

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION authorizing the Director of Finance and Purchasing to execute a three-year lease with D. Varalli Enterprises, LLC, d/b/a Towne Square Professional Building, for the furnishing of office space, at a cost to the County not to exceed \$10,053.00 in 2008 and \$122,500.00 over the life of the lease.

RESOLUTION #16733, October 6, 2008

INTRODUCED BY Dennis Waits, County Legislator

WHEREAS, the County desires to lease office space for County operations, including the Office of Emergency Management, County Legislative Auditor, County Legislative Clerk, and legislative offices; and,


WHEREAS, D. Varalli Enterprises, LLC, has proposed to lease to the County space at 201 W. Lexington in Independence, Missouri, for a term of three (3) years at \$3,500.00 per month, or \$42,000.00 per year, with no utility pass through; now therefore,

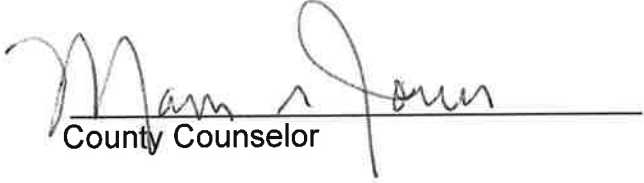
BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the Director of Finance and Purchasing is authorized to execute a Lease with D. Varalli Enterprises, LLC, at a 2008 cost not to exceed \$10,053.00, in a form to be approved by the County Counselor; and,

BE IT FURTHER RESOLVED that the Director of Finance and Purchasing is authorized to make all payments, including final payment on the Lease, to the extent that sufficient appropriations are included in the then current County budget.

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 #16733 of October 6, 2008 was duly passed on October 6, 2008 by the Jackson County Legislature. The votes thereon were as follows:

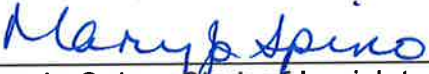
Yeas 8

Nays 0

Abstaining 0

Absent 1

10.7.08
Date


Mary Jo Spino, Clerk of Legislature

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.

ACCOUNT NUMBER: 001 0112 56790
ACCOUNT TITLE: General Fund
Legislature as a Whole
Other Contractual Services
NOT TO EXCEED: \$7,000.00

ACCOUNT NUMBER: 001 1205 56710
ACCOUNT TITLE: General Fund
Facility Management
Maintenance & Repair
NOT TO EXCEED: \$3,053.00

Funds for future years are subject to appropriation in the 2009, 2010, and 2011 annual County Budgets.

10/3/08
Date


Director of Finance and Purchasing

OFFICE LEASE

THIS LEASE IS MADE AND ENTERED INTO BETWEEN D. Varalli Enterprises, LLC d/b/a TOWNE SQUARE PROFESSIONAL BUILDING ("Landlord"), and Jackson County, Missouri ("Tenant") on this 9th day of OCTOBER, 2008 which is the Effective Date of this Agreement.

WITNESSETH:

In consideration of the obligation of Tenant to pay rent and in consideration of the other terms, covenants and conditions hereof, Landlord hereby demises and leases to Tenant, the Premises to have and to hold for the lease term specified herein, all upon the terms and conditions set forth in this Lease. The initial purpose of this Lease is for office space for the use and benefit of the County Legislature and other County operations as may be assigned to the Premises by the County.

1. BASIC PROVISIONS:

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

1.1. "Landlord": Towne Square Professional Building

Address of Landlord: PO Box 1188, Independence, Missouri, 64051

1.2. "Tenant": Jackson County, Missouri, a political subdivision of the State of Missouri

Address of Tenant:

1.3. "Premises": Approximately 3,833 square feet (all rentable area on the second floor except the Northwest corner office area as noted herein) known as Suite 202, a portion of the building located at 201 W. Lexington in Independence, Missouri, as shown in Exhibit A. The property presently is under a Chapter 353, RSMo, tax abatement.

1.4. "Tenant's Percentage": Total rentable area in the above building is 18,792 square feet, and Tenant's proportionate share is twenty (20%) percent.

1.5. "Lease Term": A period of thirty-six months commencing on October 13, 2008, (the "Commencement Date") and ending on October 13, 2011, (the "Expiration Date"), unless sooner terminated in accordance with the provisions of this agreement. A Lease Term Year will run from the commencement date in October, 2008 to the next October.

1.6. "Base Rent": \$42,000 per year, payable in monthly installments in advance, due on or before the 15th day of each month, during the Lease Term according to the following schedule:

October 13, 2008 through October 14, 2011, at the rate of \$10.96 per sq. ft. = \$3,500.00 per month.

1.7. **The first month of the first year (October 13, 2008 to November 15th) will be at no charge so the total rent for the first twelve months of the Lease will be \$38,500.00 or an equivalent of \$10.04 per sq. ft. for the first year; thus, thirty-five rent payments of \$3,500.00 will be made commencing on or before November 15, 2008 and the last payment being made on or before September 15, 2011**

1.8. Rent shall be paid to Landlord or the Agent of the Landlord at PO Box 1188, Independence, Missouri, 64051, or at such other place as Landlord shall designate.

1.9. Landlord shall provide or permit the attachment of a photo array of the exterior premises and the leased premises attached hereto as Exhibit B.

2. PAYMENT OF RENT & RIGHT OF FIRST REFUSAL:

FILED
OCT 10 2008

MARY JO SPINO
COUNTY CLERK

TENANT agrees to pay Base Rent in monthly installments in advance on the first day of each and every month during the term, with proration of any partial month's occupancy, without demand, setoff, or deduction except Tenant shall pay the first monthly installment concurrently with the execution of this Lease. 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. Tenant shall issue a Form 1099 to Landlord for rent paid and shall require Landlord's EIN or other tax identification number for issuance and report.

2.1. This includes all office space on the second floor except the Northwest corner office that is presently occupied by a private tenant.

2.2. The County has a right of first refusal for the lease of the presently occupied Northwest corner office (718 sq ft), at \$10.96 per sq ft (\$655.77 per month during the balance of the three-year term of this Lease or renewal period should it be vacated by the present private tenant.

3. POSSESSION:

LANDLORD shall use due diligence to deliver possession of the Premises 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, or if Landlord's work is not completed by 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 Premises prior to the Commencement Date, Tenant agrees at date of occupancy to be responsible for payment of Base Rent in advance at the rate of 1/30th of the Base Monthly Rent for each day of occupancy prior to the Commencement Date.

4. SUBSTANTIAL COMPLETION:

TENANT agrees to take possession of the Premises on an "As-Is" basis. However, Landlord agrees to the following:

4.1. Carpet cleaning throughout the Premises and carpet replacement in South hallway as shown on Exhibit C at Landlord's expense with completion no later than November 1, 2008;

4.2. A sink, water line and drain will be installed as illustrated in Exhibit D and requisite carpentry, plumbing and electrical work appurtenant thereto no later than November 1, 2008, with plans and cost thereof approved and paid by the Tenant as set forth in Exhibit D with the Tenant's contribution to the cost thereof not to exceed \$3,053.00.

5. QUIET ENJOYMENT:

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 Premises. Nothing in this section shall prevent Landlord from performing alterations or repairs on other portions of the building, nor shall permanence of such alterations or repairs be construed as a breach of this covenant by Landlord.

6. ASSIGNMENT-SUBLETTING:

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 Premises or any portion thereof, without the prior written consent of

Landlord, which consent shall not be unreasonably withheld. In lieu of granting its consent to a subletting or assignment, Landlord may, at its sole option, terminate this Lease by notice to Tenant given with five (5) business days from the receipt of request for permission to sublet or assign. Such termination shall be effective on the same date as the commencement date of the proposed subletting or assignment. Tenant shall have the right to negate any such termination by withdrawing its request within five (5) days after receipt of Landlord's notice of termination, in which event the Lease shall remain in full force and effect. 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 in written form.

7. USE:

TENANT shall only use and occupy the Premises for general office purposes and for no other purpose without the Landlord's prior written consent. Tenant agrees to maintain the Premises 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 Premises for any unlawful, disreputable, or extra-hazardous purpose; or any public or private nuisance; or disturb the quiet enjoyment of any other Tenant; or permit any other operation which might emit offensive odors into other portions; or use any apparatus which might make undue noise or set off vibrations; or permit anything which would increase the fire insurance rate or other insurance rates on the building or contents. Tenant will not allow the Premises 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 Premises 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 Premises, or throw, or sweep, or put anything out of the windows or doors, or in the passages or corridors of the buildings.

8. REPAIRS AND IMPROVEMENTS:

TENANT has inspected and is satisfied with the physical condition of the Premises and services provided and Tenant's possession shall be conclusive evidence of its receipt of the total square footage as set forth in Section 1 above. Tenant acknowledges that there have been no representations, agreements or promises to decorate, alter, repair or improve the premises 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 Premises to Landlord, ordinary wear and tear expected. Any damage to the Premises 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.

9. ALTERATIONS:

TENANT shall not alter or change the Premises without prior written consent of Landlord, and, unless otherwise provided in writing, all work shall be done by or under the direction of Landlord at Tenant's sole expense 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 Premises to its original condition at the termination of this Lease, normal wear and tear excluded.

10. SERVICES:

LANDLORD 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, from 8 a.m. to 6 p.m. Monday through Friday and elevator and janitor services in the manner deemed to be generally

acceptable in comparable class buildings. Janitorial services shall only be provided two (2) times per week, during County business hours, except business holidays. Except as noted above, Landlord reserves the right to furnish all such facilities and services, at its option, on such weekends and holidays as Landlord chooses. Tenant shall not, without Landlord's prior written consent, install or operate any electrical equipment, machinery or mechanical device or computer on the Premises other than normal to general office use. If Tenant needs or demands above normal electric service or heated or refrigerated air, it is agreed Tenant shall pay for same as Additional Rent if Landlord is reasonably able to provide same and is agreeable to so providing. Tenant will also pay for any additional special facilities or equipment and all costs for installing same. Landlord shall not be liable for damages to Tenant for failure to perform any of the covenants in this Paragraph, nor shall temporary stoppages, temporary failures, or interruptions of any of the services to be supplied by Landlord under this Paragraph be construed as an eviction of Tenant, work an abatement of rent, or relieve Tenant from any covenant or agreement. Landlord agrees to diligently restore any services obligated to be provided by it hereunder where temporary failures, stoppages or interruptions occur. Tenant shall promptly notify Landlord of the need of any repairs or maintenance for which the Landlord is obligated in this Lease and Landlord shall have reasonable time after receipt of such notice to complete such repairs.

10.1. Parking provided

Six (6) reserved parking spaces will be provided in the lot immediately South of the drive-thru bank for use by County employees as assigned by Tenant. Snow removal will be provided for that lot by Landlord at Landlord's cost.

11. ENTRY:

LANDLORD, its officers, agents and representatives shall have the right to enter into and upon the Premises, at reasonable times to inspect same or clean or make repairs or alterations or additions 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 Premises. Tenant shall not change any locks or install locks in the doors or the Premises, or install other devices or systems which would restrict access to the Premises, without Landlord's prior written consent. If Tenant shall not be present to open and permit entry into the Premises 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 Premises and to enter upon the Premises 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 Premises 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 Premises at reasonable hours to exhibit same to prospective purchasers, lenders or Tenants and to inspect the Premises 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.

12. CONDEMNATION:

Should the Premises 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.

13. CASUALTY:

If the building or the Premises are made partially or substantially Tenant unusable by Tenant 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 Premises, 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, invitees or guests, such repair, restoration or rehabilitation. If Landlord elects not to repair, and the building or the Premises, 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 Premises, or both. If all or any part of the Premises are rendered substantially unusable by 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 Premises which are Tenant unusable by Tenant on a per diem basis from and after the date of the fire and other casualty and until the Premises are repaired and restored. Tenant's rent abatement, in the event of partial loss of use by the Tenant of the Premises, shall be calculated based upon that portion of the total rent which the amount of square foot area in the Premises that cannot be occupied to the total square foot area of all the Premises.

14. LIABILITY AND SELF-INSURANCE OF TENANT:

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 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 Premises 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. Landlord shall, throughout the term of this Lease, maintain fire and extended coverage insurance on the Premises in an amount equal to the full insurable value thereof, subject to any allowances for coinsurance rating provisions utilized by Landlord. Landlord shall also carry owner's public liability and property damage insurance coverage on the Premises 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. Landlord recognizes that Tenant is a self-insured governmental entity, and that Tenant, at Tenant's cost and expense, may 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 Premises, 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 of self-insurance or certificates evidencing the aforesaid Tenant's insurance coverage, together with evidence of payment of the premium and renewal policies or certificates therefore shall be furnished to Landlord at lease 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 or self-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 Premises 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. **Tenant's "Statement of Self-Insurance" is attached as Exhibit E.**

15. HOLDING OVER:

If Tenant retains possession of the Premises 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.

16. RULES AND REGULATIONS OF BUILDING:

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 premises 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.

17. RIGHTS RESERVED AND RETAINED BY THE LANDLORD:

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 Premises; or
- (iii) disturbing Tenant's use or possession of the Premises:
 - (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 Premises for the permitted purpose.

18. RELOCATION:

LANDLORD shall have the right to temporarily relocate, at Landlord's sole expense, the Premises to comparable space on any floor of the building, provided that Tenant's square footage shall be approximately the same. Landlord will notify Tenant in writing in advance upon ten days' notice of any proposed temporary relocation. However, such temporary relocation of the Premises shall occur only in the event of a emergency declared by law enforcement or health agencies, or need for major repairs to the Premises that would prevent or hinder the normal operations of the Tenant. The relocation of the Premises shall not affect any of the clauses or conditions of this Lease, including the rent (except as adjusted to reflect any change in the square footage occupied) but Tenant may terminate the Lease upon ten (10) days' written notice to Landlord in the event that the duration of the temporary relocation or proposed temporary relocation exceeds thirty (30) days.

19. SUBORDINATION AND ATTORNMENT:

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.

20. ESTOPPEL CERTIFICATE:

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 Tenants 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.

21. INTEREST:

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.

22. DEFAULT AND REMEDIES:

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 Premises for 30 consecutive days or more without notice to Landlord and 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 Premises 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 Premises 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 Premises. 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 Premises; 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 Premises 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 Premises, any property that Tenant leaves on the premises 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 premises 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 Premises 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 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.

23. NON-APPROPRIATIONS EVENT:

In the event that no funds or in the event that insufficient funds are appropriated and budgeted by the governing body of Jackson County, Missouri to satisfy its obligations as the Tenant under this agreement for any fiscal period in which payments are due for rent provided in this agreement, then Tenant may, not less than sixty (60) days prior to the end of any lease term year within a County fiscal period, notify in writing Landlord and any assignee of Landlord of such occurrence. Upon such notification, this agreement shall thereafter terminate and be rendered null and void on the last day of the fiscal period for which appropriations were made without penalty, liability or expense to the Tenant of any kind, except as to (i) the portions of the amounts due under this agreement for which funds shall have been appropriated and budgeted or are otherwise available and (ii) Tenant's other obligations and liabilities under this agreement relating to, accruing or arising prior to such termination. In the event of such termination, Tenant agrees to peaceably surrender possession of the demised Premises that is the subject of this agreement to Landlord or Landlord's Assignee on the day of such termination. Landlord or its Assignee may exercise all available legal and equitable rights and remedies in retaking possession of the demised Premises. This event shall not constitute a Default as defined in this Lease.

24. OPTION FOR RENEWAL; TENANT'S FIRST RENEWAL DEADLINE JULY 14, 2011:

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 three-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 three-year period extending from October 14, 2011 to October 13, 2014, at least ninety (90) days prior to the end date of the 2011 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 11:59 P.M., April 15, 2011, and Tenant would exercise the option by 11:59 P.M., July 14, 2011.

In the notice of interest in renewal, Landlord shall notify Tenant of the base rent amount for the renewal term. Landlord will calculate an annual rental "equal to the greater of" (a) the amounts set forth in the table below, which rental amounts are equal to one hundred five percent (105%) of the Minimum rental due in the preceding three year period of (bb) an amount determined by the change in the Consumer Price Index (as hereinafter defined), calculated as follows: the Minimum rental currently in effect shall be multiplied by a fraction, the numerator of which shall be the CPI for the month of "April" immediately preceding the applicable Adjustment Date, and the denominator of which shall be the Minimum Rental Standard (as hereinafter defined). The "Minimum Rental Standard" shall refer to the Consumer Price Index published for the Month of April immediately preceding the Lease Year for which the Minimum Annual Rental was last adjusted hereunder. For

purposes of example only, the adjusted Minimum Rental for the Lease Year beginning October 14, 2011 would be calculated as follows:

$$\begin{array}{rclcl} \text{Current } (\$3,500.00/\text{month}) & & \text{Multiplied} & & \\ \text{Minimum Rental} & & \text{by} & & \\ & & \frac{\text{CPI for April, 2011}}{\text{CPI for April, 2008}} & = & \text{Adjusted Minimum} \\ & & & & \text{Rental} \end{array}$$

The term "Consumer Price Index" shall mean the Consumer Price Index for all Urban Consumers (1982-84 = 100), U. S. City average, all Items, published by the United States Department of Labor, Bureau of Labor Statistics (or such comparable index as may be utilized in substitution for or as the Labor Statistics or by another similar governmental agency at any time during the Term, then the most closely comparable statistics on the purchasing power of the consumer dollar as published by a reasonable financial authority and selected by Landlord shall be utilized in lieu of such Index.

Tenant will use Landlord's calculations in determining whether to exercise the option to renew and to take steps to include funding in the succeeding year's budget for the next year of the lease.

25. SURVIVAL OF OBLIGATION:

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.

26. HEADINGS:

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.

27. ENTIRE AGREEMENT – AMENDMENTS:

This Lease constitutes the entire agreement between the parties with respect to the Premises 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.

28. SEVERABILITY:

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.

29. PROCUREMENT :

It is understood by the parties hereto that this Lease has been negotiated by D. Varalli Enterprises, LLC. And CEAH Commercial Realtors, hereinafter called AGENTS. It is understood that AGENTS have acted for the Landlord and both Landlord and Tenant acknowledge said AGENTS and no other was the procuring caused of this Lease. Landlord agrees to pay said AGENTS, and no other, a commission for services rendered herein in accordance with written agreement between Landlord and AGENT names herein.

30. ENVIRONMENTAL:

LANDLORD and Tenant hereby acknowledge that AGENTS have fully disclosed to both parties any knowledge of AGENTS of any environmental or hazardous substance contained in the property. Landlord and Tenant hereby indemnify AGENTS against any further claim regarding AGENT'S full environmental disclosure.

31. SUCCESSORS AND ASSIGNS:

It is agreed that all the covenants, agreements and conditions herein contained shall extend to, and be binding upon, the respective successors, heirs, executors, administrators, assigns, receivers or other personal representatives of the parties to this Lease.

32. NOTICES:

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 Premises 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.

33. TIME OF THE ESSENCE:

Time is of the essence in this Lease Agreement.

34. SUPPLEMENTAL PROVISIONS:

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. Landlord 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 Premises 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 Landlord'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 in which the Premises are located.
- e. Notwithstanding anything contained in the Lease to the contrary, Tenant shall have no claim or hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by the Landlord of any consent, approval or judgment to enforce any right to such consent, etc.
- f. Recording: Recording of this Lease may be done by either party by recording a Memorandum of 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 9th day of October, 2008.

TOWNE SQUARE PROFESSIONAL BUILDING

by: Dan Varalli, D. Varalli Enterprises, LLC., Owner / Agent
Dan Varalli

JACKSON COUNTY, MISSOURI

NS
COUNTY EXECUTIVE

Approved as to form:

Mam Jones
COUNTY COUNSELOR

Attest:

Mary Jo Spino, County Clerk
Mary Jo Spino

For the provisions of paragraph 29, Procurement of this Lease, and paragraph 30, Environmental only, the undersigned AGENT is made a part to this Contract.

Lori Sharp

AGENT:

CEAH Commercial Realtors

Daniel E. Varalli

AGENT:

D. Varalli Enterprises, LLC.

This Lease contains 12 pages.

ATTACHMENTS

EXHIBIT A

EXHIBIT B

EXHIBIT C

EXHIBIT D

EXHIBIT E

Towne Sq revised lease10-1-08 draft.doc

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$ 10,053.00 which is hereby authorized.

10/8/08
Date


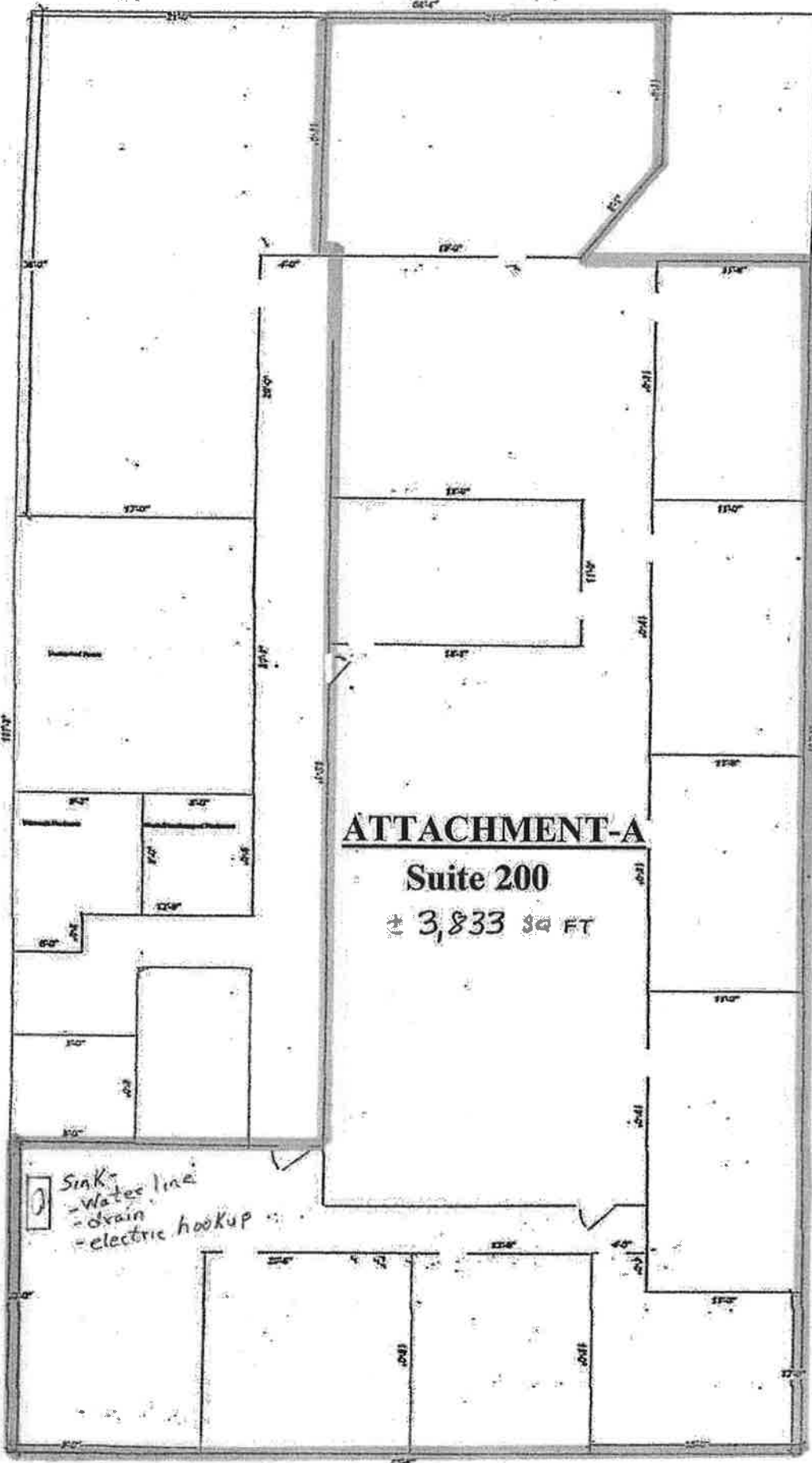
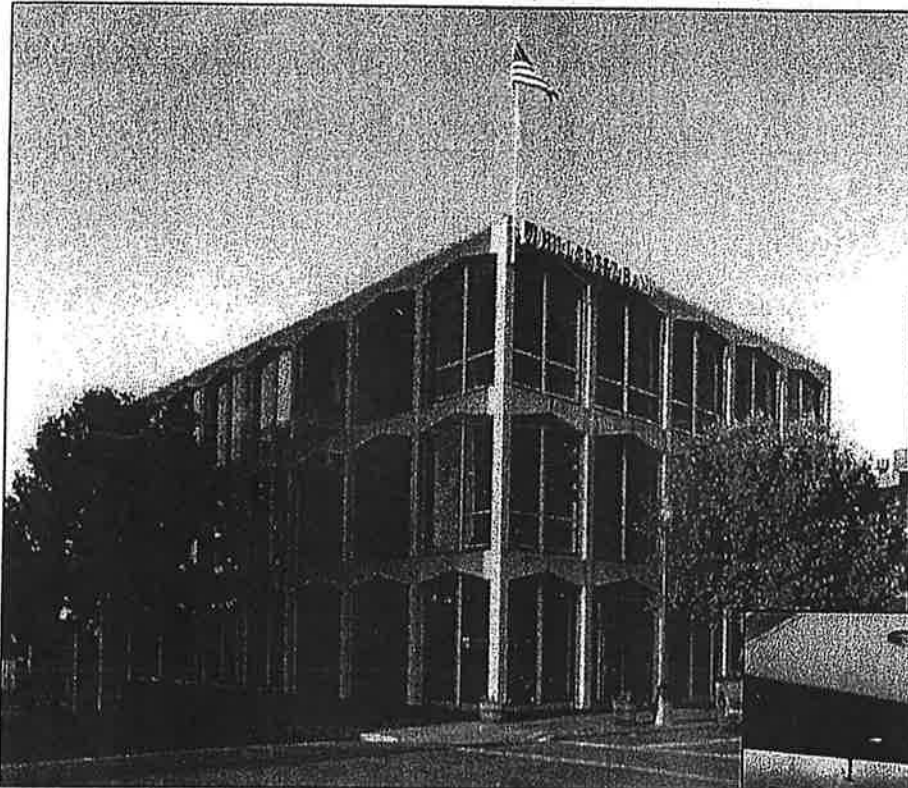
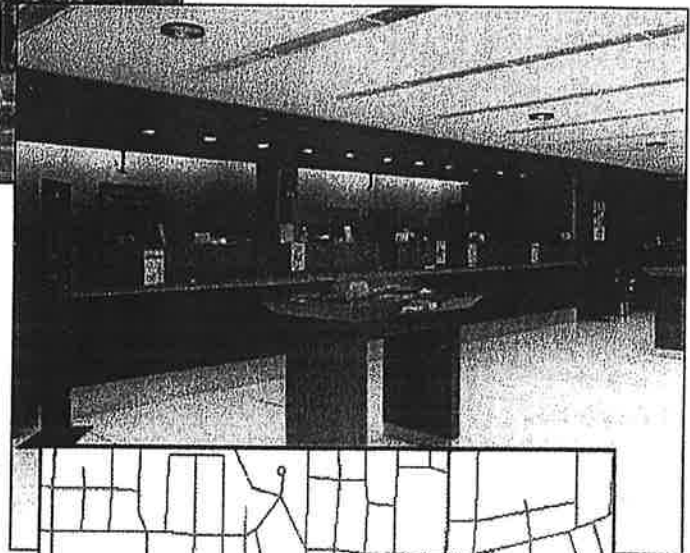

Director of Finance and Purchasing
Account Number 001-0112-6620
1122008004

EXHIBIT A





**Towne Square
Professional Building
201 W. Lexington
Independence, Missouri**



Features

- Independence Square
- Bank space available on the first floor
- High-quality interior finishes
- Ample off-street parking



EXHIBIT C

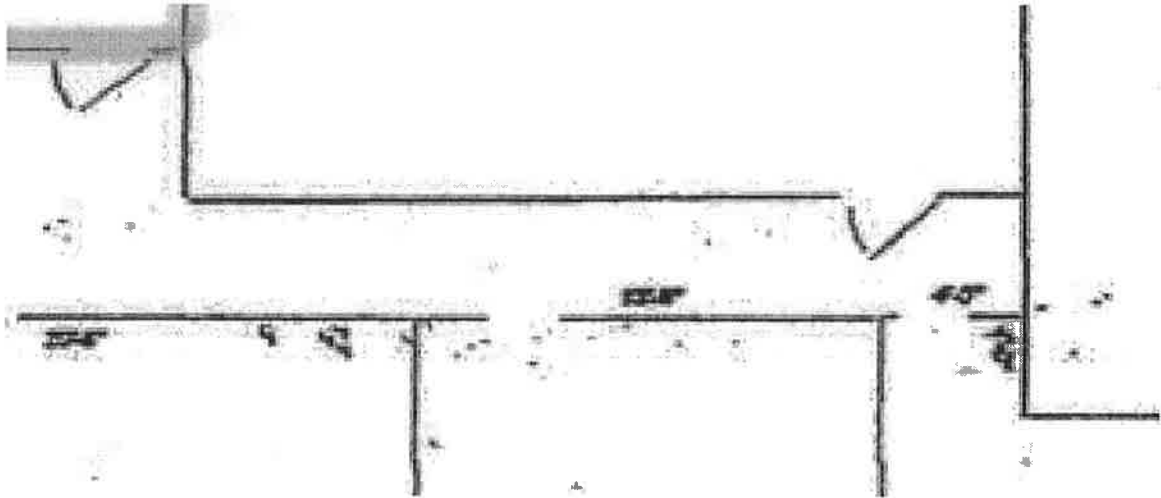
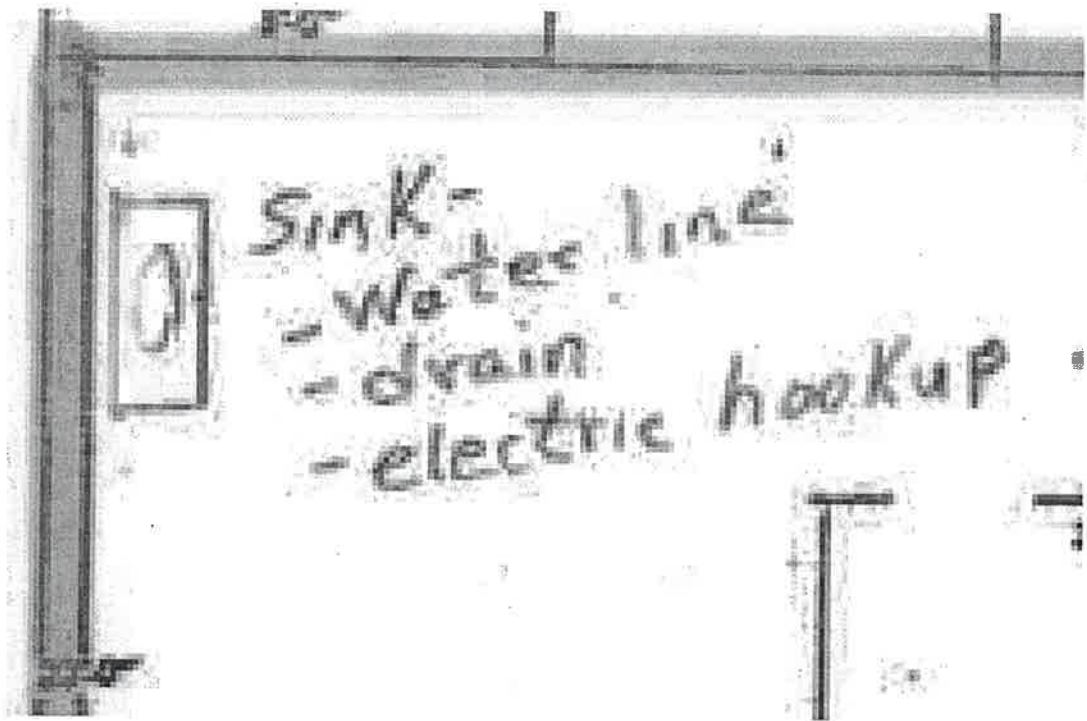


EXHIBIT D





FINANCE and PURCHASING DEPARTMENT

JACKSON COUNTY COURTHOUSE

415 EAST 12TH STREET, ROOM 105
KANSAS CITY, MISSOURI 64106-2706

Website: jacksongov.org



D.Varalli Enterprises,L.L.C.
201 West Lexington, Suite 307
Independence Mo. 64050

September 26, 2008

To Whom It May Concern:

RE: General Liability Insurance- Jackson County Mo.

Dear Sir or Madam:

I am writing this letter to you at the request of one of our Departments concerning the above captioned insurance coverage.

Jackson County is fully self insured under the statutes of the State of Missouri concerning public entities for General Liability.

However, any contractor performing work for us must provide us with a Certificate of Insurance indicating that they have sufficient limits on their own General Liability, Automobile Liability, and Workers Compensation that cover any operation or employee performing work for Jackson County.

Please feel free to call or e mail me with any questions concerning this matter.

Sincerely,

Patrick L. Hughes C.I.C
Risk Manager
(816)881-3202
phughes@jacksongov.org

Email: finance@jacksongov.org
(816) 881-3126
Fax: (816) 881-3877



Email: purchasing@jacksongov.org
(816) 881-3267
Fax: (816) 881-3268