairs or maintenance by the Lessor, Lessee may make such payment or perform such repairs or maintenance and offset the amounts expended by Lessee therefor against the next installment (or installments) of rent due from Lessee hereunder. In no event shall Lessor be liable for any punitive, consequential, or exemplary damages under this Lease.

21. At Lessee's request, Lessor will execute and deliver to Lessee a recordable memorandum of this Lease memorializing the terms of this Lease, including the purchase right provided for in Exhibit A, which Lessee may record in the Recorder of Deeds' Office for the City of St. Louis, Missouri.

Lessee's Initials_____

Lessor's Initials_____

22. Existing Tenant(s) Holdover. Should Lessor's existing tenant(s) hold over in the Leased Premises past August 31, 2014, the rent payable by Lessee to Lessor hereunder shall be abated in full during the entire holdover period of such existing tenant(s), Lessee's obligation to pay rent hereunder shall abate in full during such holdover period(s) and any pre-paid rents by Lessee hereunder attributable to such holdover period(s) shall, at Lessee's option, be credited or

refunded to Lessee in full, and Lessor shall not be considered in default of this Lease. Lessor shall use its commercially reasonable efforts to promptly dispossess any holdover tenant(s) from the Leased Premises.

R and C Company
Lessor

City of St. Louis
Lessee

By: _____
John Camie

By: _____
Darlene Green

By: _____
Charles Rallo, Jr.

Title: Comptroller

Date: _____

Approved as to form:

Winston Calvert
City Counselor

Attest:

Parrie L. May
City Register