

LEASE AGREEMENT
3110 Prospect Avenue, Kansas City, Missouri

THIS LEASE AGREEMENT (“Lease”) is made on this _____ day of _____, 2026 (“Effective Date”), by and between the **City of Kansas City**, a Missouri constitutionally chartered municipal corporation (hereinafter called the “**Landlord**” or “**City**”), and **United Market KC, LLC**, a Missouri limited liability company (hereinafter called “**Tenant**”) (collectively, the Landlord and the Tenant may be referred to herein as the “**Parties**”). The Parties hereby agree as follows:

1. PREMISES. Landlord hereby grants to said Tenant the right to occupy and use, subject to terms and conditions hereinafter stated, the following described premises: approximately **38,000** square feet at **3110 Prospect Avenue, Kansas City Missouri, 64128** (the “**Premises**”), as more particularly described on Exhibit A, attached hereto and incorporated herein by reference.

2. TERM; POSSESSION. The term of this Lease shall be for a period of ten (10) years beginning on the Effective Date (the “**Initial Term**”), with two (2) options to renew for five (5) years each (each an “**Option Term**” and collectively, the “**Option Terms**”), subject to the provisions of this Lease. Tenant shall have possession of the Premises at the beginning of the term, so long as Tenant has delivered proof of insurance required herein (the Initial Term together with any exercised Option Term are hereinafter referred to collectively as the “**Term**”).

3. RENT. The base rent (“Base Rent”) shall be one dollar (\$1.00) per Lease Year (as defined below). For the first five (5) Lease Years of the Term, Tenant will pay Landlord up to \$15,400 per month if the monthly sales total \$1,120,000 for three consecutive months, as indicated in the sales reports provided by Tenant pursuant to Section 7. For Lease Years six (6) through ten (10), the Base Rent shall be \$15,833.33 per month. After the Initial Term, , the Base Rent for any Option Term shall be calculated using the fair market rental value, as determined by a certified appraiser selected by Tenant, or such other amount as agreed to by the Parties. For the purposes of this Lease, the term “**Lease Year**” means a period of 12 consecutive full calendar months, beginning on the commencement of the Term and ending on the day preceding the first anniversary of such date, except that if the Term does not begin on the first day of the month, the first Lease Year shall end on the last day of the month in which the first anniversary occurs.

The rent shall be paid through the online payment portal available at www.kcmo.gov.

Three options for online payment:

- 1.) Enter your credit card information
- 2.) Enter your checking account information
- 3.) Set up recurring payments

(Please NOTE, you will need to create an account to use the recurring feature. A convenience fee will be charged for all online payments and paid to NCR Payments Inc. in the amount of .50 cents for e-check payment or 2 percent plus .25 cents for credit card payment. This fee is not paid to the City of Kansas City, Missouri.)

4. USE OF PREMISES. The Premises shall be used for the purpose of a full-service retail food store or retail supermarket, including liquor, wine, and beer package sales, and no other use unless specifically authorized by the Landlord through its Director of General Services. **Tenant is prohibited from selling single-serve cans, bottles, pints, or “airplane bottles” of alcohol.** Tenant shall maintain a full stock and inventory, as is usual and customary for a grocery store the size of the Premises and shall remain open for business during its posted hours of operation, which shall be no less than eighty-four (84) hours per week. This is a material term of this Lease as Landlord has been induced by Tenant's pledge to use the Premises for such purposes and such purposes only. Tenant's use of the Premises for a purpose not specified in this section shall, and Landlord's option, constitute a default.

5. COMMON AREAS; LANDLORD MAINTENANCE. The Premises is located within the Linwood Shopping Center (“**Shopping Center**”), as depicted on Exhibit B, attached hereto and incorporated herein by reference.

(a) *Common Areas Defined.* The common areas thereof include all malls, public walkways, aisles, and driveways for ingress and egress to stores located within said Shopping Center, buildings, and parking areas and to and from the streets and highways; the storm water detention basin, if applicable; all landscaping; all utility lines and sewers to the perimeter walls of any building or servicing the Common Areas; the pylon sign (if applicable); and all parking lots and all other portions of the Shopping Center not covered by buildings or loading docks (the “**Common Areas**”).

(b) *Tenant Authorized to Use Common Areas.* Landlord hereby grants to Tenant for the Term of this Lease, a non-exclusive appurtenant easement granting to Tenant and its customers, employees, agents, and invitees the right and privilege to use (subject to the rights of all other tenants located in the Shopping Center and their customers, employees, agents, and invitees) for their intended uses all of the Common Areas. Tenant shall not display merchandise, signs, or other items within the sidewalk without prior written permission from the Landlord.

(c) *Landlord Obligations for Common Areas.* Except as provided otherwise herein, the Common Areas shall at all times be subject to the exclusive control and management of Landlord or its designated representative, and Landlord or its designated representative shall have the right, from time to time, to establish, modify, and enforce reasonable rules and regulations with respect thereto. Without limiting Tenant obligations under Section 8, Landlord agrees to operate and maintain all Common Areas and keep them free of obstructions, clean, swept, and in good repair (reasonable wear and tear excepted), to remove snow and ice therefrom, to keep the parking area properly striped and to keep the Common Areas properly lighted during hours of darkness when Tenant's store is open for business. Without limiting Tenant obligations under Section 8, Landlord further agrees to provide at its cost structural maintenance, non-structural exterior maintenance, including the roof and walls, in good repair. Landlord may fulfill these obligations through such property management firm or other representative as Landlord may elect to retain. If Landlord fails to maintain the Common Areas and structural parts of the Premises in good repair and condition, Tenant may provide written notice to Landlord. If Landlord does not complete the necessary maintenance, repairs or replacements (as necessary) within thirty (30) days after its receipt of notice from Tenant, Tenant may, but is not obligated to, make the repair or replacement, in which event Landlord shall reimburse Tenant the actual cost of the labor and materials plus all associated costs within then (10) days after receiving an invoice from Tenant.

(d) *Supply Lines.* Landlord shall, upon notice by Tenant to Landlord of the necessity therefor, keep in good repair all exterior supply lines for and up to the Premises for water, gas, and sewers (including sanitary sewers, which shall be Landlord's responsibility unless said sanitary sewers are damaged by Tenant, in which case repair of such damage shall be Tenant's responsibility) and electrical utility lines on or relating to the Premises. Landlord shall not be liable to Tenant for any losses, however denominated, suffered, or alleged to have been suffered by Tenant as a result of any interruption to any utility service caused by Act of God or third party for which Landlord is not responsible.

6. LANDLORD CONTRIBUTION DURING FIRST YEAR. Landlord agrees to contribute an amount not to exceed \$1,500,000.00 in support of Tenant's business operations at the Premises (the "Landlord Contribution"), in accordance with the terms of this section. The Landlord Contribution shall be apportioned amongst those categories of costs and expenses related to Tenant's business operations at the Premises, identified as the "Operational and Startup Costs", "Payroll Costs" and "Inventory Costs" as stated and further defined on Exhibit C attached hereto and incorporated herein by reference (the "Eligible Costs"), and the Landlord Contribution may only be used for such Eligible Costs. Inventory support is restricted to food, nonalcoholic beverages, personal care items, and household supplies. Funding requests related to inventory for alcohol, tobacco, and gambling-related products are prohibited and shall be excluded.

- (a) *Advance Payment Requests.* Any request for advance payment from the Landlord Contribution under this section shall be made as a written request submitted to Landlord and include accompanying invoices and a description of the underlying goods or services that are the subject of such request, and a certification that such request is an Eligible Cost ("Advance Payment Request"). Within thirty (30) days of any Landlord Contribution under an Advance Payment Request or prior to the next Advance Payment Request, Tenant shall submit to Landlord proof of payment to contractor, supplier, or employee through receipts, payroll records, and/or such other proof of payment acceptable to Landlord. In the event Tenant is unable to make such payment within thirty (30) days of the Landlord Contribution, Tenant shall provide an affidavit of payment status. Tenant's submission of proof of payment and/or affidavit of payment status to Landlord is a material term to this Lease. Landlord reserves the right to deny requests for Landlord Contribution until such acceptable proof of payment is provided.
- (b) *Reimbursement Requests.* Any reimbursement requests from the Landlord Contribution under this section shall be made as a written request and include accompanying receipts, a description of the underlying goods or services that are the subject of such request, a certification that such request is an Eligible Cost, and lien waivers (if applicable) ("Reimbursement Request").
- (c) *Landlord Review.* Landlord will review Advance Payment Requests and Reimbursement Requests submitted under this Section 6 within ten (10) days of submission and process payments, if approved, within thirty (30) days. Landlord reserves the right to deny any part or all of a contribution request if Landlord reasonably determines that the improvement was not actually substantially performed, the quality of the improvement work was substandard, or that such cost was not an Eligible Cost as set forth on Exhibit C.

All contribution requests shall be submitted within three hundred sixty-five (365) days of the Effective Date. Contribution requests may include multiple Eligible Costs. In carrying out improvements, Tenant shall only utilize contractors licensed to perform work in Kansas City, Missouri and are appropriately bonded and insured. Tenant agrees to provide proof of the same to Landlord upon request. Tenant must comply with all applicable laws to qualify for payment of any Landlord Contribution under this section. If Landlord later discovers a material breach of this section, Tenant shall return funds to Landlord related to the particular breach.

7. REPORTS. Tenant shall provide monthly sales reports to the Landlord or to Landlord's designated property manager. Tenant shall deliver said report on or before the 20th day following each calendar month during the Term, a copy of the Sales Tax Return (statement) given to the Missouri Department of Revenue for the purposes of reporting sales tax, signed by Tenant showing the amount of Gross Receipts for the preceding calendar month or quarter as required by the state of Missouri, which statement shall be duly certified by Tenant (or by an officer of Tenant). Regardless of filing status with the state of Missouri, all monthly sales shall be submitted to Landlord on or before the 20th of each month showing the amount of Gross Receipts during the preceding calendar month.

8. ACCEPTANCE, MAINTENANCE, AND REPAIR. Tenant has inspected and knows the condition of the Premises and accepts the same in their present (subject to ordinary wear, tear, and deterioration in the event the Term commences after the date hereof), including the interior walls. Tenant will return the Premises to the Landlord, undamaged except for reasonable wear and tear. During the Term, Tenant is solely responsible for the interior of the Premises as well as the exterior glass and shall keep the same in good repair. Tenant agrees to furnish normal maintenance and repair for heating, water heating, and air conditioning equipment which services the Premises, as well as any required maintenance with respect to any of the furniture, fixtures, and equipment included within the Premises and the good working order of which is beneficial to the operation of a first class grocery store, and Tenant shall be responsible for and bear the cost of all required replacement of each of the foregoing during the Term of this Lease. Tenant shall pay for any damage done to the Premises, the Common Areas, or both, caused by Tenant, Tenant's employees, or Tenant's vendors or agents, as a result of negligence or attempted theft. Tenant shall not commit waste upon the Premises and at the end of the Term shall deliver the Premises to Landlord as good a condition as the Premises were at the commencement of the Term, normal wear and tear and damage by fire or other casualty excepted. Tenant shall maintain the Premises in compliance with all applicable ordinances, rules, regulations, and codes. Tenant shall perform quarterly maintenance on heating, ventilation, and air conditioning units and provide service reports to Landlord. Tenant shall be solely responsible for all utilities at the Premises and shall provide for the proper disposal of trash and recycling.

9. PURCHASE OPTION. Commencing at the expiration of the Initial Term and continuing for the remainder of the Option Terms, if exercised by Tenant, Landlord hereby grants Tenant an option to purchase the Premises for a purchase price determined by an appraisal completed by a certified appraiser mutually agreed upon by the Parties. This option may be exercised at any time during the Option Terms and shall expire when the Lease is terminated pursuant to Section 32.

10. RIGHT OF FIRST REFUSAL. In the event Landlord receives a bona fide offer from a third party to purchase the Premises at any point during the Term, Landlord shall give Tenant 30-days' advance notice in writing before Landlord may accept the offer. Landlord's notice must contain the name and address of the proposed purchaser, the purchase price and all material terms of the proposed sale. Tenant will have 30 days after receipt of the notice to provide Landlord with written notice that Tenant will purchase the Premises, upon the same terms and conditions set forth in the notice. If Tenant fails to exercise its right of first refusal and Landlord sells the Premises to the third party within 180 days after Landlord's notice to Tenant upon the same terms and conditions set forth in the notice, Tenant's purchase option as provided in Section 9 and right of first refusal as provided in this Section 10 shall terminate.

11. HAZARDOUS SUBSTANCES AND WASTES. Tenant agrees that it will not keep, ship to, ship from, permit, or generate any Hazardous Material on the Leased Premises without the express consent of the Landlord. "Hazardous Material" shall mean (i) "Hazardous Substances" as defined by the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 U.S.C. Sections 9601 et seq.; (ii) "Hazardous Wastes", as defined by the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Sections 6902 et seq.; (iii) "Hazardous Waste," as that term is defined by the Missouri Hazardous Waste Management Law, RSMO Section 260.350, et seq.; (iv) any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials or substances within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, all as amended or hereafter amended; (v) more than 100 gallons of crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60) degrees Fahrenheit and 14.7 pounds per square inch absolute, except for 2000 gallons of recycled oil used for the purpose of heating the premises; (vi) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C S 2011 et seq., as amended or hereafter amended; and (vii) asbestos in any form or condition.

12. QUIET ENJOYMENT. Landlord covenants and agrees that the Tenant on paying the rents and observing and keeping the covenants, agreements, and stipulations of this Lease, on its part to be kept, shall lawfully, peacefully, and quietly hold, occupy and enjoy said Premises during the Term without hindrance, objection or molestation.

13. LANDLORD'S RIGHT OF ENTRY. Landlord or Landlord's agent may enter the Premises during customary business hours to examine the Premises to fulfill any contractual duty owed to the Tenant, to determine compliance by Tenant with this Lease, or for any reason which the Landlord may deem necessary for the good of the Premises or the Shopping Center. In order to minimize disruption to the business operations, Tenant will, to the best of Tenant's ability, facilitate access to the Premises to Landlord outside of regular business hours to complete repairs if necessary. During the last six (6) months of the Term, Landlord may display a "To Let" or "For Lease" sign and show the Premises at reasonable hours. So long as any action is not inconsistent with the provisions of this Lease, Landlord may make repairs and alterations to the Premises or any part thereof at any time. Landlord shall not have any liability to Tenant for damages based on any inconvenience, annoyance, or otherwise arising from Landlord's exercise of its right to make repairs and alterations to the Premises. If any work is done by Landlord requiring the temporary

closing of the Premises, Landlord shall abate Tenant's rent on a per diem basis. The Landlord covenants and agrees that, so long as the Tenant performs its obligations under the Lease, Tenant will have quiet enjoyment of the Premises and all appurtenances thereto and Landlord may not interfere with or disturb the quiet enjoyment and use by the Tenant. Landlord's right to enter upon the Premises to repair or to exercise or perform any other right or obligation under the terms of this Lease shall be exercised in a manner consistent with the Tenant's right of quiet enjoyment as set forth herein.

14. SECURITY. Subject to appropriation, Landlord provides annual financial support to the Linwood Shopping Center Community Improvement District (the "CID"). As a requirement of this funding, the CID provides security to the Shopping Center, including the Premises. Specifically, Landlord agrees to fund the CID in order to arrange for one security guard to be posted at the Premises from the hours of 7:00am-8:00pm for City Fiscal Year 2026-2027. Landlord will work in good faith to secure funding for additional security services for Lease Years two, three, four, and five.

15. ALTERATIONS. Except as outlined in Section 6, Tenant shall not make any material, non-cosmetic alterations or additions in or to the Premises, without the prior written consent of Landlord. Such consent shall not be unreasonably withheld. Tenant shall make or cause Tenant's contractor to make all approved improvements in accordance with all applicable Federal, State, and Local laws.

16. SIGNS AND ADVERTISEMENTS. Notwithstanding any of the provisions in this Lease to the contrary, it is agreed that Tenant may place special sales promotions signs on the parking area light poles from time to time and may string pennants and streamers around the parking area. Said signs and decorations may not, however, interfere with the parking or business of other tenants in the Shopping Center. The signs and decorations, however, shall be of a temporary nature, only and shall be removed after the promotion at Tenant's sole cost. Otherwise, Tenant shall not use or permit the use of the parking lot for any display or any other extraordinary use without the consent of Landlord, which consent shall not unreasonably withheld.

17. RECYCLING. It is the established policy of the City to promote environmentally sound business practices. Tenant agrees, where reasonable and practicable, to incorporate similar practices in its operations on the Premises including, but not limited to, encouraging recycling.

18. AMERICANS WITH DISABILITIES ACT. The Tenant agrees to comply with all provisions, where applicable, of the Americans with Disabilities Act, as amended from time to time during the course of this Lease.

19. INSURANCE: Tenant shall procure and maintain in effect throughout the duration of this Lease insurance coverage not less than the types and amounts specified in this section. In the event that additional insurance, not specified herein, is required during the Term of this Lease, Tenant shall supply such insurance at City's cost. Policies containing a Self-Insured Retention will be unacceptable to City.

a. Commercial General Liability Insurance: with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate, written on an occurrence basis. The policy shall be written or endorsed to include the following provisions:

- i. Severability of Interests Coverage applying to Additional Insureds
- ii. Contractual Liability
- iii. Per Project Aggregate Liability Limit or, where not available, the aggregate limit shall be \$4,000,000.
- iv. No Contractual Liability Limitation Endorsement
- v. Additional Insured Endorsement, ISO form CG2010, current edition, or its equivalent.

b. Workers' Compensation / Statutory Employers Liability with limits of:

- i. \$1,000,000 per accident
- ii. \$1,000,000 disease, policy limit
- iii. \$1,000,000 disease, each employee

c. Tenant agrees to carry property insurance for the leased portion of Premises and shall be on a replacement cost basis. Tenant is responsible for carrying their own personal property insurance.

d. Tenant shall carry glass insurance sufficient to cover all store windows and plate glass windows.

Tenant shall furnish certificates including required endorsements and additional insureds as described below to the Landlord for insurance as specified herein. In the event of Tenant's failure to maintain the required insurance coverage in force at all times; its failure to do so will not relieve it of any contractual obligation or responsibility. **Delivery of such certificates to Landlord shall be a condition precedent to Tenant's right to go upon the Premises.** All such insurance policies shall provide that the City and its agencies, officials, officers, and employees, including but not limited to the Linwood Shopping Center Community Improvement District and the property management company, when acting within the scope of their authority, will be named as additional insureds for the services under this lease. All insurance must be written by companies that have an A.M. Best rating of A- V or better, and are leased or approved by the State of Missouri to do business in Missouri. They shall require ten (10) days prior written notice to both parties hereto of any reduction in coverage or cancellation. **Nothing herein shall be construed as a waiver of City's sovereign immunity.**

20. DAMAGE BY CASUALTY. In case, during the Term created or previous thereto, the Premises hereby let, shall be destroyed or shall be so damaged by fire or other casualties, as to become not tenantable, then in such event, at the option of the Landlord, the Term hereby created shall cease, and this Lease shall become null and void from the date of such damage or destruction and the Tenant shall immediately surrender said Premises and all interests therein to Landlord and Tenant shall pay rent within said term only to the time of such surrender; provided, however, that Landlord shall exercise the such option to so terminate this Lease by notice in writing, delivered to Tenant within sixty (60) days after such damage or destruction. In case Landlord shall not so elect to terminate this Lease, in such event, this Lease shall continue in full force and effect and the Landlord shall repair the Premises with all reasonable promptitude, placing the same in as good a condition as they were at the time of the damage or destruction, and for that purpose may enter said Premises and rent shall abate in proportion to the extent the Premises are untenantable and the

duration of time the Premises are not tenantable. In either event, Tenant shall remove all rubbish, debris, merchandise, furniture, non-realty equipment, and other of its personal property, within ten days after the request of the Landlord. If the Premises shall be slightly injured by fire or the elements, so as not to render the same not tenantable and unfit for occupancy, then the Landlord shall repair the same with all reasonable promptitude, and in that case, the rent shall not abate. No compensation or claim shall be made by or allowed to the Tenant by reason of any inconvenience or annoyance arising from the necessity of repairing any portion of the building or the Premises, however, the necessity may occur.

21. SUBROGATION. As part of the consideration for this Lease, each of the parties hereto does hereby release the other party hereto from all liability for damage due to any act or neglect of the other party (except as hereinafter provided), occasioned to property owned by said parties which are or might be incident to or the result of a fire or any other casualty against which loss either of the parties is carrying insurance at the time of the loss; provided, however, that the releases herein contained shall not apply to any loss or damage occasioned by the willful, wanton, or premeditated negligence of either of the parties hereto, and the parties hereto further covenant that any insurance that they obtain on their respective properties shall contain an appropriate provision whereby the insurance company, or companies, consent to the mutual release of liability contained in this paragraph.

22. INDEMNITY AND PUBLIC LIABILITY. The Tenant shall defend and indemnify, hold harmless, protect and save the Landlord and all of its agencies, officials, officers and employees harmless from and against any and all actions, suits, proceedings, claims and demands, loss, liens, cost, expense, including legal fees, and liability of each kind and nature whatsoever ("claims") for the injury to or death of persons or damage to property, including property owned by the Landlord and from any and all other claims whether in equity or in law asserted by others, which may be brought, made, filed against, imposed upon or sustained by the Landlord, its agencies, officials, officers or employees, and that may, in whole or in part, arise from or be attributable to or be caused directly or indirectly by (i) any wrongful act or omission of Tenant, its officers, agents, employees, including volunteers, contractors, patrons, subtenants, or invitees; (ii) any violation of law, ordinance or governmental regulations or orders of any kind by Tenant, its officers, agents, employees, including volunteers, contractors, patrons, tenants, or invitees; or (iii) the negligent performance by the Tenant, its officers, agents, employees, including volunteers or subtenants or subcontractors of any authorized or permitted act contemplated by this Agreement; or (iv) any contaminating materials in and around the Premises resulting from Tenant's acts or omissions or such acts or omissions of Tenant's officers, agents, employees, including volunteers, contractors, patrons, subtenants, or invitees.

23. DAMAGE TO PROPERTY ON PREMISES. Tenant agrees that all property of every kind and description kept, stored, or placed in or on the Premises shall be at Tenant's sole risk and hazard and that Landlord shall not be responsible for any loss or damage to any of such property resulting from fire, explosion, water, steam, gas, electricity or the elements, whether or not originating on the Premises.

24. EMINENT DOMAIN. If the Premises or any substantial part thereof shall be taken by any competent authority under the power of eminent domain or be acquired for any public or

quasi-public use or purpose, the Term of this Lease shall cease and terminate upon the date when the possession of said Premises or the part thereof so taken shall be required for such use of purpose. If any condemnation proceeding shall be instituted in which it is sought to take or damage any part of Landlord's building or the land under it or if the grade of any street or alley adjacent to the building is changed by any competent authority and such change of grade makes it necessary or desirable to remodel the building to conform to the changed grade, either party shall have the right to cancel this Lease after having given written notice of cancellation to the other party not less than ninety (90) days prior to the date of cancellation designated in the notice. In either of said events, rent at the then current rate shall be apportioned as of the date of termination. No money or other consideration shall be payable by the Landlord to the Tenant for the right of cancellation. Nothing in this paragraph shall preclude an award being made to Tenant for loss of business or depreciation to the cost or removal of equipment or fixtures.

25. PUBLIC REQUIREMENTS. Tenant shall comply with all laws, orders, ordinances, and other public requirements now or hereafter affecting the Premises or the use thereof and save Landlord harmless from expense or damage resulting from failure to do so.

- (a) *Prevailing Wage.* Tenant shall require the payment of prevailing wage for construction projects that exceed \$75,000.00. For purposes of requiring prevailing wage, "Construction" means construction, reconstruction, improvement, enlargement, alteration, painting and decorating, or major repair.
- (b) *Payment and Performance Bonds.* Tenant shall provide a payment bond and performance bond for public works projects that exceed \$50,000.00. For purposes of requiring a payment bond and performance bond, "Public works", means the erection, construction, alteration, repair or improvement of any building, road, street, public utility or other public facility owned by the public entity, including work for nongovernmental purposes.

26. MINORITY AND WOMEN'S BUSINESS ENTERPRISES. City is committed to ensuring that minority and women's business enterprises (M/WBE) participate to the maximum extent possible in the performance of City contracts. If M/WBE participation goals have been set for this Lease, Tenant agrees to comply with all requirements of City's M/WBE Program as enacted in City's Code Sections 3-421 through 3-469 and as hereinafter amended. Tenant shall make its good faith efforts in carrying out this policy by implementing its contractor utilization plan, as approved by the city's Civil Rights and Equal Opportunity (CREO) Department. If Tenant fails to achieve the M/WBE goals stated in its contractor utilization plan, as amended, the City will sustain damages, the exact extent of which would be difficult or impossible to ascertain or estimate at the time of execution of this contract. Therefore, in order to liquidate those damages, the monetary difference between the amount of the M/WBE goals set forth in this contractor utilization plan, as amended, and the amount actually paid to qualified MBEs and WBEs for performing a commercially useful function will be deducted from the Tenant's payments as liquidated damages. In determining the amount actually paid to qualified MBEs and WBEs, no credit will be given for the portion of participation that was not approved by the Director of City's Civil Rights & Equal Opportunity Department, unless the Director determines that the Tenant acted in good faith. No deduction for liquidated damages will be

made when, for reasons beyond the control of the Tenant, the M/WBE participation stated in the Contractor Utilization Plan (“CUP”), as amended and approved by the Director, is not met.

27. ASSIGNMENT AND SUBLEASE. Tenant may, at its option, operate its business as an affiliate of Associated Wholesale Grocers, but such affiliation does not constitute an assignment of the Lease. Tenant shall not assign, transfer, or encumber this Lease and shall not sublease the Premises or any part thereof or allow any other person to be in possession thereof without the prior written consent of Landlord. Landlord retains the right to withhold its consent for any assignment, transfer, or sublease for any reason whatsoever, including limiting the type of use or number of similar subleases on Premises at any given time. Any sublease of Premises must contain a subrogation provision and an indemnity provision that mirrors the language of this Lease, with the Subtenant indemnifying the Landlord. Subtenant also shall require any Subtenant to obtain insurance coverage in amounts equal to those required by this Lease and naming Landlord as an additional insured. Tenant understands, however, that in the event of a sublease, Tenant is still responsible for complying with all terms of this Lease.

28. RECORDING. Landlord and Tenant shall agree to a memorandum of this Lease to be recorded with the Recorder of Deeds of Jackson County, Missouri. The memorandum of Lease shall include a summary of basic terms of this Lease, including but not limited to Tenant's rights under Sections 9 and 10 of this Lease.

29. FIXTURES. Upon the termination of this Lease or before, the Landlord will permit the Tenant or its agents to enter the Premises and remove any and all **non-realty** items that have been contributed or consigned to the Tenant. Non-realty items are defined as items not permanently attached to the structure and removable without significant damage such as drapes, furnishings, and portable appliances. Equipment, shelving, and other property present at the Premises at the time Tenant takes possession shall be construed as fixtures and remain with the Premises.

30. SURRENDER AT THE END OF THE TERM. At the expiration of the Term, as extended, unless otherwise sooner terminated, Tenant shall (i) surrender the Premises (including all repairs, alterations and additions then a part thereof), broom clean, wear and tear excepted, and (ii) at Tenant's expense remove Tenant's trade fixtures, furniture and equipment, including, without limitation, signs, movable furniture, equipment, display cases, display racks, display shelving, check-out stands, walk-in coolers and other coolers and related compressors, movable equipment and machinery, whether usable or not usable, and not otherwise included within the definition of the Premises (“Tenant's Property”). Except as provided in this Section, Tenant's Property shall at all times during the Term hereof, as extended, as the case may be, be and remain the property of Tenant and the parties agree that at no time shall Tenant's Property be construed as Landlord's fixtures or otherwise Landlord's property. Notwithstanding anything contained in this Section to the contrary, Tenant shall have the option to relinquish its property rights in all or part of Tenant's Property, which option shall be exercised by notice of such relinquishment to Landlord by Tenant, and from and after the exercise of said option, the property specified in said notice shall be the property of Landlord.

31. HOLDING OVER. Any holding over by Tenant after the expiration of the Term, or any lawful extension thereof, shall be construed to be a tenancy from month to month at a

monthly rental equal to two hundred percent (200%) of the rent payable during the last month immediately prior to the expiration of the term and shall otherwise be on the terms and conditions herein specified. Nothing herein set out shall be construed to authorize any such holding over.

32. DEFAULT. Tenant shall be in default hereunder if (i) Tenant fails to pay when due Rent and/or any other sums due under this Lease and such default shall continue for more than ten (10) days after written notice from Landlord to Tenant (“**Monetary Default**”); or (ii) Tenant fails to observe, comply, or perform any of the other provisions of this Lease and such default shall continue for more than ten (10) days after written notice from Landlord to Tenant (“**Nonmonetary Default**”). If Tenant is in default for more than ten (10) days after Landlord gives written notice of a Monetary Default, or ten (10) days after Landlord gives written notice of a Nonmonetary Default, or if the Premises has been vacated or abandoned, Landlord may in its sole discretion declare the Term ended and re-enter the Premises with or without process of law. In the event Tenant vacates or abandons the Premises or otherwise notifies the public that the grocery store is permanently closed, Landlord shall have the right to immediately terminate the Lease. No such re-entry or taking possession of the Premises shall be construed as an election on Landlord’s part to terminate this Lease unless Landlord provides Tenant with a written notice of termination. Upon such termination, at the option of the Landlord, and Landlord may re-enter the Premises and take possession thereof, with or without force or legal process and without notice or demand, the service of notice, demand or legal process being hereby expressly waived, and upon such entry, as aforesaid, this Lease shall terminate and the Landlord may exclude Tenant from the Premises, changing the lock on the door or doors if deemed necessary, if applicable, without being liable to Tenant for any damages or for prosecution therefor; Landlord’s rights in such event may be enforced by action in unlawful detainer or other proper legal action, and the Tenant expressly agrees, notwithstanding termination of this Lease and re-entry by the Landlord that the Tenant shall remain liable for a sum equal to the entire rent payable to the end of the Term hereof and shall pay any loss or deficiency sustained by the Landlord on account of the Premises being let for the remainder of the Term for a less sum than before. Landlord, as agent for Tenant, without notice may re-let the Premises or any part thereof for the remainder of the Term or for any longer or shorter period as opportunity may offer, and at such rental as may be obtained, and Tenant agrees to pay the difference between sum equal to the amount of rent payable during the residue of the Term and net rent received by the Landlord during the Term after deducting all expenses of every kind for repairs, recovering possession and reletting the same, which differences shall accrue and be payable monthly.

In lieu of termination, Landlord may also, without waiving Tenant’s default cure Tenant’s default, as specified in such notice of default at Tenant’s cost and expense, and such expense shall be deemed to be additional rent payable by Tenant with the next succeeding monthly installment of rent.

All property of the Tenant which is now or may hereafter be at any time during the Term of this Lease in or upon said Premises, whether exempt from execution or not, shall be bound by and subject to a lien for the payment of the rent herein reserved, and for any damages arising from any breach by the Tenant of any of the covenants or agreements of this Lease to be performed by Tenant. In the event of default by Tenant in the payment of rent or otherwise, Landlord may foreclose the such lien and take possession of said property or any part or parts thereof and sell or

cause the same to be sold, at such place as Landlord may elect, at public or private sale, with or without notice, to the highest bidder capable of paying the bid price, and apply the proceeds of said sale to pay the costs of taking possession of and selling said property, then owed toward the debt and/or damages as aforesaid. Any excess of the proceeds of said sale over said costs, debt, and/or damages shall be paid to Tenant. Any such sales shall bar any right of redemption by Tenant.

All the remedies herein provided shall be cumulative to all other rights or remedies herein given to Landlord or given to Landlord by law. In the event of a non-monetary default by Tenant, for which written notice has been given by Landlord to Tenant, as required above, which nonmonetary default, because of its nature, cannot be cured or completely cured within the ten (10) day cure period, then Tenant shall not be deemed to be in default beyond the period to cure the same if correction thereof by Tenant is commenced within the ten (10) day period and when commenced, is diligently prosecuted to completion.

33. WAIVER. The rights and remedies of the Landlord under this Lease, as well as those provided or accorded by law, shall be cumulative, and none shall be exclusive of any other rights or remedies hereunder or allowed by law. A waiver by Landlord of any breach or breaches, default, or defaults, of this Lease hereunder, shall not be deemed or construed to be a continuing waiver of such breach or default not as a waiver of or permission, expressed or implied, for any subsequent breach or default, and it is agreed that the acceptance by Landlord of any installment of rent subsequently to the date the same should have been paid hereunder, shall in no manner alter or affect the covenant and obligation of Tenant to pay subsequent installments of rent promptly upon the due date thereof. No receipt of money by Landlord after the termination in any way of this Lease shall reinstate, continue or extend the term above demised.

34. BANKRUPTCY. Neither this Lease nor any interest therein nor in any estate hereby created shall pass to any trustee receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors or otherwise by operation of law during the term of this lease or any renewal thereof.

35. TAX PROTEST. Should Landlord elect not to protest and/or contest any increase in the appraised or assessed value of the Premises within thirty (30) days from the date it receives such official notice of said increase, Tenant may at its option, and at its sole cost and expense, in the name of Landlord, protest, appeal, or institute such other legal proceedings as it may consider appropriate to effect a reduction or abatement in such appraised or assessed value, and to this end, Landlord shall at no cost to Tenant, cooperate fully with Tenant, including without limitation, the furnishing of relevant data, documents, information, and assistance. Landlord shall forward to Tenant within thirty (30) days of receipt any notice of change in the appraised and/or assessed value of the Premises.

36. RELATIONSHIP OF THE PARTIES. Nothing herein contained shall be deemed or construed by the Parties, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between Landlord and Tenant, it being understood and agreed that neither the method of computation of rent nor any other provision contained herein nor any acts of the Parties shall be deemed to create any relationship other than Landlord/Tenant.

37. NOTICE. Any notice hereunder to Tenant shall be sufficient if sent by U.S. Mail, postage prepaid, addressed to Tenant:

United Market KC, LLC
Attn: Anthony Estrada
3110 Prospect Avenue
Kansas City, MO 64128

Addressed to Landlord:
Manager of Real Estate GSD – Real Estate Services
414 E. 12th Street
17th Floor
Kansas City, MO 64106

With a copy to:
City Attorney
414 E. 12th Street
23rd Floor
Kansas City, MO 64106

38. COVENANTS TO RUN WITH THE PREMISES. Except as otherwise provided, the covenants herein contained shall run with the Premises hereby let and bind the heirs, executors, administrators, assigns, and successors of the Landlord and Tenant respectively and consent of Landlord to assignment, and acceptance of rent from the assignee of the Tenant shall not release the Tenant from their obligation to pay rent and comply with the other conditions of this Lease.

39. VENUE. Any legal proceeding with respect to this Lease or the obligations hereunder shall be brought exclusively in the Circuit Court of Jackson County, Missouri.

40. ENTIRE AGREEMENT. This Lease Agreement contains the entire agreement between the parties, and no modification of this Lease Agreement shall be binding upon the parties unless evidenced by an agreement in writing signed by the Landlord and the Tenant after the date hereof.

41. APPROVAL BY THE CITY COUNCIL. This Lease is not effective until ten (10) working days after approval by the City Council by way of an approved ordinance.

42. NO DISCRIMINATION. Tenant shall not discriminate and shall comply with Chapter 38 of the City Code of Ordinances and Chapter 213, RSMo. Tenant shall further comply with the City Required Terms and Conditions attached hereto as Exhibit D and incorporated herein by reference. For the purposes of Exhibit D, Tenant shall be referred to as “Contractor.”

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BANK]

IN WITNESS WHEREOF, each party hereto has caused this Lease to be executed on behalf of such party by an authorized representative as of the date first set forth above.

TENANT:
United Market KC, LLC

BY: _____

Print Name:

Title:

LANDLORD:

CITY OF KANSAS CITY
A Constitutionally Chartered Municipal Corporation of the State of Missouri

BY: _____
Yolanda McKinzy
Director, General Services Department

APPROVED AS TO FORM

BY: _____
Abigail Judah, Assistant City Attorney

Finance Certification

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

William Choi
Interim Director of Finance

EXHIBIT A

Property Description

TRACT V, MOONEY PLACE, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof (commonly known as 3110 Prospect Avenue, Kansas City, Missouri 64128).

EXHIBIT B

Linwood Shopping Center

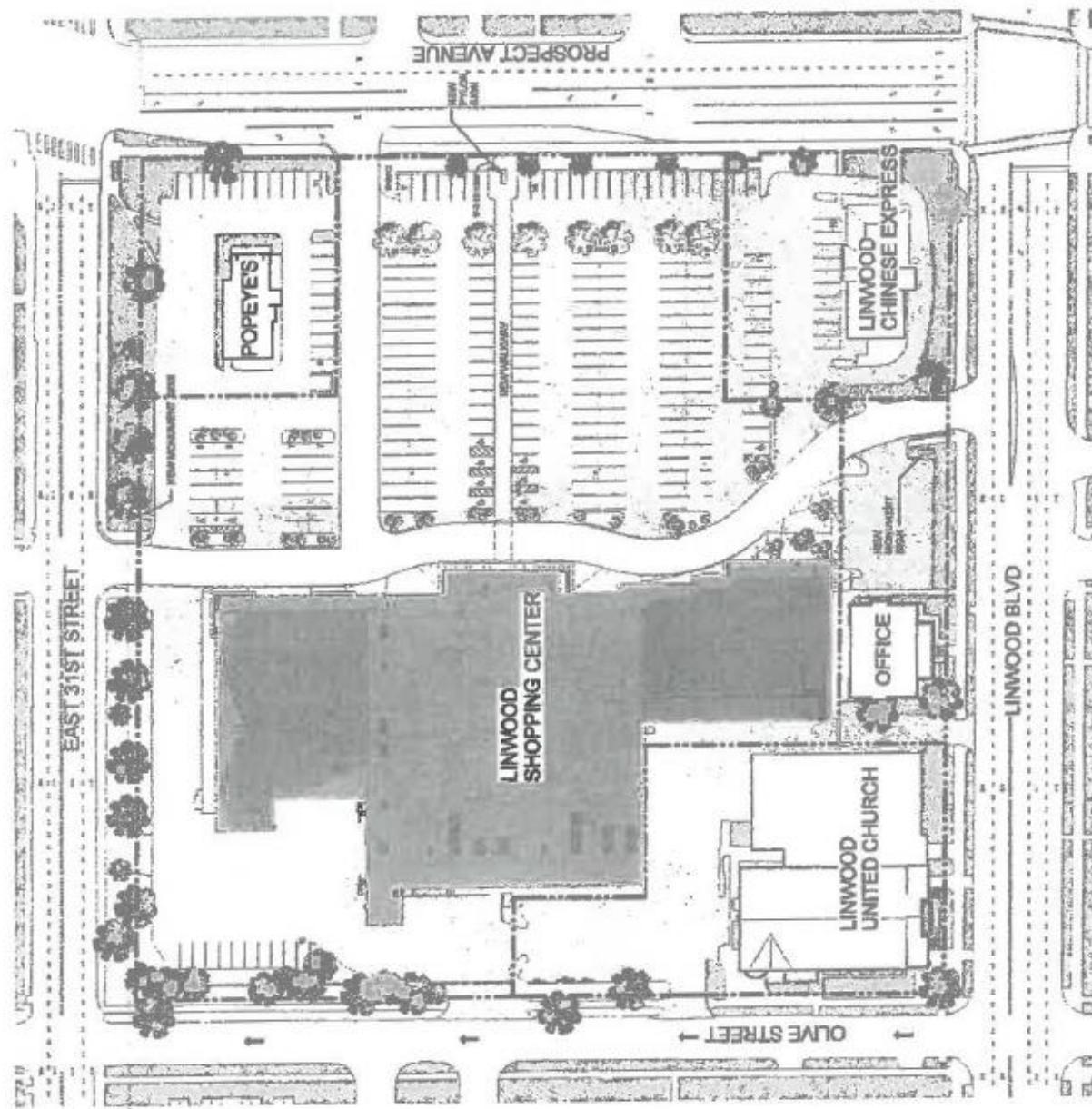


EXHIBIT C

Landlord Contribution

A. Operational and Startup Costs

“Operational and Startup Costs” shall mean those costs and expenses arising from or related to the following:

1. Decoration, design, branding and construction costs, including but not limited to the following:
 - a. Interior painting, signs, exterior signs, department branding, lighting and labor to install;
 - b. All supplies required to complete the branding, including product signs, uniforms and supplies; and
 - c. Interior construction costs
2. Marketing and advertising costs, including but not limited to the following:
 - a. Media advertising (print, electronic, television and/or radio); and
 - b. Social media marketing package.
3. Costs of furniture, fixtures, equipment and items to operate and maintain the store, including but not limited to the following:
 - a. Shopping carts, hand baskets, cart corrals, stock carts, work tables, power jacks, electric power jacks, industrial floor scrubber, display bins, small wares in all departments (bowls, storage containers, utensils, trash cans);
 - b. Cleaning equipment and supplies;
 - c. Computers/laptops/tablets with software, printers, office furniture and supplies;
 - d. Scales – in all departments to weigh and price products;
 - e. Tables and chairs – café area and breakrooms;
 - f. Updated cash registers and servers – Windows 10 support will be discontinued soon – pricing programs and handheld computers scanners;
 - g. Music modules for overhead music;
 - h. Security cameras and servers with remote access; and
 - i. Membership software and equipment
4. Equipment relocation and adjustment costs and labor related thereto, including but not limited to the following:
 - a. Relocation of produce case;
 - b. Removal of excess shelving; and
 - c. Removal of deli island case.

Tenant currently estimates the amount of Landlord’s Contribution that will be requested for Operational and Startup Costs to be \$500,000, with said estimate to be subject to change in

accordance with Tenant's needs and actual costs incurred. Tenant shall not be bound by or limited to any estimate provided herein.

B. Payroll Costs

"Payroll Costs" shall mean all costs associated with and relating to Tenant's payroll for the operations of the business.

Tenant currently estimates the amount of Landlord's Contribution that will be requested for Payroll Costs to be \$250,000, with said estimate to be subject to change in accordance with Tenant's needs and actual costs incurred. Tenant shall not be bound by or limited to any estimate provided herein.

C. Inventory Costs

"Inventory Costs" shall mean all costs associated with the purchase of product inventory for the business to be marketed to and made available for purchase to Tenant's customers. However, Inventory Costs are expressly restricted to food, nonalcoholic beverages, personal care items, and household supplies, and expressly exclude inventory for alcohol, tobacco, and gambling-related products.

Tenant currently estimates the amount of Landlord's Contribution that will be requested for Payroll Costs to be \$750,000, with said estimate to be subject to change in accordance with Tenant's needs and actual costs incurred. Tenant shall not be bound by or limited to any estimate provided herein.

EXHIBIT D

Addendum City Required Terms and Conditions

1. Records and Audit Requirements.

a. For the purposes of this Section:

1) The “City” shall mean the City Auditor, the City’s Internal Auditor, the City’s Director of Civil Rights and Equal Opportunity Department, the City Manager, the City department administering this Agreement and their delegates and agents.

2) “Records” shall mean any document, book, paper, photograph, map, sound recordings or other material, regardless of physical form or characteristics, made or received in connection with this Agreement and all amendments and renewals of this Agreement.

b. Contractor shall maintain and retain all Records for a term of five (5) years that shall begin after the expiration or termination of this Agreement and all Agreement amendments. City shall have a right to examine or audit all Records and Contractor shall provide access to City of all Records upon ten (10) days’ written notice from the City.

2. Affirmative Action. If this Agreement exceeds \$300,000.00 and Contractor employs fifty (50) or more employees, Contractor shall comply with the City’s Affirmative Action requirements in accordance with the provisions of Chapter 3 of the City’s Code, the rules and regulations relating to those sections, and any additions or amendments thereto. In executing this Agreement subject to said provisions, if such conditions are triggered, Contractor warrants that it will put into place an affirmative action program and will maintain the affirmation action program in place for the duration of the Agreement. Notwithstanding the foregoing, the parties acknowledge and agree that this Agreement provides for a pro bono engagement where the City will only be responsible for reimbursement of Contractor’s expenses, which will not exceed \$50,000.00, as set forth herein. Contractor shall not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin or ancestry, disability, sexual orientation, gender identity or age in a manner prohibited by Chapter 3 of City’s Code.

a. For the purposes of this Section, “Subcontractor” shall mean any subcontractors, affiliates, or delegates with whom Contractor subcontracts or to whom Contractor delegates any of its obligations under this Agreement.

b. In the event this Agreement exceeds \$300,000.00 and Contractor employs fifty (50) or more employees, Contractor shall:

1) Execute and submit the City of Kansas City, Missouri CREO Affirmative Action Program Affidavit warranting that the Contractor has an affirmative action program in place and will maintain the affirmative action program in place for the duration of the Agreement;

2) Submit, in print or electronic format, a copy of Contractor’s current certificate of compliance to the City’s Civil Rights and Equal Opportunity Department (CREO) prior to receiving the first payment under the Agreement, unless a copy has already been submitted to CREO at any point within the previous two calendar years, and if, and only if, Contractor does not possess a current certification of compliance, Contractor shall submit, in print or electronic format, a copy of its affirmative action program to CREO prior to receiving the first payment under the

Agreement, unless a copy has already been submitted to CREO at any point within the previous two calendar years;

3) Require any Subcontractor awarded a subcontract exceeding \$300,000.00 to affirm that Subcontractor has an affirmative action program in place and will maintain the affirmative action program in place for the duration of the subcontract; and

4) Obtain from any Subcontractor awarded a subcontract exceeding \$300,000.00 a copy of the Subcontractor's current certificate of compliance and tender a copy of the same, in print or electronic format, to CREO within thirty (30) days from the date the subcontract is executed. If, and only if, Subcontractor does not possess a current certificate of compliance, Contractor shall obtain a copy of the Subcontractor's affirmative action program and tender a copy of the same, in print or electronic format, to CREO within thirty (30) days from the date the subcontract is executed.

c. The City has the right to take action as directed by City's Civil Rights and Equal Opportunity Department to enforce this provision, if applicable. If Contractor fails, refuses or neglects to comply with the provisions of Chapter 3 of City's Code, then such failure shall be deemed a total breach of this Agreement and this Agreement may be terminated, canceled or suspended, in whole or in part, and Contractor may be declared ineligible for any further contracts funded by the City for a period of one (1) year. This is a material term of this Agreement.

3. Tax Compliance. Contractor shall provide proof of compliance with the City's tax ordinances administered by the City's Commissioner of Revenue as a precondition to the City making the first payment under this Agreement or any contract renewal when the total contract amount exceeds \$160,000.00. Notwithstanding the foregoing, the parties acknowledge and agree that this Agreement provides for a pro bono engagement where the City will only be responsible for reimbursement of Contractor's expenses, which will not exceed \$50,000.00, as set forth herein. If Contractor performs work on a contract that is for a term longer than one year, Contractor also shall submit to the City proof of compliance with the City's tax ordinances administered by the City's Commissioner of Revenue as a condition precedent to the City making final payment under the contract.

4. Employee Eligibility Verification. If this Agreement exceeds five thousand dollars (\$5,000.00), Contractor shall execute and submit an affidavit, in a form prescribed by the City, affirming that Contractor does not knowingly employ any person in connection with the contracted services who does not have the legal right or authorization under federal law to work in the United States as defined in 8 U. S. C. § 1324a(h)(3). Contractor shall attach to the affidavit documentation sufficient to establish Contractor's enrollment and participation in an electronic verification of work program operated by the United States Department of Homeland Security (E-Verify) or an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, under the Immigration Reform and Control Act of 1986. Contractor may obtain additional information about E-Verify and enroll at www.dhs.gov/files/programs/gc_1185221678150.shtm. For those Contractors enrolled in E-Verify, the first and last pages of the E-Verify Memorandum of Understanding that Contractor will obtain upon successfully enrolling in the program shall constitute sufficient documentation for

purposes of complying with this Section. Contractor shall submit the affidavit and attachments to the City prior to execution of this Agreement, or at any point during the term of this Agreement if requested by the City.

5. Anti-Discrimination Against Israel. If this Agreement exceeds \$100,000.00 and Contractor employs at least ten (10) employees, pursuant to Section 34.600, RSMo., by executing this Agreement, Contractor certifies it is not currently engaged in and shall not, for the duration of this Agreement, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. Notwithstanding the foregoing, the parties acknowledge and agree that this Agreement provides for a pro bono engagement where the City will only be responsible for reimbursement of Contractor's expenses, which will not exceed \$50,000.00, as set forth herein.

6. Non-Discrimination in Employment. Contractor shall not discriminate against any employee or candidate for employment on the basis of an individual's race, hair texture or hair style associated with an individual's race, color, sex, religion, national origin, or ancestry, disability, sexual orientation, gender identity, age, or in any other manner prohibited by Chapter 38 of the City Code. Contractor shall not engage in any discrimination as prohibited by Chapter 3 of the City Code.

7. Ban the Box in Hiring and Promotion.

a. Pursuant to Section 38-104, City Code Ordinances, Contractor shall not base a hiring or promotional decision on an applicant's criminal history or sentence related thereto, unless the employer can demonstrate that the employment-related decision was based on all information available including consideration of the frequency, recency and severity of a criminal record and that the record was reasonably related to the duties and responsibilities of the position.

b. Notwithstanding subsection (a), Contractor may inquire about an applicant's criminal history after it has been determined that the individual is otherwise qualified for the position, and only after the applicant has been interviewed for the position. Any such inquiry may be made of all applicants who are within the final selection pool of candidates from which a job will be filled.

c. This provision shall not apply to positions where employers are required to exclude applicants with certain criminal convictions from employment due to local, state or federal law or regulation.

8. Title VI of the Civil Rights Act of 1964. Title VI of the Civil Rights Act of 1964 requires that no person in the United States shall, on the grounds of race, color, or national or origin (including limited English proficient individuals), be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The City of Kansas City, Missouri requires compliance with the requirements of Title VI in all of its programs and activities regardless of the funding source. Contractor shall not discriminate on the grounds of race, color, or national or origin (including limited English proficient individuals).

9. Compliance with Laws. Contractor shall comply with all federal, state and local laws, ordinances and regulations applicable to the work and this Agreement. Contractor shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement.