

RESOLUTION NO. R-17-38

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROPOSED LEASE AGREEMENT WITH THE FEED SUPPLY COMPANY TO OPERATE A GROCERY / RESTAURANT AT 504 NORTHEAST 70TH STREET, SUITE A, GLADSTONE, MISSOURI, 64118.

WHEREAS, the City of Gladstone owns a former United States Postal Office building, Gladstone 18, located on real property described as all of lots 4, 5, 6 and 7, Block 23, Linden addition to the City of Gladstone, Clay County, Missouri, more commonly known as 504 Northeast 70th Street, Gladstone, Missouri; and

WHEREAS, the above described land lies within the Downtown Village Center which the City of Gladstone is developing for public purposes to enrich and enhance the quality of life in Gladstone; and

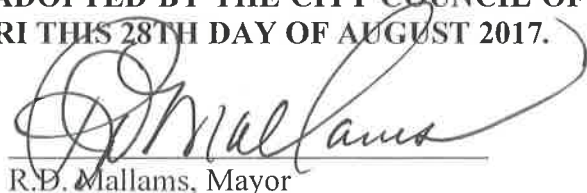
WHEREAS, the City of Gladstone sought Requests for Proposals from businesses desiring to locate within the Downtown Village Center as start-up business; and

WHEREAS, The Feed Supply Company submitted a proposal and has negotiated a proposed lease agreement with City staff for the operation of a Grocery/Restaurant consisting of approximately ±4,400 square feet for a term no longer than five (5) years from the commencement date, with reasonable market rent rates, and such other terms as more particularly set forth in the proposed lease document.


NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI AS FOLLOWS:

That the City Manager of the City of Gladstone, Missouri, is hereby authorized to enter into the proposed lease agreement with The Feed Supply Company, on the terms and conditions described herein and as more particularly set forth in the lease document and to take any other such measures as may be required to ensure the opening of the new Grocery/Restaurant.

INTRODUCED, READ, PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE, MISSOURI THIS 28TH DAY OF AUGUST 2017.


R.D. Mallams, Mayor

ATTEST:


Ruth Bocchino, City Clerk



***General Administration
Memorandum - RMB***

DATE: AUGUST 22, 2017

TO: SCOTT WINGERSON

FROM: ROBERT BAER 

RE: FEED SUPPLY COMPANY LEASE AGREEMENT

The City of Gladstone has terminated the lease with Snow and Co. for the retail space located at 504 NE 70th Street, Suite A, Gladstone, MO. Since being vacated, the City of Gladstone has identified a new tenant to lease the space. Feed Supply Company has accepted the terms of a proposed five (5) year lease agreement and plans to occupy the space on or before December 1, 2017, if approved by the City Council.

Attached is a proposed Resolution, which authorizes the City Manager to enter into a lease agreement with Feed Supply Company for the aforementioned office space.

COMMERCIAL LEASE
Gladstone 18

STATE OF MISSOURI)

COUNTY OF CLAY)

THIS LEASE AGREEMENT (the "Lease"), is entered into this 22nd day of August, 2017 (the "Effective Date") by and between the Landlord and the Tenant hereinafter named.

ARTICLE 1
Definitions

1.1 Definitions. Each of the following definitions and basic provisions shall be construed in conjunction with and limited by references thereto in other provisions of this Lease.

(a) Additional Rent: The sum total of the Tenant's Proportionate Share of Common Maintenance Expense under Article 6, Insurance under Article 13, and any other amounts due Landlord from Tenant hereunder.

(b) Delivery Date: Landlord shall deliver the Demised Premises to Tenant no later than six (6) months after the Landlord receives the necessary building permit(s) to begin construction of the Landlord's Work (hereinafter defined); however, Landlord shall have the right to deliver the Demised Premises to Tenant on an earlier date with thirty (30) days written notice to Tenant. The date in which Landlord delivers the Premises to Tenant shall be the Delivery Date. The Demised Premises is hereby delivered to Tenant by Landlord "AS-IS" subject to the Landlord's Work set out in Exhibit C attached hereto.

(c) Demised Premises: Approximately 4,400 square feet in the retail space commonly known as Gladstone 18 in Gladstone, Missouri (the "Retail Building"), such Demised Premises being shown and outlined on the plan attached hereto as Exhibit A.

(d) Estimated Completion Date: December 1, 2017

(e) Guarantors: Hope Dillon (*See Exhibit F*)

(f) Landlord: The City of Gladstone, Missouri

(g) Landlord's mailing address:

7010 N. Holmes
Gladstone, Missouri 64118

(h) Landlord's Work: The Landlord's responsibilities as illustrated on Exhibit C, as attached and incorporated herein. Landlord shall contribute up to One Hundred Fifty

Thousand dollars (\$150,000) toward Landlord and Tenant build-out, which shall include, but is not limited to, the installation of a commercial hood system. A portion of the build-out shall be amortized over the base term of the Lease, interest free, and shall be paid in monthly installments as Additional Rent. Tenant's share of Landlord and Tenant build-out is approximately Thirty-Four Dollars and Nine Cents (\$34.09) per square foot of leased space or One Thousand Two Hundred Fifty Dollars (\$1,250.00) monthly.

(i) Lease Term: Commencing on the Commencement Date (as hereinafter defined in Article 3 and expiring on the conclusion of the fifth (5th) lease year.

(i) Base Rent:

0-6 Months	\$0.00 PSF
6 -12 Months:	\$5.00 PSF
Year 2:	\$8.00 PSF
Year 3:	\$9.00 PSF
Years 4-5:	\$10.00 PSF

First option to renew:	\$11.00 PSF
Second option to renew:	\$12.00 PSF

(k) Option to Renew: Two Options to Renew for Five (5) Years Each

Tenant shall notify Landlord in writing of their intent to exercise an option to renew no later than one hundred eighty (180) days prior to the expiration of the then-current term.

(l) Percentage Rent: *Intentionally Deleted*

(m) Permitted Use: Feed Supply Co; restaurant/market place

(n) Proportionate Share: The equation used to determine the Tenant's share of Common Maintenance Expense under Article 6 and Insurance under Article 13. The Proportionate Share is computed by multiplying the applicable expense by a fraction, the numerator of which shall be the number of square feet in the Demised Premises and the denominator of which shall be the total leasable square feet of the Retail Building. Tenant shall be responsible for Tenant's prorata share of total leasable square feet of the Retail Building.

(o) Rent: The sum total of Minimum Guaranteed Rent, Additional Rent, and any other amounts due Landlord from Tenant hereunder.

(p) Security Deposit: One month's rent based on the Minimum Guaranteed Rent for Year 1 as stated in Section 1.1(j) and paid upon the Effective Date.

- (q) Site Plan: Site Plan as illustrated on Exhibit A, as attached and incorporated herein.
- (r) Tenant: Feed Supply Co
- (s) Tenant's address in Retail Building:
To be provided
- (t) Tenant's mailing address:
504 NE 10th Suite A
Gladstone MO 64118
- (u) Tenant's Trade Name: Feed Supply Co
- (v) Tenant's Work: The Tenant's responsibilities as illustrated on Exhibit C, as attached and incorporated herein.

ARTICLE 2

Granting Clause

In consideration of the obligation of Tenant to pay Rent and other charges as herein provided and in consideration of the other terms, covenants and conditions hereof, Landlord hereby demises and leases to Tenant, and Tenant hereby takes from Landlord, the Demised Premises TO HAVE AND TO HOLD said Demised Premises for the Lease Term all upon the terms and conditions set forth in this Lease.

ARTICLE 3

Commencement Date

The Commencement Date of this Lease shall be the date in which Tenant opens to the public.

ARTICLE 4

Monthly Payment

4.1 Minimum Guaranteed Rent shall accrue hereunder from the Commencement Date, and shall be payable at the place designated for the delivery of notices to Landlord at the time of payment, and except as otherwise provided herein, without demand and without set-off or deduction, for any reason whatsoever, except as herein provided. Additional Rent shall accrue hereunder from the Commencement Date and shall be payable in the same manner as Minimum Guaranteed Rent.

4.2 Except as otherwise provided herein, the first Rent payment shall be due and payable on or before the Commencement Date, and subsequent installments shall be due and

payable in advance on or before the first (1st) day of each calendar month during the Lease Term; provided that if the Commencement Date is a date other than the first (1st) day of a calendar month, there shall be due and payable on the Commencement Date a prorated amount of Rent for the month in which the Commencement Date occurs plus the amount of Rent due for the first complete calendar month during the Lease Term.

ARTICLE 5

CID Tax

Intentionally Deleted.

ARTICLE 6

Common Area

6.1 The Common Area (as hereafter defined) is the part of the Retail Building designated by Landlord from time to time for the common use of all tenants of the Retail Building. For purposes of this Lease, Common Areas shall include, without limitation: the Retail Building(s) exterior, signage identifying the center, roof, parking area, sidewalks, canopies and soffits, landscaping, grass-covered areas, lawn and fire sprinklers, curbs, loading areas, docks, private streets, alleys, service drives and entrances, lighting facilities, common storm water detention facilities, areas determined to be part of the Common Area, and other areas and improvements provided by Landlord for the common use of all tenants of the Retail Building, all of which shall be subject to Landlord's sole management and control and shall be operated and maintained in such manner as Landlord, in its discretion, shall determine. Landlord reserves the right to change from time to time the dimensions and location of the Common Area.

Tenant and its employees, customers, subtenants, licensees and concessionaires shall have the non-exclusive right and license to use the Common Area as constituted from time to time, such use to be in common with Landlord, other tenants of the Retail Building and other persons permitted by Landlord to use the same, and subject to such reasonable rules and regulations governing use as Landlord may from time to time prescribe, including the designation of specific areas within the Retail Building or in reasonable proximity thereto in which automobiles owned by Tenant, its employees, subtenants, licensees and concessionaires shall be parked. Tenant will furnish to Landlord, upon request, a complete list of license numbers of all automobiles operated by Tenant, its employees, subtenants, licensees or concessionaires. Tenant shall not solicit business, display merchandise within the Common Area, distribute handbills therein, or take any action which would interfere with the rights of other persons to use the Common Area without the prior written consent of the Landlord. Any banner or signage outside of the Demised Premises shall require the prior approval, in its entirety, of the Landlord. Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to prevent the public from obtaining prescriptive rights or to make repairs or alterations.

6.2 Tenant agrees to pay as Additional Rent its Proportionate Share of the cost of operating, managing and maintenance of the Common Area (collectively the "Common Area Expense") relating to the period of Tenant's occupancy of the Demised Premises, including,

without limitation, those incurred for lighting, water, sewer, painting, sealing, striping, cleaning, policing, inspecting, landscaping, repairing, replacing, guarding and protecting, repairing vandalism, controlling pests, any non-reimbursed insurance deductible, accounting functions and administrative fees which may be incurred by Landlord in its discretion. Pursuant to Article 4, Tenant shall make monthly payments to the Landlord equal to Tenant's Proportionate Share of the Common Area Expense (said monthly payments referred to as "Common Area Expense Payments"). Tenant authorizes Landlord to use its Common Area Expense Payments to pay such Common Area Expenses. The Tenant's Common Area Expense Payments are subject to increase on January 1 of each calendar year, said increase shall not exceed 10% over the previous year's Common Area Expense Payment. Tenant's initial Common Area Expense Payment shall be estimated at **\$2.00 per square foot** of the Demised Premises per month for the first year of the Lease.

6.3 Notwithstanding anything to the contrary herein, it is expressly agreed that Common Area Expense shall not include, and Tenant shall not be responsible for any of the following:

- (i) costs related to seeking and obtaining new tenants as well as retaining existing tenants – such as advertising and promotional expenditures, brokerage and leasing commissions, architectural, engineering, and attorneys' fees, and any costs related to renovating or otherwise improving, decorating, painting or redecorating leasable space;
- (ii) costs related to the advertisement and/or promotion of the Retail Building, including but not limited to costs related to the purchase, fabrication, and/or installation of any signs identifying Landlord, or the Retail Building;
- (iii) costs related to enforcing leases or other agreements against tenants or occupants of the Retail Building – such as attorneys' fees, court costs, adverse judgments and similar expenses;
- (iv) all items and services that are provided specifically for the benefit of other tenant(s) of the Retail Building but that are not available to Tenant;
- (v) costs to maintain, repair or replace slab floors, foundations or structural portions of the buildings located within the Retail Building, or other costs for alterations, additions or improvements such as the buildings and newly constructed Common Areas that are in the nature of capital improvements or expenditures under generally accepted accounting principles, and any charges for depreciation of any assets except the annual portion of depreciation on maintenance and operating machinery and equipment used for the exclusive benefit of the Retail Center;
- (vi) interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering all or any portion of the Retail Building or the real property upon which the Retail Building is located, or any other depreciation and/or amortization of debt, or any other costs incurred

pursuant to the financing of the Retail Building including impact fees and/or development costs; and any rental under any ground lease or other lease;

- (vii) overhead and profit paid to subsidiaries or affiliates of Landlord for management services or materials to the extent that the costs of those items would not have been paid had the services and materials been provided by unaffiliated parties on a competitive basis;
- (viii) any compensation paid to clerks, attendants or other person in commercial concessions operated by Landlord;
- (ix) any costs, fines or penalties incurred due to violations by Landlord of any governmental rule or authority or violations by Landlord of any of the terms and conditions of any leases or other agreements in the Retail Building; or costs incurred by Landlord due to the negligence or misconduct of Landlord or its agents, contractors, licensees or employees or the violation by Landlord or any tenants or other occupants of the terms and conditions of any lease of space or other agreements including this Lease;
- (x) the costs of correcting any code violations unless the violation shall be caused by actions of Tenant;
- (xi) costs attributable to repairing items that are covered by warranties;
- (xii) costs incurred by Landlord for repair or restoration to the extent of Landlord's insurance deductibles in excess of \$5,000 plus any amount that Landlord is reimbursed (or would have been reimbursed had Landlord maintained the proper insurance as required hereunder) by insurance proceeds, and/or to the extent of any condemnation proceeds;
- (xiii) costs involved in the replacement of the roof, building façade and parking lot;
- (xiv) costs related to the initial build-out of the Common Areas and costs for any repairs or other work performed to correct defects in the original construction of the same;
- (xv) costs for sculpture, paintings or other objects of art, or costs for the purchase, installation, maintenance and/or removal of seasonal and/or holiday decorations;
- (xvi) reserve funds for future repairs and/or maintenance;
- (xvii) professional dues, lobbying costs, charitable contributions and political contributions;
- (xviii) wages, salaries or other compensation paid to any employee of Landlord except for the reasonable cost of those employees engaged directly and solely in the management of the Retail Building, not to exceed five (5) percent of the Common Area Expense;

- (xix) any fees charged for profit, overhead, management, or administration of the Retail Building, or any salaries or wages except for the reasonable cost of those employees engaged directly and solely in the management of the Retail Building.

Furthermore, Tenant shall not be required to pay any charge under this Lease that is duplicative of a charge actually assessed against Tenant pursuant to this Section or any other provision of this Lease, and any Common Area profits or other profits attributable to the Common Areas or any part thereof received by Landlord, shall be deducted from the Common Area Expense prior to calculating Tenant's Proportionate Share of Common Area Expense.

ARTICLE 7

Use and Care of Demised Premises

7.1 During the Term of the Lease, the Demised Premises may be used only for the purpose or purposes specified in Section 1.1 (m) above and in accordance with the terms and provisions of this Lease. The Demised Premises shall not be used for any other purpose or purposes without the prior written consent of Landlord and shall not be used for any purpose or purposes deemed unlawful. Tenant shall use in the transaction of business in the Demised Premises the Trade Name specified in Section 1.1 (u) above and no other Trade Name without the prior written consent of Landlord. Tenant shall not at any time leave the Demised Premises vacant, but shall in good faith continuously throughout the term of this lease conduct and carry on in the entire Demised Premises the type of business for which the Demised Premises are leased. Tenant shall operate its business with a complete line of full selection and sufficient stock of first class merchandise of current style and type, attractive displays and in an efficient, high class and reputable manner, and shall, except during reasonable periods for repairing, cleaning and decorating, keep the Demised Premises open to the public for business with adequate and competent personnel in attendance on all days and during all hours (including evenings) reasonably established by Landlord from time to time as store hours for the Retail Building, and during any other day hours when the Retail Building generally is open to the public for business, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or government regulation. Notwithstanding the foregoing, Tenant shall be permitted to close periodically for inventory audits and special sale days provided that the Tenant is not closed more than two (2) consecutive business days to prepare for such events.

7.2 Tenant shall not, without Landlord's prior written consent, keep anything within the Demised Premises for any purpose which increases the insurance premium cost or invalidates any insurance policy carried on the Demised Premises or other part of the Retail Building. Tenant shall pay as Additional Rent, upon demand of Landlord, any such increased premium cost due to Tenant's use or occupation of the Demised Premises. All property kept, stored or maintained within the Demised Premises by Tenant shall be at Tenant's sole risk.

7.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the Demised Premises, nor place or permit any radio, television, loud-speaker or amplifier or satellite dish on the roof or outside the Demised Premises or where the same can be seen or heard from outside the building or in the Common Area, nor place an antenna or other projection, not including awnings or banners associated with Tenant's business, on the exterior of the Demised Premises; nor solicit business or distribute leaflets or other advertising material in the Common

Area; nor take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger other tenants of the Retail Building or unreasonably interfere with their use of their respective premises, nor do anything which would tend to injure the reputation of the Retail Building.

7.4 Tenant shall take good care of the Demised Premises and keep the same free from waste at all times. Tenant shall keep the Demised Premises and store front glass, sidewalks, service-ways and loading areas adjacent to the Demised Premises neat, clean and free from dirt, rubbish, insects and pests at all times, and shall store all trash and garbage within the Demised Premises, arranging for the regular pickup of such trash and garbage at Tenant's expense. Tenant will store all trash and garbage within the area designated by Landlord for such trash pickup and removal and only in receptacles of the size, design and color from time to time prescribed by Landlord. Receiving and delivery of goods and merchandise and removal of garbage and trash shall be made only in the manner and areas from time to time, reasonably prescribed by Landlord. Landlord may, at its sole option, arrange for collection of all trash and garbage and, should Landlord exercise such election, Tenant's Proportionate Share of the cost thereof will be part of its Common Area Expense. Tenant shall not operate an incinerator or burn trash or garbage within the Retail Building.

7.5 Tenant shall not cause or permit the receipt, storage, use, location or handling on the Demised Premises of any product, material or merchandise which is explosive, highly inflammable, or a "hazardous or toxic material," as that term is hereafter defined. "Hazardous or toxic material" shall include all materials or substances which have been determined to be hazardous to health or the environment and are regulated or subject to all applicable laws, rules and regulations from time to time, including, without limitation hazardous waste (as defined in the Resource Conservation and Recovery Act); hazardous substances (as defined in the Comprehensive Emergency Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act); gasoline or any other petroleum product or by-product or other hydrocarbon derivative; toxic substances, (as defined by the Toxic Substances Control Act); insecticides, fungicides or rodenticide, (as defined in the Federal Insecticide, Fungicide, and Rodenticide Act); asbestos and substances determined to be hazardous under the Occupational Safety and Health Act or regulations promulgated thereunder. Notwithstanding the foregoing, Tenant shall not be in breach of this provision as a result of the presence on the Demised Premises of such types and amounts of hazardous or toxic materials that are in compliance with all applicable laws, ordinances and regulations and are customarily present in a general office use or use consistent with the business permitted under Section 1.1(m) (including, without limitation, copying machine chemicals and kitchen cleansers).

ARTICLE 8

Maintenance and Repair of Demised Premises

8.1 Landlord shall, at Landlord's sole cost, keep, maintain and replace, as necessary, the structural portions of the foundation, the exterior walls (except; awnings, store fronts, plate glass windows, doors, door closure devices, window and door frames, molding, locks and hardware, and painting or other treatment of interior and exterior walls) and roof of the Retail Building in which the Demised Premises is located, and any plumbing or sewage main lines, or

other utilities servicing more than one tenant of the Retail Building in good repair, except that Landlord shall not be required to make any repairs occasioned by the act or negligence of Tenant, its agents, employees, subtenants, licensees and concessionaires, which repairs shall be made by Tenant. In the event that the Demised Premises should become in need of repairs required to be made by Landlord hereunder, Tenant shall give immediate written notice thereof to Landlord and Landlord shall not be responsible in any way for failure to make any such repairs until a reasonable time shall have elapsed after delivery of such written notice. Landlord's obligation hereunder is limited to repairs specified in this Section 8.1 only, and Landlord shall have no liability for any damages or injury arising out of any condition or occurrence causing a need for such repairs. Landlord's obligations hereunder are subject to reimbursements by Tenant under the Common Area Expense provisions in Article 6 hereof.

8.2 Tenant shall furnish, maintain and replace all electric light bulbs, tubes and tube casings with respect to the Demised Premises including its fascia, signs and canopies.

8.3 Tenant shall keep the Demised Premises in good, clean condition and shall, at its sole cost and expense, make all needed repairs and replacements, including replacement of cracked or broken glass, except for repairs and replacements required to be made by Landlord under the provisions of Section 8.1 and Article 15, and shall keep all plumbing units, pipes and connections free from obstruction and protected against ice and freezing. If any repairs required to be made by Tenant hereunder are not made within ten days after written notice delivered to Tenant by Landlord, Landlord may, at its option, make such repairs without liability to Tenant for any loss or damage which may result to Tenant's stock or business by reason of such repairs, and Tenant shall pay to Landlord immediately upon demand as additional rental hereunder the cost of such repairs plus five percent (5%) of the amount thereof and failure to do so shall constitute an event of default hereunder. At the expiration of this Lease, Tenant shall surrender the Demised Premises in good condition, reasonable wear and tear and loss by fire or other casualty or condemnation excepted, and shall surrender all keys for the Demised Premises to Landlord and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the Demised Premises.

8.4 *Intentionally Deleted.*

ARTICLE 9

Alterations

9.1 Tenant shall not make any alterations, additions or improvements to the Demised Premises without the prior written consent of Landlord (which shall not be unreasonable withheld, conditioned or delayed), except for the installation of unattached, movable trade fixtures which may be installed without materially defacing the Demised Premises; and provided further, Tenant shall be permitted to make non-structural modifications to the Demised Premises without the prior consent of Landlord to the extent the cost thereof does not exceed \$10,000 in any twelve month period. All alterations, additions, improvements and fixtures (other than unattached, movable trade fixtures) which may be made or installed by either party upon the

Demised Premises shall remain upon and be surrendered with the Demised Premises and become the property of Landlord at the termination of this Lease, unless Landlord requires their removal in which event Tenant shall remove the same and restore the Demised Premises to its original condition, including repairing all holes in the walls and ceilings and restoring the same to good condition after the removal of said fixture. Any linoleum, carpeting or other floor covering which may be cemented or otherwise affixed to the floor of the Demised Premises is a permanent fixture and shall become the property of Landlord without credit or compensation to Tenant. It is expressly agreed that Tenant may remove moveable furniture, and other personal property items that were not already installed or present on delivery of the Demised Premises and can be unhooked or disconnected without material damage to the Demised Premises, including without limitation the grill, oven, fryers and dishwasher.

9.2 All construction work done by Tenant within the Demised Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and in such manner as to cause a minimum of interference with other construction in progress and with the transaction of business in the Retail Building. Tenant agrees to indemnify Landlord and hold it harmless against any mechanic's lien, loss, liability or damage resulting from such work, and Tenant shall, if requested by Landlord, furnish bond or other security satisfactory to Landlord against any such loss, liability or damage.

9.3 Tenant agrees that all venting, opening, sealing, waterproofing or any altering of the roof or exterior walls shall be performed by Landlord's roofing contractor at Tenant's expense and that when completed Tenant shall furnish to Landlord a certificate from Landlord's roofing contractor that all such alterations approved by Landlord have been completed in accordance with the plans and specifications therefore approved by Landlord. Under no uncertain terms shall the Tenant permit any contractor or subcontractor to penetrate the roof, or any part thereof, or in any way repair the same, as it could cause the warranty given by the Landlord's roofing contractor or manufacturer to become void.

9.4 Neither the Tenant nor the Landlord shall do or suffer anything to be done under Article 8, Article 9, or this Lease whereby the Demised Premises, or any part thereof, may be encumbered by any mechanics' or materialmen's or other similar lien. Whenever and as often as any mechanics' or materialmen's or other similar lien is filed against the Demised Premises, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Demised Premises, the Tenant shall discharge the same of record within sixty (60) days after the date of filing. Notice is hereby given that the Landlord shall not be liable for any labor or materials furnished to the Tenant or to anyone claiming by, through or under the Tenant upon credit, and that no mechanics' or materialmen's or other similar lien for any such labor services or materials shall attached to or affect the reversionary or other estate of the Landlord in and to the Property or any part thereof.

9.5 Both the Tenant and the Landlord, notwithstanding Section 9.4 above, shall have the right (except as hereinafter provided) to contest any such mechanics' or materialmen's or other similar lien if and provided that the Tenant (i) within said 60-day period stated above notifies the Landlord in writing of the Tenant's intention to do so, (ii) diligently prosecutes such contest, (iii) at all times effectively stays or prevents any official or judicial sale of the Demised

Premises, or any part thereof or interest therein, under execution or otherwise, (iv) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim, and (v) thereafter promptly procures record release or satisfaction thereof. If the Landlord shall notify the Tenant that, in the opinion of counsel, by nonpayment of such items, the Landlord's title or interest in the Demised Premises will be endangered, or the Property or any part thereof will be subject to loss or forfeiture, then the Tenant shall promptly pay or cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Tenant shall hold the Landlord whole and harmless from any loss, costs or expenses the Landlord may incur in relation to any such contest. The Landlord will cooperate fully with the Tenant in any such contest.

ARTICLE 10

Landlord's Right of Access; Use of Roof

10.1 Landlord shall have the right upon at least 24 hours prior notice, to enter upon the Demised Premises at any reasonable time for the purpose of inspecting the same, or of making repairs to the Demised Premises, or of making repairs, alterations or additions to adjacent premises, except for in the case of an emergency as determined in the sole discretion of the Landlord, or of showing the Demised Premises to prospective purchasers, lessees (during the final 6 months of the Term only) or lenders.

10.2 Notwithstanding the foregoing, the use of the roof above the Demised Premises is reserved exclusively to Landlord. Tenant is strictly prohibited from accessing the roof without Landlord approval and without being accompanied by the Landlord's representative; provided however, in the event of a failure of the HVAC system requiring immediate response, Tenant may access the roof to make necessary repairs without prior notice to Landlord, provided further however, that Tenant shall as soon as possible notify Landlord regarding the same.

ARTICLE 11

Signs; Store Fronts

11.1 Tenant shall comply with the local city codes.

11.2 Tenant shall have erected and/or installed and fully operative on or before the grand opening of Tenant's business all signs in accordance with the City of Gladstone, Missouri's sign ordinance, and approval by the City of Gladstone, Missouri at Tenant's sole cost and expense. The Tenant, upon vacation of the Demised Premises, or the removal or alteration of its sign for any reason, shall be responsible for the repair, painting, and/or replacement of the building fascia surface where signs are attached.

ARTICLE 12

Utilities and Premises

12.1 Tenant shall accept the Demised Premises following the completion of the Landlord's Work as specified in Exhibit C and commence in a timely manner the Tenant's Work as specified in Exhibit C.

12.2 From and after the Delivery Date, Tenant shall, in its own name contract for and promptly pay all charges for electricity, water, gas, telephone service, sewerage service and other utilities furnished exclusively to the Demised Premises and shall promptly pay any maintenance charges therefore.

12.3 Landlord shall not be liable for any interruption or failure whatsoever in utility services, unless arising from negligent or willful acts of Landlord, its employees or agents.

ARTICLE 13

Indemnity; Public Liability Insurance and Fire and Extended Coverage Insurance

13.1 Landlord shall not be liable to Tenant or to Tenant's employees, agents or visitors, or to any other person or entity whomsoever for any injury to person or damage to or loss of property on or about the Demised Premises or the Common Area caused by the negligence or misconduct of Tenant, its employees, subtenants, licensees or concessionaires, or of any other person entering the Retail Building under the express or implied invitation of Tenant, or arising out of the use of the premises by Tenant and the conduct of its business therein, or arising out of any breach or default by Tenant in the performance of its obligations hereunder.

13.2 Tenant shall procure and maintain throughout the term of this Lease a policy or policies of liability insurance and renters or contents insurance at its sole cost and expense, insuring both Landlord and Tenant against all claims, demands, or actions arising out of or in connection with Tenant's use or occupancy of the Demised Premises including Plate Glass Insurance, or by the condition of the Demised Premises, the limits of such policy or policies to be in an amount not less than the limit on liability pursuant to Section 537.610, RSMo for all claims arising out of a single accident or occurrence and \$1,000,000 for any one person in a single accident or occurrence in respect of injuries to or death of any one person, and to be written by insurance companies reasonably satisfactory to Landlord. The insurance policy described in the preceding sentence shall contain the following endorsements: (1) personal injury as well as bodily injury; (2) cover blanket contractual liability subject to the standard universal exclusions of contractual liability included in the carrier's standard endorsement as to bodily injuries, personal injuries and property damage; (3) broad form property damage liability; and (4) the Landlord shall be listed as an additional insured. Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least ten (10) days prior to cancellation or expiration of such insurance. Such policies or duly executed certificate of insurance shall be promptly delivered to Landlord and renewals thereof as required shall be delivered to Landlord at least thirty (30) days prior to the expiration of the respective policy terms. Tenant's failure to comply with the foregoing requirements relating to insurance shall constitute an event of default hereunder. In addition to the remedies provided in Article 19 of this Lease, Landlord may, but is not obligated to obtain such insurance and Tenant shall pay to Landlord upon demand as

Additional Rental the premium cost thereof plus interest at the rate of seven percent (7%) per annum from the date of payment by Landlord until repaid by Tenant.

13.3 Landlord and Tenant agree and covenant that neither shall be liable to the other for loss arising out of damage to or destruction of the Demised Premises or contents thereof to the extent such loss is covered by an in-force standard fire and extended coverage insurance policy of the state in which the Demised Premises is situated; this agreement shall be binding whether or not such damage or destruction can be caused by negligence of either party or their agents, employees or visitors. Landlord agrees to carry fire and extended coverage to the extent required by its lender.

13.4 *Intentionally Deleted*

ARTICLE 14

Non-Liability for Certain Damages

Landlord and Landlord's agents and employees shall not be liable to Tenant or any other person or entity whomsoever for any injury to person or damage to property caused by the Demised Premises or other portions of the Retail Building becoming out of repair or by defect in or failure of equipment, pipes or wiring or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Demised Premises, unless resulting from the negligence or actions of Landlord, its employees, agents or contractors, or unless Landlord shall fail to make a good faith effort to repair such condition (to the extent the same is the obligation of Landlord under this Lease) within ten (10) days following identification of such needed repair, nor shall Landlord be liable to Tenant or any other person or entity whomsoever for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of the Retail Building or of any other persons or entities whomsoever, excepting only duly authorized employees and agents of Landlord.

ARTICLE 15

Damage by Casualty

15.1 Tenant shall give immediate written notice to Landlord of any damage caused to the Demised Premises by fire or other casualty.

15.2 In the event that the Demised Premises shall be damaged or destroyed by fire or other casualty which is fully covered by standard fire and extended coverage insurance and Landlord does not elect to terminate this lease as hereinafter provided, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Demised Premises. If the building in which the Demised Premises are located shall (i) be destroyed or substantially damaged by a casualty not covered by Landlord's insurance; or (ii) be destroyed or rendered untenable to an extent in excess of twenty five percent (25%) of the first floor area by a casualty covered by Landlord's insurance, or (iii) be damaged to such extent that the remaining term of this lease is not sufficient to amortize the cost of reconstruction, then Landlord may elect either to terminate this lease as hereinafter provided or to proceed to rebuild and repair

the Demised Premises. Should Landlord elect to terminate this Lease it shall give written notice of such election to Tenant within ninety (90) days after the occurrence of such casualty. If Landlord should not elect to terminate this lease, Landlord shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Demised Premises, which in all events shall be completed within 180 days from the date of the casualty.

15.3 Landlord's obligation to rebuild and repair under this Article 15 shall in any event be limited to restoring the Demised Premises to substantially the condition in which the same existed prior to the casualty with the exception of improvements made by Tenant, and Tenant agrees that promptly after completion of such work by Landlord, it will proceed with reasonable diligence and at its sole cost and expense to rebuild, repair and restore its signs, fixtures, equipment and the other improvements of Tenant.

15.4 Tenant agrees that during any period of reconstruction or repair of the Demised Premises it will continue the operation of its business within the Demised Premises to the extent practicable in the reasonable determination of Tenant. During the period from the occurrence of the casualty until Landlord's repairs are completed the Minimum Guaranteed Rental shall be reduced to such extent as may be fair and reasonable under the circumstances, however, there shall be no abatement of other charges provided for herein. Any payments paid by the insurance company under the loss of rental endorsement shall be credited to Tenant's obligation on a pro rata basis.

ARTICLE 16

Eminent Domain

16.1 If a portion of the Retail Building or the Common Areas is condemned by any public or quasi public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof and such portion will prevent the practical use of the Demised Premises for Tenant's purpose, this Lease shall terminate and all obligations thereunder shall terminate effective on the date physical possession is taken by the condemning authority.

16.2 If a portion of the Demised Premises less than that portion so described in Section 16.1 above should be taken as aforesaid, this Lease shall not terminate; however, the Minimum Guaranteed Rental payable hereunder during the unexpired portion of this lease shall be reduced in proportion to the building area taken, effective on the date physical possession is taken by the condemning authority.

16.3 If any portion of the Common Area shall be taken as aforesaid, this Lease shall not terminate, nor shall the Rent payable hereunder be reduced, except that either Landlord or Tenant may terminate this Lease if the area of the Common Area remaining following such taking plus any additional parking area provided by Landlord in reasonable proximity to the Retail Building shall be less than seventy percent (70%) of the area of the Common Area immediately prior to the taking. Any election to terminate this Lease in accordance with this

provision shall be evidenced by written notice of termination delivered to the other party within thirty (30) days after the date physical possession is taken by the condemning authority.

16.4 All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Demised Premises or Common Area shall be the property of Landlord and Tenant hereby assigns its interest in any such award to Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for loss of business or for the taking of Tenant's fixtures and other property if a separate award for such items is made to Tenant.

ARTICLE 17

Assignment and Subletting

17.1 In the event of the transfer and assignment by Landlord of its interest in this Lease and in the building containing the Demised Premises to a person expressly assuming Landlord's obligations under this Lease, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of the Landlord for performance of such obligations. Any security deposit given by Tenant to secure performance of Tenant's obligations hereunder shall be assigned and transferred by Landlord to such successor in interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

17.2 Tenant shall not mortgage, convey, pledge, assign, transfer, sublease or otherwise encumber its interest in this Lease or in the Demised Premises without the written consent of Landlord, which such consent shall not be unreasonably withheld.

ARTICLE 18

Property Taxes

Intentionally Deleted

ARTICLE 19

Default by Tenant

19.1 The following events shall be deemed to be events of default by Tenant under this Lease:

(a) Tenant shall fail to pay any installment of Rent or any other expense demanded and due by Landlord as herein provided and such failure shall continue for a period of ten (10) days from the date the same is due.

(b) Tenant shall fail to comply with any term, provision or covenant of this Lease, other than the payment of Rent or expenses demanded by Landlord and shall not cure such failure within thirty (30) days after written notice thereof to Tenant.

(c) Tenant or any Guarantor of Tenant's obligations under this Lease shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.

(d) Tenant or any Guarantor of Tenant's obligations under this lease shall file a petition under any section or chapter of the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant or any guarantor of Tenant's obligations under this Lease shall be adjudged bankrupt or insolvent in proceedings filed against Tenant or any guarantor of Tenant's obligations under this Lease.

(e) A receiver or Trustee shall be appointed for all Demised Premises or for all or substantially all of the assets of Tenant or any Guarantor of Tenant's obligations under this lease.

(f) Tenant shall do or permit to be done anything which creates a lien upon the Demised Premises, which is not released within ten (10) days after written notice.

(g) The business operated by Tenant shall be closed for failure to pay any State or local sales tax as required or for any other reason.

(h) Tenant's failure to comply with the terms of Article 5 of this Lease.

(i) Tenant's failure to comply with Section 25.8 & 25.9 of this Lease.

(j) *Intentionally Deleted.*

19.2 Upon the occurrence of any such events of default, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this lease in which event Tenant shall immediately surrender the Demised Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which he may have for possession or arrearages in rental, enter upon and take possession of the Demised Premises and expel or remove Tenant and any other person who may be occupying said premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages therefor.

(b) Enter upon and take possession of the Demised Premises and expel or remove Tenant and any other person who may be occupying said premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor with or without having terminated the Lease.

(c) Enter upon the Demised Premises by force if necessary without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to the Tenant from such action.

(d) Alter all locks and other security devices at the Demised Premises without terminating this Lease.

19.3 Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Demised Premises by Tenant, whether by agreement or by operation of law, it being understood that such surrender can be effected only by the written agreement of Landlord and Tenant. No such alteration of locks or other security devices and no expulsion of Tenant or other exercise of dominion by Landlord over the property of Tenant or others at the Demised Premises shall be deemed unauthorized or constitute a conversion. Tenant hereby consents, after any event of default, to the aforesaid exercise of dominion over Tenant's property within the Demises Premises. All claims for damages by reason of such re-entry and/or repossession and/or alteration of locks or other security devices are hereby waived, as are all claims for damages by reason of any distress warrant, forcible detainer proceedings, sequestration proceedings or other legal process. Tenant agrees that any re-entry by Landlord may be pursuant to judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for any legal proceedings, as Landlord may elect, and Landlord shall not be liable in trespass or otherwise.

19.4 In the event Landlord elects to terminate the Lease by reason of an event of default, then notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord, at the address specified for notice to Landlord herein, the sum of all rental and other indebtedness accrued to date of such termination, plus, as damages, an amount equal to the difference between (1) the total Rent for the remaining portion of the Lease Term (had such term not been terminated by Landlord prior to the date of expiration stated in Article 1), and (2) the then present value of the then fair rental value of the Demised Premises for such period.

19.5 In the event that Landlord elects to repossess the Demised Premises without terminating the Lease, then Tenant shall be liable for and shall pay to Landlord at the address specified for notice to Landlord herein all rental and other indebtedness accrued to the date of such repossession, plus rental required to be paid by Tenant to Landlord during the remainder of the lease term (when and as the same shall thereafter become due) until the date of expiration of the term as stated in Article 1 diminished by any net sums thereafter received by Landlord through reletting the Demises Premises during said period (after deducting expenses incurred by Landlord as provided in Section 19.5 hereof). In no event shall Tenant be entitled to any excess of any rental obtained by reletting over and above the rental herein reserved. Actions to collect amounts due by Tenant to Landlord as provided in this Article 19, may be brought, from time to time, on one or more occasions, without the necessity of Landlord's waiting until expiration of the Lease Term.

19.6 In case of any event of default or breach by Tenant, Tenant shall also be liable for and shall pay to Landlord, at the address specified for notice to Landlord herein, in addition to any sum provided to be paid above, brokers' fees incurred by Landlord in connection with reletting the whole or any part of the Demised Premises; the costs of removing and storing Tenant's or other occupant's property; the costs of repairing, altering, remodeling or otherwise

putting the Demised Premises into condition acceptable to a new tenant or tenants, and all reasonable expenses incurred by Landlord in enforcing or defending Landlord's rights and/or remedies including (to the maximum extent allowable under applicable law) reasonable attorneys' fees.

19.7 In the event of termination or repossession of the Demised Premises, Landlord shall use all commercially reasonable efforts to relet the Demised Premises in order to mitigate any damages due from Tenant.

19.8 If Tenant should fail to make any payment or cure any default hereunder within the time herein permitted, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default for the account of Tenant (and enter the Demised Premises for such purpose), and thereupon Tenant shall be obligated to, and hereby agrees, to pay Landlord, upon demand, all actual out-of-pocket costs, expenses and disbursements (including reasonable attorneys' fees) incurred by Landlord in taking such remedial action.

19.9 Upon receipt from Tenant of the Security Deposit, such sum shall be held by Landlord without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that such deposit is not an advance payment of rental or a measure of Landlord's damages in case of default by Tenant. Said Security Deposit shall be held by Landlord without payment of interest, as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this lease by said Tenant to be kept and performed during the term hereof. If at any time during the term of this Lease any of the rental herein reserved shall be overdue and unpaid, or any other sum payable by Tenant to Landlord hereunder shall be overdue and unpaid then Landlord may, at the option of the Landlord (but Landlord shall not be required to) appropriate and apply any portion of said deposit to the payment of any such overdue rental or other sum. In the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant, then the Landlord at its option may appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate the Landlord for loss or damage sustained or suffered by Landlord due to such breach on the part of Tenant. Should the Security Deposit, or any portion thereof be appropriated and applied by Landlord for the payment of overdue rental or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore the security deposit to the original sum deposited, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a default under this lease. Should Tenant comply with all of the terms, covenants and conditions of this Lease and promptly pay all of the rental herein provided for as it falls due, and all other sums payable by Tenant to Landlord hereunder, the security deposit shall be returned in full to Tenant within a reasonable period of time after the end of the term of this Lease, or within a reasonable period of time after the earlier termination of this Lease.

19.10 In the event of any default by Landlord, Tenant's exclusive remedy shall be an action for damages (Tenant hereby waiving the benefit of any laws granting it a lien upon the property of Landlord and/or upon rent due Landlord), but prior to any such action Tenant will

give Landlord written notice specifying such default with particularity, and Landlord shall thereupon have thirty (30) days in which to cure any such default. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. All obligations of Landlord hereunder will be construed as covenants, not conditions; and all such obligations will be binding upon Landlord only during the period of its possession of the Retail Building and not thereafter.

ARTICLE 20

Holding Over

In the event Tenant remains in possession of the Demised Premises after the expiration of this Lease and without the execution of a new lease, it shall be deemed to be occupying said Demised Premises as a tenant from month to month at Rent equal to the Rent (including any Percentage Rental) herein provided plus twenty-five percent (25%) of such amount and otherwise subject to all the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month to month tenancy.

ARTICLE 21

Subordination

21.1 Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter created upon the Demised Premises or the Retail Building, and to any renewals and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this lease. Landlord is hereby irrevocably vested with full power and authority to subordinate this lease to any mortgage, deed of trust or other lien hereafter placed upon the Demised Premises or the Retail Building, and Tenant agrees upon demand to execute such further instruments subordinating this lease as Landlord may request. Notwithstanding the foregoing, with regard to any pledge, mortgage or subordination executed by Landlord, Landlord shall provide to Tenant a non-disturbance agreement from any mortgagee or other lienholder of Landlord's interest in the Demised Premises. Such non-disturbance agreement shall be in form and content reasonably acceptable to Tenant and Lender, together with a representation that the Landlord is not in default of any of the terms of any such mortgage or security agreement as of the date thereof.

ARTICLE 22

Notices

22.1 All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person or sent by Federal Express or other nationally recognized overnight courier, or sent by facsimile transmission or mailed by certified or registered United States mail, postage prepaid, return receipt requested, and addressed as follows:

(a) If to Landlord, to it at: The City of Gladstone, Missouri
7010 N. Holmes
Gladstone, MO 64118
Facsimile No.: (816) 436-2228
Attention: Scott Wingerson

With a copy to:

Facsimile No.: _____
Attention: _____

(b) If to Tenant, to it at:

Feed Supply Co.
504 NE 10th St
Gladstone MO 64118
Attn: _____
Facsimile No.: _____
Contact No.: *Hope Dillon*

With a copy to:

Facsimile: _____
Attn: _____

or to such other address or facsimile number as either party may designate by notice to the other party hereto.

A notice or other communication shall be deemed to be duly delivered and received if sent by hand or express service, when left at the address of the recipient and, if sent by facsimile, upon receipt by the sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipient's facsimile number, and if sent by certified or registered United States mail, on the fifth day after deposited in the United States mail, postage prepaid; provided that if a notice or other communication is served by hand, or is received by facsimile on a day which is not a business day, or after 5:00 pm. on any business day at the addressee's locations such notice or communication shall be deemed to be duly delivered to and received by the recipient at 9:00 a.m. on the first business day thereafter.

ARTICLE 23

Late Charges

23.1 In the event Tenant fails to pay to Landlord within five (5) business days of when due any installment of Rent or other sum to be paid to Landlord which may become due hereunder, Landlord will incur additional expenses in an amount not readily ascertainable and which has not been elsewhere provided for between Landlord and Tenant. If Tenant should fail

to pay to Landlord within five (5) business days of when due any installment of Rent or other sum to be paid hereunder, Tenant will pay Landlord on demand a late charge of five percent (5%) of the aggregate amount due thereof as a penalty for late payment. Failure to pay such late charge upon demand therefore shall be an event of default hereunder. Provision for such late charge shall be in addition to all other rights and remedies available to Landlord hereunder or at law or in equity and shall not be construed as liquidated damages or limiting Landlord's remedies in any manner.

ARTICLE 24

Alteration of Tenant's Assets

Tenant shall not unintentionally, intentionally, or willfully restructure, reorganize or substantially shift or alter the assets of Tenant or its Guarantor, or place Tenant in a non-liquid financial condition which would adversely impact Tenant in an effort to diminish the ability of Landlord to collect Rent or any other sums which shall become due under the terms of this Lease.

ARTICLE 25

Miscellaneous

25.1 Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between parties hereof, it being understood and agreed that neither the method of computation of rental, nor any other provisions contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

25.2 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

25.3 One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

25.4 Whenever a period of time is herein prescribed for action to be taken by the parties hereunder, such party shall not be liable or responsible for and shall be excluded from the computation of any such period of time, any delays due to strikes, terrorist acts, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of such party; provided no such events shall alter or delay the date for payment of Rent hereunder. At any time when there is outstanding a mortgage, deed of trust or similar security instrument covering Landlord's interest in the Demised Premises, Tenant may not exercise any remedies for default

by Landlord hereunder unless and until the holder of the indebtedness secured by such mortgage, deed of trust or similar security instrument shall have received written notice of such default and the curing such default shall not have occurred within the periods provided hereunder.

25.5 Landlord agrees that if Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall at all times during the continuance of this Lease have the peaceable and quiet enjoyment and possession of the Demised Premises and the Common Areas.

25.6 All oral agreements inferred or implied are hereby resolved and merged into this agreement and this Lease contains the entire agreement between the parties, and no agreement shall be effective to change, modify or terminate this Lease, in whole or in part, unless such agreement is in writing and duly signed by the parties. No oral agreements exist between the parties hereunder, that have not been merged into this document.

25.7 Tenant warrants that it has had no dealing with any broker or agent in connection with the negotiation or execution of this lease other than a broker representing the Landlord ("Landlord's Broker"). In the event any agent or broker other than Landlord's Broker shall make a claim for a commission or fee, Tenant shall be responsible for payment thereof and hereby indemnifies and holds Landlord harmless from such claim for commission or fees. The Landlord agrees to pay a cash commission pursuant to separate written agreements.

25.8 Tenant agrees that it will, from time to time, upon request by the Landlord, execute and deliver to Landlord within ten (10) business days after demand therefore an estoppel certificate in Landlord's form as depicted in Exhibit D attached hereto certifying that this lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified). Tenant's failure to execute and deliver to Landlord an estoppel certificate within ten (10) business days of demand shall constitute an event of default under Section 19.1 of this Lease. In no event shall Landlord request an estoppel certificate more frequently than once every six months.

25.9 Tenant and Guarantor(s) represent and warrant to Landlord that the financial statements delivered to Landlord prior to the execution of this Lease properly reflect the true and correct value of all the assets and liabilities of Tenant and Guarantor(s). Tenant and Guarantor(s) acknowledge that in entering into this Lease, Landlord is relying upon such statements and Tenant and Guarantor(s) shall supply Landlord updated financial statements of Tenant and Guarantor(s) each Lease Year as requested by Landlord. Such statements in all cases shall be certified by Tenant and Guarantor(s), if such parties are individual(s), or their chief executive officers, if entities, to be true and correct. Tenant and Guarantor(s) shall provide such statements (not more frequently than once each year) within twenty-one (21) days of such written request by Landlord. All financial statements and information of Tenant and Guarantors shall be maintained by Landlord in strict confidence.

25.10 The laws of the State of Missouri, County of Clay shall govern the interpretations, validity, performance and enforcement of this Lease. If any provision of this Lease should be

held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

25.11 The terms, provisions and covenants contained in this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors in interest and legal representatives except as otherwise herein expressly provided.

ARTICLE 26 CONDITIONS

26.1 Lease Conditions.

Notwithstanding anything to the contrary herein, the Lease shall not become effective unless the following conditions have been satisfied:

- (i) Within thirty (30) days after the Effective Date, Tenant and Landlord shall have agreed to plans and construction costs; and
- (ii) There shall have been no material adverse effect or damage to the Demised Premises prior to the Delivery Date.

If the foregoing condition under Section 26.1(i) is not satisfied, or it is determined that such condition cannot be satisfied on or before the specific date applicable, either party may terminate this Lease without any further obligations hereunder. If the foregoing condition under Section 26.1(ii) is not satisfied and as a result the Demised Premises cannot be delivered by December 1, 2017, then the parties will negotiate in good faith to try to reach agreement on an acceptable Delivery Date. In the event the parties cannot within five (5) days of the adverse effect or damage to the Demised Premises, reach agreement on such subsequent Delivery Date, then either party may terminate this Lease without any further obligations hereunder.

[signature page to follow]

DATED 22nd day of August, 2017.

WITNESS:

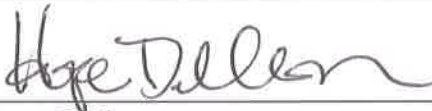
LANDLORD: **City of Gladstone, Missouri**



Scott Wingerson, City Manager

WITNESS:

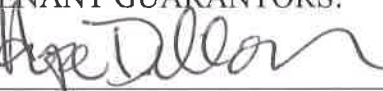
TENANT: **Feed Supply Co**



Hope Dillion

Title: owner

TENANT GUARANTORS:



Hope Dillion, an individual

ATTEST:



8/31/17

Ruth E. Bocchino

City Clerk, City of Gladstone, MO

EXHIBIT A
DEMISED PREMISES

[see attached]

EXHIBIT B
Intentionally Blank

Attached to and forming a part of Lease dated 08/22/17 between The City of Gladstone ("Landlord"), and Feed Supply Co, Tenant, initialed by:

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EXHIBIT D

ESTOPPEL CERTIFICATE

Attached to and forming a part of Lease dated 8/22/17 between The City of Gladstone, Missouri ("Landlord") and Feed Supply Co, ("Tenant"), initialed by:

SL / [Signature]
Landlord Tenant

Tenant Estoppel Certificate

TO: (PURCHASER) Hope Dillon

RE: Property Address: 504 NE 70th Street, Suite A Gladstone, Mo 64118

Lease Date: 8-22, 20 17
Between: City of Gladstone Landlord
and Hope Dillon / Feed Supply Tenant
Square Footage Lease: 11,400

The undersigned Tenant under the above-referenced lease ("Lease") certifies to (PURCHASER), the following:

1. Attached to this certificate is a true and complete copy of the Lease, including all amendments. There are no other agreements, written or oral, relating to our tenancy.

2. The Lease has not been canceled, modified, assigned, extended or amended except as follows:

3. Rent is \$ 0 / 1,833.33 per month, due and payable on the first (1st) day of each month. Rent has been paid to the first (1st) day of the current month and all Additional Rent has been paid and collected in a current manner. There is no prepaid rent, except \$. The amount of security deposit is \$ 1,833.33

4. Tenant took possession of the Demised Premises on , 20 and commended to pay rent on , 20 in the amount of \$

5. The Lease expires on , 20 and Tenant has the following renewal option(s):

6. All work to be performed by Landlord for Tenant under the Lease has been performed as required and has been accepted by Tenant, except:

7. The Lease is: (a) in full force and effect; (b) free from default; (c) Tenant has no claims against the Landlord or offsets against Rent; and (d) Tenant has no defense to the performance of its obligations under the Lease.

8. Tenant has received no notice of prior sale, transfer or assignment, hypothecation or pledge of the Lease or of the rents received therein, except:

9. The base year for operating expenses and real estate taxes, as defined in the Lease, is 8,800 CAM (if applicable).

10. Tenant has no other interest in any other part of the building of which the Demised Premises form a part or to any personal property appurtenant thereto or used in connection therewith except:

11. Tenant has no right of first refusal to lease any additional space in the Retail Building under any circumstances.

12. Tenant has no right or option pursuant to the Lease or otherwise to purchase all or any part of the Demised Premises or the building of which the Demised Premises are a part.

13. There are no lease concessions that are unperformed, and all concessions are stated in the Lease attached to this certificate.

14. The statements contained herein may be relied upon by the Landlord under the Lease and by any prospective purchaser of the premises.

In any event, the undersigned individual is duly authorized to execute this certificate.

Dated this 22nd day of August, 2017.

TENANT:

Hope Duleon

By: _____

EXHIBIT E
Guaranty of Lease

GUARANTY

In order to induce **The City of Gladstone, Missouri** ("Landlord") to enter into that certain Lease Agreement dated this 22nd day of August, 2017 (the "Lease") between Landlord and Hope Dillon ("Tenant"), and in consideration of the benefits inuring to the undersigned (the "Guarantor") under said Lease, the receipt and sufficiency of which is represented by Guarantor to Landlord to be sufficient and adequate, Guarantor hereby conditionally guarantees the performance of all of Tenant's obligations under the Lease, including, without limitation, the payment of rental as provided therein, subject to the following schedule: 1.) this Guaranty shall unconditionally guarantee the performance of all of the Tenant's obligations under the Lease for Lease Years 1 – 10. This Guaranty shall remain in full force throughout Lease Years 1 – 10. This Guaranty may not be modified or amended without the prior written consent of Landlord, and any attempted modification or amendment without such written consent shall be void.

This Guaranty is a guaranty of payment and performance, and not of collection. Guarantor hereby waives notice of acceptance of this Guaranty agreement and all other notices in connection herewith or in connection with the liabilities, obligations and duties guaranteed hereby, including notices to it of default by Tenant under the Lease, and hereby waives diligence, presentment, protest and suit on the part of Landlord in the enforcement of any liability, obligation or duty guaranteed hereby.

Guarantor further agrees that Landlord shall not be first or concurrently required to enforce against Tenant or any other person, any liability, obligation or duty guaranteed hereby before seeking enforcement thereof against Guarantor. The liability of Guarantor shall not be affected by any indulgence, compromise, settlement or variation of terms which may be extended to Tenant by Landlord, or agreed upon by Landlord or Tenant, and shall not be affected by any assignment or sublease by Tenant of its interest in the Lease, nor shall the liability of Guarantor be affected by the insolvency, bankruptcy (voluntary or involuntary), or reorganization of Tenant, nor by the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of Tenant, or by the release of any other guarantor. Landlord and Tenant, without notice to or consent by Guarantor, may at any time or times enter into such modifications, extensions, amendments or other covenants respecting the Lease as they may deem appropriate and Guarantor shall not be released thereby, but shall continue to be fully liable for the performance of all obligations and duties of Tenant under the Lease as so modified, extended or amended.

Guarantor further agrees (1) to indemnify and hold harmless Landlord from and against any claims, damages, expenses or losses, including to the extent permitted by law, the reasonable fees of an attorney, resulting from or arising out of any breach of the Lease by Tenant or by reason of Tenant's failure to perform any of its obligations thereunder, and (2) to the extent permitted by law, to pay any costs or expenses, including the reasonable fees of an attorney, incurred by Landlord in enforcing this Guaranty.

Guarantor acknowledges that Landlord may assign its rights under the Lease to an institutional investor as security for a loan to be made by such institutional investor to Landlord, and as long as any indebtedness of Landlord shall be outstanding and such assignment of the Lease shall exist, such institutional investor assignee shall be entitled to bring any suit, action or proceeding against the undersigned for the enforcement of any provision of this Guaranty and it shall not be necessary in any such suit, action or proceeding to make Landlord a party thereto.

This Guaranty may not be modified or amended without the prior written consent of such assignee of Landlord's interest in the Lease and any attempted modification or amendment without such consent shall be void.

This Guaranty shall be binding upon Guarantor and Guarantor's heirs, legal representatives, successors and assigns, and shall inure to the benefit of Landlord and its successors and assigns. If there is more than one Guarantor, the liability of each Guarantor shall be joint and several.

During the term of this Guaranty, all existing and future advances by Guarantor to Tenant, and all existing and future debts of Tenant to any Guarantor, shall be subordinated to all obligations owed to Landlord under the Lease and this Guaranty. Guarantor assumes the responsibility to remain informed of the financial condition of Tenant and of all other circumstances bearing upon the risk of Tenant's default, which reasonable inquiry would reveal, and agrees that Landlord shall have no duty to advise Guarantor of information known to it regarding such condition or any such circumstance. Landlord shall not be required to inquire into the powers of Tenant or the officers, employees, partners or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty. Each Guarantor hereby represents and warrants to Landlord that such Guarantor has received a copy of the Lease, has read or had the opportunity to read the Lease, and understands the terms of the Lease. The provisions in the Lease relating to the execution of additional documents, legal proceedings by Landlord against Tenant, severability of the provisions of the Lease, interpretation of the Lease, notices, waivers, the applicable laws which govern the interpretation of the Lease and the authority of Tenant to execute the Lease are incorporated herein in their entirety by this reference and made a part thereof. Any reference in those provisions to "Tenant" shall mean each Guarantor and any reference in those provisions to the "Lease" shall mean this Guaranty.

If any one or more of the provisions of this Guaranty shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Guaranty, and this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

This Guaranty shall be construed according to the laws of the state where the Demised Premises are located (the "State"). By execution hereof, the undersigned specifically consent to this choice of law designation and consent that all actions or proceedings arising directly, indirectly or otherwise in connection with, out of, related to, or from this Guaranty or the Lease shall be litigated only in the courts located in the State, and the undersigned (i) consent and submit to the in personam jurisdiction of any state or federal court located within the State, (ii) waive any right

to transfer or change the venue of litigation brought against the undersigned, and (iii) agree to service of process, to the extent permitted by law, by mail.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND ACKNOWLEDGING THAT THE CONSEQUENCES OF SAID WAIVER ARE FULLY UNDERSTOOD, THE UNDERSIGNED HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY, THE RIGHT TO INTERPOSE ANY DEFENSE BASED UPON ANY CLAIM OF LACHES AND ANY SET-OFF OR COUNTERCLAIM OF ANY NATURE OR DESCRIPTION IN ANY ACTION OR PROCEEDING INSTITUTED AGAINST THE UNDER-SIGNED OR ANY OTHER PERSON LIABLE ON THE LEASE.

[Remainder of Page Intentionally Blank]

[Signature Page to Follow]

DATED 22nd day of August, 2017

WITNESS:

LANDLORD: **City of Gladstone, Missouri**

Scott

Scott Wingerson, City Manager

WITNESS:

TENANT: **Feed Supply Co**

Hope Dillon

Hope Dillon, (Title)

TIN: Owner

PERSONAL GUARANTORS:

Hope Dillon

Hope Dillon, Individually

SSN#: 030402400

ATTEST:

Ruth E. Bocchine 8/31/17

Ruth E. Bocchine

City Clerk, City of Gladstone, MO