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TITLE OF DOCUMENT:	LEASE PURCHASE AGREEMENT
DATE OF DOCUMENT:	January 17, 2024
GRANTOR(S) NAME AND MAILING ADDRESS:	WEBSTER BANK, NATIONAL ASSOCIATION 360 Lexington Avenue, 5th Floor New York, NY 10017 Attention: Public Sector Finance
GRANTEE(S) NAME AND MAILING ADDRESS:	CITY OF INDEPENDENCE, MISSOURI 111 E. Maple Independence, MO 64050 Attention: City Clerk
RETURN DOCUMENTS TO:	David S. Martin Gilmore & Bell, P.C. 2405 Grand Boulevard, Suite 1100 Kansas City, Missouri 64108
LEGAL DESCRIPTION:	See Schedule 1

LEASE PURCHASE AGREEMENT

LESSOR: WEBSTER BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America

LESSEE: CITY OF INDEPENDENCE, MISSOURI, a public body corporate and politic duly organized and existing under the laws of the State of Missouri

DATED

DATE: January 17, 2024

THIS LEASE PURCHASE AGREEMENT, dated as of the date set forth above, by and between the Lessor named above (together with its successors and assigns, “Lessor”), and the Lessee named above (together with its successors, “Lessee”),

WITNESSETH:

WHEREAS, Lessor proposes to take the following actions:

(a) Lease from Lessee, the real property described in **Schedule 1**, together with all improvements now or hereafter located thereon (collectively, the “Land”), pursuant to that certain Base Lease of even date herewith between Lessee, as base lessor, and Lessor, as base lessee;

(b) Provide funds in the aggregate amount of the principal portions of Rental Payments listed on **Exhibit A** to pay costs of acquiring, constructing, equipping and installing the facilities and related improvements, fixtures, equipment and furnishings and support facilities described on **Exhibit B** (the “Improvements”), which Improvements will be located on the Land, and to reimburse the Lessee for the costs of acquiring the Land; and

(c) Lease its interest in the Land and the Improvements (together, the “Project”) to Lessee for the rental payments and upon the terms and conditions hereinafter set forth; and

WHEREAS, Lessee, pursuant to the foregoing proposals of Lessor, desires to lease the Project from Lessor, for the rental payments and upon the terms and conditions hereinafter set forth,

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Lessor and Lessee do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. In addition to words and terms defined herein, the following words and terms as used in the Base Lease and this Lease will have the following meanings, unless some other meaning is plainly intended:

“**Additional Rent**” means those payments required to be made by Lessee by **Section 4.2**.

“**Architect**” means (i) an individual architect or firm of architects selected by Lessee who or which is not a full-time employee of Lessee, or (ii) if the Construction Contract is a design-build agreement, the contractor under such agreement, and, in either case, possessing such licenses and certifications necessary for the performance of architectural design services in connection with the Improvements.

“**Base Lease**” means the Base Lease, dated as of the date hereof, between Lessor and Lessee, as from time to time supplemented or amended in accordance with **Section 19** of the Base Lease.

“**Business Day**” means any day other than a Saturday, Sunday or any other day on which banking institutions in the city in which the primary office of the Lessor is located are required or authorized by law to close.

“**Code**” means Internal Revenue Code of 1986, as amended.

“**Commencement Date**” is the date when the term of this Lease and Lessee’s obligation to pay rent commences, which date will be the date on which funds to pay the Costs of the Improvements are deposited in the Project Fund.

“**Completion Date**” means the date of completion of the Improvements as that date is certified as provided in **Section 5.4**.

“**Construction Contract**” means, collectively, the construction contracts or construction management agreements, including any change orders thereto, between Lessee and the Contractor providing for the construction of the Improvements in accordance with the Plans and Specifications.

“**Contractor**” means the contractor or construction manager for the Project under the Construction Contract.

“**Costs of the Improvements**” means all reasonable or necessary expenses incidental to the acquisition, construction, equipping, installation, repair, alteration, improvement and extension of the Improvements, including the expenses of studies, surveys, land title and title policies, architectural, construction management and engineering services, legal and other special services and all other necessary and incidental expenses, and including the costs of acquiring the Land and costs of delivering this Lease.

“**Counsel**” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either Lessee or Lessor.

“**Escrow Agent**” means the Escrow Agent under the Escrow Agreement, or any successor Escrow Agent under the Escrow Agreement.

“**Escrow Agreement**” means the Escrow Agreement, dated as of the date hereof, among Lessor, Lessee and the Escrow Agent.

“**Event of Default**” or “**Default**” means any Event of Default as defined in **Section 12.1**.

“**Fiscal Year**” means the fiscal year of Lessee for financial and budgetary purposes as set forth on **Exhibit B**.

“**Impositions**” means those Impositions defined as such in **Article VI**.

“**Improvements**” means the facilities, improvements, fixtures, equipment, furnishings and support facilities constituting a part of the Project, as further described on **Exhibit B** and referred to in **Article V**.

“**Issuance Year**” is the calendar year in which the Commencement Date occurs.

“**Land**” means the real property described in **Schedule 1** to this Lease.

“**Lease**” means this Lease Purchase Agreement between Lessor and Lessee, as from time to time supplemented and amended in accordance with **Article XIII**.

“**Lease Term**” means the Original Term and any Renewal Terms.

“**Maximum Lease Term**” means the Original Term and all Renewal Terms through the final Rental Payment Date listed on **Exhibit A**.

“**Net Proceeds**” when used with respect to any insurance proceeds or any condemnation award or amounts received from the sale of property under the threat of condemnation, means the amount remaining after deducting all expenses (including attorneys’ fees and any expenses of Lessee and Lessor) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“**Original Term**” means the initial term of this Lease beginning as of the Commencement Date and ending on the last day of Lessee’s current Fiscal Year.

“**Plans and Specifications**” means the Plans and Specifications for the Improvements, any amendments and additions thereto, and any change orders thereto.

“**Premium**” means the following percentage of the then-unpaid amount of principal portion of Rental Payments through the Maximum Lease Term, calculated as of the date of prepayment under **Section 4.1(b)** or **Section 10.1(a)**:

On or after December 1, 2030 to and including November 30, 2032	2.0%
On or after December 1, 2032 to and including November 30, 2033	1.0%
On or after December 1, 2033	No Premium

provided that, if the date of prepayment is a Rental Payment date on which any principal portion of Rental Payments is due, such percentage shall not be applied to the amount of the principal portion of Rental Payments due on such date according to **Exhibit A**.

“**Project**” means the project referred to in the recitals of this Lease, including Lessor’s interest in the Land and the Improvements.

“**Project Documents**” means the Base Lease, this Lease, the Escrow Agreement, and any other agreements, documents or certificates related to the foregoing or the Project.

“**Project Fund**” means the Project Fund, established under the Escrow Agreement.

“**Purchase Price**” means (i) the then unpaid amount of principal portion of Rental Payments through the Maximum Lease Term, (ii) accrued interest portion of Rental Payments to the date of payment of the Purchase Price, computed on a 30/360 basis, (iii) for prepayments under **Section 10.1(a)**, any applicable Premium, and (iv) any other amounts due hereunder.

“Renewal Terms” means the renewal terms of this Lease during which the Lease Term is extended in accordance with **Section 3.2**, each having a duration of one year and a term coextensive with Lessee’s Fiscal Year except as otherwise provided in said **Section 3.2**.

“Rental Payment Dates” means the dates during the Lease Term on which Rental Payments are due as set forth on **Exhibit A**.

“Rental Payments” means those payments required to be made by Lessee by **Section 4.1**.

“State” means the State of Missouri.

Section 1.2. Rules of Construction. Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, the words importing the singular number will include the plural and vice versa, and words importing person will include firms, associations and corporations, including public bodies, as well as natural persons.

The words “herein,” “hereby,” “hereunder,” “hereof,” “hereto,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Lease and not solely to the particular article, section, paragraph or subparagraph hereof in which such word is used.

Reference herein to a particular article, a particular section, a particular exhibit or a particular schedule will be construed to be a reference to the specified article, section, exhibit or schedule hereof or hereto unless the context or use clearly indicates another or different meaning or intent.

Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

Section 1.3. Section and Article Headings. The Section and Article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

Section 1.4. Execution of Counterparts. This Lease may be executed simultaneously in two or more counterparts, each of which will be deemed to be an original, and all of which together will constitute but one and the same instrument.

Section 1.5. Construction and Enforcement. This Lease will be construed and enforced in accordance with the laws of the State. Wherever in this Lease it is provided that either party will make any payment or perform or refrain from performing any act or obligation, each such provision will, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.

Section 1.6. Severability. In the event any provision hereof will be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof will not be affected thereby.

Section 1.7. Complete Agreement. This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

Section 1.8. Accounting Terms. Accounting terms used herein and not otherwise specifically defined will have the meaning ascribed to such terms by accounting principles generally accepted in the United States of America as from time to time in effect.

ARTICLE II

REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants by Lessor. Lessor represents, warrants and covenants as follows:

(a) Lessor is a national banking association duly organized and existing under the laws of the United States of America; and

(b) Lessor has full power and authority to enter into this Lease and the transactions contemplated hereby and to carry out its obligations hereunder, has been duly authorized to execute and deliver this Lease and by proper action has duly authorized the execution and delivery of this Lease.

Section 2.2. Representations and Covenants by Lessee. Lessee represents, warrants and covenants as follows:

(a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into each of the Project Documents and the transactions contemplated hereby and to perform all of its obligations hereunder;

(b) The lease of the Project by Lessor to Lessee, as provided in this Lease, is necessary, desirable and in the public interest, and Lessee hereby declares its current need for the Project;

(c) The Improvements, when completed in accordance with the Plans and Specifications and the Construction Contract, will result in a structurally sound building and related improvements and support facilities which will be in compliance with all applicable building and design codes and Lessee's requirements and will result in a facility suitable for the use by Lessee set forth on **Exhibit B**;

(d) Lessee has estimated and believes that the aggregate of the Costs of the Improvements, acquired, constructed, equipped and installed in accordance with the Construction Contract and any related Plans and Specifications, will not exceed the amount being provided by Lessor under this Lease together with other funds Lessee has available to pay such Costs of the Improvements;

(e) Lessee has duly authorized the execution and delivery of each of the Project Documents by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of each of the Project Documents;

(f) Neither the execution and delivery of any Project Document, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessee is a party or by which Lessee is bound;

(g) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal challenging the validity of the authorization or the power or authority of Lessee to enter into any Project Document or the validity or enforceability of any Project Document or which, if adversely determined, would adversely affect the transactions contemplated by any Project Document or the interest of Lessor or its assigns under any Project Document;

(h) Lessee has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby Lessee's interests in any property now or hereafter included in the Project will be or may be impaired, changed or encumbered in any manner whatsoever, except as contemplated by the Base Lease and this Lease;

(i) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof;

(j) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current Fiscal Year to make the Rental Payments scheduled to come due during the Original Term, and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes;

(k) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic;

(l) Lessee has complied, or will comply, with such public bidding requirements as may be applicable to any of the Project Documents and the completion of the Improvements;

(m) During the Lease Term, the Project will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority;

(n) Title to the Land is and shall remain in Lessee, subject to the rights of Lessor hereunder and under the Base Lease;

(o) Lessee will obtain or cause to be obtained all licenses, permits and other approvals of any other governmental entity having jurisdiction over Lessee or the Project that are necessary for the Project;

(p) The Land is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the completion of the Improvements on the Land, as contemplated by this Lease; and

(q) All taxes (if any), assessments or impositions of any kind with respect to the Land, except current taxes (if any), have been paid in full.

ARTICLE III

GRANTING PROVISIONS; TERM; ADDITIONAL COVENANTS

Section 3.1. Granting of Leasehold. Lessor, by these presents, hereby rents, leases and lets the Project unto Lessee, and Lessee hereby rents, leases and hires the Project from Lessor for the Rental Payments and subject to the terms and conditions hereinafter set forth.

Section 3.2. Lease Term. The Original Term will commence as of the Commencement Date and will terminate on the last day of Lessee's current Fiscal Year. The Lease Term may be continued, at the option of Lessee, at the end of the Original Term or any Renewal Term for an additional one-year Renewal Term; provided that the final Renewal Term will not extend beyond the final Rental Payment Date set forth on **Exhibit A**. Lessee will be deemed to have exercised its option to continue this Lease for the next Renewal Term unless Lessee has terminated this Lease pursuant to **Section 3.3** or **10.1**. The terms and conditions during any Renewal Term will be the same as the terms and conditions during the Original Term, except that the Rental Payments will be as provided on **Exhibit A**.

Lessee currently intends, subject to the provisions of **Section 3.3**, to continue this Lease through the Maximum Lease Term and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rental Payments during the Original Term and each of the Renewal Terms through the Maximum Lease Term can be obtained. The responsible financial officer of Lessee will do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend this Lease for any Renewal Term is to be made in accordance with Lessee's normal procedures for such decisions, and the then current governing body of Lessee will have the final responsibility for that decision.

Section 3.3. Nonappropriation. Lessee is obligated only to pay such Rental Payments under this Lease as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current Fiscal Year. Should Lessee fail to budget, appropriate or otherwise make available funds sufficient to pay Rental Payments following the then current Original Term or Renewal Term, this Lease will be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice will not extend the term beyond such Original Term or Renewal Term. If this Lease is terminated in accordance with this Section, Lessee agrees to transfer possession of the Project to Lessor.

Section 3.4. Use of Premises. Lessee will have the right to use the Project for any essential governmental or proprietary purpose of Lessee, subject to the limitations contained in the Project Documents.

Section 3.5. Financial Statements. Lessee shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs. Lessee shall have an annual audit of the financial condition of Lessee made by an independent certified public accountant promptly following the end of each Fiscal Year. Such report shall include statements in reasonable detail, certified by such accountant, reflecting Lessee's financial position as of the end of such Fiscal Year and the results of Lessee's operations and changes in the financial position of its funds for the Fiscal Year. Lessee shall furnish to Lessor copies of such audit report immediately after it is accepted by Lessee, but not later than

360 days after the end of the Fiscal Year. If the audit is publicly available on Lessee's website or on the "EMMA" website maintained by the Municipal Securities Rulemaking Board, the requirement to provide the audit to Lessor will be satisfied.

Section 3.6. Lessee's Notice Filings Related to Lease for SEC Rule 15c2-12. In connection with Lessee's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Lessee on and after February 27, 2019, pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Lessor acknowledges that Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice that Lessee has incurred obligations under this Lease and notice of certain subsequent events reflecting financial difficulties in connection herewith. Lessee agrees that it shall not file or submit, or permit to be filed or submitted, with EMMA any documentation that includes the following unredacted sensitive or confidential information about Lessor or its affiliates: address and account information of Lessor or its affiliate, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of Lessor or its affiliates, or any account information for any related escrow agreement, unless otherwise required for compliance with the Rule or otherwise required by law. Lessee acknowledges that Lessor is not responsible for Lessee's compliance or noncompliance with the Rule or any Continuing Disclosure Agreement.

ARTICLE IV

PROVISIONS FOR PAYMENT OF RENTAL PAYMENTS

Section 4.1. Rental Payments; Prepayments.

(a) Lessee will promptly make Rental Payments, exclusively from legally available funds, in lawful money of the United States of America to Lessor on each Rental Payment Date, in such amounts as are described on **Exhibit A**, such payments to be made by wire transfer or other form of electronic payment in accordance with written instructions provided by Lessor or, with Lessor's consent, by such other commercially reasonable method of payment. Lessee will pay Lessor a charge on any Rental Payment not paid on the Rental Payment Date such Rental Payment is due at the rate of 10% per annum or the maximum amount permitted by law, whichever is less, from such date until paid. A portion of each Rental Payment is paid as, and represents payment of, interest, as set forth on **Exhibit A**.

(b) Rental Payments may be prepaid in part by Lessee on December 1, 2030, and on any Business Day thereafter, upon giving written notice to Lessor at least 30 days before the date of prepayment (prepayment in whole is governed by **Section 10.1** hereof). Any partial prepayment shall (i) occur no more than once during any calendar year, (ii) be in a principal amount of not less than \$1,000,000, (iii) with the exception of any amounts attributable to Premium, be applied to the then remaining principal repayment schedule in inverse order of Rental Payments coming due hereunder, and (iv) include any applicable Premium which shall be retained by the Lessor.

Section 4.2. Additional Rent. Lessee will pay, subject to the provisions of **Section 3.3**, as Additional Rent (i) all Impositions (as defined in **Article VI**); (ii) all amounts required under **Section 4.5** or **14.5** and all other payments of whatever nature which Lessee has agreed to pay or assume under this Lease; and (iii) all expenses, including attorneys' fees, incurred in connection with the enforcement of any rights under this Lease by Lessor. Amounts required to be paid under this Section will be paid directly to the person or entity owed.

Section 4.3. Rental Payments and Additional Rent Constitute Current Expense. The obligation of Lessee to pay the Rental Payments and the Additional Rent and other amounts payable hereunder is subject to the provisions of **Section 3.3**, constitutes a current expense of Lessee and does not constitute a general obligation or indebtedness of Lessee for which Lessee is obligated to levy or pledge any form of taxation or for which Lessee has levied or pledged any form of taxation; such obligation will not be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement, but in each Fiscal Year will be payable solely from the amounts budgeted or appropriated therefor out of the income and revenue provided for such Fiscal Year, any proceeds of the Project and the Net Proceeds of any insurance or condemnation awards.

Section 4.4. Rental Payments and Additional Rent Payable Without Abatement or Set-Off; Lessee's Obligations. Subject to the provisions of **Section 3.3**, Lessee covenants and agrees that all payments of Rental Payments and Additional Rent will be made by Lessee on or before the date the same become due, and Lessee will perform all of its other obligations, covenants and agreements hereunder (including the obligation to pay Rental Payments and Additional Rent) without notice or demand and without abatement, deduction, setoff, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising and irrespective of whether the acquisition, construction, equipping or installation of the Improvements has been started or completed.

Nothing in this Lease will be construed as a waiver by Lessee of any rights or claims Lessee may have against Lessor under this Lease or otherwise, but any recovery upon such rights and claims will be from Lessor separately, it being the intent of this Lease that Lessee will be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Lease, including its obligation to pay Rental Payments and Additional Rent. Lessee may, however, at its own cost and expense and in its own name or in the name of Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event Lessor hereby agrees to cooperate fully with Lessee and to take all action necessary to effect the substitution of Lessee for Lessor in any such action or proceeding if Lessee so requests.

Section 4.5. Advances. In the event Lessee fails to either maintain the insurance required by this Lease or keep the Project in good repair, Lessor may, but will be under no obligation to, purchase the required insurance and pay the cost of the premiums therefor and maintain and repair the Project and pay the cost thereof. All amounts so advanced by Lessor will constitute Additional Rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date advanced by Lessor until paid at the rate of 10% per annum or the maximum amount permitted by law, whichever is less. In accordance with Section 427.120 of the Revised Statutes of Missouri, unless Lessee provides evidence of the insurance coverage required by this Lease, Lessor may purchase insurance at Lessee's expense to protect Lessor's interests hereunder. This insurance may, but need not, protect Lessee's interests. The coverage that Lessor may purchase may not pay any claim that Lessee may make or any claim that may be made against Lessee in connection with the Project. Lessee may later cancel any insurance purchased by Lessor, but only after providing evidence that Lessee has obtained insurance as required by this Lease. If Lessor purchases insurance for the Project, Lessee will be responsible for the costs of that insurance, including the insurance premium, interest and other reasonable charges Lessor may impose directly related to the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance will be added as Additional Rent. The costs of the insurance may be more than the cost of insurance Lessee may be able to obtain on its own.

ARTICLE V

ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF THE IMPROVEMENTS

Section 5.1. Acquisition, Construction, Equipping and Installation of the Improvements.

Lessee has entered, or will enter, into the Construction Contract providing for the acquisition, construction, equipping and installation of the Improvements and has provided, or will provide immediately upon entering into such Construction Contract, a copy of such Construction Contract. Lessee will cause the Improvements to be acquired, constructed, equipped and installed in accordance with the Construction Contract and any related Plans and Specifications as promptly as practicable and with all reasonable dispatch.

Within ten (10) Business Days of Lessee's acceptance from the Architect, Lessee shall file with Lessor the Plans and Specifications in the form in which they then exist (it being understood that the Plans and Specifications may not be complete at that time). Thereafter, Lessee will promptly file with Lessor the completed Plans and Specifications and such additions and supplements thereto as the same are prepared.

Section 5.2. Payment for Costs of the Improvements. Costs of the Improvements will be paid from the Project Fund in accordance with and subject to the terms and conditions set forth in the Escrow Agreement.

Section 5.3. Changes in the Plans and Specifications or Construction Contract or Modifications of the Improvements. Lessee may make any changes in or modifications of the Plans and Specifications subsequent to the date of this Lease and prior to the Completion Date, may make any changes in or modifications of the Construction Contract and may make any deletions from or substitutions or additions to the Improvements (such completion, changes, modifications, deletions, substitutions and additions being together herein called "change orders"), subject to satisfaction of the following conditions:

- (a) Such change orders do not materially alter the size, scope or character of the Improvements or impair the structural integrity or utility of the Improvements;
- (b) Prior approval of the contractors' surety has been obtained;
- (c) Such change order shall not postpone the date by which the Improvements are required to be completed by more than 90 days or the amount of liquidated damages resulting from the failure to complete the Improvements by that date without the prior written approval of Lessor; and
- (d) To the extent that any change order, together with all prior change orders, will increase the estimated Costs of the Improvements by more than 10%, (i) Lessee shall have set aside in a separate account funds to be used solely to pay Costs of the Improvements and sufficient to pay such excess, (ii) payment of Costs of the Improvements equal to the amount of such excess shall be paid by Lessee directly to the contractors and to the suppliers of materials and services as the same shall become due, (iii) Lessee recognizes that Lessor will have no obligation to pay such excess, and (iv) any such payment by Lessee shall not diminish Lessee's obligation to make Rental Payments or other payments under this Lease.

No change order shall be effective until delivered to Lessor in accordance with the foregoing provisions.

Section 5.4. Completion Date; Excess Funds. The Completion Date will be evidenced to Lessor and the Escrow Agent upon receipt by Lessor of a Completion Certificate complying with the requirements of the Escrow Agreement. In the event that any moneys remain in the Project Fund on the Completion Date, such moneys will be paid to Lessor and the following adjustments made:

(i) principal components of the last Rental Payment and such other Rental Payments as are necessary will be reduced by an aggregate amount equal to the amount remaining in the Project Fund, such amount to be applied to the reduction of such principal components in the inverse order of their due dates; and

(ii) interest components for the Rental Payments becoming due after the date of such reduction will be reduced in a manner corresponding to the reduction in principal components using the per annum interest rate at which the interest portions of Rental Payments are calculated, as set forth on **Exhibit B**.

Section 5.5. Design, Construction and Maintenance of the Improvements. Lessor will have no responsibility in connection with the selection of the Improvements, any contractor, subcontractor or supplier, the Plans and Specifications or the design of the Improvements, their suitability for the use intended by Lessee, or the performance by any contractor, subcontractor or supplier in acquiring, constructing and installing the Improvements. Lessor has no obligation to acquire, construct, furnish, equip, install, erect, test, inspect, service or maintain the Project or any portion thereof under any circumstances, but such actions will be the obligation of Lessee. Lessor's sole responsibility in connection with the Improvements is to deposit the sum in the Project Fund to pay Costs of the Improvements in accordance with the terms and conditions specified in **Section 4(b)** of the Base Lease.

Section 5.6. Warranties. Lessor hereby assigns to Lessee for and during the Lease Term, all of its interest in all warranties, guarantees or other contract rights against any contractor, subcontractor or supplier, expressed or implied, issued on or applicable to the Improvements, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties, guarantees or other contract rights at Lessee's expense. Lessee's sole remedy for the breach of such warranties, guarantees or other contract rights will be against any contractor, subcontractor or supplier, and not against Lessor, nor will such matter have any effect whatsoever on the rights of Lessor with respect to this Lease, including the right to receive full and timely Rental Payments, Additional Rent and other payments hereunder. Lessee expressly acknowledges that Lessor does not make nor has it made any representation or warranty whatsoever as to the existence or availability of such warranties, guarantees or other contract rights of the manufacturer or supplier of any portion of the Improvements.

Section 5.7. DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY PART THEREOF, OR WARRANTY WITH RESPECT THERETO. IN NO EVENT WILL LESSOR BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE PROJECT OR ANY PART THEREOF.

ARTICLE VI
IMPOSITIONS

Section 6.1. Impositions. Lessee will bear, pay and discharge, before the delinquency thereof, as Additional Rent, all taxes and assessments, general and special, if any, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Project, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of Lessor or encumber the Project (all of the foregoing being herein referred to as "Impositions").

Section 6.2. Contest of Impositions. Lessee has the right, in its own name or in Lessor's name, to contest the validity or amount of any Imposition which Lessee is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least 10 days before the contested Imposition becomes delinquent and may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor notifies Lessee that, in the opinion of Counsel, by nonpayment of any such items the interest of Lessor in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event Lessee will promptly pay such taxes, assessments or charges or provide Lessor with full security against any loss which may result from nonpayment, in form satisfactory to Lessor. Lessor agrees to cooperate with Lessee in connection with any and all administrative or judicial proceedings related to Impositions. Lessee will hold Lessor whole and harmless from any costs and expenses Lessor may incur with respect to any Imposition.

ARTICLE VII
INSURANCE; INDEMNITY

Section 7.1. Insurance Required. Lessee will, during the Lease Term, cause the Project to be kept continuously insured against such risks customarily insured against for facilities such as the Project and will pay (except as otherwise provided herein), as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

- (a) Insurance insuring the Project against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the lesser of an amount equal to the full insurable value thereof or the unpaid amount of principal portion of Rental Payments through the Maximum Lease Term (subject to reasonable loss deductible clauses) issued by such insurance company or companies authorized to do business in the State as may be selected by Lessee. The full insurable value of the Project may be determined from time to time at the request of Lessee or Lessor (but not more frequently than every five years) by an architect, licensed appraiser or one of the insurers, to be selected with Lessor's reasonable approval, but solely at Lessee's expense, provided that the insurers of the Project are preapproved hereunder. The policy or policies of such insurance will name Lessee and Lessor as insureds and loss payees. All proceeds from such policies of insurance will be applied as provided in **Article XI**. During acquisition, construction, equipping and installation of the Improvements, Lessee may cause to be provided, insofar as the Improvements are concerned, the insurance required by subparagraph (b) below in lieu of the insurance required by this subparagraph (a);

(b) During the acquisition, construction, equipping and installation of the Improvements and in lieu of the insurance required in subparagraph (a) of this Section, builders' risk-completed value insurance insuring the Improvements against fire, lightning and all other risks covered by the extended coverage endorsement then in use in the State to the full insurable value of the Improvements (subject to reasonable loss deductible clauses), but in no event will such amount be less than the amount necessary to prevent the application of any co-insurance provisions, issued by such insurance company or companies authorized to do business in the State as may be selected by Lessee. Such policy or policies of insurance will name Lessee and Lessor as insureds and loss payees, and all payments received under such policy or policies by Lessee will be paid over to Lessor, to be used as provided in **Article XI**;

(c) Comprehensive general accident and public liability insurance (including coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which Lessee and Lessor are named as insureds, in an amount not less than the amount which Lessor will reasonably request for a combined single limit for bodily injuries and property damage (but not in excess of the limits of liability set by Section 537.610 of the Revised Statutes of Missouri);

(d) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State;

(e) Performance and labor and material payment bonds with respect to the contracts for the acquisition, construction, equipping and installation of the Improvements and in the full amount of such contracts, made by the contractors thereunder as the principals and a surety company or companies qualified to do business in the State as surety which will be approved by Lessor. Such bonds will be in such form as is acceptable to Lessor and will name Lessee and Lessor as obligees; and

(f) Leasehold policy of title insurance, insuring Lessor's leasehold interest under the Base Lease, in the amount set forth on **Exhibit B**, on the standard ALTA forms, subject only to such exceptions as will be acceptable to Lessor, with such endorsements and affirmative coverages as may be reasonably required by Lessor, in form and substance satisfactory to Lessor and issued by a company acceptable to Lessor and authorized to issue such insurance in the State.

Not less than 15 days prior to the expiration dates of the expiring policies, originals or copies of the policies required by this Section or certificates evidencing such insurance will be delivered by Lessee to Lessor. All policies of such insurance, and all renewals thereof, will contain a provision that such insurance may not be cancelled by the issuer thereof without at least ten days written notice to Lessee and Lessor.

Nothing in this Lease will be construed as preventing Lessee from satisfying the insurance requirements herein set forth by using blanket policies of insurance provided each and all of the requirements and specifications of this Lease respecting insurance are complied with.

Section 7.2. Enforcement of Contract and Surety Bonds. In the event of material default of any contractor or subcontractor under the Construction Contract or any other contract made in connection with the acquisition and construction of the Improvements, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, Lessee will promptly proceed, either separately or in conjunction with others, to pursue diligently the remedies of Lessee against the contractor or subcontractor in default and against each surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing,

after deduction of expenses incurred in such recovery and after reimbursement to Lessee of any amounts theretofore paid by Lessee and not previously reimbursed to Lessee for correction or remedying of the default which gave rise to the proceedings against the contractor, subcontractor or surety, will be held by Lessee in a separate account and not commingled with other funds of Lessee and, if received before the Completion Date, will be deposited in the Project Fund created under the Escrow Agreement or, if received after the Completion Date, will be appropriated solely for the purpose of paying Rental Payments under this Lease.

Section 7.3. Release and Indemnification. To the extent permitted by law and without waiver of sovereign immunity, Lessee will indemnify, protect, hold harmless, save and keep Lessor harmless from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including counsel fees and expenses) arising out of or as the result of (a) the entering into of the Base Lease or this Lease, (b) the acquisition, construction, equipping and installation of the Improvements, (c) injury, actual or claimed, of whatsoever kind or character, to property or persons, occurring or allegedly occurring in, on or about the Project during the Lease Term or otherwise arising during the Lease Term because of Lessor's interest in the Project, and/or (d) the breach of any covenant by Lessee herein or any material misrepresentation by Lessee contained herein. The indemnification arising under this section will continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease for any reason.

ARTICLE VIII

ASSIGNMENT AND SUBLEASING

Section 8.1. Assignment by Lessor. Lessor's right, title and interest in, to and under this Lease and the Project may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment will not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee and any such assignment must be to an affiliate of Lessor or a bank, insurance company or other financial institution or their affiliates. Lessee agrees to keep a record of all such notices of assignment and to execute all documents, including notices of assignment and financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Project and in this Lease, and agrees to the filing of financing statements with respect to the Project and this Lease. Lessee will not have the right to and will not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may have against Lessor.

Section 8.2. Assignment and Subleasing by Lessee. Except as set forth in this Section, none of Lessee's right, title and interest in, to and under this Lease and in the Project may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Project if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt obligations of state and local governments satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Project will be subject to this Lease and the rights of Lessor in, to and under this Lease and the Project.

ARTICLE IX

MAINTENANCE, REPAIRS AND MODIFICATIONS

Section 9.1. Maintenance, Repairs and Modifications. Lessee will, at its own expense, maintain, preserve and keep the Project in good repair, working order and condition, normal wear and tear excepted, and will from time to time make all repairs, replacements and improvements necessary to keep the Project in such condition. Lessor has no responsibility for any repairs, replacements or improvements. In addition, Lessee will, at its own expense, have the right to remodel any portion of the Improvements or to make additions, modifications and improvements thereto. All such additions, modifications and improvements will thereafter comprise part of the Project and be subject to the provisions of this Lease; provided, however, that Lessee may install at its own expense any furniture, furnishings, trade fixtures and business equipment and such furniture, furnishings, trade fixtures and business equipment (specifically excluding lighting fixtures and heating, ventilating and air conditioning equipment and wiring within conduits) will remain the property of Lessee and will not be subject to the provisions of this Lease. Such additions, modifications and improvements will not in any way damage the Improvements nor cause it to be used for purposes other than those permitted by this Lease and authorized under the provisions of municipal, state and federal law. The Project, upon completion of any additions, modifications and improvements made pursuant to this Section, will be of a value which is not substantially less than the value of the Project immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by Lessee in such manner and on such terms as are determined by Lessee. Lessee will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by Lessee pursuant to this Section; provided that if any such lien is established and Lessee will first notify Lessor of Lessee's intention to do so, Lessee may in good faith contest any lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Lessor will notify Lessee that, in the opinion of Counsel, by nonpayment of any such item the interest of Lessor in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event Lessee will promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon request and at the expense of Lessee.

Section 9.2. Liens. Lessee will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project, other than the respective rights of Lessor and Lessee as herein and in the Base Lease provided. Except as expressly provided in this Article, Lessee will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same will arise at any time. Lessee will reimburse Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

ARTICLE X

LESSEE'S OPTION TO PURCHASE THE PROJECT

Section 10.1. Lessee's Option to Purchase the Project. Lessee has the option to purchase Lessor's interest in the Project, upon giving written notice to Lessor at least 30 days before the date of purchase, at the following times and upon the following terms:

(a) *Optional Prepayment.* On December 1, 2030, and on any Business Day thereafter upon payment in full of the Purchase Price and any other amounts then due hereunder, with the interest component of Rental Payments comprising a portion of the Purchase Price to be computed on the basis of a 360-day year of twelve 30-day months. Partial prepayment of this Lease may be made pursuant to the terms set forth in **Section 4.1(b)** hereof.

(b) *Prepayment upon Destruction or Condemnation.* In the event of substantial damage to or destruction or condemnation (other than condemnation by Lessee or any entity controlled by or otherwise affiliated with Lessee) of substantially all of the Project, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option, upon payment in full of the Purchase Price and any other amounts then due hereunder with the interest component of the Rental Payments comprising a portion of the Purchase Price, to be computed on the basis of a 360-day year of twelve 30-day months.

Title to the Project and the Improvements will be vested in Lessee, free and clear of any claim by or through Lessor, upon (i) the exercise of the limited option to purchase as set forth above, and payment of the Purchase Price required hereunder in connection with the exercise of Lessee's option to purchase, or (ii) full payment of all Rental Payments and Additional Rent, payable through the end of the Maximum Lease Term. It is the intent of the parties hereto that any transfer of Lessor's interest in the Improvements pursuant to this Section shall occur automatically without the necessity of any instrument of conveyance. Nevertheless, Lessor agrees to execute and deliver any such instruments requested by Lessee to the extent reasonably required to evidence such transfer, and termination of Lessor's interest in the Project.

Section 10.2. Determination of Fair Purchase Price. Lessee and Lessor hereby agree and determine that the Rental Payment hereunder during the Original Term and any Renewal Term represent the fair value of the use of the Project and that the amount required to exercise Lessee's option to purchase Lessor's interest in the Project pursuant to **Section 10.1** represents, as of the end of the applicable Rental Payment Date, the fair purchase price of the Project. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under an economic practical compulsion to renew this Lease or to exercise its option to purchase the Project hereunder. In making such determinations, Lessee and Lessor have given consideration to the Costs of the Improvements, the uses and purposes for which the Project will be employed by Lessee, the benefit to Lessee by reason of the acquisition, construction, equipping and installation of the Improvements and the use and occupancy of the Project pursuant to the terms and provisions of this Lease and Lessee's option to purchase the Project. Lessee hereby determines and declares that the acquisition, construction, equipping and installation of the Improvements and the leasing of the Project pursuant to this Lease will result in a Project of comparable quality and meeting the same requirements and standards as would be necessary if the acquisition, construction, equipping and installation of the Improvements were performed by Lessee other than pursuant to this Lease. Lessee hereby determines and declares that the Maximum Lease Term does not exceed the useful life of the Improvements.

ARTICLE XI

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 11.1. Damage, Destruction and Condemnation. Unless Lessee has exercised its option to purchase the Project and terminate this Lease as provided in **Article X**, if (i) any component of the Project is destroyed (in whole or in part) or is damaged by fire or other casualty or (ii) title to or the temporary use of such component of the Project or the interest of Lessee or Lessor in the component of the Project, is taken under the exercise of the power of eminent domain, or the threat of such exercise, by any

governmental body or by any person, firm or corporation acting under governmental authority, Lessee will cause the Net Proceeds of any insurance or condemnation award or any sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Project by Lessee. Any balance of the Net Proceeds remaining after such work has been completed will be held and appropriated by Lessee for the exclusive purpose of paying Rental Payments under this Lease.

If Lessee determines that the replacement, repair, restoration, modification or improvement of the Project is not economically feasible or in the best interest of Lessee, then, in lieu of making such replacement, repair, restoration, modification or improvement and if permitted by law, Lessee will promptly purchase the Project by paying the Purchase Price to Lessor and such Net Proceeds will be applied by Lessee to such payment to the extent required for such payment. Any balance of the Net Proceeds remaining after paying the Purchase Price to Lessor will belong to Lessee.

Section 11.2. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement of any component of the Project in accordance with **Section 11.1**, subject to appropriation of sufficient funds, Lessee will complete the work and pay any cost in excess of the amount of the Net Proceeds, and Lessee agrees that if by reason of any such insufficiency of the Net Proceeds Lessee will make any payments pursuant to the provisions in this **Section 11.2**, Lessee will not be entitled to any reimbursement therefor from Lessor or to any reduction in Rental Payments then due or thereafter coming due.

Section 11.3. Cooperation of Lessor. Lessor will cooperate fully with Lessee, at the expense of Lessee, in filing any proof of loss with respect to any insurance policy covering the events described in **Section 11.1** and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit Lessee to litigate in any proceeding resulting therefrom in the name of and on behalf of Lessor. In no event will Lessor voluntarily settle, or consent to the settlement of, any proceedings arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of Lessee.

ARTICLE XII

DEFAULT PROVISIONS

Section 12.1. Events of Default Defined. The following will be “Events of Default” under this Lease, and the term “Events of Default” will mean, whenever it is used in this Lease, any one or more of the following events:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement under any Project Document on its part to be observed or performed, other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will consent to an extension of such time if Lessee certifies that corrective action has been instituted by Lessee within the applicable period and will be diligently pursued until such failure is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to any Project Document or any instrument or certificate related thereto or to the Project is incorrect, untrue or misleading in any material respect;

(d) Any provision of any Project Document at any time for any reason ceases to be valid and binding on Lessee, or is declared to be null and void, or the validity or enforceability thereof is contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee denies that it has any further liability or obligation under this Lease or the Base Lease; or

(e) The filing by Lessee of a voluntary petition in bankruptcy, or failure by Lessee to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its essential functions, or adjudication of Lessee as a bankrupt, or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of any applicable federal bankruptcy law.

Section 12.2. Remedies. Whenever any Event of Default has occurred and is continuing, Lessor will have the right, at its option and without any further demand or notice, to take any one or more of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating this Lease, take possession of the Project, sell Lessor's interest in the Base Lease, or lease the Project and collect the Rental Payments therefor for all or any portion of the remainder of its leasehold term upon such terms and conditions as it may deem satisfactory in its sole discretion, with Lessee remaining liable for the difference between the Rental Payments, Additional Rent and other amounts payable by Lessee hereunder during the Original Term or then current Renewal Term, as the case may be, and the net proceeds of any purchase price, rents or other amounts paid by the purchaser, new lessee or sublessee of the Project, and, provided further, that, in such event, if Lessor receives a payment for sale of its interest or total Rental Payments for lease of the Project that are, after payment of Lessor's expenses in connection therewith, in excess of the then applicable Purchase Price, then such excess will be paid to Lessee either by Lessor, its assigns, or by its sublessee;

(c) Lessor may provide written notice of the occurrence of an Event of Default to the Escrow Agent, and the Escrow Agent shall thereupon promptly remit to Lessor the entire balance of the Project Fund established and held under the Escrow Agreement as provided in the Escrow Agreement; or

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due and thereafter to become due during the then current Original Term or Renewal Term, or enforce performance and observance of any obligation, agreement or covenant of Lessee under this Lease.

Section 12.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy will be cumulative and will be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to

exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor or Lessee to exercise any remedy reserved to it in this Article it will not be necessary to give any notice, other than such notice as may be required in this Article or by law.

Section 12.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

ARTICLE XIII

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 13.1. Amendments, Changes and Modifications. This Lease may be amended, changed or modified in any manner by written agreement of Lessor and Lessee. Any waiver of any provision of this Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and will not be implied from inaction, course of dealing or otherwise.

ARTICLE XIV

MISCELLANEOUS

Section 14.1. Maintenance of Tax Exemption.

(a) Lessee will not take any action or fail to take any action which action or failure would cause the interest components of Rental Payments under this Lease to be includable in gross income for federal income tax purposes.

(b) Lessee will comply with all applicable provisions of the Code, including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder from time to time proposed or in effect in order to maintain the exclusion from gross income for purposes of federal income taxation of the interest components of Rental Payments under this Lease.

(c) *Limit on Private Business Use.* Not more than 10% of the Project will be used for any private business use. Lessee understands that use as a member of the general public (“general public use”) is not private business use. The Project is intended to be available, and will be reasonably available, for use on the same basis by natural persons not engaged in a trade or business. Lessee understands further that, under the Code and the Regulations—

(1) In general, use under an arrangement that conveys priority rights or other preferential benefits is not general public use; and

(2) Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable.

(d) Lessee will use the proceeds of this Lease as soon as practicable and with all reasonable dispatch for the purpose for which this Lease has been executed and delivered. No part of the proceeds of this Lease will be invested in any securities, obligations or other investments or used, at any time, directly or indirectly, in a manner which would cause this Lease to be or become an “arbitrage bond” within the meaning of Section 148 of the Code and the applicable regulations of the Treasury Department.

Section 14.2. Notices. It will be sufficient service of any notice, request, complaint, demand or other paper required by this Lease to be given or filed with Lessor or Lessee if the same is duly mailed by registered or certified mail with postage prepaid addressed as set forth on **Exhibit B**. Lessor and Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent.

Section 14.3. Title to Personal Property. Title to any portion of the Project that constitutes personal property will vest in Lessee subject to Lessor’s rights under this Lease and the Base Lease; provided that title thereto will thereafter immediately and without any action by Lessee vest in Lessor and Lessee will immediately surrender possession thereof to Lessor upon (i) any termination of this Lease without Lessee exercising its option to purchase pursuant to **Section 10.1** or (ii) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section will occur automatically without the necessity of any deed, bill of sale, certificate of title or other instrument of conveyance. Nevertheless, Lessee will execute and deliver any such instruments as Lessor may request to evidence such transfer.

Section 14.4. Security Interest. To secure the payment of all of Lessee’s obligations under this Lease, to the extent permitted by law, Lessor retains a security interest in that portion of the Project consisting of personal property or fixtures and on all additions, attachments, accessions thereto, replacements and substitutions therefor and on any proceeds therefrom. Lessee consents to the filing of financing statements with respect to such personal property and fixtures and will execute such additional documents, including affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest.

Section 14.5. Net Lease. It is the understanding and agreement of the parties hereto that, subject to **Sections 3.3** and **4.3**, this is a clear “net” lease obligation and that Lessee will bear all expenses and make all payments consistent with the principle of the “net” Lease. Lessee hereby assumes and agrees to perform all duties and obligations relating to the Project, as well as the use, operation, and maintenance thereof, even though such duties and obligations may otherwise be construed to be those of Lessor.

Section 14.6. No Pecuniary Liability. No provision, covenant or agreement contained in this Lease or any obligation herein imposed upon Lessor, or the breach thereof, will constitute or give rise to or impose upon Lessor a pecuniary liability.

Section 14.7. Access to Premises. Lessee agrees that Lessor or any agent or representative of Lessor has the right at all reasonable times to enter upon and to examine and inspect the Project. Lessee further agrees that Lessor and any such agent or representative has such rights of access to the Project as may be reasonably necessary to cause the proper maintenance of the Improvements in the event of failure by Lessee to perform its obligations hereunder.

Section 14.8. [Reserved].

Section 14.9. Title to the Land. Lessee covenants that the title to the Land is and will remain in Lessee, subject to the rights of Lessor hereunder and under the Base Lease.

Section 14.10. Binding Effect. This Lease will inure to the benefit of and will be binding upon Lessor and Lessee and their respective successors and assigns.

Section 14.11. Execution in Counterparts; Electronic Transactions. This Lease may be executed in any number of counterparts, each of which will be deemed to be an original but all together will constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may be executed by Lessor and Lessee all with the same force and effect as though the same counterpart had been executed by both Lessor and Lessee. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

Section 14.12. Role of Lessor. Lessor has not acted and will not act as a fiduciary for Lessee or as Lessee's agent or municipal advisor. Lessor has not and will not provide financial, legal, tax, accounting or other advice to Lessee or to any financial advisor or placement agent engaged by Lessee with respect to this Lease. Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Lease from its own advisors (including as it relates to structure, timing, terms and similar matters).

Section 14.13. No Boycott of Israel. Pursuant to Section 34.600 of the Revised Statutes of Missouri, as amended (the "Act"), by entering into this Lease, Lessor certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Lease will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. Lessor understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

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EXHIBIT A TO LEASE PURCHASE AGREEMENT

RENTAL PAYMENT SCHEDULE

Rental Payments will be made in accordance with **Section 4.1** and this Payment Schedule.

Commencement Date: January 17, 2024

Principal Amount: \$20,000,000

Interest Rate: 5.180%

<u>Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Payment</u>
06/01/2024	-	\$385,622.22	\$385,622.22
12/01/2024	\$585,000	518,000.00	1,103,000.00
06/01/2025	-	502,848.50	502,848.50
12/01/2025	615,000	502,848.50	1,117,848.50
06/01/2026	-	486,920.00	486,920.00
12/01/2026	650,000	486,920.00	1,136,920.00
06/01/2027	-	470,085.00	470,085.00
12/01/2027	685,000	470,085.00	1,155,085.00
06/01/2028	-	452,343.50	452,343.50
12/01/2028	720,000	452,343.50	1,172,343.50
06/01/2029	-	433,695.50	433,695.50
12/01/2029	760,000	433,695.50	1,193,695.50
06/01/2030	-	414,011.50	414,011.50
12/01/2030	800,000	414,011.50	1,214,011.50
06/01/2031	-	393,291.50	393,291.50
12/01/2031	840,000	393,291.50	1,233,291.50
06/01/2032	-	371,535.50	371,535.50
12/01/2032	885,000	371,535.50	1,256,535.50
06/01/2033	-	348,614.00	348,614.00
12/01/2033	930,000	348,614.00	1,278,614.00
06/01/2034	-	324,527.00	324,527.00
12/01/2034	980,000	324,527.00	1,304,527.00
06/01/2035	-	299,145.00	299,145.00
12/01/2035	1,035,000	299,145.00	1,334,145.00
06/01/2036	-	272,338.50	272,338.50
12/01/2036	1,090,000	272,338.50	1,362,338.50
06/01/2037	-	244,107.50	244,107.50
12/01/2037	1,145,000	244,107.50	1,389,107.50
06/01/2038	-	214,452.00	214,452.00
12/01/2038	1,210,000	214,452.00	1,424,452.00
06/01/2039	-	183,113.00	183,113.00
12/01/2039	1,270,000	183,113.00	1,453,113.00
06/01/2040	-	150,220.00	150,220.00
12/01/2040	1,340,000	150,220.00	1,490,220.00
06/01/2041	-	115,514.00	115,514.00
12/01/2041	1,410,000	115,514.00	1,525,514.00
06/01/2042	-	78,995.00	78,995.00
12/01/2042	1,485,000	78,995.00	1,563,995.00
06/01/2043	-	40,533.50	40,533.50
12/01/2043	1,565,000	40,533.50	1,605,533.50

EXHIBIT B TO LEASE PURCHASE AGREEMENT

OTHER PROVISIONS

Improvements: The Improvements consist of the renovation, improvement, equipping and furnishing of the Land to convert an existing building located thereon into a new office and meeting building for the City of Independence, Missouri.

The description of the Improvements shall be deemed to be supplemented by the descriptions of the Improvements included in the final Plans and Specifications and in the Written Requests for Disbursement submitted pursuant to the Escrow Agreement dated January 17, 2024, among Base Lessor, Base Lessee and the Escrow Agent, which descriptions shall be deemed to be incorporated herein.

Fiscal Year: Lessee's Fiscal Year currently begins on July 1 of each year.

Interest Rate: The interest portions of Rental Payments are calculated using a per annum interest rate of 5.180% and on the basis of a 360-day year of 12 30-day months.

Title Insurance: The leasehold owner's policy of title insurance required under **Article VII** will be in the amount of \$20,000,000.

Addresses: The following addresses will be used as described in **Section 14.2**, unless changed as described therein:

- (a) If to Lessor: WEBSTER BANK, NATIONAL ASSOCIATION
360 Lexington Avenue, 5th Floor
New York, NY 10017
Attention: Public Sector Finance
- (b) If to Lessee: CITY OF INDEPENDENCE, MISSOURI
111 E. Maple
Independence, MO 64050
Attention: City Clerk

SCHEDULE 1 TO LEASE PURCHASE AGREEMENT

DESCRIPTION OF THE LAND

The following described real property, together with all improvements now or hereafter located thereon:

[**INSERT LEGAL DESCRIPTION**]