

LEASE

THIS LEASE, made on this _____ day of August, 2015 by and between the **City of Kansas City, Missouri**, party of the first part, hereinafter called the “Lessor” or “City”, and **EPEC, Inc.**, a Missouri nonprofit corporation, party of the second part, hereinafter called “Lessee” or “EPEC”.

WITNESSETH: That said Lessor hereby grants to said Lessee, a Lease to occupy and use, subject to terms and conditions hereinafter stated, the following described premises at 5825 Troost, Kansas City, Jackson County, Missouri (“**Premises**”), for a term of a maximum of the (10) years, as more fully described hereinafter.

IT IS AGREED AS FOLLOWS

1. TERM. The term of this Lease shall be for a maximum period of ten (10) years and shall begin on August __, 2015 and shall end on or before August __, 2025 (“**Term**”). City and EPEC further agree that the Term of this Contract shall automatically cease thirty (30) days after the last six (6) months of course work as described below that can be completed within the ten (10) year term set out above. EPEC shall provide a certified and professional employment training and mentoring program to teach participants animal grooming and life skills. EPEC shall provide each participant who completes the course work a minimum of seven hundred (700) hours of classroom and “hands on” grooming instruction and a minimum of seventy-two (72) hours of life skills training. At a minimum, EPEC shall provide this course work initially to minimum of six (6) participants over a six (6) month period of time beginning no later than August 31, 2015. Thereafter, EPEC shall provide this coursework to an additional minimum of six (6) participants for each successive six (6) months thereafter during the Term.

2. RENT. Shall be **One Dollar and No Cents (\$1.00) a month** throughout the Term and, in addition, EPEC’s obligations to make and finance the Improvements to the Premises set forth in the “Contract Between EPEC, Inc. and the City of Kansas City, Missouri to Provide Animal Grooming Employment Training and Facilities Therefor” executed contemporaneously herewith. Lessee agrees to pay the sum of One Dollar and No Cents (\$1.00) to the City on the first day that possession of the Premises is made available to Lessee by the City, regardless of the day of the month. Thereafter, Lessee agrees to pay the sum of One Dollar and No Cents (\$1.00) to the City no later than the first day of each month thereafter throughout the Term. All rent payments shall be made payable to the “City Treasurer” and delivered to:

General Services – City Real Estate Office
Manager of Real Estate
City Hall – 17th Floor
414 East 12th Street
Kansas City, Missouri 64106

3. PREMISES AND USE OF PREMISES. The City hereby leases to EPEC for it to occupy and use, subject to terms and conditions hereinafter, for the Term described in Section 1 herein, the center portion of the one story building commonly referred to as 5825 Troost, along with the surfaced parking lot immediately in front of the center portion of this one story building, except

that portion occupied by a cell tower and the fencing around it, situated upon a parcel of real property located in Kansas City, Jackson County, Missouri bearing the following legal description: TROOST PLATEAU ALL LOTS 10 THRU 12 & S 1/2 LOT 13 BLK 13 & W 1/2 VAC ALLEY LY E OF & ADJ ALSO PRT SW 1/4 SW 1/4 SEC 33 49 33 BEG NE COR 59TH ST & TROOST AVE TH N ALG E LI TROOST AVE 134.8 FT TH E 265.44 FT TO W LI FOREST AVE TH S ALG SD W LI 134.8 FT TO N LI 59TH ST TH W ALG SD N LI 265.44 FT TO BEG, (the “**Premises**”) and to occupy and use the Premises exclusively to provide animal grooming employment and life skills training and mentorship and for related administrative office and storage space and no other. EPEC shall not use the Premises for any other purpose unless specifically authorized by CITY through its Director of General Services. In the event EPEC’s uses of the Premises do not conform to the above-stated purposes, the CITY shall have the right to terminate the Lease and this Contract with ten calendar day’s written notice.

4. ACCEPTANCE, MAINTENANCE AND REPAIR. Lessee has inspected and knows the condition of the Premises and accepts the same in their present condition (subject to ordinary wear, tear and deterioration in the event the term commences after the date hereof and to the rights of present or former occupant or occupants, if any, to remove reasonable movable property), including the interior walls. Lessee will return the premises to the City, undamaged except for reasonable wear and tear. All maintenance and repair of the building and parking surface(s) during the period of the Lease shall be the responsibility of Lessor, except only as expressly set forth in this Lease.

5. HAZARDOUS SUBSTANCES AND WASTES. Lessee agrees that it will not keep, ship to, ship from, permit or generate any Hazardous Material on the leased Premises without the expressed consent of the Lessor. “Hazardous Material, shall mean (i) “Hazardous Substances” as defined by the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) s42 U.S.C. s9601 et seq.; (ii) “Hazardous

Wastes.” As defined by the Resource Conservation and Recovery Act (RCRA), s42 U.S.C. s6902 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.

6. POSSESSION AT BEGINNING OF TERM. Lessor shall use due diligence to give possession as nearly as possible at the beginning of the term of this Lease and rent shall abate pro rata for the period of any delay in so doing. Lessee shall make no other claim against Lessor for any such delay.

7. QUIET ENJOYMENT. Lessor covenants and agrees that the Lessee on paying the rents and observing and keeping the covenants, agreements and stipulations of this lease agreement, on its part

to be kept, shall lawfully, peacefully and quietly hold, occupy and enjoy said demised Premises during the demised term without hindrance, objection or molestation.

8. LESSOR'S RIGHT OF ENTRY. Lessor or Lessor's agent may enter the Premises at reasonable hours to examine the same, to do anything Lessor may be required to do hereunder or which Lessor may deem necessary for the good of the Premises and (during the last 60 days of the lease only) to display the property to prospective tenants.

9. UTILITIES AND SERVICES. Lessor shall pay for all electricity and gas, unless otherwise herein expressly provided. Other services such as trash removal, security, lawn care and snow removal will be the responsibility of the Lessor.

10. ALTERATIONS. Lessee shall not make any material alterations or additions (hereinafter "improvements") in or to the Premises, without the prior written consent of Lessor. Such consent shall not be unreasonably withheld. Lessee shall make or cause Lessee's Contractor to make all approved improvements in accordance with all applicable Federal, State and Local laws. Quarterly the Lessee will submit an itemized list of all completed improvements to the Lessor. Submission of the aforementioned list will occur on the following dates: March 15th, June 15th, September 15th and December 15th of each year.

11. SIGNS AND ADVERTISEMENTS. Lessee shall not put upon nor permit to be put upon any part of the Premises, any signs, billboards or advertising whatever, without written consent of Lessor, City's Director of General Services.

12. RECYCLING. It is the established policy of the City to promote environmentally sound business practices. The Lessee agrees, where reasonable and practicable to incorporate similar practices in his operation on the Premises including, but not limited to encourage recycling.

13. AMERICANS WITH DISABILITIES ACT. The Lessee 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.

14. INSURANCE. At all times during the term of this Lease Agreement, Lessee shall obtain, pay all premiums for and furnish certificates to the Lessor for insurance as specified herein. **Delivery of such certificates to Lessor shall be a condition precedent to Lessee's right to go upon the Premises.** All such insurance contracts shall name the Lessor and Lessee as their interests appear and shall inure to the benefit of Lessee and Lessor and their officers, agents, elected officials, representatives or employees. Such insurance contracts shall be with companies acceptable to the Lessor and they shall require ten (10) days prior written notice to both parties hereto of any reduction in coverage or cancellation.

- (a) Commercial General Liability Insurance protecting the parties hereto from liability incurred by the parties hereto in the use of the building(s) or the performance of the terms of this Lease when such liability is imposed on account of injury to or death of a person or persons, such policy to provide limits on account of any accident resulting in injury or death of not less than \$2,000,000.00.

- (b) Lessee agrees to carry Basic Form Property Insurance on an actual cash value basis of which the Premises are a part. Lessee may, but shall not be required to obtain insurance for Lessee's personal property located on the Premises.

15. 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 casualty, as to become untenantable, then in such event, at the option of the Lessor, the term hereby created shall cease, and this lease shall become null and void from the date of such damage or destruction and the Lessee shall immediately surrender said Premises and all interests therein to Lessor and Lessee shall pay rent within said term only to the time of such surrender; provided, however, that Lessor shall exercise such option to so terminate this Lease by notice in writing, delivered to Lessee within sixty days after such damage or destruction. In case Lessor shall not so elect to terminate this lease, in such event, this lease shall continue in full force and effect and the Lessor shall repair the leased Premises with all reasonable promptitude, placing the same in as good as 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 and duration of untenability. In either event Lessee shall remove all rubbish, debris, merchandise, furniture, equipment and other of its personal property, within ten days after the request of the Lessor. If the leased Premises shall be slightly injured by fire or the elements, so as not to render the same untenantable and unfit for occupancy, then the Lessor shall repair the same with all reasonable promptness, and in that case, the rent shall not abate. No compensation or claim shall be made by or allowed to the Lessee by reason of any inconvenience or annoyance arising from the necessity of repairing any portion of the building or the leased Premises, however the necessity may occur.

16. 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 is 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 appropriate provision whereby the insurance company, or companies, consent to the mutual release of liability contained in this paragraph.

17. INDEMNITY AND PUBLIC LIABILITY. The Lessee shall defend and indemnify, hold harmless, protect and save the Lessor and all of its 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 Lessor 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 Lessor, its 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 Lessee, its officers, agents, employees, including volunteers, contractors, patrons, lessees or invitees (ii) any violation of law, ordinance or governmental regulations or orders of any kind; or (iii) the negligent performance by the Lessee, its officers, agents, employees, including volunteers or lessees or subcontractors of any authorized or permitted act contemplated by this Agreement; (iv) any contaminating materials in and around the subject property.

18. DAMAGE TO PROPERTY ON PREMISES. Lessee agrees that all property of every kind and description kept, stored or placed in or on the Premises shall be at Lessee's sole risk and hazard and that Lessor 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.

19. 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 Lessor'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 Lessor to the Lessee for the right of cancellation. Nothing in this paragraph shall preclude an award being made to Lessee for loss of business or depreciation to the cost or removal of equipment or fixtures.

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

21. ASSIGNMENT AND SUBLEASE. Lessee 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 Lessor. Lessor 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 an indemnity provision that mirrors the language of Section 17 of this Lease, with sub lessee indemnifying Lessor. Sub lessee also shall require any sub lessee to obtain insurance coverage in amounts equal to those in Section 15 of this lease and naming Lessor an additional insured. Lessee understands, however, that in the event of a sublease, Lessee is still responsible for complying with all terms of this Lease.

22. RECORDING. Lessee shall not, without the prior written approval of Lessor, record this Lease or cause it to be recorded. In the event that Lessee does cause it to be recorded, Lessor may terminate the Lease, upon thirty days' notice, at its sole option.

23. FIXTURES. Upon the termination of this Lease or before, the Lessor will permit the Lessee or its agents to enter the Premises and remove any and all **non-realty** items that have been contributed or consigned to the Lessee. 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.

24. SURRENDER AT END OF TERM. At the expiration of the term hereby created, the Lessor or his agent shall have the right to enter and take possession of the Leased Premises, and the Lessee agrees to deliver same without process of law, and the Lessee shall be liable to Lessor for any loss or damage, including attorney's fees and court costs incurred, as a result of Lessee's failure to comply with the terms hereof.

25. HOLDING OVER. Any holding over by Lessee after the expiration of the term of 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.

26. DEFAULT. If default is made in the payment of any installment of rent on the due date thereof, or if Lessee shall default in the performance of any other agreement (other than payment of rent) in this Lease and such default (other than payment of rent), continues for ten days after written notice thereof, or if the Premises be vacated or abandoned, then in any such event this Lease shall terminate, at the option of the Lessor, and Lessor 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 Lessor may exclude Lessee from the Premises, changing the lock on the door or doors if deemed necessary, if applicable, without being liable to Lessee for any damages or for prosecution therefor; Lessor's rights in such event may be enforced by action in unlawful detainer or other proper legal action, and the Lessee expressly agrees, notwithstanding termination of this Lease and re-entry by the Lessor that the Lessee 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 Lessor on account of the Premises being let for the remainder of the original term for a less sum than before. Lessor, as agent for Lessee without notice may re-let the leased 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 Lessee agrees to pay the difference between sum equal to the amount of rent payable during the residue of the term and net rent actually received by the Lessor 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.

All property of the Lessee 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 Lessee of any of the covenants or agreements of this Lease to be performed by Lessee. In the event of default by Lessee in the payment of rent or otherwise, Lessor may foreclose 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 Lessor may elect, at public or private sale, with or without notice, to the higher bidder for case, 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 Lessee. Any such sales shall bar any right of redemption by Lessee.

27. WAIVER. The rights and remedies of the Lessor 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 Lessor 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 of 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 Lessor 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 Lessee to pay subsequent installments of rent promptly upon the due date thereof. No receipt of money by Lessor after the termination in any way of this Lease shall reinstate, continue or extend the term above demised.

28. 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.

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

**Natasha Kirsch
EPEC Inc.
6401 Wornall Terrace
Kansas City, MO 64113**

Addressed to Lessor:

**Manager of Real Estate
General Services D – Real Estate Services
17th Floor, City Hall
414 E. 12th Street
Kansas City, MO 64106**

30. COVENANTS TO RUN WITH THE PREMISES. The covenants herein contained shall run with the Premises hereby let and bind the heirs, executors, administrators, assigns and successors of the Lessor and Lessee respectively and consent of Lessor to assignment, and acceptance of rent from assignee of the Lessee shall not release the Lessee from his obligation to pay rent and comply with the other conditions of this Lease.

31. 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 evidence by an agreement in writing signed by the Lessor and the Lessee after the date hereof.

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.

LESSEE:

EPEC, Inc.

BY _____
Natasha Kirsch
President

CORPORATE SEAL

LESSOR:

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

BY _____
Earnest Rouse
Director, General Services City of Kansas City, MO

APPROVED AS TO FORM & LEGALITY

BY _____
Galen P. Beaufort, Senior Associate City Attorney