

ANNUAL REPORT FOR
PALESTINE
COMMUNITY IMPROVEMENT DISTRICT (“CID”)
FISCAL YEAR ENDING APRIL 30TH, 2024

SECTION I

DATE OF REPORT SUBMITTAL:

DISTRICT POINT OF CONTACT NAME: Alex Reed

POINT OF CONTACT PHONE AND EMAIL: alex.reed@lathropgpm.com

816-460-5539

SECTION II

CURRENT BOARD MEMBERS AND CONTACT INFORMATION:

BOARD MEMBER NAME:	BOARD MEMBER EMAIL:
Melvin Gross	melvin.gross@sbcglobal.net
Michael Riley	mriley@kcata.org
Rhonda Iverson	riversonmcallister@yahoo.com
Simone Curls	prospectbakcmo@gmail.com
Rick Abel	rearlabel@gmail.com
Dick Bryant	dick2479@aol.com
Arfan Paroya	786paroya@gmail.com

SECTION III

SERVICES PROVIDED DURING THE CURRENT FISCAL YEAR:

The CID did not provide services during FY 2024, as the District remains in the initial stages. A sales tax election was passed on March 12, and a 1% sales tax became effective within the CID.

SECTION IV

For this section provide the date of budget and report submittal that occurred during the fiscal year this report is regarding.

DATE PROPOSED BUDGET WAS SUBMITTED: 1/31/2024

DATE ANNUAL BUDGET WAS ADOPTED: 4/10/2024

DATE ANNUAL REPORT WAS SUBMITTED: N/A

SECTION VI

REVENUE AND EXPENSES:

REVENUE:		
a) Sales/Use Tax Collections	\$ 0	
b) Special Assessment Collections	\$ 0	
c) CCEDST Funding	\$ 4,275	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
TOTAL REVENUE:		\$ 4.275
EXPENSES:		
I. Public Infrastructure Improvements:		
a)	\$	
b)	\$	
c)	\$	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
SUB-TOTAL:		\$ 0
II. Interior Improvements:		
a)	\$	
b)	\$	
c)	\$	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
SUB-TOTAL:		\$ 0

SECTION VI CONTINUED

REVENUE AND EXPENSES CONTINUED:

III. Exterior Improvements		
a)	\$	
b)	\$	
c)	\$	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
SUB-TOTAL:		\$ 0
IV. Services:		
a)	\$	
b)	\$	
c)	\$	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
SUB-TOTAL:		\$ 0
V. Other Expenses		
a) Election Costs	\$ 4,275	
b)	\$	
c)	\$	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
SUB-TOTAL:		\$ 4,275

EXPENSES SUB-TOTAL:		
I. Public Infrastructure Improvements	\$ 0	
II. Interior Improvements	\$ 0	
III. Exterior Improvements	\$ 0	
IV. Services	\$ 0	
V. Other Expenses	\$ 4.275	
TOTAL EXPENSES:		\$ 4.275
TOTAL REVENUE:		\$ 4.275
LESS TOTAL EXPENSES:		\$ 4.275
BALANCE:		\$ 0

SUBMIT FORM AND ANY ATTACHMENTS TO:

Missouri Dept. of Economic Development
 Attn: CID Annual Report
 P. O. Box 1157
 Jefferson City, MO 65102
 Phone: 573-522-8004
 Email: redvelopment@ded.mo.gov

City Clerk
 25th Floor, City Hall
 414 E. 12th Street
 Kansas City, MO 64106
 Phone: 816-513-6401
 Email: clerk@kcmo.org

Missouri Dept. of Revenue
 Attn: CID Annual Report
 P.O. Box 3380
 Jefferson City, MO 65105-3380
 Phone: 573-751-4876
 Email: localgov@dor.mo.gov

Missouri State Auditor
 Attn: CID Annual Report
 P.O. Box 869
 Jefferson City, MO 65102
 Phone: 573-751-4213
 Email: moaudit@auditor.mo.gov

RESOLUTION NO. 2023-01

**A RESOLUTION OF THE PALESTINE
COMMUNITY IMPROVEMENT DISTRICT
ADOPTING BYLAWS AND ELECTING OFFICERS
FOR THE PALESTINE COMMUNITY
IMPROVEMENT DISTRICT**

WHEREAS, the Palestine Community Improvement District was established by Ordinance 230920, adopted on November 9, 2023, by the City Council of Kansas City, Missouri approving the Petition to Establish the District (the “Petition”) in accordance with Section 67.1401 to 67.1571 Revised Statutes of Missouri, as amended (the “CID Act”);

WHEREAS, the initial members of the board of directors of the District (the “Board”) were appointed pursuant to the Petition; and

WHEREAS, the Board desires to elect certain of its members to serve as officers of the Board and to adopt bylaws of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palestine Community Improvement District that the following individuals are appointed to serve as officers of the Board, to serve until the first annual meeting of the Board and until their successors are duly elected and qualified:

Chair: Melvin Gross

Secretary: Alex Reed

Treasurer: Bruce Beatty

FURTHER RESOLVED, that the Bylaws heretofore submitted to and reviewed by the District’s Board and set forth as **Exhibit A**, attached hereto and incorporated herein by this reference, are hereby adopted as the Bylaws of the District, and the Secretary of the District shall cause a true copy of such Bylaws to be kept with the minutes of the meetings of the District’s Board of Directors.

[remainder of page intentionally blank]

Adopted this 7th day of December, 2023.

I, the undersigned, Chair of the Palestine Community Improvement District, hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the District at a meeting held, after proper notice, on December 7, 2023.

**PALESTINE COMMUNITY
IMPROVEMENT DISTRICT**

DocuSigned by:
Melvin D Gross
455690EAF17E472...
Chair

Attest:

DocuSigned by:
Alex Reed
360385804DDE44C...
Secretary

EXHIBIT A
BYLAWS OF THE DISTRICT

[attached]

**BYLAWS OF THE
PALESTINE COMMUNITY IMPROVEMENT DISTRICT**

**ARTICLE I
OFFICES, RECORDS**

1. Principal Office. The principal office of the Palestine Community Improvement District (the “District”) shall be located at Lathrop GPM, 2345 Grand Boulevard, Suite 2200, Kansas City, Missouri 64108, or such other place as may from time to time be designated by the Board of Directors (the “Board”).

2. Records. The District shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and each committee of the Board. The District shall keep a record of the name and place of residence of each director and each officer.

**ARTICLE II
PURPOSES**

The purposes of the District shall be to provide those services and improvements set forth in the petition for creation of the District (the “Petition”), and for all other lawful purposes that may be authorized by the Board and permitted under Sections 67.1401 through 67.1571, RSMo (the “Act”).

**ARTICLE III
BOARD**

1. Powers of Board. The Board shall have and is vested with all powers and authorities granted by the Act, except as it may be expressly limited by law, by the terms of the Petition, or these Bylaws, to supervise, control, direct and manage the property, affairs and activities of the District, to determine the policies of the District, to do or cause to be done any and all lawful things for and on behalf of the District, to exercise or cause to be exercised any or all of its powers, privileges or franchises, and to seek the effectuation of its objects and purposes.

2. Official Actions. In accordance with Section 67.1451.8, RSMo, all official acts of the Board shall be by written resolution approved by the Board.

3. Number of Directors; Qualifications. The number of directors of the District to constitute the Board shall be seven (7). The initial directors constituting the Board (the “Initial Directors”) are set forth below, and successors to the Initial Directors (the “Successor Directors”) shall be appointed by the Mayor of the City of Kansas City, Missouri (the “City”) with the consent of the City Council by resolution according to a slate submitted by the Chair of the District to the City Clerk, as set forth in the Petition and pursuant to the Act. The number of directors may not be increased or decreased. The directors shall qualify as follows: (i) six directors will be at least eighteen (18) years of age and be an owner or legally authorized representative of an owner of fee

interest in real property (“Owner”) situated within the District; (ii) at least one (1) Director will reside within Kansas City, Missouri, be qualified and registered to vote according to the records of the Election Authority as required by Chapter 115 of the Revised Statutes of Missouri, have no financial interest in any property or business operating within the District, and not be a relative within the second degree of consanguinity affinity to an owner of real property or a business operating in the District; and (iii) all directors will be and have been a resident of the State of Missouri for at least one year immediately preceding the date upon which he or she takes office in accordance with Article VII, Section 8 of the Missouri Constitution.

4. Initial Board of Directors. The initial Board shall consist of the following directors who shall serve the initial term and position designated below:

- a. Mel Gross – Director, four (4) year term
- b. Rhonda Iverson – Director, two (2) year term
- c. Rick Abel – Director, two (2) year term
- d. Simone Curls – Director, four (4) year term
- e. Bruce Beatty – Director, two (2) year term
- f. Richard Bryant – Director, four (4) year term
- g. Arfan Paroya – Director, two (2) year term

5. Commencement of Term of Office of Directors. A director shall not be deemed to have commenced his or her term of office or to have any of the powers or responsibilities of a director until the time such director accepts the office of director either by a written acceptance or by participating in the affairs of the District at a meeting of the Board or otherwise.

6. Length of Term of Office of Directors. In accordance with Section 67.1451, RSMo, the length of the term of the Initial Directors is stated in the petition for formation of the District, and each Successor Director shall serve for a four (4) year term or until his/her successor is appointed in accordance with these Bylaws, the Petition, and the Act. If for any reason a director is not able to serve his/her term, the vacancy shall be filled pursuant to the procedure set forth in Article III, Section 9.

7. Removal for Cause. In accordance with Section 67.1451.7, RSMo, any director may be removed for cause by a two-thirds (2/3) affirmative vote of the Board (five directors). Written notice of the proposed removal shall be given to all directors prior to action thereon. Any director’s failure to meet the qualification requirements set forth above, either in a director’s individual capacity or in a director’s representative capacity, shall constitute cause for the Board to take appropriate action to remove said director. In addition, the Founding Party who nominated a director may remove such director on notice to the Board. In such event, the vacancy so created shall be filled pursuant to the procedure set forth in Article III, Section 6.

8. Resignation. Any director may resign from the Board. Such resignation shall be in writing addressed to the Secretary of the District and shall be effective immediately or upon its acceptance by the Board as such resignation may provide. In such event, the vacancy so created shall be filled pursuant to the procedure set forth in Article III, Section 6.

9. Vacancy. In accordance with Section 67.1451.4, RSMo, in the event of a vacancy on the Board prior to the expiration of a director's term, the remaining directors shall elect an Interim Director nominated by the Founding Party who nominated the director whose position is vacant to fill the vacancy for the unexpired term. At the expiration of the remaining term of the Interim Director, a Successor Director shall be appointed as set forth in Section 3 above.

10. Compensation of Directors. No director shall receive compensation from the District for any service such director may render to it as a director. A director may be reimbursed for his or her actual expenses reasonably incurred in and about such director's performance of his or her duties as a director.

11. Committees. The Board may create and appoint such committees as it deems necessary and advisable to conduct studies and reviews and provide advice and recommendations to the Board.

ARTICLE IV **MEETINGS AND PROCEDURES**

1. Procedural Rules. All meetings and proceedings of the District shall be in accordance with these Bylaws.

2. Place. Meetings of the Board of the District shall be held at the principal office of the District, as designated by the Board, or at any other place as may be determined from time to time by the Board.

3. Notice of Meetings. Meetings may be called by the Chair, the Secretary or by a majority of the Board by written notice calling the same and given in the manner hereinafter provided. Written notice stating the time, date, place, and tentative agenda of a meeting shall be delivered to each director not less than twenty-four (24) hours before the time of the meeting, either personally, by mail, by electronic mail or by facsimile. If mailed, such notice shall be deemed to be delivered three days after depositing such notice in the United States mail addressed to the director at such director's address as it appears on the records of the District, with postage thereon prepaid.

4. Waiver of Notice. Any notice provided or required to be given to the directors may be waived in writing by any of them whether before or after the time stated therein. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where the director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

5. Quorum. The presence of a majority of the Board shall be requisite for and shall constitute a quorum for the transaction of business at all meetings. Vacant positions are not counted in determining a majority of the Board. The acts of directors who are present at a meeting at which a quorum is present shall be valid as the act of the Board except in those specific instances in which a larger vote may be required according to law or these Bylaws.

6. Decisions Requiring Five Votes. Notwithstanding anything to the contrary contained herein, the approval of at least 5 directors is required for the following matters: (a) any change to the Bylaws; (b) any amendment to the Cooperative Agreement between the District and the City of Kansas City, Missouri; (c) any change in allocation of funding; (d) any special sales tax or special property assessment; and (e) the formation of any committee.

7. Adjournment. Whether or not a quorum shall be present at any such meeting, the directors present shall have power to adjourn the meeting, without notice other than announcement at the meeting, to a specified date. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that could have been transacted at the original session of the meeting.

8. Voting. Each director present at any meeting shall be entitled to cast one vote on each matter coming before such meeting for decision. If a roll call is taken, all votes shall be recorded so as to attribute each “aye” and “nay” vote, or abstinence if not voting, to the name of the respective director.

9. Official Actions. In accordance with Section 67.1451.8, RSMo, all official acts of the Board shall be by written resolution approved by the Board.

10. Meeting by Conference Telephone. Members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting. Notice for such meetings shall designate a place where members of the public may hear the conference call for purposes of complying with Chapter 610 of the Revised Statutes of Missouri, as amended (the “**Sunshine Law**”).

11. Compliance with State Sunshine Law. The District is a “public governmental body” pursuant to the Sunshine Law; therefore, notwithstanding any other provision of these Bylaws and in addition to any requirements of these Bylaws, the District shall give notice of and conduct all meetings of the Board in accordance with the Sunshine Law.

ARTICLE V **OFFICERS**

1. General. The officers of the District shall be a Chair, a Secretary, a Treasurer, and such other officers as the Board may appoint. The officers shall be appointed from among the members of the Board or their designated consultants. Any two or more offices may be held by the same person.

2. Election and Terms of Office. Initially, the officers shall be appointed by the Board named in these Bylaws at the first meeting of that body, to serve until the first annual meeting of the Board and until their successors are duly elected and qualified.

At the first and each subsequent annual meeting of the Board, the Board shall appoint officers to serve until the next annual meeting of the Board and until their successors are duly appointed and qualified.

An officer shall be deemed qualified when such officer enters upon the duties of the office to which such officer has been appointed and furnishes any bond required by the Board or these Bylaws; but the Board may also require of such person a written acceptance and promise faithfully to discharge the duties of such office.

The term of office of each officer of the District shall terminate at the annual meeting of the Board next succeeding his or her appointment and at which any officer of the District is appointed unless the Board provides otherwise at the time of his or her appointment.

3. Removal. If for any reason any officer who is also a member of the Board ceases to be a member, then such officer shall be deemed automatically removed from office in the District.

4. Compensation of Officers. No officer who is also a member of the Board shall receive any salary or compensation from the District for any services such officer may render to it as an officer. Salaries and compensation of all other officers, agents and employees of the District, if any, may be fixed, increased or decreased by the Board, but until action is taken with respect thereto by the Board, the same may be fixed, increased or decreased by the Chair, or such other officer or officers as may be empowered by the Board to do so; provided, however, that no person may fix, increase or decrease his or her own salary or compensation. Each officer may be reimbursed for such officer's actual expenses if they are reasonable and incurred in connection with the purposes and activities of the District.

5. Vacancies. Vacancies caused by the death, resignation, incapacity, removal, or disqualification of an officer of the District shall be filled by the Board at any annual or other regular meeting or at any special meeting called for that purpose, and such person or persons so elected to fill any such vacancy shall serve at the pleasure of the Board until the next annual meeting of the Board, and until such officer's successor is duly elected and qualified.

6. The Chair. The Chair shall be the chief executive officer of the District, shall have such general executive powers and duties of supervision and management as are usually vested in the office of the chief executive officer of a District, and shall carry into effect all directions and resolutions of the Board. The Chair shall preside at all meetings of the Board at which he or she may be present.

The Chair may execute all bonds, notes, debentures, mortgages, and other contracts requiring a seal, under the seal of the District and may cause the seal to be affixed thereto, and all other instruments for and in the name of the District.

The Chair shall have the right to attend any meeting of any committee of the Board and to express his or her opinion and make reports at such meeting; provided, however, that unless the Chair shall be specifically appointed to any committee, the Chair shall not be considered to be a

committee member or have the right to vote or be counted for the purpose of determining a quorum at any such meeting.

The Chair may create and appoint such committees as he or she deems necessary and advisable to conduct studies and reviews and provide advice and recommendations to the Board.

The Chair shall have such other duties, powers and authority as may be prescribed elsewhere in these Bylaws or by the Board.

7. Secretary. The Secretary shall attend the meetings of the Board and shall record or cause to be recorded all votes taken and the minutes of all proceedings in the minute book of the District to be kept for that purpose. The Secretary shall perform like duties for any committee established pursuant to these Bylaws when requested by such committee to do so. The Secretary shall be the custodian of all the books, papers and records of the District and shall, at such reasonable times as may be requested, permit an inspection of such books, papers, and records by any director of the District. The Secretary shall upon reasonable demand furnish a full, true, and correct copy of any book, paper, or record in his or her possession. The Secretary shall be the administrative and clerical officer of the District under the supervision of the Chair and the Board.

The Secretary shall have the principal responsibility to give or cause to be given notice of the meetings of the Board, but this shall not lessen the authority of others to give such notice as provided in these Bylaws.

The Secretary shall have the general duties, powers, and responsibilities of a secretary of a district and shall have such other or further duties or authority as may be prescribed elsewhere in these Bylaws or from time to time by the Board.

8. Treasurer. The Treasurer shall have supervision and custody of all moneys, funds and credits of the District and shall cause to be kept full and accurate accounts of the receipts and disbursements of the District in books belonging to it. The Treasurer shall keep or cause to be kept all other books of account and accounting records of the District as shall be necessary and shall cause all moneys and credits to be deposited in the name and to the credit of the District in such accounts and depositories as may be designated by the Board. The Treasurer shall disburse or supervise the disbursement of funds of the District in accordance with the authority granted by the Board, taking proper vouchers therefor. The Treasurer shall be relieved of all responsibility for any moneys or other valuable property, or the disbursement thereof committed by the Board to the custody of any other person or district, or the supervision of which is delegated by the Board to any other officer, agent, or employee.

The Treasurer shall render to the Chair or the Board, whenever requested by them, an account of all transactions as Treasurer and of those under the Treasurer's jurisdiction and the financial condition of the District.

The Treasurer shall have the general duties, powers, and responsibilities of a treasurer of a district, shall be the chief financial and accounting officer of the District and shall have and

perform such other duties, responsibilities and authorities as may be prescribed from time to time by the Board.

9. [Intentionally Deleted].

10. Other Agents. The Board from time to time may also appoint such other agents for the District as it shall deem necessary or advisable, each of whom shall serve at the pleasure of the Board or for such period as the Board may specify, and shall exercise such powers, have such titles, and perform such duties as shall be determined from time to time by the Board or by an officer empowered by the Board to make such determinations.

11. Duties of Officers May Be Delegated. If any officer of the District be absent or unable to act, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, some or all of the functions, duties, powers and responsibilities of any officer to any other officer, or to any other agent or employee of the District or other responsible person, provided a majority of the whole Board concurs therein.

ARTICLE VI
GENERAL PROVISIONS

1. Contracts. The Board may authorize any officer or officers, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District. All contracts shall be approved by written resolution of the Board.

2. Depositories and Checks. The moneys of the District shall be deposited in such manner as the Board shall direct in such banks or trust companies as the Board may designate and shall be drawn out by checks or drafts signed in such manner as may be provided by resolution adopted by the Board.

3. Bonds. The Board may require that any officer or employee handling money of the District be bonded at the District's expense, in such amounts as may be determined by the Board.

4. Custodian of Securities. The Board may from time to time appoint one or more banks or trust companies to act for reasonable compensation as custodian of all securities and other valuables owned by the District, and to exercise in respect thereof such powers as may be conferred by resolution of the Board. The Board may remove any such custodian at any time.

5. Fiscal Year. The District's fiscal year shall begin on May 1 and end on April 30 of each calendar year.

6. Certain Loans Prohibited. The District shall not make any loan to any officer or director of the District. No loans shall be contracted on behalf of the District and no evidence of any financial obligation shall be issued in its name unless authorized by resolutions of the Board of the District.

7. Indemnification and Liability of Directors and Officers. Each person who is or was a director or officer of the District (including the heirs, executors, administrators and estate of such person) shall be indemnified by the District as of right to the full extent permitted or authorized by the laws of Missouri, as now in effect and as hereafter amended, against any liability, judgment, fine, amount paid in settlement, cost and expense (including attorneys' fees) asserted or threatened against or incurred by such person in such person's capacity as or arising out of such person's status as a director or officer of the District. The indemnification provided by this Bylaw provision shall not be exclusive of any other rights to which those indemnified may be entitled under any other bylaw provision or under any agreement, vote of disinterested directors or otherwise, and shall not limit in any way any right which the District may have to make different or further indemnifications with respect to the same or different persons or classes of persons.

No person shall be liable to the District for any loss, damage, liability or expense suffered by it on account of any action taken or omitted to be taken by such person as a director or officer of the District if such person (i) exercised the same degree of care and skill as a prudent person would have exercised under the circumstances in the conduct of his or her own affairs, or (ii) took or omitted to take such action in reliance upon advice of counsel for the District, or upon statements made or information furnished by directors, officers, employees or agents of the District which such person had no reasonable grounds to disbelieve.

8. Absence of Personal Liability. The directors and officers of the District are not individually or personally liable for the debts, liabilities, or obligations of the District.

9. Budgets. The District will annually prepare a budget for the upcoming fiscal year and submit it to the City. The budget shall set forth the expected expenditures, revenues, and rates of taxes for the following fiscal year. The City Council, in its discretion, may review and comment on the submitted budget. At the District's annual meeting, the District must adopt a budget for the next fiscal year.

10. Annual Report. Within one hundred twenty days after the end of each fiscal year, the District shall submit a report to the City Clerk and the Missouri Department of Economic Development stating the services provided by the District, revenues collected and expenditures made by the District during the previous fiscal year, along with copies of all resolutions approved by the Board during such fiscal year.

ARTICLE VII **AMENDMENTS**

The Board of the District shall have the power to make, alter, amend, and repeal the Bylaws of the District and to adopt new Bylaws, which power may be exercised by a unanimous vote of all seven (7) members of the full Board. The District shall keep at its principal office a copy of the Bylaws, as amended, which shall be open to inspection by any member of the Board at all reasonable times during office hours.

CERTIFICATE TO BYLAWS

The foregoing Bylaws were duly adopted as and for the Bylaws of the Palestine Community Improvement District by the Board of said District at its meeting held on November 27, 2023.

**PALESTINE COMMUNITY
IMPROVEMENT DISTRICT**

Chair

Attest:

Secretary

RESOLUTION NO. 2023-02

**A RESOLUTION OF THE PALESTINE COMMUNITY
IMPROVEMENT DISTRICT IMPLEMENTING A SALES
AND USE TAX UP TO ONE PERCENT (1.00%), SUBJECT
TO THE APPROVAL BY THE QUALIFIED VOTERS IN
THE DISTRICT BY MAIL-IN ELECTION**

WHEREAS, the District was established by Ordinance 230920 adopted on November 9, 2023, by the City Council of the City of Kansas City, Missouri approving the Petition to Establish the District (the “Petition”) in accordance with Sections 67.1401 to 67.1571 Revised Statutes of Missouri, as amended (the “CID Act”);

WHEREAS, the District desires to provide the district services set forth in the Petition and in accordance with the CID Act, including without limitation the following (collectively, the “Eligible Services”): (1) Maintaining, repairing, constructing, installing or equipping multi-modal transportation infrastructure and facilities to facilitate and improve access to public transportation within the District; (2) Managing and supporting transit-oriented development connecting to or within the District; (3) Contracting, financing, coordinating, and providing public safety and security personnel and equipment within the District; (4) Examining environmental conditions and implementing specific actions that reduce crime; (5) Identifying and addressing public nuisances, exterior code violations, and other issues requiring stabilization; (6) Coordinating communications, economic development, public improvements and projects, and public safety efforts between the City, District personnel, residents and/or businesses within the District, and other organizations, such as nearby Community Improvement Districts (CID) and partners; (7) developing partnerships with the Linwood Shopping Center Community Improvement District and Linwood Square Community Improvement District to support the purposes and services of all CIDs and efficiently share resources; (8) Providing for the repair, maintenance, cleaning, and ongoing upkeep of public and private areas within the District, including but not limited to cleaning, litter and graffiti removal, landscaping, or snow and ice removal; (9) Assisting and developing partnerships, marketing efforts, or other initiatives to attract investment and foster business expansion within the District; and (10) Planning, managing, financing, and implementation of the public improvements and economic development projects described in Section 67.1461.1 of the CID Act and the Petition.

WHEREAS, Section 67.1545, RSMo. authorizes the Board of Directors of the District (the “Board”) to impose a district sales and use tax, subject to the approval of the qualified voters of the District, and authorizes the use of a mail-in election procedure to submit a proposal approving such sales tax;

WHEREAS, the Board desires to submit to the qualified voters of the District a proposal to impose a community improvement district-wide sales and use tax at a maximum rate of one percent (1.00%) on all eligible retail sales for a period of twenty years or until such time as the District is terminated (if such time is less than twenty years) from the date on which such tax is first imposed for the purpose of funding the Eligible Services and purposes of the District (the “District Sales Tax”);

WHEREAS, the District Sales Tax will be imposed on all retail sales made in the District which are subject to taxation pursuant to the CID Act and the provisions of Sections 144.010 to 144.525, RSMo.;

WHEREAS, the revenue generated by the District Sales Tax will be utilized for funding the Eligible Service and purposes of the District, and shall be distributed in accordance with the CID Act; and

WHEREAS, the rate of the District Sales Tax shall be prominently displayed by all retailers within the District at the cash register area upon the approval of the qualified voters of the District in accordance with Section 67.1545 RSMo.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palestine Community Improvement District as follows:

1. That the Board of Directors of the District approves the submission of a one percent (1.00%) Sales and Use Tax on all eligible retail sales made in the District which are subject to taxation under Sections 144.010 to 144.525, RSMo., except sales of motor vehicles, trailers, boats or outboard motors and sales to or by public utilities and providers of communications, cable, or video services, to the qualified voters of the District for their approval in accordance with the mail-in provisions of Section 67.1545, RSMo:

“Shall the Palestine Community Improvement District impose a community improvement district-wide Sales and Use Tax at the maximum rate of one percent (1.00%) for a period of twenty years or until such time as the District is terminated (if such time is less than twenty years) from the date on which such tax is first imposed for the purpose of providing revenue to 1) Maintain, repair, construct, install or equip multi-modal transportation infrastructure and facilities to facilitate and improve access to public transportation within the District; 2) Manage and support transit-oriented development connecting to or within the District; 3) Contract, finance, coordinate, and provide public safety and security personnel and equipment within the District; 4) Examine environmental conditions and implement specific actions that reduce crime; 5) Identify and address public nuisances, exterior code violations, and other issues requiring stabilization; 6) Coordinate communications, economic development, public improvements and projects, and public safety efforts between the City, District personnel, residents and/or businesses within the District, and other organizations, such as nearby Community Improvement Districts (CID) and partners; 7) Develop partnerships with the Linwood Shopping Center Community Improvement District and Linwood Square Community Improvement District to support the purposes and services of all CIDs and efficiently share resources; 8) Provide for the repair, maintenance, cleaning, and ongoing upkeep of public and private areas within the District, including but not limited to cleaning, litter and graffiti removal, landscaping, or snow and ice removal; 9) Assist and develop partnerships, marketing efforts, or

other initiatives to attract investment and foster business expansion within the District; and 10) Plan, manage, finance, and implement the public improvements and economic development projects described in Section 67.1461.1 of the CID Act and this Petition?

YES

NO

If you are in favor of the question, place an "X" in the box opposite "YES."
If you are opposed to the question, place an "X" in the box opposite "NO."

2. Upon approval of the District Sales Tax by the qualified voters of the District, pursuant to Section 67.1545.3 RSMo., the District shall notify the director of the Department of Revenue within ten days of such approval.
3. Upon approval of the District Sales Tax by the qualified voters of the District, pursuant to Section 67.1545.3 RSMo, the District Sales Tax shall become effective on the first day of the second calendar quarter after the director of the Department of Revenue receives notice of the adoption of the District Sales Tax.
4. Upon approval of the District Sales Tax by the qualified voters of the District, all retailers within the District shall prominently display the sales and use tax rate of 1.00% at the cash register area by the time the District Sales Tax becomes effective.
5. This resolution shall take effect immediately.

[remainder of page intentionally blank]

Adopted this 7th day of December, 2023.

I, the undersigned, Chair of the Palestine Community Improvement District, hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the District at a meeting held, after proper notice, on December 7th, 2023.

**PALESTINE COMMUNITY
IMPROVEMENT DISTRICT**

DocuSigned by:

Melvin D Gross

455690EAF17E472...

Chair

Attest:

DocuSigned by:

Alex Reed

360385804DDE44C...

Secretary

RESOLUTION NO. 2023-03

A RESOLUTION OF THE PALESTINE COMMUNITY IMPROVEMENT DISTRICT APPROVING THE COOPERATIVE AGREEMENT BETWEEN THE CITY OF KANSAS CITY, MISSOURI; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Palestine Community Improvement District was established by Ordinance 230920 (the “Authorizing Ordinance”), adopted on November 9, 2023, by the City Council of Kansas City, Missouri approving the Petition to Establish the District (the “Petition”) in accordance with Section 67.1401 to 67.1571 Revised Statutes of Missouri, as amended;

WHEREAS, the Authorizing Ordinance directed the District to enter into a cooperative agreement, substantially in the form attached hereto as **Exhibit A** (the “Cooperative Agreement”), and authorized the City to enter into the same;

WHEREAS, the Cooperative Agreement provides for certain reporting requirements of the District, consistent with the City Code, including, among other things, the submission of an annual budget and an annual report by the District to the City of Kansas City, Missouri; and

WHEREAS, the Board of Directors of the Palestine Community Improvement District desires to approve and enter into the Cooperative Agreement with the City of Kansas City, Missouri.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PALESTINE COMMUNITY IMPROVEMENT DISTRICT, AS FOLLOWS:

Section 1. Approval and Execution of Cooperation Agreement. The Board of Directors of the District hereby approves the Cooperative Agreement in substantially the form of **Exhibit A**, attached hereto and incorporated herein by reference, and the District is hereby authorized to execute and deliver the Cooperative Agreement, with such changes therein as shall be approved by the officers of the District executing the Cooperative Agreement, such officers’ signatures thereon being conclusive evidence of their approval and the District’s approval thereof.

Section 2. Further Authority. All actions heretofore taken by the authorized representatives, agents and employees of the District in connection with the transaction contemplated by this Resolution are hereby ratified and confirmed, and the District shall, and the representatives, agents and employees of the District are hereby authorized and directed to, take such further action, and execute and deliver such other documents and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the District with respect to the Cooperative Agreement.

Section 3. Severability. The sections, paragraphs, sentences, clauses and phrases of this Resolution shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Resolution is found by a court of competent jurisdiction to be invalid, the remaining portions of this Resolution are valid, unless the court finds the valid portions of this Resolution are so essential to and inseparably connected with and dependent upon the void portion that it cannot be presumed that the District

has enacted the valid portions without the void ones, or unless the court finds that the valid portions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 4. Governing Law. This Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 5. Effective Date. This Resolution shall take effect and be in full force upon its adoption by the Board of Directors of the District.

[remainder of page intentionally blank]

Adopted this 7th day of December, 2023.

I, the undersigned, Chair of the Palestine Community Improvement District, hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the District at a meeting held, after proper notice, on December 7, 2023.

**PALESTINE COMMUNITY
IMPROVEMENT DISTRICT**

DocuSigned by:

Melvin A Gross

455690EAF17E472...

Chair

Attest:

DocuSigned by:

Alex Reed

360385804DDE44C...

Secretary

EXHIBIT A
FORM OF COOPERATIVE AGREEMENT

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT (“Agreement”) entered into as of this 24th day of January, 2024, by and between the **CITY OF KANSAS CITY, MISSOURI**, (“the City”), and the Palestine Community Improvement District, a community improvement district and political subdivision of the State of Missouri (“District” or “CID”).

WITNESSETH:

WHEREAS, the City Council of Kansas City, Missouri (the “City Council”), did on November 9, 2023, pass Ordinance No. 230920 (the “Ordinance”), which approved the District (the “Petition”); and

WHEREAS, the District is required to have a fiscal year for purposes of maintaining financial records, which pursuant to law must be the same as the fiscal year of the City, which runs from May 1 through April 30 of each year (the “Fiscal Year”); and

WHEREAS, the City is authorized in accordance with the provisions of the “Missouri Community Improvement District Act”, Sections 67.1401, et seq. RSMo, as amended (the “CID Act”), to review the District’s annual budget;

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants, herein contained, the Parties agree as follows:

ARTICLE 1: REPRESENTATIONS

Section 1.1 Representations by the District.

The District represents that:

A. The District is a community improvement district and political subdivision, duly organized and existing under the laws of the State of Missouri, including particularly the CID Act.

B. The District has authority to enter into this Agreement and to carry out its obligations under this Agreement. By proper action of its Board of Directors, the District has been duly authorized to execute and deliver this Agreement, acting by and through its duly authorized officers.

C. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the performance of or compliance with the terms and conditions of this Agreement by the District will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the District is a party or by which it or any of its property is bound, or any order, rule or regulation of any court or governmental body applicable to the District or any of its property, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of

the property or assets of the District under the terms of any instrument or agreements to which the District is a party.

D. There is no litigation or proceeding pending or threatened against the District affecting the right of the District to execute or deliver this Agreement or the ability of the District to comply with its obligations under this Agreement or which would materially adversely affect its financial condition.

Section 1.2 Representations by the City.

The City represents that:

A. The City is duly organized and existing under the Constitution and laws of the State of Missouri.

B. The City has authority to enter into this Agreement and to carry out its obligations under this Agreement.

C. The execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the performance of or compliance with the terms and conditions of this Agreement by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation of any court or governmental body applicable to the City or any of its property, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreements to which the City is a party.

D. There is no litigation or proceeding pending or threatened against the City affecting the right of the City to execute or deliver this Agreement or the ability of the City to comply with its obligations under this Agreement.

ARTICLE 2: REPORTING OBLIGATIONS OF DISTRICT

Section 2.1 Submission of Annual Budget by District.

A. The District shall annually prepare or cause to be prepared a budget (the "Budget") for the upcoming Fiscal Year, which is consistent with the purposes of the District. The Budget shall be submitted to the City Clerk for submission to the Mayor and City Council for review and comment not less than ninety (90) days prior to the intended date of approval of the Budget. Not later than the first day of each Fiscal Year of the District, the board of directors of the District (the "Board of Directors") shall adopt a Budget for the District for the ensuing budget year, with expected expenditures, revenue, and rates of assessments and taxes in such a manner as may be provided by law. If the Board of Directors fails to adopt a Budget by the first day of a Fiscal Year, the District shall be deemed to have adopted for such Fiscal Year a Budget, which provides for the application of the District's sale tax revenues collected in such Fiscal Year in accordance with the budget for the prior Fiscal Year.

B. The District shall, if requested by the City, provide in written form or testimony information as to how the proposed Budget is consistent with the purposes of the District.

C. The District shall prepare and submit to the City Clerk and the Missouri Department of Economic Development an annual report (the “Annual Report”) within 120 days after the end of the then Fiscal Year stating the services provided, revenues collected and expenditures made by the District during the Fiscal Year, and copies of all written resolutions approved by the Board of Directors during the Fiscal Year.

D. The District shall, if requested by the City, provide testimony as to the actions represented in the Annual Report that are in furtherance of the purposes and priorities as set forth in the District’s Petition.

ARTICLE 3: DEFAULTS AND REMEDIES

A. An event of default as specified in this Article (an “Event of Default”) shall occur upon the failure by either Party in the performance of any covenant, agreement or obligation imposed or created by this Agreement and the continuance of such failure for fifteen (15) days after the other Party has given written notice to such Party specifying such failure.

B. If any Event of Default has occurred and is continuing, then any non-defaulting party may, upon its election or at any time after its election while such default continues, by mandamus or other suit, action or proceedings at law or in equity enforce its rights against the defaulting party and its officers, agents and employees, and require and compel duties and obligations required by the provisions of this Agreement.

ARTICLE 4: MISCELLANEOUS

Section 4.1 Effective Date and Term.

This Agreement shall become effective on the date this Agreement has been fully executed by the Parties. This Agreement shall remain in effect for as long as the District is legally in existence.

Section 4.2 Modification.

The terms, conditions, and provision of this Agreement can be neither modified nor eliminated except in writing and by mutual agreement among the City and the District. Any modification to this Agreement as approved shall be attached hereto and incorporated herein by reference.

Section 4.3 Jointly Drafted.

The Parties agree that this Agreement has been jointly drafted and shall not be construed more strongly against another Party.

Section 4.4 Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 4.5 Validity and Severability.

It is the intention of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of State of Missouri, and that the unenforceability (or modification to conform with such laws or public policies) of any provision hereof shall not render unenforceable, or impair, the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be deemed invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable.

Section 4.6 Execution of Counterparts.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CITY

By: _____

Title: _____

APPROVED AS TO FORM:

Assistant City Attorney

DISTRICT

By: _____

Title: _____

RESOLUTION NO. 2023-04

A RESOLUTION OF THE PALESTINE COMMUNITY IMPROVEMENT DISTRICT APPROVING THE FORM OF OFFICE LEASE BETWEEN THE DISTRICT AND BASRA PROPERTY, L.L.C.; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Palestine Community Improvement District (the “District”) was established by Ordinance 230920 (the “Authorizing Ordinance”), adopted on November 9, 2023, by the City Council of Kansas City, Missouri approving the Petition to Establish the District (the “Petition”) in accordance with Section 67.1401 to 67.1571 Revised Statutes of Missouri, as amended;

WHEREAS, Basra Property, L.L.C. (“Basra”) is the owner of property located at Lots 14, 15, and 16, DUNLOP PLACE, a subdivision in Kansas City, Jackson County, Missouri according to the plat thereof, including a convenience store located on the property;

WHEREAS, pursuant to that certain Settlement Agreement by and between Basra, the Kansas City Area Transportation Authority, and Palestine Development Corporation, Basra has agreed to lease, at the District’s election, the westerly one-half of the storage area on the west side of the convenience store behind the cash register area to the District;

WHEREAS, the leased premises would be used by the District to maintain security in the area and to further the purposes of the District;

WHEREAS, the Board of Directors of the Palestine Community Improvement District desire to approve the form of Office Lease, in substantially the form attached hereto as **Exhibit A** (the “Office Lease”), and authorize officers of the CID to enter into the Office Lease.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PALESTINE COMMUNITY IMPROVEMENT DISTRICT, AS FOLLOWS:

Section 1. Approval of Form of Office Lease. The Board of Directors of the District hereby approves the Office Lease in substantially the form of **Exhibit A**, attached hereto and incorporated herein by reference, and the District is hereby authorized to execute and deliver the Office Lease, with such changes therein as shall be approved by the officers of the District executing the Office Lease, such officers’ signatures thereon being conclusive evidence of their approval and the District’s approval thereof.

Section 2. Further Authority. All actions heretofore taken by the authorized representatives, agents and employees of the District in connection with the transaction contemplated by this Resolution are hereby ratified and confirmed, and the District shall, and the representatives, agents and employees of the District are hereby authorized and directed to, take such further action, and execute and deliver such other documents and instruments as may be

necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the District with respect to the Office Lease.

Section 3. Severability. The sections, paragraphs, sentences, clauses and phrases of this Resolution shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Resolution is found by a court of competent jurisdiction to be invalid, the remaining portions of this Resolution are valid, unless the court finds the valid portions of this Resolution are so essential to and inseparably connected with and dependent upon the void portion that it cannot be presumed that the District has enacted the valid portions without the void ones, or unless the court finds that the valid portions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 4. Governing Law. This Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 5. Effective Date. This Resolution shall take effect and be in full force upon its adoption by the Board of Directors of the District.

[remainder of page intentionally blank]

Adopted this 7th day of December, 2023.

I, the undersigned, Chair of the Palestine Community Improvement District, hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the District at a meeting held, after proper notice, on December 7, 2023.

**PALESTINE COMMUNITY
IMPROVEMENT DISTRICT**

DocuSigned by:

Melvin A. Gross

455690EAF17E472...

Chair

Attest:

DocuSigned by:

Alex Reed

360385804DDE44C...

Secretary

EXHIBIT A
FORM OF OFFICE LEASE

OFFICE LEASE

OFFICE LEASE (hereafter “Office Lease” or “lease”) dated _____, 2023, between Basra Property, LLC, a Missouri limited liability company, (*hereinafter called Landlord*), and Palestine Community Improvement District, a Missouri community improvement district, (*hereinafter called Tenant*).

WITNESSETH:

WHEREAS, Tenant is to be created pursuant to that certain Settlement Agreement by and between the Kansas City Area Transportation Authority, Palestine Development Corporation, and Basra Property, L.L.C. dated November 30, 2022;

WHEREAS, Landlord is the owner of property located at Lots 14 and 15, DUNLOP PLACE, a subdivision in Kansas City, Jackson County, Missouri according to the plat thereof, including a convenience store constructed thereon;

WHEREAS, to maintain security and further the purposes of the Community Improvement District, Tenant wishes to lease from Landlord, and Landlord wishes to lease to Tenant, a portion of the western storage area of the convenience store as more particularly described herein.

NOW, THEREFORE, the parties hereto, for themselves, their legal representatives, successors, and assigns, hereby covenant and agree as follows:

ARTICLE 1.
Certain Definitions

1.01. Landlord and Tenant agree that, unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified, such definitions to be applicable equally to the singular and the plural forms of such terms.

(a) *Building* shall mean the convenience store building situated on the Land and known by the street address of 3447 Prospect Avenue, Kansas City, Missouri.

(b) *Commencement Date* shall mean the date of delivery of possession of the Demised Premises by Landlord to Tenant. For purposes hereof the date of delivery of possession of the Demised Premises to Tenant shall be the date that vacant possession of the Demised Premises is ready to be delivered to Tenant and that Landlord’s Work, if any, is substantially completed, and Tenant’s Work is completed unless Tenant has sooner taken possession of the Demised Premises, in which event the Commencement Date shall be the date of such taking of possession; provided, however, that this Office Lease is contingent upon and subject to the Tenant’s election to proceed hereunder within 365 days of the City Council’s approval of the Palestine Community District. Such election to proceed shall be exercised by the delivery by Tenant to Landlord of a notice, substantially in the form attached hereto as Exhibit A (the “Election Notice”).

(c) *Demised Premises* shall mean those certain premises in the Building designated as the westerly one-half (1/2) of the storage area on the west side of the Building

behind the cash register area of the Building as shown on the floor plan annexed hereto as Exhibit A. The Demised Premises shall extend to the exterior faces of exterior walls or to the building line where there is no wall, or to the center line of demising walls separating the Demised Premises from other portions of the Building.

(d) *Governmental Authorities* shall mean all state, federal, municipal and local governments, departments, commissions and boards and any public officer of any of the foregoing having jurisdiction over all or any part of the Demised Premises, Building and/or Property.

(e) *Insurance Requirements* shall mean (i) all terms and provisions of any insurance policy covering or applicable to the Demised Premises or any part thereof required to be carried by Tenant pursuant to this lease, or any insurance policy carried by Landlord on the Building or Property provided Tenant has been given notice of same; and (ii) all orders, rules, or regulations, general and special, ordinary and extraordinary, foreseen and unforeseen, of any character and description whatsoever, pursuant to such policies, or of any national or local Board of Fire Underwriters or (any other insurance body exercising similar functions) having jurisdiction over all or any part of the Demised Premises, Building and/or Property.

(f) *Interest Rate* shall mean a rate per annum equal to the lesser of (i) two (2%) percent above the so-called prime rate of United Missouri Bank, N.A., as publicly announced from time to time (or if said bank shall cease to exist or cease to announce such rate, any similar rate designated by Landlord which is publicly announced from time to time by any other bank in the City of Kansas City having combined capital and surplus in excess of \$100,000,000) or (ii) the maximum rate of interest, if any, which Tenant may legally contract to pay. Unless otherwise specified, any provision in this lease which requires a party to pay interest shall be deemed to require the payment of such interest at the Interest Rate.

(g) *Lease* (whether or not capitalized) shall mean this agreement, together with the Exhibits attached hereto, which are hereby made a part hereof, and all agreements supplemental to or modifying this agreement made contemporaneously herewith or subsequent hereto.

(h) *Legal Requirements* shall mean all present and future laws, orders, ordinances, directives, rules and regulations of all Governmental Authorities, general and special, ordinary and extraordinary, foreseen and unforeseen, of any character and description whatsoever, including, without limitation, all building, zoning, environmental, health and fire-safety laws.

(i) *Permitted Use* shall mean the office use of the Demised Premises in the Building by the Palestine Community Improvement District for the purposes of the CID as expressed in the CID petition by its security officers.

(j) *Possession Date* shall mean the date on which Landlord anticipates it will deliver possession of the Demised Premises to Tenant, which date is the date that Tenant's Work and/or Tenant's Changes are substantially complete.

(k) *Preliminary Term* shall mean, in the event Landlord shall give its written permission to Tenant to enter into possession of the Demised Premises to commence the performance of Tenant's Work, the period commencing on the date of such possession or occupancy and ending on the day immediately preceding the Commencement Date. During the Preliminary Term and during the period between the Commencement Date and the Rent Commencement Date, Tenant shall keep, perform and observe all of the covenants, conditions and agreements contained in this Lease on its part to be kept, performed and observed, except that Tenant shall not be required to pay the Fixed Rent.

(l) *Prepaid Rent* shall mean the sum of \$1.00, which sum shall be paid by Tenant to Landlord simultaneously with the execution of this lease, and which shall be applied against the first installments of the Fixed Rent coming due hereunder.

(m) *Property* shall mean the Building and the land on which the Building is situated, collectively.

(n) *Rent* or *Rental* (whether or not capitalized) shall mean and be deemed to include Fixed Rent, any item of additional rent, and any and all other sums payable by Tenant or due to Landlord hereunder.

(o) *Rent Commencement Date* shall mean the sooner to occur of (i) the date that is one year after the Commencement Date or (ii) the date Tenant commences the operation of its business in the Demised Premises. After the Rent Commencement Date shall have been determined, Landlord and Tenant shall execute, acknowledge and deliver to each other duplicate originals of an instrument setting forth the Commencement Date, the Rent Commencement Date and the Expiration Date, within ten (10) days after a request therefor by one of the parties hereto. The failure of either party to execute and deliver such instrument shall in no way affect the determination of such dates or the obligation of the Tenant to pay Fixed Rent or any other item of additional rent in accordance with the terms of this lease.

(p) *Security Deposit* shall mean the sum of \$2,500.00, which sum shall be paid by Tenant to Landlord simultaneously with the delivery of the Election Notice, and which shall be held by Landlord in accordance with Section 7.01 of this lease.

(q) *Tenant's Property* shall mean all moveable furniture, furnishings, trade fixtures, equipment, supplies, carpeting and signs furnished and installed by Tenant in the Demised Premises at Tenant's sole cost and expense.

(r) *Term* or the words "term of this lease" shall mean the period commencing on the Commencement Date and ending on the Expiration Date, unless sooner terminated as provided in this lease.

ARTICLE 2.
Demise, Premises, Term

2.01. The initial Term of this Lease shall last for a period of 10 years (Initial Term), commencing on the Commencement Date and pursuant to the terms hereof. Tenant shall have the exclusive option to extend the lease term for two additional terms of 5 years, commencing upon the expiration of the Initial Term or an Extended Term, as applicable, upon the same terms and conditions set forth herein (Extended Term), by providing written notice to Lessor on or before expiration of the Term or the Extended Term. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, the Demised Premises, for the Initial Term, unless sooner terminated as hereinafter provided, for the rents hereinafter reserved and upon and subject to the conditions (including limitations, restrictions and reservations) and covenants hereinafter provided. Each party hereby expressly covenants and agrees to observe and perform all of the conditions and covenants herein contained on its part to be observed and performed.

2.02. If Landlord is unable to deliver possession of the Demised Premises to Tenant on or before the Possession Date for any reason, Landlord shall not be subject to any liability for failure to deliver possession on said date and the validity of this lease shall not be impaired under such circumstances, nor shall the same be construed in any wise to extend the Term of this lease or modify the determination of the Commencement Date for purposes of determining the Term of this lease, but the Fixed Rent, shall each be abated (provided Tenant is not responsible for the inability to obtain possession) until the date on which Landlord shall deliver possession of the Demised Premises to Tenant. Notwithstanding the foregoing provisions of Section 2.02, the taking of possession of the Demised Premises by Tenant shall automatically and without notice extinguish any right of Tenant to any abatement of rent pursuant to this Section 2.02.

ARTICLE 3.
Use

3.01. Tenant shall use and occupy the Demised Premises for the Permitted Use and for no other purpose.

3.02. If any governmental license or permit or occupancy certificate or other approval shall be required for the proper and lawful conduct of Tenant's business in the Demised Premises, or any part thereof, and if failure to secure such license or permit or occupancy certificate or approval would in any way affect Landlord or Landlord's use of the Building, Tenant, at its expense, shall duly procure and thereafter maintain such license or permit and submit the same for inspection by Landlord. Tenant shall at all times comply with the terms and conditions of each such license or permit or occupancy certificate or approval.

3.03. Tenant shall not use or permit the use of the Demised Premises or any part thereof in any way which would violate any of the terms and conditions of this lease or for any unlawful purposes or in any unlawful manner, or in violation of the Certificate of Occupancy for the Demised Premises or the Building, and Tenant shall not permit the Demised Premises or any part thereof to be used in any manner or anything to be done, brought into or kept therein which, in Landlord's judgment, shall impair or interfere with (i) the character, reputation or appearance of the Building as a high quality convenience store, (ii) any of the Building services or the proper and

economic heating, cleaning, air conditioning or other servicing of the Building or the Demised Premises, or (iii) the use of any of the other areas of the Building by, or occasion discomfort, inconvenience or annoyance to, any of the other tenants or occupants or Landlord of the Building. If, as a result of the performance of any portion of Tenant's Work, or as a result of any change in the Permitted Use during the term of this lease, or as a result of any change in any Legal Requirement after the date hereof with respect to Tenant's use of the Demised Premises or the Building, it shall be necessary to obtain a new or amended Certificate of Occupancy for the Building or the Demised Premises, same shall be promptly obtained by Tenant, at Tenant's sole cost and expense, and a copy thereof shall be delivered to Landlord.

ARTICLE 4.
Fixed Rent

4.01. The fixed annual rent (Fixed Rent) payable hereunder shall be in the amount of Twelve Dollars (\$12.00) Dollars per annum (\$1.00 per month).

4.02. Tenant agrees to pay the Fixed Rent in lawful money of the United States of America, in equal monthly installments in advance on the first day of each calendar month commencing on the Rent Commencement Date and throughout the remainder of the term of this lease, at the office of Landlord, or such other place as Landlord may designate, without any abatement, set-off or deduction whatsoever, except as expressly set forth herein. Notwithstanding the foregoing, Tenant shall pay, upon the execution and delivery of this lease by Tenant, the Prepaid Rent, to be applied against the first installments of Fixed Rent becoming due under this lease. If the Rent Commencement Date occurs on a day other than the first day of a calendar month, the Fixed Rent for such calendar month shall be prorated and the balance of the first monthly installment of Fixed Rent theretofore paid shall be credited against the next monthly installment of Fixed Rent.

4.03. Tenant shall pay the Fixed Rent and additional rent herein provided, by good and sufficient check (subject to collection) drawn on a Kansas City bank. Tenant shall pay or cause to be paid without notice except as may otherwise be required in this lease, in each case without any abatement, set-off or deduction whatsoever, as additional rent, all costs, fees, interest, charges, expenses, reimbursements and obligations, and all interest and penalties thereon, which Tenant in any of the provisions of this lease has assumed or agreed to pay or which Tenant agrees are to be at the cost or expense of Tenant. All sums other than Fixed Rent payable by Tenant hereunder shall be deemed additional rent (for default in the payment of which Landlord shall have the same remedies as for a default in the payment of Fixed Rent), and shall be payable on demand, unless other payment dates are hereinafter provided. The Fixed Rent and all additional rent are sometimes referred to herein collectively as Rental.

4.04. If Tenant shall fail to pay when due (i) any installment of Fixed Rent or (ii) any additional rent and such failure shall continue for ten (10) days, then Tenant shall pay Landlord, upon demand, as additional rent, a late charge equal to five (5%) percent of such installment or payment as an agreed liquidated amount as compensation for Landlord's additional administrative expenses relating to such late payment. The provisions of this Section 4.04 are in addition to other remedies available to Landlord for non-payment of Fixed Rent or additional rent.

ARTICLE 5.
Taxes

5.01. Tenant represents to Landlord that Tenant is a political subdivision of the State of Missouri and is exempt from the payment of real property taxes and Landlord shall be liable and responsible for all taxes, assessments, and other impositions or charges levied or assessed against the Property. Notwithstanding anything herein to the contrary, if any increase in taxes is directly attributable to the making or installation of any improvement in the Demised Premises by Tenant then the full amount of said increase shall be paid by Tenant. Tenant shall pay to Landlord upon demand, as additional rent, any occupancy tax or rent tax hereafter enacted, which Landlord is hereafter required to pay with respect to the Demised Premises of this Office Lease. The Tenant may at the Tenant's expense appeal any decision of the Assessor affecting the tax-exempt status of the Demised Premises.

ARTICLE 6.
[Reserved]

ARTICLE 7.
Security Deposit

7.01. Tenant has deposited the Security Deposit with Landlord as security for the full and punctual performance by Tenant of all of the terms of this lease. In the event Tenant defaults in the performance of any of the terms of this lease, Landlord may apply the whole or any part of the security so deposited to the extent required for the payment of (i) any rent or additional rent or (ii) any sum which Landlord may expend or may be required to expend by reason of Tenant's default, including, without limitation, any damages or deficiency in the reletting of the Demised Premises, whether accruing before or after summary proceedings or other re-entry by Landlord. Upon each such application, Tenant shall, on demand, pay to Landlord the sum so applied, which shall be added to the Security Deposit so that the same shall be restored to the amount first set forth above. If Tenant shall fully and punctually comply with all of the terms of this lease, the amount of the Security Deposit, without interest, shall be returned to Tenant after the termination of this lease, delivery of exclusive possession of the Demised Premises to Landlord and all other rent and additional rent due hereunder. In the event of a sale or lease of the Building, Landlord shall have the right to transfer the security to the vendee or lessee and Landlord shall ipso facto be released by Tenant from all liability for the return of such security; and Tenant agrees to look solely to the new landlord for the return of said security and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new landlord. Tenant shall not assign or encumber or attempt to assign or encumber the monies deposited herein as security and neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, or attempted assignment or encumbrance.

ARTICLE 8.
Quiet Enjoyment

8.01. So long as Tenant pays all of the Fixed Rent and additional rent due hereunder and performs all of Tenant's other obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Demised Premises, subject, nevertheless, to the obligations of this lease and, as

provided in Article 20, to the superior leases and the superior mortgages. In the event of any breach by Landlord of this covenant provided the same would in law and or equity entitle Tenant to the remedy, in law or equity, to cancel this lease, Tenant may, by written notice given to Landlord within thirty (30) days after any such breach shall have occurred, cancel this lease, and upon any such cancellation all rights of either party against the other shall cease and the term of this lease shall expire with the same force and effect as if the date of such cancellation were the date originally fixed herein for the expiration of the term of this lease. Such right of cancellation shall be Tenant's sole remedy hereunder for a breach by Landlord of the covenant herein set forth.

ARTICLE 9. Assignment and Subletting

9.01. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage or encumber this lease, nor underlet, nor suffer, nor permit the Demised Premises or any part thereof to be used or occupied by others, without the prior written consent of Landlord in each instance, and Landlord may condition or withhold such consent. If this lease be assigned, or if the Demised Premises or any part thereof be underlet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, undertenant or occupant, and apply the net amount collected to the rent herein reserved, but no assignment, underletting, occupancy or collection shall be deemed a waiver of the provisions hereof, the acceptance of the assignee, undertenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Landlord to an assignment or underletting shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or underletting. In no event shall any permitted sublessee assign or encumber its sublease or further sublet all or any portion of its sublet space, or otherwise suffer or permit the sublet space or any part thereof to be used or occupied by others, without Landlord's prior written consent in each instance, except as expressly permitted by this Article 8. Any assignment, sublease, mortgage, pledge, encumbrance or transfer by Tenant in contravention of this Article shall be void.

9.02. For purposes of this Article, (i) the issuance of interests in Tenant or any subtenant (whether stock, partnership interest or otherwise) to any person or group of related persons, whether in a single transaction or a series of related or unrelated transactions, in such quantities that after such issuance such persons or group shall have control of Tenant or such sublessee, shall be deemed an assignment of this lease or such sublease, as the case may be, (ii) a transfer of more than 50% in interest of Tenant or any subtenant (whether stock, partnership interest or otherwise) by any party or parties in interest whether in a single transaction or a series of related or unrelated transactions shall be deemed an assignment of this lease, or such sublease, as the case may be.

9.03. Tenant shall have the right to sublet the Demised Premises or assign this lease if the sublessee or assignee is, at the time of subletting or assignment and thereafter throughout the entire term hereof, an entity which is an affiliate or wholly-owned subsidiary of Tenant, or which may, as a result of a reorganization, merger or consolidation, succeed to the entire business carried on by Tenant at such time (a "related entity"), provided the conditions set forth in Section 9.04(b) are satisfied. In connection with any assignment or subletting pursuant to Section 9.03, Landlord shall have the right, at any reasonable time and from time to time, to examine such books and

records of Tenant as may be necessary to establish that such sublessee or assignee is and remains a related corporation of Tenant.

9.04.

(a) Any request by Tenant for Landlord's consent to an assignment of this lease or a sublease of the Demised Premises shall be in writing and, in connection therewith, Tenant shall submit to Landlord the name of the proposed assignee or subtenant (and, if the proposed assignee or subtenant is not an individual, the principals thereof), the nature of its business, information as to its financial responsibility and standing and such other information as Landlord may reasonably require. In the case of subletting, Tenant shall specify in said notice the area and location of the space Tenant wishes to sublet, as well as the proposed term of such subletting. Tenant shall also specify the material business terms of the transaction.

(b) No assignment of this lease or subletting of the Demised Premises shall be effective unless the following conditions are satisfied, to wit:

(i) The assignment and/or subletting must be, respectively, of all of Tenant's interest in this lease and/or of the entire Demised Premises and, in the case of an assignment, shall also transfer to the assignee all of Tenant's right, title and interest in and to this lease including the Security Deposit, if any, deposited hereunder;

(ii) At the time of such assignment and/or subletting, this lease must be in full force and effect and without any breach or default hereunder on the part of Tenant;

(iii) The assignee or sublessee shall assume, by written instrument, in form and content reasonably satisfactory to Landlord, the due performance of all of Tenant's obligations under the lease, including any accrued obligations at the time of the assignment or subletting.

(iv) A copy of the assignment or sublease and the original assumption agreement (both in form and content reasonably satisfactory to Landlord) fully executed and acknowledged by the assignee and/or sublessee together with a certified copy of a properly executed corporate resolution authorizing such assumption agreement, shall be delivered to Landlord within ten (10) days prior to the effective date of such assignment or subletting;

(v) Such assignment and/or subletting shall be upon and subject to all the provisions, terms, covenants and conditions of this lease and Tenant (and any prior assignee(s) and sublessee(s)) shall continue to be and remain liable thereunder; and

(vi) Tenant shall reimburse Landlord as additional rent for Landlord's reasonable attorneys' fees incurred in connection with such assignment or subletting.

9.05.

(a) If Tenant shall give notice to Landlord of its desire to assign this Office Lease or to sublet all or any portion of the Demised Premises (other than as provided in Section 9.03), then Landlord shall have the following option to be exercised within thirty (30) days from receipt of Tenant's notice:

(1) If Landlord shall consent to such assignment or subletting as hereinafter provided in Section 9.06, and Tenant shall thereupon assign this lease or sublet all or any portion of the Demised Premises, then and in that event, Tenant shall pay to Landlord, as additional rent, the following:

(i) in the event of an assignment, the amount of all monies, if any, which the assignee has agreed to and does pay to Tenant in consideration of the making of such assignment less all out-of-pocket costs actually incurred by Tenant in connection with the making of such assignment, including but not limited to any brokerage fees, advertising and alteration costs; and

(ii) in the event of a subletting the amount, if any, by which the fixed rent and additional rent payable by the sublessee to Tenant shall exceed the Fixed Rent plus additional rent allocable to that part of the Demised Premises affected by such sublease, pursuant to the provisions of this lease plus the amounts, if any, payable by such sublessee to Tenant pursuant to any side agreement as consideration (partial or otherwise) for Tenant making such subletting, less all out-of-pocket costs actually incurred by Tenant in connection with such subletting, including but not limited to any brokerage fees, advertising and alteration costs. As used in this subparagraph (b), the term *consideration* shall include, without limitation, sums paid for the sale or lease of Tenant's fixtures, furnishings, equipment, leasehold improvements or other personal property, less, in the case of the sale thereof, the then net unamortized or undepreciated cost thereof determined on the basis of the longer of (x) the schedule set forth in Tenant's federal income tax returns or (y) the term of the sublease or, if there is an assignment, the balance of the term of this lease. All such additional rent payments shall be made monthly within five (5) days after receipt of the same by Tenant or within five (5) days after Tenant is credited with the same by the assignee or sublessee. At the time of submitting the proposed assignment or sublease to Landlord, Tenant and such assignee or sublessee shall certify to Landlord in writing whether or not the assignee or sublessee has agreed to pay any monies to Tenant in consideration of the making of the assignment or sublease other than as specified and set forth in such instruments, and if so Tenant and such assignee or sublessee shall certify the amounts and time of payment thereof in reasonable detail.

(iii) In the event that Tenant does assign or sublease part or all of the property to a third-party, a for-profit third party must pay the market rate of the property to the tenant. If, however, the third-party assignee or sublessee operates as a foundation, charity, or non-profit organization working for the betterment of

the community, that assignee or sublessee shall pay a lower rate agreed upon by Tenant and assignee or sublessee

9.06. If Landlord shall not elect to exercise any of the options contained in subparagraph (a) of Section 9.05 within the time periods set forth therein, then Landlord's consent to a request by Tenant to assign its entire interest in this lease or to sublet the entire Demised Premises shall not be unreasonably withheld or unduly delayed, provided:

(a) such assignment or sublease is effected in accordance with the provisions of subparagraph (b) of Section 9.04;

(b) the proposed use of the Demised Premises by the proposed assignee or subtenant shall be limited to office purposes;

(c) such assignee or sublessee shall not be entitled, directly or indirectly, to diplomatic or sovereign immunity and shall be subject to the service of process in, and the jurisdiction of the courts of, the State of Missouri, nor shall such assignee or sublessee be a school or other educational institution or any agency or instrumentality of the state, federal or municipal government; and

(d) in determining reasonableness under this Section, Landlord may take into consideration all relevant factors surrounding the proposed assignment or sublease including, without limitation, the following:

(i) the financial condition and business reputation of the proposed assignee or subtenant (and, if the proposed assignee or sublessee is not an individual, the principals thereof);

(ii) the nature of business and the proposed use of the Demised Premises by the proposed assignee or sublessee in relation to the other tenants in the Building and the other uses to which the Building is put, including, but not limited to, whether such use conflicts or competes in any way with other businesses in the Building;

(iii) restrictions contained in leases of other tenants of the Building, if any;

(iv) the effect that the proposed assignee's or sublessee's use or occupancy of the Demised Premises would have upon the operation and maintenance of the Building and the Property and Landlord's investment therein;

(v) whether the proposed assignee or sublessee is a tenant or occupant of the Building or one with whom Landlord or its agents is actively negotiating for space in the Building; and

(vi) whether Tenant proposes to assign or sublease the Demised Premises at a rental rate less than the market rate for other space in the Building or

less than the rental rate which Landlord is then asking for comparable space in the Building.

9.07. If Landlord shall recover or come into possession of the Demised Premises before the expiration of this lease, Landlord shall have the right, at its option, to take over any and all subleases of the Demised Premises or any part thereof made by Tenant and to succeed to all the rights of said subleases or such of them as it may elect to take over. Tenant hereby expressly assigns and transfers to Landlord such of the subleases as Landlord may elect to take over at the time of such recovery of possession, such assignment and transfer not to be effective until the termination of this lease or re-entry by Landlord hereunder (or if Landlord shall otherwise succeed to Tenant's estate in the Demised Premises), at which time Tenant shall, upon request of Landlord, execute, acknowledge and deliver to Landlord such further assignments and transfers as may be necessary to vest in Landlord the then existing subleases. Every sublease hereunder is subject to the condition and by its acceptance of and entry into a sublease, each subtenant thereunder shall be deemed conclusively to have thereby agreed from and after the termination of this lease or re-entry by Landlord hereunder (or if Landlord shall otherwise succeed to Tenant's estate in the Demised Premises), that such subtenant shall waive any right to surrender possession or to terminate the sublease and, at Landlord's election, such subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord, as its landlord, under all of the then executory terms of such sublease, except that Landlord shall not (i) be liable for any previous act, omission or negligence of Tenant under such sublease, (ii) be subject to any counterclaim, defense or offset which theretofore accrued to such subtenant against Tenant, (iii) be bound by any previous modification or amendment of such sublease or by any previous prepayment of more than one (1) month's rent which shall be payable as provided in the sublease, unless such modification or prepayment shall have been approved in writing by Landlord, (iv) be obligated to repair the subleased space or the Demised Premises or the Building or any part thereof in the event of total or substantial damage, beyond such repair as can reasonably be accomplished from the net proceeds of insurance actually made available to Landlord, (v) be obligated to repair the subleased space or the Demised Premises or the Building or any part thereof in the event of partial condemnation, beyond such repair as can reasonably be accomplished from the net proceeds of any award actually made available to Landlord as consequential damages allocable to the part of the subleased space or the Demised Premises or the Building not taken, or (vi) be obligated to perform any work in the subleased space or the Demised Premises or the Building or to prepare them for occupancy beyond Landlord's obligations under this lease, and the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. Each subtenant or licensee of Tenant shall be deemed automatically upon and as a condition of occupying or using the Demised Premises or any part thereof to have given a waiver of subrogation of the type described in and to the extent and upon the conditions set forth in Section 11.07.

9.08. The listing of any name other than that of Tenant, whether on the doors of the Demised Premises or the Building directory, or otherwise, shall not operate to vest any right or interest in this lease or in the Demised Premises, nor shall it be deemed to be the consent of Landlord to any assignment or transfer of this lease or to any sublease of the Demised Premises or to use or occupancy thereof by others.

9.09. Notwithstanding anything to the contrary contained herein, Tenant shall not engage, and shall cause its employees, agents and brokers not to engage, in any general advertising in connection with any proposed assignment of the Lease or subletting of all or any part of the Demised Premises.

ARTICLE 10.

Requirements of Law, Fire Insurance, Environmental Requirements, Etc.

10.01. Tenant shall, at Tenant's sole cost and expense, promptly comply with all Legal Requirements and Insurance Requirements, whether or not arising out of Tenant's use or manner of use thereof, or, with respect to the Building, if arising out of Tenant's use or manner of use of the Demised Premises or the Building (including the use permitted under the lease). If any violations are noted or issued with respect to any condition in the Demised Premises or, if arising out of Tenant's use or manner of use of the Demised Premises or the Building, with respect to any condition in the Building, Tenant shall promptly procure the cancellation or discharge of same as of record.

10.02. Tenant shall not do or permit any act or thing to be done in or to the Demised Premises which is contrary to law, or which will invalidate, violate a condition imposed by or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of Landlord. Tenant shall not keep anything in the Demised Premises except as now or thereafter permitted by the Fire Department, Board of Fire Underwriters, Fire Insurance Rating Organization and other authority having jurisdiction, and then only in such manner and such quantity so as not to increase the rate for fire insurance applicable to the Building, nor use the Demised Premises in a manner which will increase the insurance rate for the Building or any property located therein over that in effect prior to the commencement of Tenant's occupancy. If by reason of failure to comply with the foregoing the fire insurance rate shall, at the beginning of this lease or at any time thereafter, be higher than it otherwise would be, then Tenant shall reimburse Landlord, as rent hereunder, for that portion of all fire insurance premiums thereafter paid by Landlord which shall have been charged because of such failure by Tenant. In any action or proceeding wherein Landlord and Tenant are parties, a schedule or "make-up" or rate for the Building or Demised Premises issued by a body making fire insurance rates applicable to said premises shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rates then applicable to said premises.

10.03. Tenant shall not place a load upon any floor of the Demised Premises exceeding the floor load per square foot area which it was designed to carry, and which is allowed by law. Landlord reserves the right to prescribe the weight and position of all safes, business machines and mechanical equipment.

10.04. Anything elsewhere in this lease to the contrary notwithstanding, if, at any time after the Commencement Date, any Board of Fire Underwriters or Fire Insurance Exchange or any bureau, department or official of the federal, state or city government shall recommend or require the installation of a sprinkler system or that any changes, modifications, alterations, or additional sprinkler heads or other equipment be made or supplied in an existing sprinkler system, or if any such sprinkler system installations, modifications, alterations, additional sprinkler heads or other such equipment, become necessary to prevent the imposition of a penalty or charge against the full

allowance for a sprinkler system in the fire insurance rate set by any said Exchange or by any fire insurance company, in any such event by reason of Tenant's business, or the location of partitions, trade fixtures, or other contents of the Demised Premises, or for any other reason related to Tenant's use of the demised premises, Tenant shall, at Tenant's expense, promptly make such sprinkler system installations, changes, modifications, alterations and supply additional sprinkler heads or other equipment as required whether the work involved shall be structural or non-structural in nature.

10.05.

(a) For purposes hereof, the following definitions shall apply:

(i) Hazardous Materials shall mean asbestos, urea formaldehyde, polychlorinated biphenyls, petroleum products, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances which are defined, determined or identified as such in any Environmental Requirements.

(ii) *Environmental Requirements* shall mean any and all federal, state or local environmental laws, ordinances, rules or regulations (whether now existing or hereafter enacted or promulgated) or any judicial or administrative interpretations of such laws, ordinances, rules or regulations, or any judicial or administrative orders or judgments with respect thereto, including, without limitation, all local laws of the City of Kansas City, Missouri.

(b) Tenant shall comply, and shall cause all subtenants or other occupants of the Demised Premises to comply, in all respects with all Environmental Requirements and with any reasonable program of environmental health and safety which may be instituted by Landlord with respect to the Property, and will not generate, store, handle, process, dispose of or otherwise use, and will not permit any subtenant or other occupant of the Demised Premises to generate, store, handle, process, dispose of or otherwise use, Hazardous Materials at, in, on, under or about the Property in a manner that could lead or potentially lead to the imposition on Landlord, Tenant or the Property or any liability or lien of any nature whatsoever under any Environmental Requirement. Tenant shall notify Landlord promptly in the event of any presence, disposal, spillage, discharge, omission, leakage, release or threatened release of any Hazardous Material at, in, on, under or about the Property, and, will promptly forward to Landlord copies of any notices received by Tenant relating to alleged violations of any Environmental Requirement. Landlord may, at its option, at intervals of not less than one year, or more frequently if Landlord believes that a Hazardous Material or other environmental condition violates or threatens to violate any Environmental Requirement, cause an environmental audit of the Property or portions thereof to be conducted to confirm Tenant's compliance with the provisions of this Section, and Tenant shall cooperate in all ways with Landlord in connection with any such audit.

(c) Tenant covenants and agrees to indemnify, protect and save Landlord, its employees, agents, officers, directors, shareholders and partners, harmless against and from any and all damages, losses, liabilities, obligations, fines, penalties, claims, causes of

action, litigation, demands, defenses, judgments, suits, proceedings, liens, encumbrances, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys' and experts' fees and disbursements), known or unknown, foreseen or unforeseen, contingent or otherwise, which may at any time be imposed upon, incurred by or asserted or awarded against Landlord or the Property or any portion thereof and arising from or out of any Hazardous Materials on, in, under or affecting all or any portion of the Building, Property or Demised Premises, introduced by, or on behalf of, Tenant including, without limitation, (i) the costs of removal of any and all Hazardous Materials from all or any portion of the Building, Property or Demised Premises, (ii) additional costs required to take necessary precautions to protect against the release of Hazardous Materials on, in, under or affecting the Building, Property or Demised Premises, into the air, any body of water, any other public domain or any surrounding areas, and (iii) any costs incurred to comply, in connection with all or any portion of the Building, Property or Demised Premises, with Environmental Requirements. The foregoing indemnity shall not apply to Hazardous Materials which may be located in the Building, Property or Demised Premises at or prior to the occupancy of the Demised Premises or any other part of the Building by Tenant or, if sooner, the initial commencement (heretofore or hereafter) of any work, construction, repairs or alterations therein by Tenant.

(d) If at any time it is determined that the operation or use of the Demised Premises or the Property by Tenant or any subtenant or other occupant of the Demised Premises violates any applicable Environmental Requirement or that there are Hazardous Materials located at, in, on, under or about the Property which, under any Environmental Requirement, require special handling in collection, storage, treatment or disposal, or any other form of cleanup or corrective action, or if any of the foregoing shall be contrary to or in conflict with any reasonable environmental health and safety program which may be instituted by Landlord with respect to the Property, Tenant shall, within thirty (30) days after receipt of notice thereof from Landlord or any Governmental Authority, take, at its sole cost and expense, such actions as may be necessary to fully comply in all respects with all Environmental Requirements and Landlord's environmental health and safety program, as the case may be; provided, however, that if such compliance cannot reasonably be completed within such thirty (30) day period, Tenant shall commence such necessary action with such thirty (30) day period and thereafter diligently and expeditiously proceed to duly comply in all respects and in a timely fashion with all Environmental Requirements. If Tenant fails to timely take, or to diligently and expeditiously proceed to complete in a timely fashion, any such action, Landlord may, in its sole and absolute discretion, take such action as may be necessary to perform or satisfy the same, but shall in no event be under any obligation to do so. All sums advanced or paid by Landlord (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from Tenant as additional rent and shall bear interest at the Interest Rate from the date any such sums are so advanced or paid by Landlord until the date any such sums are repaid by Tenant to Landlord. Tenant will execute and deliver, promptly upon request, such instruments as Landlord may deem useful or necessary to permit Landlord to take any such action. If a lien is filed against the Property by any Governmental Authority resulting from the need to expend or the actual expending

of monies arising from an action or omission, whether intentional or unintentional, of Tenant or for which Tenant is responsible, resulting in the releasing, spilling, leaking, leaching, pumping, omitting, pouring, emptying or dumping of any Hazardous Material into the air, any body of water, any other public domain or any surrounding areas, then Tenant will, within thirty (30) days from the date that Tenant is first given notice that such lien has been placed against the Property (or within such shorter period of time as may be specified by Landlord if such Governmental Authority has commenced steps to cause the Property to be sold pursuant to such lien) either (a) pay the claim and remove the lien, or (b) furnish a cash deposit, bond, or such other security with respect thereto as is satisfactory in all respects to Landlord and is sufficient to effect a complete discharge of such lien on the Property.

(e) The obligations and liabilities of Tenant under this Section shall survive and continue in full force and effect and shall not be terminated, discharged or released, in whole or in part, irrespective of the termination or expiration of the term of this lease.

ARTICLE 11. Insurance

11.01. Tenant covenants to provide on or before the Commencement Date and to keep in force during the Term the following insurance coverage:

(a) Comprehensive Personal Injury Liability and Property Damage Insurance on an occurrence basis to afford protection in an amount of not less than Three Million (\$3,000,000) Dollars for personal injury, death or property damage arising out of any one occurrence or in any increased amount reasonably required by Landlord, protecting Landlord, Landlord's agents, the holders of all superior mortgages, the lessors under all superior leases and Tenant as insureds against any and all claims for personal injury, death or property damage occurring in, upon, adjacent to or connected with the Property or any part thereof and containing an assumed or contractual liability endorsement under this lease;

(b) Insurance against loss or damage by fire, and such other risks and hazards (including burglary, theft, breakage of glass within the Demised Premises and, if the Demised Premises are located at or below grade, broad form flood insurance) as are insurable under then available standard forms of all risk insurance policies, to Tenant's Property and improvements made at Tenant's sole cost and expense for an amount equal to 80% of the full replacement cost value thereof (including an "agreed amount" endorsement), protecting Landlord, Landlord's agents, the holders of all superior mortgages, the lessors under all superior leases and Tenant as insureds;

(c) During such time as Tenant shall be constructing any improvements, Tenant, at its sole cost and expense, shall carry, or cause to be carried, (i) Worker's Compensation Insurance covering all persons employed in connection with the improvements in statutory limits, (ii) a completed operations endorsement to the Comprehensive Personal Injury Liability and Property Damage Insurance policy referred to above, (iii) builder's risk insurance, completed value form, covering all physical loss, in

an amount reasonably satisfactory to Landlord, and (iv) such other insurance, in such amounts, as Landlord deems reasonably necessary to protect Landlord's interest in the Demised Premises from any act or omission of Tenant's contractors or subcontractors;

(d) Such other insurance, and in such amounts that may from time to time be reasonably requested by Landlord, against other insurable hazards which at the time are reasonably available and commonly insured against in the case of premises or buildings similarly situated, with due regard to the height and the type of the Building, its construction, use and occupancy.

11.02. All of the aforesaid insurance except the Workmen's Compensation Insurance required by subparagraph (c) above shall insure and name Landlord (and any designee(s) of Landlord), and the holders of all superior mortgages and lessors of all superior leases, if required by such mortgagees or lessors, as additional insureds as their respective interests may appear, and shall be issued in form and with endorsements satisfactory to Landlord by one or more prime rated insurance companies doing business in the State of Missouri and subject to Landlord's reasonable approval. All such insurance shall contain endorsements that: (i) such insurance may not be canceled or amended with respect to Landlord (or its designees) or any mortgagee named as an insured thereunder except upon thirty (30) days prior written notice to Landlord (and any such designees) and/or any such mortgagee or lessor by the insurance company; (ii) Tenant shall be solely responsible for payment of premiums and that Landlord (or its designees) shall not be required to pay any premium for such insurance; and (iii) in the event of payment of any loss covered by such policies, Landlord (or its designees) shall be paid first by the insurance company for Landlord's loss, subject to the prior rights, if any, of any holder of a superior mortgage or lessor of a superior lease. Tenant shall deliver to Landlord at least thirty (30) days prior to the time such insurance is first required to be carried by Tenant, and thereafter at least thirty (30) days prior to the expiration of any such policy or policies, a certificate of insurance (or, if required by any mortgagee or lessor, a duplicate original) of all policies procured by Tenant in compliance with its obligations hereunder, together with evidence satisfactory to Landlord of the payment of the premiums therefor. If Tenant fails to obtain and provide any or all of the aforesaid insurance, then Landlord may, but shall not be required to, purchase such insurance on behalf of Tenant and the cost of such insurance shall be payable by Tenant as additional rent.

11.03. The minimum limits of the comprehensive general liability policy of insurance shall be subject to increase at any time, and from time to time, after the commencement of the third (3rd) Lease Year of the Term if Landlord shall deem same reasonably necessary for adequate protection. Within thirty (30) days after demand therefor by Landlord, Tenant shall furnish Landlord with evidence of Tenant's compliance with such demand. Any dispute relating to an increase in said insurance may be submitted to arbitration by either party pursuant to Article 33 hereof.

11.04. Tenant shall not carry separate or additional insurance, concurrent in form and contributing, in the event of any loss or damage to the Demised Premises, with any insurance required to be obtained by Tenant under this lease, unless such separate or additional insurance shall comply with and conform to all the provisions and conditions of this Article. Tenant shall promptly give notice to Landlord of such separate and additional insurance and deliver the original or a certificate of such policies to Landlord.

11.05. Landlord shall carry during the term of this lease fire and extended coverage insurance on the Building in such amount as Landlord shall deem necessary for adequate protection, but in no event less than the amount required to avoid co-insurance by Landlord.

11.06. Landlord and Tenant shall cooperate with each other in connection with the collection of any insurance monies that may be due in the event of a loss, and each party shall execute and deliver to the other such proofs of loss and other instruments which may be required for the purpose of obtaining the recovery of any such insurance monies.

11.07. Landlord and Tenant each hereby release the other from any and all liability or responsibility (to the other or any one claiming through or under them by way of subrogation or otherwise) under fire and extended coverage or supplementary contract casualties, whether or not such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the rights of the releasor to recover thereunder. Each of Landlord and Tenant agrees that its policies will include such a clause or endorsement so long as the same shall be obtainable without extra cost, or if such cost shall be charged therefor, so long as the other party pays such extra cost. If extra cost shall be chargeable therefor, each party shall notify the other party thereof and of the amount of the extra cost, and the other party shall be obligated to pay the extra cost unless, within ten (10) days after such notice, it elects not to be obligated to do so by written notice to the original party. If such a clause or endorsement is not available, or if either party should not desire the coverage at extra cost to it, then the provisions of this Article shall not apply to the policy or policies in question.

11.08.

(a) As long as Landlord's casualty insurance policies include the waiver of subrogation or agreement or permission to release liability referred to in Section 11.07, Landlord, to the extent that such insurance is in force and collectible, hereby waives any right of recovery against Tenant, any other permitted occupant of the Demised Premises, and any of their employees, agents or contractors, for any loss occasioned by fire or other insured casualty. In the event that at any time Landlord's casualty insurance carriers shall not include such or similar provisions in Landlord's policies, the waivers set forth in the foregoing sentence shall, upon notice given by Landlord to Tenant, be deemed of no further force or effect with respect to any insured risks under such policies from and after the giving of such notice. During any period while the foregoing waiver of right of recovery is in effect, Landlord shall look solely to the proceeds of such policies to compensate Landlord for any loss occasioned by fire or other insured casualty. Except to the extent expressly provided in this subparagraph (a), nothing contained in this lease shall relieve Landlord of any liability to Tenant or to its insurance carriers which Tenant may have under law or the terms of this lease in connection with any damage to the Demised Premises or the Building by fire or other casualty.

(b) As long as Tenant's casualty insurance policies include the waiver of subrogation or agreement or permission to release liability referred to in Section 11.07,

Tenant, to the extent that such insurance is in force and collectible, hereby waives (and agrees to cause all other occupants of the Demised Premises to execute and deliver to Landlord instruments waiving) any right of recovery against Landlord, the holders of all superior mortgages and the lessors under all superior leases and any of their employees, agents or contractors, for any loss occasioned by fire or other insured casualty. In the event that at any time Tenant's casualty insurance carriers shall not include such or similar provisions in Tenant's policies, the waiver set forth in the foregoing sentence shall, upon notice given by Tenant to Landlord, be deemed of no further force or effect with respect to any insured risks under such policy from and after the giving of such notice (or in the case such insurer shall not be willing to grant such waiver for all of the required parties, such waiver shall be of no force or effect only with respect to the required parties not included in such waiver). In the event Tenant fails to have casualty insurance in effect as required by this Article 11, the waiver set forth in the first sentence of this subparagraph (b) shall be in full force and effect to the same extent as if such required insurance (containing a waiver of subrogation) were in effect. During any period while the foregoing waiver of right of recovery is in effect, Tenant, or any other occupant of the Demised Premises, as the case may be, shall look solely to the proceeds of such policies to compensate Tenant or such other occupant for any loss occasioned by fire or other insured casualty. Except to the extent expressly provided in this subparagraph (b), nothing contained in this lease shall relieve Tenant of any liability to Landlord or to its insurance carriers which Tenant may have under law or the terms of this lease in connection with any damage to the Demised Premises or the Building by fire or other casualty.

ARTICLE 12.

Initial Improvement of the Demised Premises

12.01. Landlord shall not be obligated to make any alterations, installations, additions, or improvements to prepare the Demised Premises or the Building for Tenant's occupancy.

12.02. The taking of possession of the Demised Premises by Tenant shall be conclusive evidence against Tenant that Tenant has accepted the same "as is," and that the Demised Premises were in good and satisfactory condition at the time such possession was taken.

12.03. Subject to the provisions of Article 13, Tenant shall have the right, from and after the Commencement Date, at its sole cost and expense, to perform fixturing and other work in and to the Demised Premises and furnish materials to the Demised Premises as may be required for the initial operation of Tenant's business as permitted herein, and Tenant shall perform and furnish to the Demised Premises the work and materials set forth in Exhibit C hereto, if any. All such work and materials shall be referred to herein as Tenant's Work.

ARTICLE 13.

Tenant's Changes

13.01. Tenant shall make no alterations, installations, additions or improvements including but not limited to Tenant's Work (referred to herein as Tenant's Changes) in or to the Demised Premises of any nature without Landlord's prior written consent. Subject to the prior written consent of Landlord, which shall not be unreasonably withheld, and to the provisions of

this Article, Tenant, at Tenant's expense, may make Tenant's Changes to the interior of the Demised Premises, provided that such Tenant's Changes do not (i) affect the exterior of the Building or any portion of the Building other than the Demised Premises unless so approved by Landlord in writing, (ii) affect the structure of the Building or any of its outer walls, any of its inner walls or columns which are load bearing, its foundation or roof, or (iii) affect any of the building systems including, without limitation, mechanical, electrical, heating, plumbing, elevator and other service systems of the Building (any such changes within the meaning of the foregoing (i), (ii) or (iii) being referred to collectively as Structural Changes).

13.02. Tenant's Changes in or to the Demised Premises made by or on behalf of Tenant shall be made in accordance with and subject to the following terms and conditions: (a) Tenant shall, at its expense, before commencing such work, obtain all necessary permits and approvals for the performance of such work from all Governmental Authorities having jurisdiction thereof, and (upon completion) shall obtain certificates of final approval thereof and shall deliver promptly duplicates of all such permits, approvals and certificates to Landlord; (b) Tenant shall comply with all Legal Requirements and Insurance Requirements with respect thereto; (c) Tenant shall deliver to Landlord an endorsement of its policy of insurance referred to in subparagraph (c) of Section 11.01 of this lease, covering the risk during the course of performance of such work, together with proof of payment of such endorsement, which policy as endorsed shall protect Landlord in the same amounts against any claims or liability arising out of such work, and Tenant or its contractor shall obtain worker's compensation insurance as described in Article 11 hereof; (d) Tenant shall perform such work in a good and workmanlike manner with contractors first approved by Landlord, and in such a manner as shall not interfere with the maintenance and operation of the remainder of the Building, nor impose any additional expenses upon Landlord in the maintenance and operation of the Building; and (e) Tenant shall reimburse Landlord as additional rent for the costs of Landlord's architect's, engineer's and attorneys' fees in connection with the review of Tenant's plans and specifications and the inspection of Tenant's Changes.

13.03. Each request for Landlord's approval of any Tenant's Changes shall be accompanied by a complete set of plans and specifications of the Tenant's Changes which, if Landlord so requires, shall be prepared by an architect or engineer licensed to do business in the State of Missouri. If Landlord does not initially approve such plans and specifications, Tenant shall revise same to reflect the changes requested by Landlord. Landlord shall not have any responsibility for or liability regarding such plans and specifications, and Tenant shall be solely responsible for compliance with all Legal Requirements and Insurance Requirements as provided in this lease. Approval by Landlord of such plans and specifications shall not constitute a waiver by Landlord of the compliance by Tenant with any of the terms of this lease, nor shall such approval constitute a waiver by Landlord of the right thereafter to require Tenant to amend same to correct any omissions or errors therein later discovered by Landlord. Upon the completion of any Tenant's Changes, Tenant shall furnish Landlord, at Tenant's cost, with "as-built" plans and specifications of such Tenant's Changes.

13.04. The cost of all Tenant's Changes shall be paid by Tenant in cash, or its equivalent, so that the Demised Premises and the Property shall at all times be free and clear of all liens, encumbrances, chattel mortgages, conditional bills of sale and other charges for labor and materials supplied in connection with Tenant's Work. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no

mechanic's, materialman's, vendor's or other lien for such labor or materials shall attach to or affect the reversion or other estate or interest of Landlord in and to the Demised Premises.

13.05. All Tenant's Changes (including any hard surface, bonded or adhesively affixed flooring), heating, ventilating and air-conditioning equipment and fixtures and plumbing facilities which shall have been made, furnished or installed in or upon the Demised Premises shall upon installation immediately be and become part of the realty and the sole and absolute property of Landlord and shall remain upon and be surrendered with the Demised Premises at the expiration or sooner termination of the Term, unless and to the extent that Landlord shall, pursuant to the provisions of Article 14 hereof, have elected that any of same be removed. If any of Tenant's Changes shall involve the removal of any previously made Tenant's Changes in the Demised Premises which are deemed to be the property of Landlord as provided in this Section, such Tenant's Changes shall be promptly replaced, at Tenant's expense, with new alterations, installations, additions or improvements (as the case may be) of like utility and substantially equal value unless Landlord shall otherwise expressly consent in writing.

13.06. Notwithstanding anything to the contrary contained in this lease, if at any time during the term of this lease Tenant shall be obligated pursuant to any provision of this lease to perform, or if Tenant shall obtain Landlord's prior written consent to perform, any repairs, alterations, installations, additions or improvements constituting a Structural Change, then, at Landlord's option, any such work shall be performed, at Tenant's sole cost and expense, by Landlord or its contractors. The Tenant shall provide lien waivers to Landlord from all persons or entities providing work or materials to or on behalf of Tenant for Tenant's Changes.

ARTICLE 14. Tenant's Property

14.01. All of the Tenant's Property shall remain the property of the Tenant and may be removed by the Tenant at any time prior to or at the expiration of the Term. If Tenant shall decide not to remove any part of Tenant's Property upon the expiration of the Term, Tenant shall notify Landlord in writing not less than three (3) months prior to the expiration of the Term, specifying the items of Tenant's Property which it has decided not to remove. If, within thirty (30) days after the giving of such notice, Landlord shall request Tenant to remove any of the said Tenant's Property, Tenant shall at its expense remove the same. As to such Tenant's Property which Landlord does not request Tenant to remove, the same shall be, if left by Tenant, deemed abandoned by Tenant, and, subject to Section 14.03, thereupon the same shall become the property of Landlord.

14.02. Landlord shall have the right at any time up to three (3) months prior to the expiration of the Term to give notice upon Tenant to remove from the Demised Premises any installations or improvements which are deemed to be the property of Landlord in accordance with Section 13.05 hereof and, in the event of such notice, Tenant shall, at Tenant's own cost and expense, remove the same in accordance with such request, and restore the Demised Premises to its original condition, ordinary wear and tear excepted.

14.03. If any of Tenant's Property which Tenant shall have the right to remove as provided in Section 14.01 or any of the installations or improvements which Tenant has been notified to

remove as provided in Section 14.02 shall not be removed by Tenant on or prior to the expiration of the Term, Landlord shall have the right to remove such property and to dispose of the same without accountability to Tenant and at the sole cost and expense of Tenant, and in case of any damage to the Demised Premises or the Building resulting from the removal of such property, Tenant shall reimburse Landlord for Landlord's cost in repairing such damage. This obligation shall survive the termination or expiration of this lease.

ARTICLE 15.
Repairs and Maintenance

15.01. Tenant shall, throughout the term of this lease and at no expense whatsoever to Landlord, take good care of the Demised Premises and shall not do or suffer any waste with respect thereto, and Tenant shall promptly make all repairs to the Demised Premises of every kind and nature, ordinary as well as extraordinary, foreseen as well as unforeseen, whether necessitated by wear, tear, obsolescence or defects, latent or otherwise, necessary to keep the Demised Premises in good order and condition as a first-class office/retail building; provided, however, that Tenant shall not be required to make any repairs necessitated by or due to the negligence of Landlord, its agents or employees occurring within the scope of their respective employments. When used in this Article, the term "repairs" shall include replacements, restorations and/or renewals when necessary. The necessity for and adequacy of repairs pursuant to this Article shall be measured by the reasonable standard which is adopted by Landlord for the Building. All repairs made by the Tenant shall be substantially equal in quality and workmanship to the original work. The provisions and conditions of Article 13 hereof applicable to Tenant's Changes shall similarly apply to repairs required to be done by Tenant under this Article. Tenant shall keep and maintain all portions of the Demised Premises, including, without limitation, the fixtures and equipment thereof and the bathrooms and lavatory facilities contained therein, if any, in a clean and orderly condition, free of accumulation of dirt, rubbish and other obstructions, and Tenant shall not permit or suffer any overloading of the floors of the Building. The Tenant, at its expense, shall be responsible for all repairs, maintenance and replacement of wall and floor coverings in the Demised Premises and for the repair and maintenance of all lighting fixtures therein. Tenant shall also be required to repair and maintain the air-conditioning system, the heating system and water system and gas system and sanitary system and ventilating system and electrical system serving the Demised Premises, and Landlord shall provide Tenant with reasonable access thereto (if same is not located within the Demised Premises). Except as expressly provided otherwise herein, Landlord shall not be required to make any repairs, replacements or alterations in or to the Demised Premises, and Tenant assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Demised Premises.

15.02. Landlord shall keep in good repair and maintain the exterior of the Building and its outer walls, its foundation and roof, and the building systems, driveways, sidewalks, curbs and other public portions of the Building and the Property, unless in any such case the need for such repair arises out of the act or negligence of Tenant, its employees, or agents, in which event Tenant shall be responsible for such repair. All repairs made by Landlord shall be substantially equal in quality and workmanship to the original work.

15.03. Tenant shall give notice to Landlord, promptly after Tenant learns thereof, of (i) any accident in or about the Demised Premises for which Landlord might be liable, (ii) all fires in the

Demised Premises, (iii) all damages to or defects in the Demised Premises, including the fixtures, equipment and appurtenances thereof, for the repair of which Landlord might be responsible, and (iv) all damage to or defects in any parts or appurtenances of the Building's sanitary, electrical, heating, ventilating, air-conditioning, elevator and other systems located in or passing through the Demised Premises or any part thereof.

15.04. Tenant, at Tenant's sole cost and expense, shall regularly monitor the Demised Premises for the presence of mold or any conditions that reasonably can be expected to give rise to mold ("Mold Conditions"), including, but not limited to, observed or suspected instances of water damage, mold growth, repeated complaints of respiratory ailments by Tenant's employees or other occupants of the Demised Premises, or any notice from a governmental agency of complaints regarding the indoor air quality at the Demised Premises and shall promptly notify Landlord in writing if Tenant suspects mold or Mold Conditions to exist at the Demised Premises. In the event mold or Mold Conditions exist at the Demised Premises, then Tenant, at Tenant's sole cost and expense, shall promptly ensure that mold remediation is conducted pursuant to applicable governmental laws, regulations or guidelines and shall notify Landlord of the actions Tenant is taking.

ARTICLE 16. Electricity, water, heat

16.01. Tenant shall obtain and pay for Tenant's entire separate supply of electric current, water and heat and gas used at the Demised Premises by direct application to and arrangement with the public utility company(ies) servicing the Building. Tenant shall install an electric meter and related equipment, a water meter and related equipment, and a gas meter and related equipment, to measure Tenant's consumption of electric current, water and heat and shall keep said meters and installation equipment in good working order and repair each at Tenant's own cost and expense, and Tenant shall surrender said electric meter, water meter and gas meter and installation equipment to Landlord upon the expiration or sooner termination of this lease. Landlord will permit its electric feeders, risers and wiring serving the Demised Premises to be used by Tenant to the extent available and safely capable of being used for such purpose. Tenant shall not use any electrical equipment, water lines or gas lines which in Landlord's opinion will overload such installations or interfere with the use thereof by the other tenants of the Building. Tenant covenants and agrees that at all times its use of electric current, water, and gas shall never exceed the capacity of the then existing feeders to the Building or the risers or wiring installation of other equipment or pipes for water or natural gas, nor shall Tenant use or install any fixtures, equipment or machines the use of which in conjunction with other fixtures, equipment and machines in the Demised Premises would result in an overload of the electrical circuits servicing the Demised Premises of Building or the water or gas lines serving the Demised Premises of Building. In the event Tenant shall require additional feeders, risers or wiring, or water lines or natural gas pipes to service the Demised Premises, same shall be obtained by Tenant at Tenant's sole cost and expense. Tenant shall furnish, install and replace, as required, all lighting tubes, lamps, bulbs and ballasts required in the Demised Premises, at Tenant's sole cost and expense. All lighting tubes, lamps, bulbs, and ballasts installed shall become Landlord's property upon the expiration or sooner termination of this lease.

16.02. Nothing herein shall be deemed an assurance of the continued availability from such utility company of sufficient current, water, or natural gas to the Demised Premises or that the quantity or type of current or quantity or quality of water or natural gas is now or shall hereafter be adequate for Tenant's needs. Landlord shall in no way be liable or responsible to Tenant for any loss or damage or expense which Tenant may sustain or incur if either the quantity or character of electric service or the quality of character of the water service or the quality or character of the natural gas service is changed or is no longer available or suitable for Tenant's requirements.

16.03. In the event Tenant shall enter the Demised Premises for the performance of Tenant's Work or in the event the Commencement Date shall occur prior to the installation of a meter to measure Tenant's consumption of electric current, water usage or natural gas usage, Tenant shall pay Landlord upon demand additional rent for the costs and expenses incurred by Landlord in furnishing electric current to the Demised Premises or to Tenant elsewhere in the Building. Landlord agrees to furnish such electric current reasonably required in connection with Tenant's Work, but nothing herein shall obligate Landlord to furnish such electric current to Tenant after the Commencement Date.

ARTICLE 17. Mechanics' Liens

17.01. Tenant shall not suffer or permit any liens to be filed against the Demised Premises, the Building or the Property or any portions thereof or against Tenant's leasehold estate therein by reason of any work, labor, services, or materials done for, or supplied, or claimed to have been done for, or supplied to, Tenant or anyone holding the Demised Premises or any part thereof through or under Tenant. If any such lien shall at any time be filed as aforesaid, Tenant may contest the same in good faith but notwithstanding such contest Tenant shall, within twenty (20) days after receipt of notice of the filing thereof, cause such lien to be released of record by payment, bond, order of a court of competent jurisdiction, or otherwise. In the event of Tenant's failure to release of record any such lien within the aforesaid period, Landlord may remove such lien by paying the full amount thereof or by bonding or in any other manner Landlord deems appropriate without investigating the validity thereof and irrespective of the fact that Tenant may contest the propriety or the amount thereof. Any amount paid or deposited by Landlord for any of the aforesaid purposes, and all legal and other expenses of Landlord, including attorneys' fees, in defending any such action or in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, together with interest thereon from the date of such payments at the Interest Rate, shall be paid by Tenant to Landlord within ten (10) days after demand therefor.

17.02. Nothing in this lease shall be deemed to be, or construed in any way as constituting, the consent or request of Landlord, expressed or implied, by inference or otherwise, to any person, firm or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of or to the Demised Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials which might in any way give rise to the right to file any lien against Landlord's interest in the Demised Premises, the Building or the Property or any portions thereof or Tenant's leasehold estate therein.

ARTICLE 18.
Building Services

18.01. Except as otherwise provided, Landlord shall not be obligated to provide any services to Tenant for the Demised Premises.

18.02. Tenant shall furnish adequate cold water to the Demised Premises. Tenant shall obtain and pay for Tenant's entire separate supply of water used at the Demised Premises by direct application to and arrangement with the public utility company servicing the Building. Tenant shall install meters or submeters to measure Tenant's consumption of water and shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense. Tenant shall pay for the consumption of water shown on such meters or submeters Tenant shall sewer the Demised Premises at its sole cost and shall install bathroom facilities in the Demised Premises for Tenant's use.

18.03. If the Tenant requires heating service at any time Tenant shall furnish the same and Tenant shall pay for the same. Landlord shall have no obligation to furnish air conditioning to the Demised Premises or the Building. Tenant shall have the right, but not the obligation, at its sole cost, to furnish air conditioning to the Demised Premises.

18.04. Landlord reserves the right, without any liability to Tenant, to stop service of any of the heating, ventilating, electric, sanitary, elevator or other Building systems serving the Demised Premises, or the rendition of any of the other services required of Landlord under this lease, whenever and for so long as may be necessary, by reason of accidents, emergencies, strikes or the making of repairs or changes which Landlord is required by this lease or by law to make or in good faith deems necessary, or by reason of difficulty in securing proper supplies of fuel, steam, water, electricity, labor or supplies, or by reason of any other cause beyond Landlord's reasonable control. Interruption or curtailment of any utility or building service for any reason whatsoever shall not constitute an actual or constructive or partial eviction, nor entitle Tenant to any compensation or abatement or diminution of rent, nor impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise. Landlord shall exercise reasonable diligence in the performance of any work hereunder to minimize any disturbance to Tenant, but nothing contained herein shall be deemed to require Landlord to perform the same on an overtime or premium-pay basis. Landlord shall furnish Tenant with reasonable notice before interrupting or curtailing any service as permitted by this Section, except in emergencies, in which event no such notice shall be required.

ARTICLE 19.

Access to Demised Premises, Changes in Building Facilities, Etc.

19.01. Tenant shall permit Landlord and the authorized representatives of Landlord to enter the Demised Premises at all reasonable times upon reasonable notice during usual business hours for the purpose of inspecting the same and of curing any defaults on the part of Tenant in the making of any necessary repairs to the Demised Premises, or in the performance of any work therein that may be necessary to comply with any Legal Requirements, or that may be necessary to prevent waste or deterioration in connection with the Demised Premises. No notice of such entry shall be necessary in the case of emergency or if such entry is necessary to avoid Landlord's

incurring any civil or criminal liability. Nothing in this Section shall imply any duty upon the part of Landlord to cure any such defaults or to do any such work, nor shall the performance thereof by Landlord constitute a waiver of Tenant's default in failing to perform the same. Any repairs or performance of other work on the Demised Premises which is the obligation of Tenant to perform but which Landlord elects to perform pursuant to this Article shall be at Tenant's sole cost and expense, and any amount so paid by Landlord, plus interest thereon from the date of such payment at the Interest Rate, shall be due on the first day of the next succeeding month as additional rent. Landlord shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Tenant by reason of making repairs or the performance of any work on the Demised Premises or on account of bringing materials, supplies and equipment into or through the Demised Premises during the course thereof and the obligations of Tenant under this lease shall not thereby be affected in any manner whatsoever.

19.02. All portions of the Building except the inside surfaces of all walls, windows and doors bounding the Demised Premises (including exterior Building walls, core corridor walls and doors any core corridor entrance) and any space in or adjacent to the Demised Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks or other Building facilities, and the use thereof, as well as access thereto through the Demised Premises for the purpose of operation, maintenance, decoration and repair, are reserved to Landlord.

19.03. Tenant shall permit Landlord to erect, use and maintain pipes, ducts, and conduits in and through the Demised Premises. Landlord shall to the extent practicable install such pipes, ducts, and conduits in public portions of the Building outside of the Demised Premises, and if same shall be installed within the Demised Premises, Landlord shall to the extent practicable install same by such methods and at such locations as will not materially interfere with or impair Tenant's layout or use of the Demised Premises. Landlord or its agents or designees shall have the right, upon reasonable notice to Tenant or any authorized employee of Tenant at the Demised Premises, to enter the Demised Premises, at any time or times, (a) for the making of such repairs or alterations as Landlord may deem necessary for the Building or which Landlord shall be required to or shall have the right to make by the provisions of this lease or any other lease in the Building and (b) for the purpose of inspecting them or exhibiting them to existing or prospective purchasers, mortgagees or lessees of all or part of the Land, Building or Property or to prospective assignees, agents or designees of any such parties. Landlord shall be allowed to take all material into and upon the Demised Premises that may be required for the repairs or alterations above mentioned without the same constituting an actual or constructive eviction of Tenant in whole or in part, and the rent reserved hereunder shall not abate while said repairs or alterations are being made by reason of loss or interruption of the business of Tenant because of the prosecution of such work. Landlord shall exercise reasonable diligence so as to minimize the disturbance to Tenant but nothing contained herein shall be deemed to require Landlord to perform the same on an overtime or premium-pay basis.

19.04. Landlord shall have the right at any time without the same constituting an actual or constructive eviction and without incurring liability to Tenant therefor to change the arrangement and or location of public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the Building; provided, however, that access to the Building shall not be cut off and that there shall be no unreasonable obstruction of access to the Demised Premises or unreasonable interference with the use or enjoyment thereof. Tenant shall not have any claim

against Landlord by reason of Landlord's imposition of any controls of the manner of access to the Building by Tenant's social or business visitors as the Landlord may deem necessary for the security of the Building or its occupants.

19.05. Tenant understands and agrees that Landlord may, at any time or from time to time during the term of this lease, perform substantial renovation work in and to the Building or the mechanical systems serving the Building (which work may include, but need not be limited to, the repair or replacement of the Building's exterior facade, exterior window glass, elevators, electrical systems, air conditioning and ventilating systems, plumbing system, common hallways, or lobby), any of which work may require access to the same from the Demised Premises. Tenant agrees that Landlord shall have access to the Demised Premises at all reasonable times, upon reasonable notice, for the purpose of performing such work, and that Landlord shall incur no liability to Tenant, nor shall Tenant be entitled to any abatement of rent on account of any noise, vibration, or other disturbance to Tenant's business at the Demised Premises (provided that Tenant is not denied access to said Demised Premises) which shall arise out of said access by Landlord or by the performance by Landlord of the aforesaid renovations at the Building. Landlord shall use reasonable efforts (which shall not include any obligation to employ labor at overtime rates) to avoid disruption of Tenant's business during any such entry upon the Demised Premises by Landlord. It is expressly understood and agreed by and between Landlord and Tenant that if Tenant shall commence any action or proceeding seeking injunctive, declaratory, or monetary relief in connection with the rights reserved to Landlord under this Section, or if Landlord shall commence any action or proceeding to obtain access to the Demised Premises in accordance with this Section, and if Landlord shall prevail in any such action, then Tenant shall pay to Landlord, as additional rent under this lease, a sum equal to all legal fees, costs, and disbursements incurred by Landlord in any way related to or arising out of such action or proceeding.

19.06. If an excavation or other substructure work shall be made upon land adjacent to the Demised Premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the Demised Premises for the purpose of doing such work as shall be necessary to preserve the wall of or the Building from injury or damage and to support the same by proper foundations without any claim for damages or indemnity against Landlord, or diminution or abatement of rent. Landlord agrees that the party performing such work shall exercise reasonable diligence to minimize any disturbance or interference with Tenant's business, but nothing contained herein shall be deemed to require Landlord or the party performing such work to perform the same on an overtime or premium pay basis.

19.07. Tenant recognizes and agrees that no easement for light, air or view is included in this demise, any diminution or shutting off of light, air or view by any structure presently or hereafter erected on lands adjacent to the Building (whether or not owned by Landlord) shall in no way affect this lease or impose any liability on Landlord.

19.08. Landlord may, during the twelve (12) months prior to expiration of the Term, upon reasonable notice and at reasonable times, exhibit the Demised Premises to prospective tenants.

19.09. If Tenant shall not be personally present to open and permit an entry into the Demised Premises at any time when for any reason an entry therein shall be necessary by reason

of fire or emergency, Landlord or Landlord's agents may forcibly enter the same without rendering Landlord or such agents liable therefor (if during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property) and without in any manner affecting the obligations and covenants of this lease. Tenant shall provide keys to the Demised Premises to Landlord.

19.10. Landlord may adopt any name for the Building. Landlord reserves the right to change the name or address of the Building at any time.

19.11. Tenant shall provide to Landlord, prior to Tenant's occupancy of the Demised Premises, all keys to all locks providing access to the Demised Premises and Tenant shall, in writing, provide Landlord with the name, phone number and email address of the person authorized to be the emergency contact for Tenant. Tenant shall not change any of the locks at the Demised Premises without (a) providing advance notice to Landlord and obtaining Landlord's written consent to do so and (b) providing Landlord keys for all new or changed locks. These obligations shall be continuing obligations of Tenant throughout the Term of this Lease.

ARTICLE 20. Subordination

20.01. This lease, and all rights of Tenant hereunder, are and shall be subject and subordinate in all respects to all mortgages which may now or hereafter affect the Land and/or the Building and/or any of such leases, whether or not such mortgages shall also cover other lands and/or buildings, to each and every advance made or hereafter to be made under any such mortgages, and to all renewals, modifications, replacements and extensions of such leases and such mortgages and spreaders and consolidations of such mortgages. This Section shall be self-operative, and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute and deliver any instrument that Landlord, the lessor of any such lease or the holder of any such mortgage or any of their respective successors in interest may reasonably request to evidence such subordination. The leases to which this lease is, at the time referred to, subject and subordinate pursuant to this Article are hereinafter sometimes called "superior leases" and the mortgages to which this lease is, at the time referred to, subject and subordinate pursuant to this Article are hereinafter sometimes called "superior mortgages" and the lessor of a superior lease or its successor in interest at the time referred to is sometimes hereinafter called a lessor. The term mortgage shall include an indenture of mortgage and deed of trust to a trustee to secure an issue of bonds, and the term mortgagee shall include such a trustee and the holder of a deed to secure debt. If any mortgagee requires that this lease be prior rather than subordinate to any such mortgage, Tenant shall, promptly upon request therefor by Landlord or such mortgagee, and without charge therefor, execute a document effecting and/or acknowledging such priority, which document shall contain, at the option of such mortgagee, an attornment obligation to the mortgagee as landlord in the event of foreclosure or to any party acquiring title through such mortgage in such event.

20.02. In the event of any act or omission of Landlord which would give Tenant the right, immediately or upon notice, to terminate this lease, or to claim a partial or total eviction, Tenant shall not exercise such right (i) until it has given written notice of such act or omission to the holder of each superior mortgage and the lessor of each superior lease whose name and address shall previously have been furnished to Tenant in writing, and (ii) until a reasonable period for

remedying such act or omission shall have elapsed following the giving of such notice and following the time when such holder or lessor shall have become entitled under such superior mortgage or superior lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this lease or otherwise, after similar notice, to effect such remedy), provided such holder or lessor shall with due diligence give Tenant written notice of intention to, and commence and continue to, remedy such act or omission.

20.03. If the lessor of a superior lease or the holder of a superior mortgage shall succeed to the rights of Landlord under this lease, whether through possession or foreclosure action or delivery of a new lease or deed, then at the request of such party so succeeding to Landlord's rights (herein sometimes called successor landlord) and upon successor landlord's written agreement to accept Tenant's attornment, and provided that Tenant's quiet enjoyment of the Demised Premises is not disturbed, Tenant shall attorn to and recognize such successor landlord as Tenant's landlord under this lease, and shall promptly execute and deliver any instrument that such successor landlord may reasonably request to evidence such attornment. Upon such attornment this lease shall continue in full force and effect as, or as if it were, a direct lease between the successor landlord and Tenant upon all of the terms, conditions and covenants as are set forth in this lease and shall be applicable after such attornment except that the successor landlord shall not: (a) be liable for any previous act, omission or negligence of Landlord under this lease, (b) be subject to any offset, not expressly provided for in this lease, which shall have theretofore accrued to Tenant against Landlord, (c) be bound by any previous modification or amendment of this lease or by any previous prepayment of more than one month's Fixed Rent, unless such modification or prepayment shall have been expressly approved in writing by the lessor of the superior lease or the holder of the superior mortgage through or by reason of which the successor landlord shall have succeeded to the rights of Landlord under this lease. The foregoing provisions shall inure to the benefit of any such successor landlord, shall apply to the tenancy of Tenant notwithstanding that this lease may terminate upon the termination of such superior lease or mortgage, and shall be self-operative upon any such demand, without requiring any further instrument to give effect to said provisions. Tenant, however, upon demand of any such successor landlord, agrees to execute, from time to time, an instrument in confirmation of the foregoing provisions, satisfactory to such successor landlord, in which Tenant shall acknowledge such attornment and shall set forth the terms and conditions of its tenancy, which shall be the same as those set forth herein and shall apply for the remainder of the term originally demised in this lease. Nothing contained in this Section shall be construed to impair any right, privilege, or option of any such successor landlord. Anything herein to the contrary notwithstanding, until such time as the lessor of a superior lease or the holder of a superior mortgage shall succeed to the rights of Landlord under this lease as described in this Section, all payments of Fixed Rent and additional rent payable by Tenant pursuant to the terms and provisions of this lease shall be payable directly to Landlord as required by this lease, and Landlord shall have the right to exercise any or all of the rights and remedies of the landlord elsewhere set forth herein or available at law or in equity, including but not limited to the right to commence and prosecute any and all actions or proceedings arising out of any non-payment of Fixed Rent or additional rent or other default by Tenant under this lease.

ARTICLE 21.
Non-Liability and Indemnification

21.01. Neither Landlord nor any agent or employee of Landlord shall be liable to Tenant for any injury or damage to Tenant or to any other person or for any damage to, or loss (by theft or otherwise) of, any property of Tenant or of any other person, irrespective of the cause of such injury, damage or loss, unless caused by or due to the gross negligence of Landlord, its agents or employees occurring within the scope of their respective employments, it being understood that no property, other than such as might normally be brought upon or kept in the Demised Premises as an incident to the reasonable use of the Demised Premises for the purpose herein permitted, will be brought upon or be kept in the Demised Premises.

21.02. Tenant agrees to indemnify and hold harmless Landlord, its officers, directors, partners, employees, agents and any mortgagee or lessor of the Building or the Property or any portion thereof, from and against any and all claims, actions, damages, liabilities, losses, costs and expenses, including attorneys' fees, that (i) arise out of or in connection with the performance of Tenant's Work, Tenant's Changes, or the possession, use, occupancy, repair, maintenance or control of the Demised Premises or any part thereof or (ii) arise out of or in connection with any act or omission of Tenant or Tenant's agents, employees, contractors, concessionaires, licensees, customers, invitees, subtenants or assignees, or (iii) arise out of any default, breach, violation or non-performance of this lease or any provision hereof by Tenant, or (iv) arise out of injury to person or property or loss of life sustained in or about the Demised Premises. Tenant shall, at its own cost and expense, defend any and all actions, suits and proceedings which may be brought against, and Tenant shall pay, satisfy and discharge any and all judgments, orders and decrees which may be made or entered against, Landlord, its officers, directors, partners, employees, agents or any mortgagee or master lessor of the Building or the Property or any portion thereof with respect to, or in connection with, any of the foregoing. The comprehensive general liability coverage maintained by Tenant pursuant to Section 11.01 hereof shall specifically insure the contractual obligations of Tenant as set forth in this Article and/or as provided in this lease.

21.03. Except as otherwise expressly provided in this lease, this lease and the obligations of Tenant hereunder shall be in no way affected, impaired or excused because Landlord is unable to fulfill, or is delayed in fulfilling, any of its obligations under this lease by reason of strike, other labor trouble, governmental presumption or priorities or other controls in connection with a national or other public emergency or shortages of fuel, supplies or labor resulting therefrom, fire or casualty, condemnation, acts of God or any other cause beyond Landlord's reasonable control.

ARTICLE 22.
Destruction or Damage

22.01. If the Building or the Demised Premises shall be partially or totally damaged or destroyed by fire or other cause, and if this lease shall not have been terminated as in this Article hereinafter provided, then Landlord shall repair the damage and restore and rebuild the Building and/or the Demised Premises, at its expense, with reasonable dispatch after notice to it of the damage or destruction; provided, however, that Landlord shall not be required to repair or replace any of Tenant's Property nor to restore any work or installations made by Tenant (or by Landlord at Tenant's expense) in the Demised Premises.

22.02. If the Building or the Demised Premises shall be partially damaged or partially destroyed by fire or other cause, the Fixed Rent payable hereunder shall be abated to the extent that the Demised Premises shall have been rendered untenable and for the period from the date of such damage or destruction to the date the damage shall be repaired or restored. If the Demised Premises or a major part thereof shall be totally (which shall be deemed to include substantially totally) damaged or destroyed or rendered completely (which shall be deemed to include substantially completely) untenable on account of fire or other cause, the Fixed Rent shall abate as of the date of the damage or destruction and until Landlord shall repair, restore and rebuild the Building and the Demised Premises, provided, however, that should Tenant reoccupy a portion of the Demised Premises during the period the restoration work is taking place and prior to the date that the same are made completely tenantable, rents allocable to such portion shall be payable by Tenant from the date of such occupancy. Notwithstanding anything to contrary contained in this Article 22, if Tenant is unable to reoccupy a portion of the Demised Premises during the period the restoration work is taking place and Landlord is unable to substantially complete the restoration of the Building and the Demised Premises on or before the date which is two hundred seventy (270) days after the date of the damage or the destruction (as such date may be extended pursuant to the force majeure provisions of Section 21.03 hereof), Tenant shall have as its sole and exclusive remedy the right to cancel this lease by written notice to Landlord given not later than thirty (30) days after such time limitation shall have expired, and, if Tenant so elects to terminate this lease, this lease shall terminate on the date of such notice.

22.03. If the Building or the Demised Premises shall be totally damaged or destroyed by fire or other cause, or if the Building shall be so damaged or destroyed by fire or other cause (whether or not the Demised Premises are damaged or destroyed) as to require a reasonably estimated expenditure of more than fifty (50%) percent of the full insurable value of the Building immediately prior to the casualty, or, if the Building or the Demised Premises shall be partially damaged or destroyed by fire or other cause in the last year of the Term, or, whether or not the Demised Premises are damaged, if the Building shall be so damaged that Landlord shall decide to demolish it or to rebuild it, then, in any such case, Landlord may terminate this lease by giving Tenant notice to such effect within ninety (90) days after the date of the casualty.

22.04. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Demised Premises or of the Building pursuant to this Article.

22.05. Landlord will not carry insurance of any kind on Tenant's property, and, except as provided by law or by reason of its fault or its breach of any of its obligations hereunder, shall not be obligated to repair any damage thereto or replace the same.

22.06. The provisions of this Article shall be considered an express agreement governing any case of damage or destruction of the Demised Premises by fire or other casualty, and any statute or law providing for such a contingency in the absence of an express agreement, now or hereafter in force, shall have no application in such case.

ARTICLE 23.
Eminent Domain

23.01. If the whole of the Building shall be lawfully taken by condemnation or in any other manner for any public or quasi-public use or purpose, this lease and the term and estate hereby granted shall forthwith terminate as of the date of vesting of title in such taking (which date is hereinafter also referred to as the date of the taking), and the rents shall be prorated and adjusted as of such date.

23.02. If only a part of the Building shall be so taken, then (a) Landlord (whether or not the Demised Premises be affected) may, at Landlord's option, terminate this lease and the term and estate hereby granted as of the date of such vesting of title by notifying Tenant in writing of such termination within sixty (60) days following the date on which Landlord shall have received notice of vesting of title, or (b) if such condemnation or taking shall be of any part of the Demised Premises or of part of the means of access thereto, or shall interfere with the conduct of Tenant's business at the Demised Premises, Tenant may, at Tenant's option, by delivery of notice in writing to Landlord within thirty (30) days following the date on which Tenant shall have received notice of vesting of title, terminate this lease and the term and estate hereby granted as of the date of vesting of title. Upon the giving of such notice by Tenant or Landlord, this lease shall terminate on the date of such taking and the rents shall be prorated as of such termination date. Upon such partial taking and this lease continuing in force as to any part of the Demised Premises, the rents apportioned to the part taken shall be prorated and adjusted as of the date of taking and from such date the Fixed Rent for the Demised Premises and additional rent shall be payable pursuant to Articles 5 and 6 according to the rentable area remaining.

23.03. Landlord shall be entitled to receive the entire award in any proceeding with respect to any taking provided for in this Article without deduction therefrom for any estate vested in Tenant by this lease and Tenant shall receive no part of such award, except as hereinafter expressly provided in this Article. Tenant hereby expressly assigns to Landlord all its right, title and interest in or to every such award. Notwithstanding the foregoing, Tenant may, at its sole cost and expense, make a claim with the condemning authority for Tenant's moving expenses, the value of Tenant's fixtures or Tenant's Changes which do not become part of the Building or property of Landlord, provided, however, that Landlord's award is not thereby reduced or otherwise adversely affected by such claim or separate award.

23.04. If the temporary use or occupancy of all or any part of the Demised Premises shall be lawfully taken by condemnation or in any other manner for any public or quasi-public use or purpose during the term of this lease, Tenant shall be entitled, except as hereinafter set forth, to receive that portion of the award for such taking which represents compensation for the use and occupancy of the Demised Premises and, if so awarded, for the taking of Tenant's Property and for moving expenses, and Landlord shall be entitled to receive that portion which represents reimbursement for the cost of restoration of the Demised Premises. This lease shall be and remain unaffected by such taking and Tenant shall continue to be responsible for all its obligations hereunder insofar as such obligations are not affected by such taking and shall continue to pay in full the Fixed Rent and additional rent when due. If the period of temporary use or occupancy shall extend beyond the termination of this lease, that part of the award which represents compensation for the use or occupancy of the Demised Premises (or a part thereof) shall be divided between

Landlord and Tenant so that Tenant shall receive so much thereof as represents the period prior to the termination of this lease and Landlord shall receive so much thereof as represents the period subsequent to the termination of this lease. All moneys received by Tenant as, or as part of, an award for temporary use and occupancy for a period beyond the date to which the rents hereunder have been paid by Tenant shall be received, held, and applied by Tenant as a trust fund for payment of the rents falling due hereunder. Notwithstanding any provision to the contrary contained in this Section 23.04, if the period of temporary use or occupancy shall extend beyond two hundred seventy (270) days, such use or occupancy shall for purposes hereof be deemed a taking, in which event the remaining Sections of this Article 23 shall govern.

23.05. In the event of any taking of less than the whole of the Building which does not result in a termination of this lease, or in the event of a taking for a temporary use or occupancy of all or any part of the Demised Premises which does not extend beyond the termination of this lease, Landlord, at its expense, and to the extent any award or awards shall be sufficient for the purpose, shall proceed with reasonable diligence to repair, alter and restore the remaining parts of the Building and the Demised Premises to substantially a Building standard condition to the extent that the same may be feasible and so as to constitute a complete and tenantable Building and Demised Premises, provided, however, that Landlord shall not be required to repair or replace any of Tenant's property nor to restore any work or installations made by Tenant (or by Landlord at Tenant's expense) in the Demised Premises.

23.06. Should any part of the Demised Premises be taken to effect compliance with any law or requirement of public authority other than in the manner hereinabove provided in this Article, then (i) if such compliance is the obligation of Tenant under this lease, Tenant shall not be entitled to any diminution or abatement of rent or other compensation from Landlord therefor, but (ii) if such compliance is the obligation of Landlord under this lease, then, unless Tenant shall terminate this lease pursuant to Section 23.02 hereof, the Fixed Rent hereunder shall be reduced and additional rents under Articles 5 and 6 shall be adjusted in the same manner as is provided in Section 23.02 according to the reduction in rentable area of the Demised Premises resulting from such taking.

23.07. Any dispute which may arise between the parties with respect to the meaning or application of any of the provisions of this Article shall be determined by arbitration in the manner provided in Article 33.

ARTICLE 24. Surrender, Holding Over

24.01. On the last day of the term of this lease, or upon any earlier termination of this lease, or upon any re-entry by Landlord upon the Demised Premises, Tenant shall quit and surrender the Demised Premises to Landlord in good order, condition and repair, except for ordinary wear and tear, and Tenant shall remove all of Tenant's Property therefrom except as otherwise expressly provided in this lease and shall restore the Demised Premises wherever such removal results in damage thereto.

24.02. Upon the termination of this lease, the term and estate granted by this lease shall end at noon of the date of termination as if such date were the date of expiration of the term of this

lease and neither party shall have any further obligation or liability to the other after such termination (i) except as shall be expressly provided for in this lease, or (ii) except for such obligation as by its nature or under the circumstances can only be, or by the provisions of this lease, may be, performed after such termination, and, in any event, unless expressly otherwise provided in this lease, any liability for a payment which shall have accrued to or with respect to any period ending at the time of termination shall survive the termination of this lease.

24.03. If Tenant or anyone claiming under Tenant shall remain in possession of the Demised Premises or any part thereof after the expiration of the term of this lease without any agreement in writing between Landlord and Tenant with respect thereto, the person remaining in possession shall be deemed a tenant at sufferance, and such person's occupancy during such holding shall be subject to all of the applicable terms and conditions of this lease other than Fixed Rent and those relating to the length of the Term, and in addition thereto Tenant shall pay to Landlord as liquidated damages (in addition to the additional rents reserved in this lease) \$1,000.00 plus an amount equal to twice the Fixed Rent rate due during the last twelve (12) months of the Term and additional rent and other charges payable hereunder for each and every day after the expiration of the Term, up to and including the day possession of the Demised Premises is surrendered. The acceptance of rents or other payments by Landlord shall not create a new or additional tenancy other than as aforesaid.

24.04. If Landlord has prematurely terminated this lease by reason of Tenant's default, and Tenant remains in possession of the Demised Premises beyond the termination date set forth in Landlord's notice, Tenant shall be deemed to be a trespasser illegally occupying the Demised Premises. During the period of time that Tenant so occupies the Demised Premises, Tenant shall be obligated to pay to Landlord as liquidated damages \$1,000.00 plus an amount equal to three (3) times the Fixed Rent rate due during the last twelve (12) months prior to such termination date and additional rent and other charges payable hereunder for each and every day after said termination date, up to and including the day possession of the Demised Premises is surrendered. The acceptance of rent or other payments by Landlord shall not create a new or additional tenancy other than as aforesaid.

24.05. If the Demised Premises are not surrendered as and when aforesaid, Tenant shall, in addition to any remedies of Landlord provided in Sections 24.03 and 24.04 above, indemnify and hold Landlord harmless against any and all claims, actions, damages, liabilities, losses, costs and expenses, including, without limitation, attorneys' fees, resulting from the delay by Tenant in surrendering the Demised Premises, including, without limitation, any claims made by any succeeding occupant or prospective occupant of the Demised Premises founded upon such delay.

ARTICLE 25. Conditions of Limitation

25.01. To the extent permitted by applicable law, this lease and the term and estate hereby granted are subject to the limitation that whenever Tenant shall make an assignment of the property of Tenant for the benefit of creditors, or shall file a voluntary petition under any bankruptcy or insolvency law, or an involuntary petition alleging an act of bankruptcy or insolvency shall be filed against Tenant under any bankruptcy or insolvency law, or whenever a petition shall be filed against Tenant under the reorganization provisions of the United States Bankruptcy Act or under

the provisions of any law of like import, or whenever a petition shall be filed by Tenant under the arrangement provisions of the United States Bankruptcy Act or under the provisions of any law of like import, or whenever a permanent receiver of Tenant or of or for the property of Tenant shall be appointed, then, Landlord, (a) at any time after receipt of notice of the occurrence of any such event, or (b) if such event occurs without the acquiescence of Tenant, at any time after the event continues for sixty (60) days, Landlord may give Tenant a notice of intention to end the term of this lease at the expiration of five (5) days from the date of service of such notice of intention, and upon the expiration of said five-day period this lease and the term and estate hereby granted, whether or not the term shall theretofore have commenced, shall terminate with the same effect as if that day were the Expiration Date, but Tenant shall remain liable for damages as provided in Article 27.

25.02. This lease and the term and estate hereby granted are subject to the further limitation that:

(a) whenever Tenant shall default in the payment of any installment of Fixed Rent, or in the payment of any additional rent or any other charge payable by Tenant to Landlord, within thirty (30) days after the date the same is due and payable pursuant to the terms hereof, or

(b) whenever Tenant shall do or permit anything to be done, whether by action or inaction, contrary to any of Tenant's obligations hereunder, and if such situation shall continue and shall not be remedied by Tenant within thirty (30) days after Landlord shall have given to Tenant a notice specifying the same, or, in the case of a happening or default which cannot with due diligence be cured within a period of thirty (30) days and the continuance of which for the period required for cure will not subject Landlord to the risk of criminal liability or termination of any superior lease or foreclosure of any superior deed, if Tenant shall not (i) within said thirty (30) day period advise Landlord of Tenant's intention to duly institute all steps necessary to remedy such situation, (ii) duly institute within said thirty (30) day period, and thereafter diligently prosecute to completion all steps necessary to remedy the same, and (iii) complete such remedy within such time after the date of the giving of said notice of Landlord as shall reasonably be necessary, but in no event more than sixty (60) days, or

(c) whenever any event shall occur or any contingency shall arise whereby this lease or the estate hereby granted or the unexpired balance of the term hereof would, by operation of law or otherwise, devolve upon or pass to any person, firm, or corporation other than Tenant, except as expressly permitted by Article 9, or

(d) whenever Tenant shall abandon the Demised Premises (unless because of a casualty), or

(e) whenever Tenant shall default in the faithful and timely performance or observance of any of the terms, covenants, or conditions on its part to observe or perform pursuant to the terms of any other lease of space in the Building, whether now in existence or hereinafter entered, and shall fail, after the giving of any notice provided for therein, to cure the same within any applicable grace period provided for therein, or

(f) whenever Tenant shall default in the faithful and timely performance or observance of any of the terms, covenants or conditions on its part to observe or perform pursuant to the terms of any other written agreements which may be made between Landlord and Tenant concurrently herewith and shall fail, after the giving of any notice provided for therein, to cure the same within any applicable grace period provided for therein, then in any of said cases set forth in the foregoing Subsections (a), (b), (c), (d), (e) and (f), Landlord may give to Tenant a notice of intention to end the Term of this lease at the expiration of three (3) days from the date of the service of such notice of intention, and upon expiration of said three (3) days this lease and the Term and estate hereby granted, whether or not the Term shall theretofore have commenced, shall terminate with the same effect as if that day were the Expiration Date, but Tenant shall remain liable for damages as provided in Article 27.

ARTICLE 26.

Re-Entry by Landlord

26.01. If Tenant shall default in the payment of any installment of Fixed Rent, or of any additional rent, after the expiration of applicable grace periods, or if this lease shall expire as in Article 25 provided, Landlord or Landlord's agents and employees may immediately or at any time thereafter re-enter the Demised Premises, or any part thereof, in the name of the whole, either by summary dispossession proceedings or by any suitable action or proceeding at law, or by force or otherwise as permitted by law, without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any persons therefrom, to the end that Landlord may have, hold and enjoy the Demised Premises again as and of its first estate and interest therein. The word re-enter, as herein used, is not restricted to its technical legal meaning. In the event of any termination of this lease under the provisions of Article 25 or if Landlord shall re-enter the Demised Premises under the provisions of this Article or in the event of termination of this lease, or of re-entry, by or under any summary dispossession or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall thereupon pay to Landlord the Fixed Rent and additional rent payable by Tenant to Landlord up to the time of such termination of this lease, or of such recovery of possession of the Demised Premises by Landlord, as the case may be, and shall also pay to Landlord damages as provided in Article 27.

26.02. In the event of a breach by Tenant of any of its obligations under this lease, Landlord shall also have the right of injunction. The special remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may lawfully be entitled at any time and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

26.03. If this lease shall terminate under the provision of Article 25, or if Landlord shall re-enter the Demised Premises under the provisions of this Article, or in the event of the termination of this lease, or of re-entry, by or under any summary dispossession or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Landlord shall be entitled to retain all moneys, if any, paid by Tenant to Landlord, whether as advance rent, security or otherwise, but such moneys shall be credited by Landlord against any Fixed Rent or additional rent due from Tenant at the time of such termination or reentry or, at Landlord's option, against any damages payable by Tenant under Article 27 or pursuant to law.

ARTICLE 27.
Damages

27.01. If this lease is terminated under the provisions of Article 25, or if Landlord shall re-enter the Demised Premises under the provisions of Article 26, or in the event of the termination of this lease, or of re-entry, by or under any summary dispossession or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord as damages, at the election of Landlord, either:

(a) a sum which at the time of such termination of this lease or at the time of any such re-entry by Landlord, as the case may be, represents the then value (determined on a present value basis utilizing a discount interest factor of two percentage points below the Interest Rate determined at the time of such termination) of the excess, if any, of (i) the aggregate of the Fixed Rent and the additional rent payable hereunder which would have been payable by Tenant (conclusively presuming the additional rent to be the same as was payable for the year immediately preceding such termination) for the period commencing with such earlier termination of this lease or the date of any such re-entry, as the case may be, and ending with the Expiration Date, had this lease not so terminated or had Landlord not so re-entered the Demised Premises, over (ii) the aggregate rental value of the Demised Premises for the same period, or

(b) a sum equal to the aggregate of the Fixed Rent and the additional rent (as above presumed) payable hereunder which would have been payable by Tenant had this lease not so terminated, or had Landlord not so re-entered the Demised Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the Expiration Date, provided, however, that if Landlord shall relet the Demised Premises during said period (it being understood that Landlord shall have no obligation to relet same), Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this lease or in re-entering the Demised Premises and in securing possession thereof, as well as the expenses of reletting, including altering and preparing the Demised Premises for new tenants, brokers' commissions, and all other expenses properly chargeable against the Demised Premises and the rental therefrom; it being understood that any such reletting may be for a period shorter or longer than the remaining term of this lease; but in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder, nor shall Tenant be entitled in any suit for the collection of damages pursuant to this subsection to a credit in respect of any net rents from a reletting, except to the extent that such net rents are actually received by Landlord. If the Demised Premises or any part thereof should be relet in combination with other space, then proper apportionment on a square foot basis (for equivalent space) shall be made of the rent received from such reletting and of the expenses of reletting. If the Demised Premises or any part thereof be relet by Landlord for the unexpired portion of the term of this lease, or any part thereof, before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such reletting shall, prima facie, be the fair and reasonable rental value for the Demised Premises, or part thereof, so relet during the term of the reletting.

27.02. Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the term of this lease would have expired if it had not been so terminated under the provisions of Article 25, or under any provision of law, or had Landlord not re-entered the Demised Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to prove for and obtain as liquidated damages by reason of the termination of this lease or re-entry on the Demised Premises for the default of Tenant under this lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved whether or not such amount be greater, equal to, or less than any of the sums referred to in Section 27.01.

ARTICLE 28. Tenant's Waivers

28.01. Tenant, for Tenant, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, does hereby waive and surrender all right and privilege which they or any of them might have under or by reason of any present or future law, to redeem the Demised Premises or to have a continuance of this lease for the term hereby demised after being dispossessed or ejected therefrom by process of law or under the terms of this lease or after the termination of this lease as herein provided.

28.02. In the event that Tenant is in arrears in payment of Fixed Rent or additional rent hereunder, Tenant waives Tenant's right, if any, to designate the items against which any payments made by Tenant are to be credited, and Tenant agrees that Landlord may apply any payments made by Tenant to any items it sees fit, irrespective of and notwithstanding any designation or request by Tenant as to the items against which any such payments shall be credited.

28.03. Tenant hereby waives trial by jury in any action, proceeding or counterclaim brought by either against the other on any matter whatsoever arising out of or in any way connected with this lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Demised Premises, including any claim of injury or damage, or any emergency or other statutory remedy with respect thereto.

28.04. Notwithstanding anything to the contrary provided in this lease, regardless of the nature or ground of any summary proceeding brought by Landlord to recover possession of the Demised Premises, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding. Nothing herein shall be deemed to prohibit Tenant from bringing a separate action against Landlord on account of any claim which Tenant may have against Landlord; provided, however, that Tenant agrees that Tenant, in the prosecution of any such claim, shall make no motion or otherwise request any court in which such claim is sought to be asserted to join any such claim and any proceeding instituted by Landlord to recover possession of the Demised Premises in any trial, or make any motion to otherwise seek to have any such proceeding instituted by Landlord and any action or proceeding commenced by Tenant by reason of such claim of Tenant tried simultaneously in any court.

28.05. The provisions of Articles 16 and 18 shall be considered express agreements governing the services to be furnished by Landlord, and Tenant agrees that any laws and/or requirements of public authorities, now or hereafter in force, shall have no application in connection with any enlargement of Landlord's obligations with respect to such services unless Tenant agrees, in writing, to pay to Landlord, as additional rent, Landlord's reasonable charges for any additional services provided.

ARTICLE 29.

No Other Waivers or Modifications

29.01. The failure of Landlord to insist in any one or more instances upon the strict performance of any one or more of the obligations of this lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this lease or of the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. No agreement hereinafter made between Landlord and Tenant shall be effective to change, modify, waive, release, discharge, terminate or effect an abandonment of this lease, in whole or in part, unless such executory agreement is in writing, refers expressly to this lease and is signed by the party against whom enforcement of the change, modification, waiver, release, discharge or termination or effectuation of the abandonment is sought.

29.02. The following specific provisions of this Section shall not be deemed to limit the generality of any of the foregoing provisions of this Article:

(a) No agreement to accept a surrender of all or any part of the Demised Premises shall be valid unless in writing and signed by Landlord. The delivery of keys to an employee of Landlord or of its agent shall not operate as a termination of this lease or a surrender of the Demised Premises. If Tenant shall at any time request Landlord to sublet the Demised Premises for Tenant's account, Landlord or its agent is authorized to receive said keys for such purposes without releasing Tenant from any of its obligations under this lease, and Tenant hereby releases Landlord from any liability for loss or damage to any of Tenant's property in connection with such subletting.

(b) The receipt by Landlord of rent with knowledge of breach of any obligation of this lease shall not be deemed a waiver of such breach.

(c) No payment by Tenant or receipt by Landlord of a lesser amount than the correct Fixed Rent or additional rent due hereunder shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this lease or at law provided.

ARTICLE 30.

Landlord's Right to Perform Tenant's Obligations

30.01. If Tenant shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under any of the terms or provisions of this lease,

(a) Landlord may remedy such default for the account of Tenant, immediately and without notice in case of emergency, or in any other case if Tenant shall fail to remedy such default with all reasonable dispatch after Landlord shall have notified Tenant in writing of such default and the applicable grace period for curing such default shall have expired; and (b) if Landlord makes any expenditures or incurs any obligations for the payment of money in connection with such default including, but not limited to, reasonable attorneys' fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred, with interest at the Interest Rate, shall be deemed to be additional rent hereunder and shall be paid by Tenant to Landlord upon rendition of a bill to Tenant therefor. The provisions of this Article 30 shall survive the expiration or other termination of this lease.

30.02. Bills for any expenses incurred by Landlord in connection with any such performance by it for the account of Tenant, and bills for all costs, expenses and disbursements of every kind and nature whatsoever, including but not limited to reasonable attorneys' fees, involved in collecting or endeavoring to collect the Fixed Rent or additional rent or any part thereof or enforcing or endeavoring to enforce any rights against Tenant, under or in connection with this lease, or pursuant to law, including any such cost, expense and disbursement involved in instituting and prosecuting summary proceedings, as well as bills for any property, material, labor or services provided, furnished, or rendered by Landlord or at its instance to Tenant, may be sent by Landlord to Tenant monthly, or immediately, at Landlord's option, and shall be due and payable in accordance with the terms of such bills.

ARTICLE 31.
Notices

31.01. Any notice, statement, demand or other communication (a notice) required or permitted to be given, rendered or made by either party to the other, pursuant to this lease or pursuant to any applicable law or requirement of public authority, shall be in writing (whether or not so stated elsewhere in this lease) and shall be deemed to have been properly given, rendered or made, if delivered personally or sent by United States registered or certified mail, return receipt requested, addressed to the other party at the address hereinabove set forth (except that after the Commencement Date, Tenant's address, unless Tenant shall give notice to the contrary, shall be the Building), and shall be deemed to have been given, rendered or made on the date of delivery or mailing, as the case may be. Either party may, by notice as aforesaid, designate a different address or addresses for notices, statements, demand, or other communications intended for it. Any notice to be given, rendered, or made by Landlord may be so given, rendered or made by Landlord's attorney.

If to Landlord:

Basra Property, LLC
c/o Richard T. Bryant
Richard T. Bryant & Associates, P.C.
1111 Main Street, Suite 750
Kansas City, Missouri 64105
Phone: 816-221-9000
Email: dick2479@aol.com

With a copy to: The Roe Law Firm LLC
Attn: John W. Roe
Corporate Hills North
4444 N. Belleview Ave., Suite 208
Kansas City, Missouri 64116
Phone: 816-421-9000
Email: jroe@theroelawfirm.com

If to Tenant: Palestine Community Improvement District
Attn: Melvin Gross
3619 E. 35th Street
Kansas City, Missouri 64128
Phone: 816-564-8501
Email: Melvin.Gross@sbcglobal.net

With a copy to: Lathrop GPM LLP
Attn: Jerry Riffel
2345 Grand Blvd, Ste. 2200
Kansas City, Missouri 64108
Phone: 816-460-5712
Email: Jerry.Riffel@lathropgpm.com

ARTICLE 32.
Estoppel Certificate

32.01. Tenant shall, without charge, at any time and from time to time, within ten (10) days after request by either Landlord, the holder of a superior mortgage or the lessor under a superior lease, as the case may be, execute, acknowledge and deliver to Landlord, such holder or lessor or any other person, firm or corporation specified by Landlord, a written instrument in the form attached hereto as Exhibit B (*with such additions or changes thereto as may be reasonably requested by Landlord or such holder, lessor or other person*) or such other form as may be required by the holder of any superior mortgage or the lessor under a superior lease. Prior to taking occupancy of the Demised Premises, and as a condition precedent thereto, Tenant shall execute, acknowledge and deliver such an instrument to Landlord.

32.02. Tenant shall, without charge, at any time and from time to time, within ten (10) days after request by either Landlord, the holder of a superior mortgage or the lessor under a superior lease, furnish to Landlord, such holder or lessor or any other person, firm or corporation specified by Landlord, a copy of its financial statement for its most recent full fiscal year, including, but not limited to, a profit and loss statement, prepared by an independent certified public accountant and certified by a corporate officer of Tenant.

ARTICLE 33.
Arbitration

33.01. In each case specified in this lease in which resort to arbitration shall be expressly required, such arbitration (unless otherwise specifically provided in other Sections of this lease) shall be in Jackson County, Missouri in accordance with the Commercial Arbitration Rules of the American Arbitration Association (or any successor organization) and the provisions of this lease. The decision and award of the arbitrators shall be in writing, shall be final and conclusive on the parties, and counterpart copies thereof shall be delivered to each of the parties. In rendering such decision and awards, the arbitrators shall not add to, subtract from or otherwise modify the provisions of this lease. Judgment may be had on the decision and award of the arbitrators so rendered in any court of competent jurisdiction.

ARTICLE 34.
Rules and Regulations

34.01. Tenant and its employees and agents shall faithfully observe and comply with the Rules and Regulations annexed hereto as Exhibit C, and such non-discriminatory changes therein (whether by modification, elimination or addition) as Landlord at any time or times hereafter may make and communicate in writing to Tenant, provided, however, that in case of any conflict or inconsistency between the provisions of this lease and any of the Rules and Regulations as originally promulgated or as changed, the provisions of this lease shall control. Nothing contained in this lease shall be construed to impose upon Landlord any duty or obligation to Tenant to enforce the Rules and Regulations or the terms, covenants, or conditions in any other lease, as against any other tenant, and Landlord shall not be liable to Tenant for violation of the same by any other tenant or its employees, agents or visitors. However, Landlord agrees that the Rules and Regulations which are enforced by Landlord shall be enforced on a non-discriminatory basis and in a uniform manner.

ARTICLE 35.
Broker

35.01. Tenant covenants, warrants, and represents that it dealt with no broker, finder or like person in consummating this lease and that no conversations or negotiations were had with any broker, finder or like person, concerning the leasing of the Demised Premises. Tenant agrees to indemnify and defend Landlord against, and to hold Landlord harmless from, any and all claims, liabilities, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) suffered or incurred by Landlord by reason of any claim or claims for a brokerage commission or other compensation arising out of any conversations or negotiations had by Tenant with any broker, finder or like person claiming to have dealt with Tenant in connection with the leasing of the Demised Premises.

ARTICLE 36.
Successors and Assigns

36.01. The obligations of this lease shall bind and benefit the successors and assigns of the parties with the same effect as if mentioned in each instance where a party is named or referred to,

except that no violation of the provisions of Article 8 shall operate to vest any rights in any successor or assignee of Tenant and that the provisions of this Article shall not be construed as modifying the conditions of limitation contained in Article 24. However, the obligations of Landlord under this lease shall not be binding upon Landlord herein named with respect to any period subsequent to the transfer of its interest in the Building as owner or lessee thereof and in event of such transfer Landlord shall be entirely freed and relieved of all obligations of the Landlord hereunder and said obligations shall thereafter be binding upon each transferee of the interest of Landlord herein named as such owner or lessee of the Building, but only with respect to the period ending with a subsequent transfer within the meaning of this Article.

ARTICLE 37.

Limitation of Landlord's Liability

37.01. Notwithstanding anything to the contrary provided in this lease, it is understood and agreed that there shall be absolutely no personal liability on the part of Landlord or any officer, director, shareholder, partner, employee or agent of Landlord (or any successor corporate landlord or any partner of any limited or general partnership which may become Landlord or any individual or other entity) with respect to any of the terms, covenants and conditions of this lease, and Tenant shall look solely to the equity, if any, of Landlord in the Property for the satisfaction of each and every remedy of Tenant in the event of breach or default by Landlord of any of the terms, covenants and conditions of this lease, such exculpation of personal liability to be absolute and without any exception whatsoever. No other property or assets of Landlord shall be subject to judgment, levy, execution, or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this lease, the relationship of Landlord and Tenant hereunder or Tenant's use or occupancy of the Demised Premises.

37.02. No abatement, diminution or reduction of rent or other charges required to be paid by Tenant pursuant to the terms of this lease, shall be claimed by, or allowed to, Tenant for any inconvenience, interruption, cessation or loss of business or otherwise caused directly or indirectly by any Legal Requirement, or by priorities, rationing or curtailment of labor or materials, or by war, civil commotion, strikes or riots, or any matter or thing resulting therefrom, or by any other cause or causes outside of Landlord's reasonable control, nor shall this lease be affected by any such causes.

37.03. Wherever in this lease Landlord's consent or approval is required, if Landlord shall refuse such consent or approval, Tenant in no event shall be entitled to make, nor shall Tenant make, any claim, and Tenant hereby waives any claim for money damages (nor shall Tenant claim any money damages by way of setoff, counterclaim or defense), based upon any claim or assertion by Tenant that Landlord unreasonably withheld or unduly delayed its consent or approval. Tenant's sole remedy in such event shall be an action or proceeding to enforce any such provision, for specific performance, injunction, or declaratory judgment.

ARTICLE 38.

Miscellaneous

38.01. Tenant expressly acknowledges and agrees that Landlord has not made and is not making, and Tenant, in executing and delivering this lease, is not relying upon, any warranties,

representations, promises or statements, except to the extent that the same are expressly set forth in this lease or in any other written agreement which may be made between the parties concurrently with the execution and delivery of this lease and shall expressly refer to this lease. This lease and said other written agreement(s) made concurrently herewith are hereinafter referred to as the lease documents. It is understood and agreed that all understandings and agreements heretofore had between the parties are merged in the lease documents, which alone fully and completely express their agreements and that the same are entered into after full investigation, neither party relying upon any statement or representation not embodied in the lease documents, made by the other.

38.02. If any of the provisions of this lease, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this lease, or the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this lease shall be valid and enforceable to the fullest extent permitted by law.

38.03. This lease shall be governed, construed, interpreted and enforced in accordance with the laws of the State of Missouri.

38.04. If Tenant is a corporation, the person executing this lease on behalf of Tenant does hereby represent and warrant to Landlord that Tenant is a duly incorporated and validly existing corporation, that Tenant has and is qualified to do business in Missouri, that Tenant has the full right, power and authority to enter into and perform this lease, and that each person signing this lease on behalf of Tenant is authorized to do so and to bind Tenant to the terms of this lease.

38.05. The various terms which are defined in this lease or are defined in Exhibits annexed thereto shall have the meanings specified in such other Articles and such Exhibits for all purposes of this lease and all agreements supplemental thereto, unless the context shall otherwise require.

38.06. All references in this lease to numbered Articles, numbered Sections and lettered Exhibits are references to Articles and Sections of this lease, and Exhibits annexed to (and thereby made part of) this lease, as the case may be, unless expressly otherwise designated in the context.

38.07. The table of contents and captions appearing in this lease are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this lease nor the intent of any provision thereof.

38.08. Each and every term and provision of this lease which requires any performance (whether affirmative or negative) by Tenant shall be deemed to be both a covenant and a condition.

38.09. The language in all parts of this lease shall in all cases be construed as a whole according to its fair meaning, and not strictly for nor against either Landlord or Tenant, and should a court be called upon to interpret any provision hereof, no weight shall be given to, nor shall any construction or interpretation be influenced by, any presumption of preparation of a lease by Landlord or by Tenant.

38.10. Words and phrases used in the singular shall be deemed to include the plural and vice versa, and nouns and pronouns used in any particular gender shall be deemed to include any other gender.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this lease as of the day and year first above written.

TENANT

PALESTINE COMMUNITY
IMPROVEMENT DISTRICT

BY: _____

PRINT NAME: _____

TITLE: _____

LANDLORD

BASRA PROPERTY, LLC

BY: _____

PRINT NAME: _____

TITLE: _____

Exhibit A

_____, 2024

VIA EMAIL

Basra Properties, L.L.C.
c/o Richard T. Bryant
Richard T. Bryant & Associates, P.C.
1111 Main Street, Suite 750
Kansas City, Missouri 64105
Email: dick2479@aol.com

Re: **Notice of Election under Office Lease**

To whom it may concern:

I write on behalf of the Palestine Community Improvement District (the “**District**”), pursuant to that certain Office Lease dated [•] by and between the District and Basra Properties, L.L.C. (the “**Office Lease**”). The District hereby elects to proceed under the Office Lease.

Sincerely,

Melvin A. Gross
Chair of the Board of Directors, Palestine
Community Improvement District

RESOLUTION NO. 2024-01

THE PALESTINE COMMUNITY IMPROVEMENT DISTRICT

**RESOLUTION OF THE PALESTINE COMMUNITY IMPROVEMENT DISTRICT
("DISTRICT") REGARDING THE FY 2025 BUDGET.**

WHEREAS, RSMo. RSMo. § 67.1471.3 provides that no later than 30 days prior to the first day of each fiscal year, the District shall adopt an annual budget for the District.

NOW, THEREFORE, BE IT RESOLVED, that the proposed FY 2025 annual budget of the District attached hereto as Exhibit A is hereby approved, and that the Chair and Secretary are authorized and directed to take all further action necessary to submit such budget, and to otherwise carry out the purposes and intent of this Resolution. This Resolution shall take effect immediately.

Adopted this 10th day of April, 2024.

DocuSigned by:
By: Melvin A Gross
455690EAF17E472...
Melvin Gross, Chair

ATTEST:

DocuSigned by:
Alex Reed
360385804DDE44C...
Alex Reed, Secretary

EXHIBIT A

FY 2025 Budget

See attached.

Palestine Community Improvement District
FISCAL YEAR BUDGET MAY 1, 2024 - APRIL 30, 2025

Revenue

CID Project Generation

Sales Tax	\$ 70,000
Budgeted Palestine CCEDST Funding	\$ 22,000 *
City Funding Advance	\$ 141,750
<i>Subtotal Generated</i>	\$ 233,750

Expenses

Administration

Initial Election Costs	\$ 5,000 *
Bank Charges	\$ 500
Insurance	\$ 5,000 *
Management Fee	\$ 12,000 *
Marketing / Advertising	\$ -
Meals & Entertainment	\$ -
Office Supplies & Equipment	\$ 500
Postage & Delivery	\$ 250
Printing & Reproduction	\$ 500
Audit, Accounting, Tax, Compliance	\$ 20,000
Professional Fees - Legal	\$ - **
Community Events	\$ 10,000
<i>Subtotal Administration</i>	\$ 53,750

Security

Contracted Security Service	\$ 150,000
<i>Subtotal Security</i>	\$ 150,000

Office Build-Out

Construction & FFE	\$ 30,000
<i>Subtotal Office Build-Out</i>	\$ 30,000

Total Expenses **\$ 233,750**

* Palestine CCEDST Budget

**Lathrop Agreement In Place

Sales and Use Tax: 1.00%

NOTE: Sales and Use Tax was successfully passed at March 12th election

RESOLUTION NO. 2024-02

**THE PALESTINE COMMUNITY IMPROVEMENT DISTRICT
RESOLUTION OF THE PALESTINE COMMUNITY IMPROVEMENT DISTRICT
("DISTRICT") APPOINTING PUBLIC SAFETY COMMITTEE**

WHEREAS, Section 11 of the Bylaws provides that the board of directors of the District (the "Board") may create and appoint such committees as it deems necessary and advisable to conduct studies and reviews and provide advice and recommendations to the Board;

WHEREAS, the Board deems it necessary and desirable to create a Security Committee of the Board;

WHEREAS, the Board desires to appoint Melvin Gross, Jerry Riffel, and Councilmember Melissa Robinson to the Security Committee.

NOW, THEREFORE, BE IT RESOLVED, that the Security Committee is hereby created.

FURTHER RESOLVED, that Melvin Gross, Jerry Riffel, and Councilmember Melissa Robinson are hereby appointed to the Security Committee.

Adopted this 10th day of April, 2024.

DocuSigned by:
By: Melvin A Gross
455690EAE17E472...
Melvin Gross, Chair

ATTEST:

DocuSigned by:
Alex Reed
300385804DDE44C...
Alex Reed, Secretary