

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION authorizing the County Executive to execute a fifty-year lease with City HR, LLC of Independence, Missouri, for the use and renovation of the County-owned building located at 200 S. Main, Independence, Missouri.

RESOLUTION #17648, August 15, 2011

INTRODUCED BY Bob Spence, County Legislator

WHEREAS, by Resolution 11157, dated February 5, 1996, the Legislature did authorize the purchase of the building located at 200 S. Main, Independence, Missouri, commonly known as "Old City Hall," for use as additional office space for County staff; and,

WHEREAS, County staff occupied the building until 2009, when structural issues related to the building's deterioration made it unsafe to occupy; and,

WHEREAS, in November 2010, the Director of Public Works solicited formal written requests for proposals for the redevelopment, reuse, and lease of 200 S. Main; and,

WHEREAS, two proposals were received, one of which was for the purchase of the building and the other proposed a long-term lease and renovation of the property; and,

WHEREAS, because the County desires to maintain ownership of the property, the Director of Public Works recommends acceptance of the proposal submitted by McProperties, LLC, on behalf of City HR, LLC, as the best proposal meeting

specifications; and,

WHEREAS, under the lease proposal, City HR, LLC will pay the County \$1.00 per year for fifty years, will assume the operational and maintenance costs of the property, and will provide for extensive restoration of the exterior and interior of the building consistent with its historic features; and,

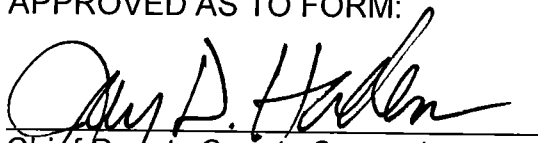
WHEREAS, upon completion of the restoration project, City HR, LLC will sublet the property as office space consistent with applicable zoning laws; and,

WHEREAS, this lease agreement is in the best interest of the health, safety, and welfare of the citizens of Jackson County; now therefore,

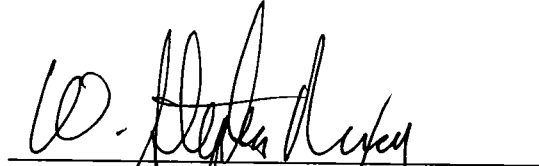
BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the County Executive be and hereby is authorized to execute the attached lease agreement with City HR, LLC of Independence, Missouri.

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM:



Chief Deputy County Counselor



County Counselor

Certificate of Passage

I hereby certify that the attached resolution, Resolution #17648 of August 15, 2011, was duly passed on August 22, 2011 by the Jackson County Legislature. The votes thereon were as follows:

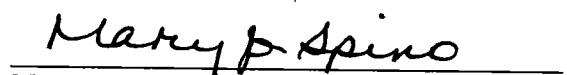
Yeas 6

Nays 2

Abstaining 0

Absent 1

8/23/11
Date



Mary Jo Spino, Clerk of Legislature

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Resolution No.: 17648

Sponsor(s): Bob Spence

Date: August 15, 2011

<p>SUBJECT</p>	<p>Action Requested <input checked="" type="checkbox"/> Resolution approving lease. <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>200 South Main Building Long Term Lease</u></p>										
<p>BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i></p>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>\$0</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td>\$0</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$0</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td>\$0</td> </tr> <tr> <td>Source of funding (name of fund) and account code number; FROM / TO</td> <td>FROM ACCT TO ACCT</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input checked="" type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use: \$</p> <p>Prior Year Budget (if applicable): Prior Year Actual Amount Spent (if applicable):</p>	Amount authorized by this legislation this fiscal year:	\$0	Amount previously authorized this fiscal year:	\$0	Total amount authorized after this legislative action:	\$0	Amount budgeted for this item * (including transfers):	\$0	Source of funding (name of fund) and account code number; FROM / TO	FROM ACCT TO ACCT
Amount authorized by this legislation this fiscal year:	\$0										
Amount previously authorized this fiscal year:	\$0										
Total amount authorized after this legislative action:	\$0										
Amount budgeted for this item * (including transfers):	\$0										
Source of funding (name of fund) and account code number; FROM / TO	FROM ACCT TO ACCT										
<p>PRIOR LEGISLATION</p>	<p>Prior ordinances and (date): <u>R11157 , dated 2/5/1996</u></p> <p>Prior resolutions and (date):</p>										
<p>CONTACT INFORMATION</p>	<p>RLA drafted by (name, title, & phone): Earl Newill, Chief Engineer, P.E.</p>										
<p>REQUEST SUMMARY</p>	<p>The building at 200 south main in Independence was purchased in 1996 for \$226,800.00, repairs were made and the county moved employees into the structure. The building was occupied until 2009 when pieces of the ceiling were falling along with many other issues related to building deterioration. Since 2009 the building has been unoccupied and has continued to deteriorate. In late 2010 the Public Works department issued an RFP to make repairs to and lease the building. Two proposals were received. One proposed purchase of the building and one proposed a long term lease. Since the county would like to retain ownership of the building, it is recommended that we accept the proposal from McProperties, LLC, and enter into a long term lease. The county counselor's office has negotiated a lease with McProperties, LLC. The lease will be in the name of City HR, LLC.</p> <p>The basic terms of the lease are:</p> <ul style="list-style-type: none"> • 50 year lease for \$1 per year. • Tenant to complete improvements to property within 2 years. • Insurance to be maintained on the property to protect the county. • Tenant to begin work within 180 days. • Tenant to pay for maintenance and utilities. • Tenant shall use the property for offices unless otherwise approved. 										

	<ul style="list-style-type: none"> Lease includes an option for a ten year extension at the end of 50 years. <p>We request that the County Executive be authorized to execute the lease, and that the Manager of Finance be authorized to accept the lease funds.</p>								
CLEARANCE	<input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input type="checkbox"/> Business License Verified (Purchasing & Department) <input type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)								
ATTACHMENTS	Lease agreement, Vicinity Sketch, Picture of Building.								
REVIEW	<table border="1"> <tr> <td>Department Director: <i>John B.</i></td> <td>Date: 08/03/2011</td> </tr> <tr> <td>Finance (Budget Approval): If applicable <i>Nathan A Ball NA</i></td> <td>Date: 8-4-11</td> </tr> <tr> <td>Division Manager: <i>[Signature]</i></td> <td>Date: 8/4/11</td> </tr> <tr> <td>County Counselor's Office: <i>[Signature]</i></td> <td>Date: 8/4/11</td> </tr> </table>	Department Director: <i>John B.</i>	Date: 08/03/2011	Finance (Budget Approval): If applicable <i>Nathan A Ball NA</i>	Date: 8-4-11	Division Manager: <i>[Signature]</i>	Date: 8/4/11	County Counselor's Office: <i>[Signature]</i>	Date: 8/4/11
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Division Manager: <i>[Signature]</i>	Date: 8/4/11								
County Counselor's Office: <i>[Signature]</i>	Date: 8/4/11								

10:00 a

Fiscal Information (to be verified by Budget Office in Finance Department)

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the _____ Fund in _____.
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____
- Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.

Cover Page for Recording Purposes

Document: Lease of the Property commonly known as 200 South Main Street, Independence, Missouri 64050 and presently identified in County tax records as parcel number 26-230-24-07-01-0-00-000

Grantor: Jackson County, Missouri, a political subdivision of the State of Missouri

Grantee: City HR LLC, a Missouri limited liability company

Legal Description: INDEPENDENCE OLD TOWN, Lots 103, 106 & 107 (except the South 69.75' of Lot 107 and except beginning at the NW corner of Lot 103, the East 55' thence South 100' thence West 55' thence North to POB)

LEASE

THIS LEASE IS MADE AND ENTERED INTO BETWEEN **Jackson County, Missouri** ("Landlord" or "County") and **City HR LLC**, a Missouri limited liability company (Tenant"), as authorized by Resolution #17xxx, dated _____, 2011, on this _____ day of _____, 2011, which is the Effective Date of this Agreement.

WHEREAS, the County is the owner of certain building and land (the "Property") located at 200 S. Main in Independence, Missouri; and,

WHEREAS, the building (the "Building") is not presently being used by the County; and,

WHEREAS, the Building is in need of extensive restoration; and,

WHEREAS, a request for proposals for the redevelopment, reuse, and lease of the Property was issued by the County in 2010; and,

WHEREAS, a proposal submitted by McProperties, LLC, in behalf of City HR LLC, a Missouri limited liability company, ("City HR LLC") has been selected as the best proposal by the County; and,

WHEREAS, City HR LLC has proposed a long-term lease under the terms of which the Tenant will assume the operational and maintenance costs of the Property as well as provide for extensive restoration of the exterior and interior of the Building consistent with its historic features and uses at Tenant's cost;

WHEREAS, Tenant has extensive experience and skill in historic restoration of similar buildings in the City of Independence; and,

WHEREAS, it is contemplated that Tenant will sublet the Property after restoration as Class A or Class B office space consistent with applicable zoning laws;

NOW THEREFORE,

In consideration of the obligation of Tenant to pay rent in the amount of \$1.00 per year to County for fifty (50) years and in consideration of the other terms, covenants and conditions hereof, Landlord hereby demises and leases to Tenant the Property to have and to hold for the lease term specified herein, all upon the terms and conditions set forth in this Lease.

BASIC PROVISIONS

The following basic provisions shall be construed in conjunction with, and limited by reference thereto in other provisions of this Lease:

1. a. "Landlord" -- **JACKSON COUNTY, MISSOURI**

Mailing Address of Landlord: Department of Finance & Purchasing, 415 E. 12th Street, First Floor, Kansas City, Missouri 64106

b. "Tenant"— **City HR LLC**

Mailing Address of Tenant: c/o Law Offices of Humphrey Farrington & McClain, PC, 221 W. Lexington, Suite 400, Independence, Missouri 64050

- c. "Property" – The building and parking lot located at 200 S. Main in Independence, Missouri, being legally described as shown in Exhibit "A" and numbered as page 19 of this Lease.
- d. "Lease Term": A period of fifty (50) years commencing on _____, 2011, (the "Commencement Date") and ending on _____, 2061, (the "Expiration Date"), unless sooner terminated in accordance with the provisions of this agreement.
- e. Rent shall be paid to Landlord or the Agent of the Landlord at Department of Finance & Purchasing, 415 E. 12th Street, First Floor, Kansas City, Missouri 64106 , or at such other place as Landlord shall designate.

PAYMENT OF RENT

- 2. Tenant agrees to pay Rent for the entire fifty (50) year term in advance upon execution of this lease agreement. Failure by Tenant to pay the rent owed within (10) days after receipt of notice from Landlord that it is due shall, in addition to any other default, constitute a default of this Lease by Tenant.

POSSESSION

- 3. Landlord shall use due diligence to deliver possession of the Property to Tenant as nearly as possible at the beginning of the term of this Lease. In the event Landlord cannot deliver possession to Tenant at the Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting from such failure, but, except as provided in Section 4, Tenant shall not be liable for any rent except for the prepaid rental until such time as Landlord can and does deliver possession. The expiration Date shall be extended for a period equal to the delay in delivery of possession, plus the number of days necessary to the end of the term on the last day of a month. Landlord and Tenant shall execute an amendment to this Lease setting forth revised Commencement and Expiration Dates. In the event Landlord is unable to deliver possession within six (6) months after the Commencement Date, the Lease shall be null and void and Tenant's pre-paid rental and the Security Deposit shall be promptly returned to Tenant. If permission is given to Tenant to enter into possession of the Property prior to the Commencement Date, Tenant agrees at date of occupancy to be responsible for payment of Rent in advance at the rate of 1/12th of the Annual Rent for each day of occupancy prior to the Commencement Date.

SUBSTANTIAL COMPLETION

4. Tenant agrees to take possession of the Property on an "As-Is" basis. Tenant agrees that time is of the essence in the restoration of the Property and agrees that work will begin not less than 180 days after execution of this agreement and be completed within an established and agreed upon timeline for the renovation. Within 24 months of the commencement date, Tenant shall complete demolition of the interior of the Property and perform exterior repairs necessary to maintain the structural integrity of the Property. Tenant shall spend a minimum of \$100,000.00 and up to a maximum of \$500,000.00 on the restoration of the Property.

QUIET ENJOYMENT

5. Landlord hereby covenants that Tenant, upon paying rent as provided, and performing all covenants and agreements contained in this Lease to be performed by Tenant, shall and may peacefully and quietly have, hold and enjoy the Property. Nothing in this section shall prevent Tenant from performing restorations, alterations or repairs on the Property, nor shall permanence of such restorations, alterations or repairs be construed as a breach of this covenant by Tenant.

ASSIGNMENT-SUBLETTING

6. Tenant shall not sublet, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest herein or any portion hereof, or permit or suffer any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Property or any portion thereof, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Permission is, however, granted Tenant to assign this Lease and also to sublet to any subsidiary corporation of Tenant, or parent corporation of Tenant, upon giving Landlord written notice. In the event of any assignment or subletting, Tenant shall remain the principal obligor under all covenants of this Lease, and by accepting any assignment or subletting, an assignee or subtenant shall become bound by and shall perform and shall become entitled to the benefit of all the terms, conditions and covenants by which the Tenant is bound. Consent to any such assignment, subletting, occupation or use by any other person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use by another person. Any such assignment or subletting without such

consent shall be void, and shall, at the option of the Landlord, constitute a default under the Lease. Any subletting or assignment consented to by Landlord shall be evidenced only in writing in a form acceptable to Landlord and Tenant.

USE

7. Tenant shall only use and occupy the Property for general office purposes and for no other purpose without the Landlord's prior written consent. Tenant agrees to restore and maintain the Property in a clean, orderly, healthful condition and to comply with all laws, ordinances, rules and regulations of all governmental agencies. Tenant will not use the Property for any unlawful, disreputable, or extra-hazardous purpose; or any public or private nuisance; or permit any other operation which might emit offensive odors into surrounding properties; or use any apparatus which might make undue noise or set off vibrations.

8. Tenant will not permit the Property to be used for any purpose which, in Landlord's opinion, impairs the reputation or character of the building. Tenant shall not install nor permit the installation of any signs in or upon the Property which are visible from the exterior hereof without the written consent of Landlord. Tenant shall not obstruct or use the sidewalks, entries, passages, vestibules, halls, elevators, or stairways of the building for any purpose other than ingress or egress to and from the Property, or throw, or sweep, or put anything out of the windows or doors, or in the passages or corridors of the buildings other than in the course of restoration work done on the Property.

REPAIRS, RESTORATION AND IMPROVEMENTS

9. Tenant has inspected and is satisfied with the physical condition of the Property and services provided on an "as-is" basis and Tenant's possession shall be conclusive evidence of its receipt of the total square footage as set forth in Paragraph 1. Tenant acknowledges that there have been no representations, agreements or promises to decorate, alter, repair or improve the Property either before or after the execution of this Lease except as set forth in Paragraph 4. Upon termination or expiration of this Lease, Tenant will surrender the Property to Landlord, ordinary wear and tear expected, subject to Tenant's right of first refusal or right to match any future public sale bid on the Property. Any damage to the Property or building, not covered by the proceeds from Landlord's fire and extended coverage insurance, resulting from acts or neglect of

Tenant, his employees, agents, servants, invitees or guests, shall be repaired or replaced at Tenant's sole expense.

ALTERATIONS

10. Tenant shall not alter or change the Property without prior written consent of Landlord, and, unless otherwise provided in writing, all work shall be done by or under the direction of Tenant and at Tenant's sole expense by Tenant or by a contractor employed by Tenant. Any alteration shall be of a quality equal to or exceeding the building standard. Landlord reserves the right to require any contractor to provide lien waivers or payment or performance bonds and liability insurance and such other instruments as may be necessary to protect Landlord against any loss, as shall be determined by Landlord in its sole discretion. Any alterations, physical additions or improvements, except movable office furniture, shall at once become property of Landlord and shall be surrendered to Landlord upon termination of this Lease. Landlord, at Landlord's option, may require Tenant to restore the Property to its original condition at the termination of this Lease, normal wear and tear excluded.

SERVICES

11. Following restoration of the Property, Tenant agrees to furnish to the building hot and cold water at points of supply provided for general use, heated and refrigerated air conditioning in season at reasonable temperatures, and in reasonable amounts, and provide for janitorial services in the manner deemed to be generally acceptable in comparable class buildings. Tenant will also pay for any additional special facilities or equipment and all costs for installing same.

ENTRY

12. Landlord, its officers, agents and representatives shall have the right to enter into and upon the Property, at reasonable times to inspect same, upon reasonable notice to Tenant, as Landlord may deem necessary, or for any purpose whatsoever, relating to the safety, protection or preservation of the building, and Landlord may and shall at all time, have master keys or pass keys to the Property. Tenant may change any locks or install locks in the doors or the Property, or install other devices or systems which would restrict access to the Property, with

Landlord's prior written consent. If Tenant shall not be present to open and permit entry into the Property at any time, Landlord may enter the same by master key or pass key or may forcibly enter the same, without rendering Landlord liable therefore, provided that during such entry Landlord shall take reasonable care of Tenant's property. Landlord shall have the right at any time for the purposes of inspection, maintenance, adjustment and balancing the controls of the HVAC systems, repair, environmental audits or abatement to erect, use, maintain, repair, replace or relocate pipes, ducts, wiring conduits and similar devices in and through the Property and to enter upon the Property for the purpose of the performance of any such work whether same or used in the supply of services to the Tenant or the other occupants of the building. Nothing contained above shall be deemed to impose upon the Landlord, any obligation, responsibility or liability whatsoever for the care, supervision or repair of the building or the Property or any part thereof, and Tenant shall be entitled to no abatement of rent or reduction of rent by reason thereof. Landlord shall further have the right to enter the Property at reasonable hours to exhibit same to prospective purchasers, lenders or tenants and to inspect the Property to see that Tenant is complying with all of its obligations hereunder, or to make repairs or modifications to any adjoining space or to the building.

CONDEMNATION

13. Should the Property or the building be taken or condemned in whole or in part under the power of eminent domain, or sold or disposed of under threat of condemnation, then Landlord shall receive the entire award of such taking or shall receive the entire payment made in lieu of condemnation, and Tenant shall have no claim thereto; provided, however, Landlord shall not be entitled to any award made directly to or conveyance in lieu thereof, the Lease term shall terminate on the date the condemning authority takes possession of the building and in the event of a partial taking or conveyance in lieu thereof the Landlord may, at its option, terminate the Lease Term as the date of the taking of possession or the partial taking by the condemning authority.

CASUALTY

14. If the building or the Property are made partially or substantially unusable by fire or other casualty, Landlord may elect either to (a) terminate the Lease as of the date of such fire or other casualty by delivery of notice of termination to Tenant within (60) days after said date, or (b) without termination of this Lease, proceed with due

diligence to repair, restore or rehabilitate the building or the Property, other than leasehold improvements installed by Tenant or paid for by Tenant. In the event such fire or other casualty is due to an act of negligence by Tenant, its employees, agents, servants, subleases, invitees or guests, such repair, restoration or rehabilitation shall be fully the Tenant's responsibility. If Landlord elects not to repair, and the building or the Property, or both, have been damaged by casualty due to the act or neglect of Tenant, his employees, agents, servants, invitees or guests, the Tenant shall pay to the Landlord upon demand the difference between the proceeds received by Landlord from its fire and extended coverage insurance, if any, and the fair market value of the building or the Property, or both. If all or any part of the Property are rendered substantially unusable by the Tenant, by fire or other casualty not due to an act of negligence of Tenant, its employees, agents, servants, invitees or guests, and this Lease is not terminated, rent shall abate for all or the part of the Property which are unusable by the Tenant on a per diem basis from and after the date of the fire and other casualty and until the Property are repaired and restored. Tenant's rent abatement, in the event of partial loss of use by the Tenant of the Property, shall be calculated based upon that portion of the total rent which the amount of square foot area in the Property that cannot be occupied to the total square foot area of all the Property.

LIABILITY

15. Landlord shall not be liable to Tenant for any loss or damage to any person or property, including the person and property of Tenant, its employees, agents, servants, invitees or guests, occasioned by theft, the acts of any other tenant or the acts of any employee or agent of any other tenant, leaks, casualty, rain, water, condensation, fire, acts of God public enemy, injunction, riot, strike, insurrection, picketing, mob action, bombing, explosion, war, court order, latent defects, requisition or order of government authority, the construction, repair, maintenance or alteration of any part, improvement of the building as a whole, or any other cause not due to Landlord's willful act or gross negligence. Tenant shall indemnify Landlord, naming it as an additional insured under the policy, and save it harmless from all suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury or property damage arising from, or out of, any occurrence in, upon, at, or from the Property or the occupancy or servants, invitees or guests. If Landlord shall be made a party to any action commenced against Tenant, the Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses and attorneys' fees incurred by Landlord.

Tenant shall, throughout the term of this Lease, maintain fire and extended coverage insurance on the

Property in an amount equal to the full insurable value thereof, subject to any allowances for coinsurance rating provisions utilized by Landlord. Tenant shall also carry owner's public liability and property damage insurance coverage on the Property with limits not less than \$1,000,000 combined single limits. Subject to the provisions hereof, all such insurance shall be for the sole benefit of the Landlord and under its sole control. Tenant recognizes that Landlord is a self-insured governmental entity, and that Tenant, at Tenant's cost and expense, shall maintain comprehensive general liability insurance with contractual and cross liability coverage protecting and indemnifying Landlord and Tenant against any and all claims of liability for injury or damage to person or property or for the loss of life or of property occurring upon, in, or about the Property, and the public portions of the building caused by, or resulting from, any act of omission (in whole or in part of Tenant, its employees, agents, servants, invitees or guests; such insurance to afford minimum protection during the term of this lease, or not less than \$1,000,000.00 for personal injury to any one person including death to more than one person arising out of any one occurrence and not less than \$1,000,000.00 with respect to property damage. All such insurance shall be effected under valid and enforceable policies; shall be issued by insurers of recognized responsibility and authorized to do business in the state; shall name the Landlord as an additional insured and shall contain a provision whereby the insurer agrees not to cancel without thirty (30) days prior written notice to Landlord. On or before the Commencement Date, Tenant shall furnish Landlord with certificates evidencing the aforesaid insurance coverage, together with evidence of payment of the premium and renewal policies or certificates therefore shall be furnished to Landlord at least thirty (30) days prior to the expiration date of each policy for which a certificate was therefore furnished. Notwithstanding the fact that any liability of Tenant to Landlord may be covered by Tenant's insurance, Tenant's liability shall in no way be limited by the amount of its insurance recovery. Landlord hereby waives all claims for recovery from Tenant for any loss or damage to Landlord or its property insured under valid and collectible insurance policies to the extent of the proceeds collected under such insurance policies; provided, however, that this waiver shall be effective only as allowed by the Applicable insurance policy of Landlord. All merchandise and property in or about the Property shall be at Tenant's risk, and Tenant does hereby now and forever release Landlord from any claims for damages thereto or any of same however caused.

HOLDING OVER

16. If Tenant retains possession of the Property after the expiration or termination of the Lease Term or any extension thereof by lapse of time or otherwise, Tenant shall pay Landlord rent at a rate equal to 150% of the rate payable for the month immediately preceding the expiration or termination of the Lease Term, including any Additional Rent, computed on a per-month basis for each month or part thereof consequential as well as direct, and for all attorneys' fees and expenses incurred by Landlord in enforcing, its rights hereunder, sustained by reason of Tenant's retention of possession. Such retention of possession shall constitute a month-to-month lease. The provisions of this section shall not exclude Landlord's right of re-entry or any other right hereunder. If Landlord has not elected to renew this Lease, nothing herein contained shall preclude Landlord from terminating such retention of possession by service of thirty (30) days notice as provided by law. The acceptance by Landlord of any payment of rent subsequent to the commencement of such retention of possession by Tenant shall not be deemed to constitute a waiver by Landlord of any of the provisions of this section.

RULES AND REGULATIONS OF BUILDING

17. Tenant, its employees, agents, servants, invitees and guests will comply fully with all regulations of the Rules and Regulations of the building as of and hereafter established by Landlord. Landlord shall at all time have the right to change such Rules and Regulations or to amend them in such reasonable manner as may be deemed advisable for safety, care, cleanliness and exterior and interior appearance of the Property and building, and for the preservation of goods order and control therein and throughout. All of the Rules and Regulations, changes and amendments thereto will be forwarded to Tenant, and after Tenant's notice of same, Tenant shall carry out and observe all of such Rules, Regulations and changes and amendments. Tenant shall save and hold Landlord harmless from expense or damage resulting from failure to do so.

RIGHTS RESERVED AND RETAINED BY THE LANDLORD

18. Landlord retains and reserves unto itself all rights not expressly granted to Tenant in this Lease. In addition, Landlord or Landlord's Agent reserves the following rights exercised without liability to Tenant for

(i) damage or injury to property, person or business; (ii) causing an actual or constructive eviction, from the Property; or (iii) disturbing Tenant's use or possession of the Property:

- (a) To name the building and project and to change the name or street address of the building of project;
- (b) To install and maintain all signs on the exterior and interior of the building and project.
- (c) To grant utility easements or other easements in, or re-plat, subdivide or make other changes in the legal status of the land underlying the building or the project as Landlord shall deem appropriate in its sole discretion, provided such changes do not substantially interfere with Tenant's use of the Property for the permitted purpose.

SUBORDINATION AND ATTORNMENT

19. Tenant hereby subordinates all of Tenant's rights, title and interest under this Lease to the lien of any existing and all future mortgages and deeds of trust on the building. Tenant agrees to execute and deliver promptly such agreement and other documents as Landlord may request to confirm and acknowledge the foregoing subordination agreement, and Tenant hereby appoints Landlord as Tenant's Agent to execute and deliver all such agreements and other documents for and in behalf of Tenant. In the event the lien of any such mortgage or deed of trust is foreclosed or title to the building is conveyed in lieu of foreclosure, Tenant hereby agrees to attorn to the purchaser of the building at any foreclosure sale and the grantee of any such deed and to confirm this Lease and recognize such purchaser or grantee as the Landlord hereunder. So long as Tenant is not in default, this Lease shall remain in full force and effect for the full term hereof.

ESTOPPEL CERTIFICATE

20. Tenant shall within ten (10) days after written request by Landlord, deliver to Landlord in writing an executed statement certifying that this Lease is unmodified and in full force and effect, or in the case of lease modifications, that the Lease as modified is in full force and effect, the dates to which rent or other charges have been paid, the amount, if any, of prepaid rent and deposits paid by Tenant to Landlord, the nature and kind of concessions, rental or otherwise, if any, which Tenant has received or is entitled to

receive, and that Landlord is not in default under any provision of this Lease, or if in default, a detailed description hereof. Tenant hereby appoints Landlord as Tenant's attorney-in-fact with full power and authority to execute and deliver in the name of Tenant any such certificate in the event Tenant fails to do so upon request.

INTEREST

21. All unpaid amounts of Base Rent shall be due to Landlord under this Lease and shall not be subject to any interest or delinquency charge. If unpaid when due, Tenant will be deemed to be in default of this lease.

DEFAULT AND REMEDIES

22. In the event: (a) Tenant fails to comply with any term, provision, condition, or covenant of this Lease including the payment of all monies due; (b) Tenant deserts or vacates the Property for 30 consecutive days or more without notice to Landlord or without making the current rental payment; (c) Any petition is filed by or against Tenant under any Section or Chapter of the Federal Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof; (d) Tenant becomes insolvent or makes a transfer in fraud of creditors; (e) Tenant makes an assignment for benefit of creditors; or (f) a receiver is appointed for Tenant or any of the assets of Tenant: then in any of such events, Tenant shall be in default and Landlord shall have the option to do any one or more of the following: (1) Upon ten (10) days prior written notice, excepting the payment of rent or additional rent for which no demand or notice shall be necessary, in addition to, and not in limitation of, any other remedy permitted by law; to enter upon the Property or any part thereof, either with or without process of law, and to expel, remove and put out Tenant or any other persons who might be thereon, together with all personal property found therein; or (2) Landlord may terminate this Lease, or it may from time to time, without terminating this Lease, re-let said Property or any part thereof for such term or terms and at such rent and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, with the right to repair, renovate, remodel, redecorate, alter and change said Property. At the option of Landlord, rents received by Landlord from such re-letting shall be applied first to the payment of any indebtedness from Tenant to Landlord other than rent and additional rent due hereunder, second to the payment of any cost and expenses of such re-letting,

including, but not limited to, attorney's fees, advertising fees and real estate brokerage fees, and to the payment of any repairs, renovations, remodeling, redecorations, alterations and advertising fees and real estate brokerage fees, and to the payment of any repairs renovations, remodeling, redecorations, alterations and changes in the Property; third to the payment of rent and additional rent due and payable hereunder and interest thereon, and if after applying said monies there is any deficiency in the rent and additional rent and interest to be paid by Tenant under this Lease, Tenant shall pay any such deficiency to Landlord and such deficiency shall be calculated and collected by Landlord monthly. No such re-entry or taking possession of said Property shall be construed as an election of Landlord's part to terminate this Lease unless a written notice is given to Tenant. If Tenant vacates or abandons the Property, any property that Tenant leaves on the Property shall be deemed to have been abandoned and may either be retained by Landlord as the property of Landlord or may be disposed of at public or private sale in accordance with applicable law as Landlord shall determine in its sole discretion. The proceeds of any public or private sale of Tenant's property, or the then current fair market value of any property retained by Landlord, shall be applied by Landlord against (i) the expenses of Landlord for removal, storage or sale of the property; (ii) the arrears of rent or future rents payable under this Lease; and (iii) any other damages to which Landlord may be entitled hereunder.

Notwithstanding, any such re-letting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach and default. Should Landlord at any time terminate this Lease by reason of any default, in addition to any other remedy it may have, it may recover from Tenant the amount at the time of such termination of the excess of the amount of rent and additional rent reserved in this Lease for the balance of the term hereof over the then reasonable rental value of the Property for the same period. Landlord shall have the right and remedy to seek redress in the Circuit Court of Jackson County, Missouri at any time to correct or remedy any default of Tenant by injunction or otherwise, without such resulting or being deemed a termination of Lease, and Landlord, whether this Lease has been or is terminated or not, and shall have the absolute right by court action or otherwise to collect any and all amounts of unpaid rent or unpaid additional rent or any other sums due from Tenant to Landlord under this Lease which were or are unpaid at the date of termination. . All other remedies herein provided shall be cumulative to all other rights or remedies herein given to Landlord by law. A waiver by Landlord of any default by Tenant in the performance of any of the covenants, terms or conditions hereof shall not be considered or treated as a waiver of any subsequent or other default as to the same or any other matter. If

Tenant shall default in the performance of any covenant, agreement, provision or condition herein contained, Landlord, without thereby waiving such default, may perform the same for the account and at the expense of Tenant, without notice in the case of emergency. Bills for any expense incurred by Landlord in connection with any such performance by Landlord for the account of Tenant, as well as bills for any property, material, labor or services provided, furnished or rendered, or caused to be provided, furnished or rendered, by Landlord to Tenant may be sent by Landlord to Tenant monthly, or immediately, at Landlord's option and shall be due and payable by Tenant upon notice of the amount or amounts and the amount or amounts thereof shall be deemed to be Additional Rent under this Lease. Tenant shall promptly give to Landlord notice as herein provided of any defects in the Property including the failure of Landlord to do anything required to be done by law or by the terms of this Lease or the doing or permitting to be done anything prohibited by law or by the terms of this Lease. Unless Tenant has given said notice and Landlord has failed to commence to cause the cure of said defect within ten (10) days after receipt of said notice. Tenant shall have no right to terminate the said Lease or to declare a forfeiture and in no event shall rent abate except as in this Lease specifically provided. Landlord shall not be obligated to notify Tenant of the due date of rent nor demand payment thereof on its due date, the same being expressly waived by Tenant. The acceptance of any sums of money from the Tenant that is less than the actual amount owed is considered a partial payment and does not relieve Tenant from the full amount that is owed Landlord.

RIGHT OF FIRST REFUSAL OR TO MATCH BEST OFFER

23. In the event that Jackson County, Missouri elects to sell the Property at public sale or public bidding during the term of this Lease or at the end of the fifty (50) year lease term rather than extend the term of the lease, Tenant shall have the right to match the highest and best bid or offer price as a right of first refusal and become the purchaser of the Property.

24. OPTION FOR RENEWAL

If Landlord desires to enter into a renewal of the terms of this lease, Landlord shall notify Tenant in writing of its interest in a ten (10) year renewal term at least ninety (90) days prior to the Tenant's required date for exercise of the renewal option. Tenant shall notify Landlord in writing of its intent to exercise an option to

renew this lease for a ten (10) year period extending from xxxx 1, 20xx to xxxx, 2061, at least ninety (90) days prior to the end date of the 20xx rent period. If renewed, all terms of this Lease shall continue in effect for the renewal period unless expressly agreed to in writing by Landlord and Tenant. Thus, as to the first renewal option, Landlord would inform Tenant of the proposed renewal by xxxx x, 20xx and TENANT would exercise the option by xxx 1, 20xx.

SURVIVAL OF OBLIGATION

25. The obligation of Tenant with respect to the payment of rent accrued and unpaid during the term of obligation of the Lease shall survive the expiration or earlier termination of the Lease.

HEADINGS

26. The titles and headings in the Lease are used only to facilitate reference, and in no way to define or limit the scope or intent of any of the provisions of this Lease.

ENTIRE AGREEMENT – AMENDMENTS

27. This Lease constitutes the entire agreement between the parties with respect to the Property and this Lease covers, merges and includes all agreements, oral or written, between the parties hereto whether made prior to or contemporaneous with the execution of this Lease. This lease cannot be modified or changed by any verbal statement, promise or agreement and no modification, change nor amendment shall be binding on the parties unless it shall have been agreed to in writing. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

SEVERABILITY

28. In the event any provisions of this Lease be officially found to be contrary to law, or void as against public policy or otherwise, such provisions shall be either modified to conform to the law or considered severable with the remaining provisions hereof continuing in full force and effect.

ENVIRONMENTAL

29. Landlord and Tenant hereby acknowledge that they each have fully disclosed to both parties any knowledge of any environmental or hazardous substance contained in the property. Landlord and Tenant hereby waive against each other any further claim regarding full environmental disclosure. Tenant has no obligation for any environmental remediation costs other than those associated in the normal course of interior restoration.

SUCCESSORS AND ASSIGNS

30. It is agreed that all the covenants, agreements and conditions herein contained shall extend to, and be binding upon, the respective successors, administrators, assigns, or receivers of the parties to this Lease. In the event that the Tenant desires to assign this lease to a subsequent party, it is subject to the approval of the Landlord.

NOTICES

31. Any and all notices required or permitted to be given hereunder shall be served either personally or by United States Mail, postage Prepaid (and if permitted by law, by Registered, Certified, or Express Mail) at the following Addresses:

To Landlord: at the address set forth on page 1, or at such other address as Landlord shall designate by written notice.

To Tenant: At the address set forth on page 1, or at such other address as Tenant shall designate by written notice to Landlord.

Each such notice shall be deemed given as of the date it is so deposited in the United States Mail.

TIME OF THE ESSENCE

32. Time is of the essence in this Lease Agreement.

SUPPLEMENTAL PROVISIONS

33. Landlord and Tenant further agree as follows:

- a. No payment by Tenant or receipt by Landlord of a lesser amount than the rent provided for in this Lease shall be deemed to be other than on account of the earliest due rent. Nor shall any endorsement or statement on any check or letter accompanying any check or payment as rent be deemed in accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any amount or other payment of Tenant then not current and due or delinquent. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default, but, shall constitute only a waiver of timely payment for the particular payment involved. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.
- b. If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. Tenant may from time to time seek from one or more financial institutions some part or all of the funds to finance the improvements on the property of which the Property are a part. Neither Landlord nor Tenant shall unreasonably withhold its consent to changes or amendments to the Lease requested by the financing institution on Tenant's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or any obligations of the party from whom consent to such change or amendment is requested. The parties agree to promptly sign all changes or amendments reasonably requested to give effect to the provisions of this Lease.
- d. This Lease shall be construed and enforced in accordance with the laws of the State of Missouri.
- e. A directory will be maintained in the lobby of the building by Tenant with the names and suite numbers of the sub-tenants in the building properly numbered and lettered, but if changed or added to, Tenant will pay for the cost of same. Door signs shall be ordered by the Tenant and installed in locations

specified by Tenant. Tenant will not attach to the doors or hallways any signs or logos other than the standard building type.

- f. Recording: Recording of this Lease may be done by either party by recording a Memorandum of Lease or this Lease; however, the Memorandum shall not include information pertaining to rental amounts paid.

IN WITNESS WHEREOF, Landlord and Tenant, acting herein by duly authorized individuals, have caused this instrument to be executed in three (3) originals, on the _____ day of _____, 2011.

JACKSON COUNTY, MISSOURI

COUNTY EXECUTIVE

Approved as to form :

COUNTY COUNSELOR

Attest:

Mary Jo Spino, Clerk of the Legislature

City HR LLC, LLC, a Missouri limited liability company

by:_____

This Lease contains 19 pages, inclusive of the cover page and Exhibit A.

Exhibit A

Legal Description of Property

INDEPENDENCE OLD TOWN, Lots 103, 106 & 107 (except the South 69.75' of Lot 107 and except beginning at the NW corner of Lot 103, the East 55' thence South 100' thence West 55' thence North to POB), commonly known as 200 S. Main Street, Independence, Missouri 64050 and presently identified on County tax rolls as parcel 26-230-24-07-01-0-00-000.

200 South Main
(Old City Hall)

Karol S. Miller

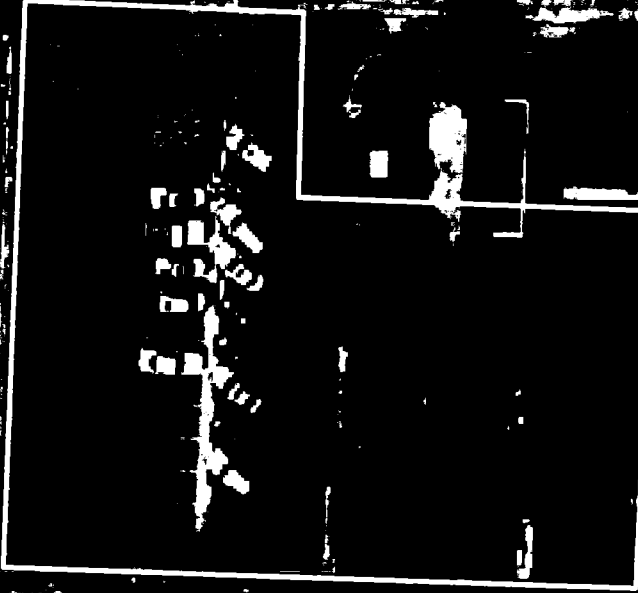
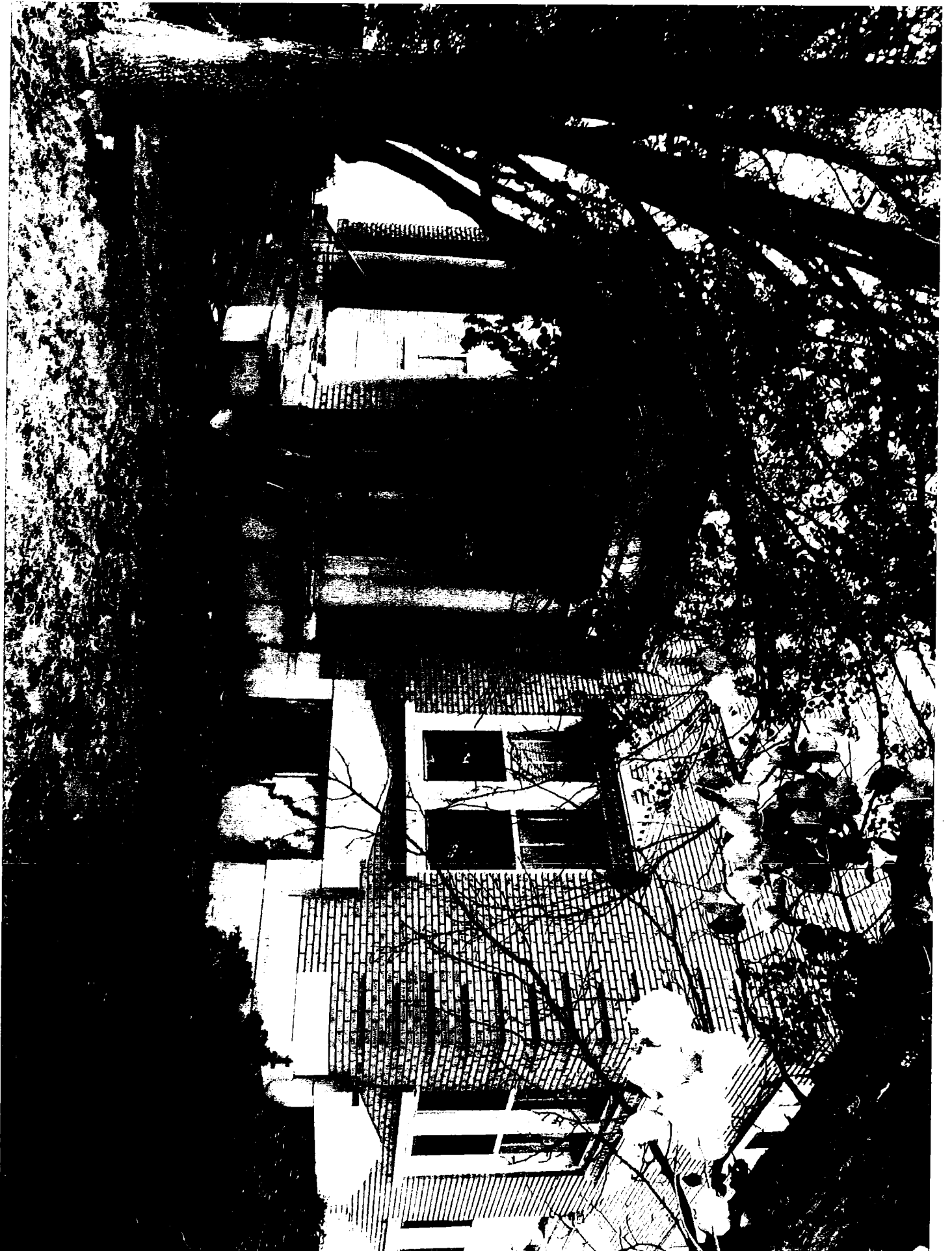


Exhibit A



JACKSON COUNTY, MISSOURI
Public Works Department – Engineering Division
303 West Walnut
Independence, Missouri 64050
816-881-4538 Phone 816-881-1700 Fax

TITLE-SIGNATURE PAGE
REQUEST FOR PROPOSALS
FOR
REDEVELOPMENT, REUSE AND LEASE OF 200 S. Main (Independence) Facility

Jackson County will accept separate sealed proposals from qualified persons or firms interested in providing the following:

Three (3) SIGNED PROPOSALS
Plus One (1) unbound copy for a total of Four (4) copies
MUST BE RECEIVED BY:
4:00 PM, November 30, 2010

A PRE-PROPOSAL CONFERENCE IS SCHEDULED FOR November, 17, 2010 AT 9:00 A.M. IN THE PUBLIC WORKS CONFERENCE ROOM, TECHNOLOGY CENTER, 303 W. WALNUT STREET, INDEPENDENCE, MISSOURI. A SITE VIEWING WALK THROUGH WILL IMMEDIATELY FOLLOW THE PRE-PROPOSAL CONFERENCE.

PLEASE MARK YOUR SUBMITTAL "SEALED PROPOSAL" AND SEND IT TO:

Jackson County Public Works Department
Attention: Earl Newill, Chief Engineer
303 W. Walnut
Independence, Missouri
816-881-4538

The County reserves the right to reject any and all proposals, to waive technical defects, and to select the proposal(s) deemed most advantageous to the County.

The undersigned certifies that he/she has the authority to bind this company in an agreement to supply the service or commodity in accordance with all terms and conditions specified herein. Please type or print the information below. **Respondent is REQUIRED to complete, sign and return this form with their submittal.**

Company Name	Authorized Person (Print)
Address	Signature
City/State/Zip	Title
Telephone #	Date
Fax #	Tax ID #
E-mail	Entity Type

LEGAL NOTICE

JACKSON COUNTY, MISSOURI

REQUEST FOR PROPOSALS

Jackson County, Missouri will accept separate sealed proposals from qualified persons or firms interested in providing the following: Redevelopment, Reuse and Lease of 200 S. Main Facility in Independence.

Proposals must be received by 4:00 P.M. local time, on November 30, 2010 at the Technology Center, Public Works Department, 303 W. Walnut Street, Independence, MO 64050.

Proposal documents are available by accessing the County's web site at <http://www.jacksongov.org/PublicWorksBids>.

The County reserves the right to reject any and all proposals, to waive technical defects in the proposals, and to select the proposal deemed most advantageous to the County.

A pre-proposal conference will be held on November 17, 2010 at 9:00 AM in the Public Works Conference Room, Technology Center, 303 W. Walnut Street, Independence, MO 64050. A site viewing walk through will immediately follow the pre-proposal conference.

Inquiries may be addressed to:

Earl Newill, Chief Engineer, 816-881-4538, enewill@jacksongov.org
John McClernon, Project Manager, 816-881-4532, jmcclernon@jacksongov.org

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PART III

General Conditions

EXHIBIT

Exhibit A Vicinity Map, Site Plan

PART I
DESCRIPTION OF PROJECT AND SERVICES REQUIRED

1. **INTRODUCTION/DESCRIPTION OF PROJECT:**

Jackson County is seeking proposals from qualified persons and firms to prepare a redevelopment, reuse, and lease of County owned property located at 200 S. Main Street, Independence, Missouri. The County's objective in soliciting Proposals is to identify a responsive and responsible Respondent who provides the best value to the County, whose proposal will enhance and benefit the surrounding neighborhood and also provides a benefit to County residents. The County **will not** consider any applications that require the demolition of the existing facility.

1.1 **Building:**

The building, commonly referred to as "Old City Hall", was originally constructed in 1910. The building served as City Hall for the City of Independence from 1911 till the late 1970s. It was renovated in the early 1980s for lease as offices. The County acquired the building in February, 1996 and used it for office space until 2009 when occupants were relocated to other facilities.

The building contains approximately 3,000 gross square feet on each of three floors (including the basement). The usable space by floor is as follows: 1,965 sq. ft. in the basement; 2,482 sq. ft. on the first floor and 2,406 sq. ft. on the second floor.

The Neoclassical building is faced in blonde brick trimmed with limestone (stringcourses), cast stone (columns), and pressed metal (window pediments and cornice). It consists of brick bearing walls and wood floor framing. It is a representative, if rather plain, example of a popular building style and type of the time. The main entry is on the east side through a raised columned porch; an entry from the north leads to a stair landing half-way between the basement and first levels, and a west entry leads down a ramp to the half-submerged basement. The "flat" built-up roof is hidden behind a tall parapet and slopes to the rear of the building. Original wood windows have been replaced with insulated aluminum units, and the surrounding wood trim has been clad in sheet metal.

1.2 **Site Conditions:**

The building occupies a southwest corner site at the street intersection of Main and Kansas in an area containing modest one and two-story commercial

structures. It is two blocks to the east of the Courthouse Annex and one block south of the Historic Truman County Courthouse.

The site area consists of 22,215 square feet. A one-way drive on the site along the south side of the building accommodates 40 parking spaces. The drive circles the site of the County's original log courthouse which is located to the immediate west of the 200 S. Main building.

The property is zoned C-2 (General Commercial) according to the City of Independence. This zoning district allows for a mixture of retail, office, light service, and restaurant uses. For a more complete list of allowable land uses in District C-2, go to the City of Independence web site, <http://www.ci.independence.mo.us/> click on Departments, then click on Community Development. On the right side of Community Development site, under quick links, click on Unified Development Code and then or click on Article 3 or click on the following link:

<http://www.ci.independence.mo.us/ComDev/UDO.aspx?p=y>

Although unlikely, a change in zoning or use would require the successful respondent to go through the normal development approval process to change the zoning.

1.3 Environmental Issues:

Respondents will be responsible at their sole cost and liability for any environmental remediation that may be associated with redevelopment or rehabilitation of the existing building or site and shall indemnify Jackson County against any costs or liabilities arising from such removal or disturbance and from Respondent's activities relating to the Project.

1.4 Redevelopment and Reuse Costs:

Respondents should draw independent conclusions concerning conditions that may affect the methods or cost of development. Respondents shall be responsible for all pre-development (including geotechnical and structural analysis and other site preparations) and applicable project development costs. Respondents shall be solely responsible for all costs related to obtaining necessary permits, approvals, clearances, and licenses at the appropriate time, including, without limitation, zoning approvals and the clearances, required under the City of Independence.

1.5 Lease:

The County is interested in offering a long-term lease.

The successful Respondent or tenant will be required to meet insurance requirements as stipulated by the County. General Liability insurance in the amount of \$1,000,000 or above will be required, in addition to possible loss of rental income and property insurance that will be addressed in the lease agreement.

The Property shall be leased in "as-is" condition, without warranty by the County as to physical condition of the site and building and without any other warranties of any kind. Structural changes that impact the architectural integrity of the building will not be permitted under any circumstances.

1.6 Site Readiness:

In December 2007, the County retained the services of Tetra Tech, a local engineering firm to determine the stability of structure. Tetra Tech was supported on the structural assessment by CEO Structural Engineers, Inc. of Mission, Kansas; and on the MEP (mechanical, electrical and plumbing) assessment by GPW Engineering, Inc., of Lawrence, Kansas. A copy of the complete report can be found on the County's web site at <http://www.jacksongov.org/PublicWorksBids>.

Respondents interested in viewing the site and interior of the building are encouraged to attend the site viewing walk through after the pre-proposal conference on November 17, 2010. Access to the site after that date must be pre-scheduled by contacting Earl Newill, County Engineer at 816-881-4538 or enewill@jacksongov.org.

2. SCOPE OF SERVICES

The County is seeking proposals for redevelopment, reuse and lease of this property.

Respondents should prepare a proposal as defined in Part II.