

**LEASE**

THIS LEASE ("Lease") is made and entered into as of \_\_\_\_\_, 2012 (the "Effective Date"), by and between GRRC INVESTMENTS LLC, a Missouri limited liability company ("Landlord"), and THE CITY OF ST. LOUIS ("Tenant").

Landlord, for and in consideration of the rents, covenants and agreements hereinafter mentioned and hereby agreed to be paid, kept and performed by Tenant, does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the premises described herein on the terms and conditions contained herein.

1. **Premises.** The premises hereby leased (the "Premises") consists of approximately 8,000 square feet of space depicted on Exhibit A attached hereto and incorporated herein and contained within that certain building located at 2801 Clark Avenue, St. Louis, Missouri 63103 (the "Property"). Tenant shall have the non-exclusive right during the Term of this Lease to use the driveways, sidewalks, and parking spaces located on the Property (except the parallel parking spaces on the parking lot and any other parking spaces constructed by the other tenant of the Property after September 20, 2011) and the exclusive right to use the three (3) parking spaces nearest to the entrance to the Premises as well as any additional striped parking spaces that Tenant adds, at Tenant's expense and subject to Landlord's reasonable prior written consent, on the west side of the building.

Landlord agrees to deliver the Premises to Tenant with the roof, structure, HVAC, electric and lighting systems, plumbing and mechanical systems of the Premises in good working condition and with Landlord's Work (as defined in Section 32 below) completed. Subject to Landlord's obligations under Section 7 below and Section 13 below, Tenant shall be deemed to have accepted the condition of the Premises with Landlord's delivery obligations satisfied upon the date Tenant first moves any furniture, fixtures, equipment or other personal property into the Premises, or on the date Tenant first commences any installation work on the Premises (the "Acceptance Date"). Except as expressly provided in this Lease, the Premises shall be delivered by Landlord to Tenant in "as-is" condition with no warranties as to any matter whatsoever, express or implied, including, without limitation, the condition of the improvements, the condition of title, or the zoning of the Premises.

2. **Term.** The term of this Lease (the "Term") shall be for five (5) years commencing on the Acceptance Date (the "Commencement Date").

3. **Rent.** During the Term, Tenant shall pay to Landlord base rent (the "Base Rent") in the following amounts:

<u>Period</u>	<u>Base Rent</u>	
	<u>Annual</u>	<u>Monthly</u>
Months 1-24:	\$50,000.00	\$4,167.00
Months 25-36:	\$51,500.00	\$4,292.00
Months 37-48:	\$53,045.00	\$4,420.00
Months 49-60:	\$54,636.00	\$4,553.00

Base Rent shall be paid in equal monthly installments in advance on or before the first day of each and every month during the Term, without any set-off or deduction whatsoever, except as expressly provided herein. Any and all amounts due hereunder by Tenant other than Base Rent may be referred to as “Additional Rent” and Base Rent and Additional Rent may be referred to herein collectively as the “Rent.” Tenant’s obligation to pay Additional Rent shall commence on the Commencement Date. If the Commencement Date is other than the first day of a month or the Term ends other than on the last day of the month, the Rent for such month shall be prorated on the basis of the actual number of days in such month. Rent payable to Landlord shall be paid to Landlord at c/o CGM Smith, L.L.C., 13588 Northwest Industrial Drive, Bridgeton, Missouri 63044, Attention: Russell J. Smith. It is the intention of the parties hereto that, except for those expenses for which Landlord is expressly responsible under this Lease, Landlord shall have no obligation to pay any expenses whatsoever with regard to the Premises during the Term, as it may be extended, and that all such expenses shall be and hereby are the sole responsibility and obligation of Tenant. Except as expressly provided herein, no abatement, diminution or reduction of the Rent or other charges payable by Tenant under this Lease shall be claimed by or allowed to Tenant.

4. Late Charge. If Tenant fails to pay any amount of Rent within seven (7) days after the applicable due date, then Tenant shall owe, as additional rent payable upon demand, an addition \$20 per day until such late payment is paid in full. Any amount paid by Landlord owing to a default by Tenant in the payment of such amount pursuant to the terms of this Lease shall bear interest at a rate equal to four percent (4%) in excess of the publicly announced so-called prime rate of the United States Money Center Banks (as published in The Wall Street Journal or its successor publication) (the “Default Rate”), which rate shall change as and when such prime rate shall be changed (or the highest lawful rate, if lesser), from the date of payment by Landlord until payment is made to Landlord by Tenant of such amount in full.

5. Utility Charges. During the Term Tenant shall pay, or cause to be paid, all charges (including deposits and initial service fees) for water and sewer service, gas, electricity, trash and refuse removal, light, heat or power, cable television, telephone and other services used, rendered, or supplied to or in connection with the Premises, and, to the extent legally permissible, shall contract for the same in Tenant's own name. This obligation shall survive expiration or termination of the Term for charges incurred during the Term or attributable to periods within the Term. Landlord shall not be liable to Tenant in damages or otherwise if utilities or services are interrupted or terminated because of necessary repairs, installations, or improvements, or any cause other than the negligence or willful misconduct of Landlord or its agents, contractors or employees nor shall any such interruption or termination relieve Tenant of the performance of any of its obligations hereunder.

6. Real Estate Taxes. During the Term Landlord shall pay or cause to be paid, before the same become delinquent, all taxes and assessments, general or special, ordinary or extraordinary, public or private, and installments thereof, which may be levied, assessed or imposed upon the Premises and the from time to time improvements thereon, including any supplements thereto and substitutes therefor and any surcharges thereon (collectively, “Taxes”).

7. Permitted Use; Compliance with Laws. Tenant shall use the Premises only for the operation of a domestic animal shelter and care facility including, without limitation, the housing, feeding, exercising and grooming of animals, and other animal care activities and the provision of services of the type customarily provided at animal shelters and care facilities, including adoption programs, educational programs, veterinary activities, counseling activities, pet care support activities, municipal animal control activities, and office and other uses ancillary thereto (the “Permitted Use”), and for no other purpose whatsoever without the prior written consent of Landlord. Tenant will not make or permit to be made any use of the Premises which is forbidden by law, ordinance or governmental regulation, which may be dangerous or which may invalidate any insurance policies covering the Premises required to be maintained hereunder, or which may violate any document(s) of record encumbering the Premises. To the extent that any use of the Premises causes an increase in the premium cost of any insurance carried by Landlord, Landlord, at its sole option and without limiting any other remedies available hereunder, may charge such additional premium costs, to the extent commercially reasonable, to Tenant as Additional Rent hereunder, payable as and when required by Landlord.

Tenant shall, at Tenant's sole cost and expense, promptly comply, and cause the Premises (including the building and all fixtures and equipment thereon) to comply, with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and any requirements of any fire insurance underwriters or rating bureaus, now in effect or which may hereafter come into effect whether or not they reflect a change in policy from that now existing during the term or any part hereof, relating in any manner to Tenant's specific use of the Premises for the Permitted Use, including, without limitation, any and all matters of compliance required in connection with, or triggered by, (a) any Alterations (as hereinafter defined) made by Tenant during the Term, or (b) use or occupancy by certain numbers or types of animals during the Term.

Landlord shall, at Landlord's sole cost and expense, promptly comply, and cause the Premises (including the building and all fixtures and equipment thereon) to comply, with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record, and any requirements of any fire insurance underwriters or rating bureaus, now in effect or which may hereafter come into effect whether or not they reflect a change in policy from that now existing during the term or any part hereof, relating in any manner to the use, condition and occupancy of the Premises for general office and warehousing purposes as constructed and configured as of the Effective Date.

8. Subletting and Assignment. Tenant may not sublet the Premises or assign, hypothecate, mortgage, encumber or otherwise convey this Lease or any other interest under it without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempted transfer, assignment, subletting, license, mortgage or concession agreement, change of ownership or hypothecation without Landlord's written consent, shall be void and confer no rights upon any third party. If this Lease or any interest of Tenant herein shall be assigned, or if the whole or any part of the Premises shall be sublet, all as permitted hereunder, initial Tenant shall nevertheless remain primarily obligated for the full performance of all obligations under this Lease to be performed by Tenant, and initial Tenant shall not thereby be released in any manner. Landlord may withhold or delay Landlord's consent to any proposed assignment or sublease by Tenant until such time as Landlord shall have received financial, business and other information Landlord reasonably deems necessary in order to make an informed decision as to whether or not to consent to said proposed assignment or subleasing.

9. Quiet Possession. Landlord covenants and agrees with Tenant that upon Tenant's observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly enjoy the Premises throughout the Term and without hindrance or molestation by Landlord or anyone claiming through or under Landlord.

10. Landlord's Reserved Rights. Landlord reserves the right to display "For Rent" signs on the Premises during the last nine (9) months of the Term, and to enter the Premises to perform its obligations under this Lease. Landlord shall also have the right (but not the obligation) to enter the Premises to perform any obligations of Tenant under this Lease that Tenant has failed to perform within thirty (30) days after written notice of such failure from Landlord (or such longer period, not to exceed sixty (60) days, reasonably required to perform such obligations, provided Tenant has promptly commenced performance following receipt of Landlord's notice and is diligently pursuing same to completion) or, in the case of an emergency, within such time and after such notice as is reasonable under the circumstances. Tenant shall, promptly, upon demand, reimburse Landlord for Landlord's reasonable costs and expenses to perform Tenant's obligations in accordance with this paragraph with interest at the Default Rate (as defined below). Upon reasonable prior notice, but in no event less than twenty-four (24) hours (except in the case of an emergency), Landlord may enter the Premises during Tenant's business hours for purposes of inspection or to show the Premises to prospective purchasers, tenants and lenders.

11. Alterations and Improvements. Tenant, at Tenant's cost may make lawful alterations, improvements or additions to the Premises, including without limitation the installation of signage ("Alterations") that have been approved in writing by Landlord, such approval not to be unreasonably withheld. Any approval by Landlord shall not be deemed to constitute a warranty or representation by Landlord in respect of the materials, design, location, construction or workmanship of any improvements to the Premises. Tenant shall obtain the

foregoing approval before commencing the construction or installation of any Alterations, and before commencing any construction to repair, replace or restore the improvements on the Premises following a condemnation, fire or casualty thereon. Tenant shall not permit any mechanic's or materialmen's lien to be filed against the Premises and if any such liens are so filed, unless Tenant is contesting the same by appropriate proceedings, Tenant shall discharge the same of record within thirty (30) days after such filing. If Tenant fails to cause any such lien to be discharged of record within said thirty (30) day time period, Landlord may do so and Tenant shall, promptly, upon demand, reimburse Landlord for the reasonable costs and expenses associated therewith together with interest at the Default Rate. All Alterations to the Premises during the Term of this Lease shall remain the property of Tenant and shall, without compensation to Tenant, become Landlord's property at the expiration or earlier termination of this Lease. In making any Alterations to the Premises, Tenant shall not be deemed an agent of Landlord. Tenant shall indemnify and hold Landlord harmless from and against any claims made against Landlord or the Premises and any damages, losses and other matters whatsoever, including mechanic's and materialmen's liens, including reasonable attorney's fees and expenses, resulting from any such Alterations to the Premises by Tenant.

12. Insurance and Waiver of Subrogation. Landlord shall throughout the Term, keep the Premises insured against loss or damage by fire and those other perils included from time to time in the Special Form (Special Extended Coverage--ISO Form CF1030) coverage, in an amount equal to the full replacement cost of the improvements from time to time existing on the Premises (exclusive of foundations), and in reputable insurance companies qualified to do business in the State of Missouri. Tenant and Landlord shall each throughout the Term, carry or cause to be carried Commercial General Liability Coverage Insurance (ISO Form CG 00 01) with respect to the Premises with one or more reputable insurance companies qualified to do business in Missouri in a minimum amount equivalent to Two Million Dollars (\$2,000,000.00) combined single limit coverage, naming the other party and any mortgagee of the Premises (whose name shall have been furnished by the borrower party) as an additional insured. Tenant shall carry or caused to be carried during the Term, and without cost to Landlord, property insurance on all of Tenant's furniture, fixtures, equipment and other personal property on the Premises in an amount not less than the full replacement value thereof, as well as workmen's compensation insurance in the amounts required by law covering all employees on the Premises. On or prior to the Commencement Date and at least thirty (30) days prior to the expiration of any of such insurance coverages, each party shall deliver or cause to be delivered to the other party certificates of insurance evidencing all such coverages, naming the insured parties and stating that such coverages may not be cancelled, modified or altered without at least thirty (30) days advance written notice to all insureds. All insurance coverages shall be underwritten by an insurance company having a Best's Insurance Guide Rating of A/VII or better. Notwithstanding any provision herein to the contrary, Landlord acknowledges that so long as the Tenant under this Lease is The City of St. Louis, Tenant shall be permitted to self-insure its obligations under this paragraph to carry liability insurance.

Each of Landlord and Tenant, and all parties claiming thereunder, release and discharge the other party to this Lease from all claims and liabilities for real or personal property loss or damage to the Premises, the building located thereon, or any personal property located therein or thereon, arising from, or caused by, any casualty or hazard covered, or required to be covered, in whole or in part by insurance on the Premises, arising from any cause that (i) would be insured against under the terms of any insurance required to be carried hereunder or (ii) is insured against under the terms of any insurance actually carried, regardless of whether such insurance is required to be carried hereunder. Each of Landlord and Tenant agrees that in the event of any such loss or damage, it shall look solely to its insurance for recovery. Each party shall waive any right of subrogation which might exist in, or accrue to, any person on account thereof and shall cause the insurance company that issues property insurance to such party to waive any rights of subrogation with respect to such property insurance.

13. Maintenance, Repairs and Replacements. Landlord shall maintain in good condition and repair during the Term, at Landlord's sole expense, the roof, the exterior walls, the foundations, the load bearing walls, and the structural columns and beams of the building on the Premises, all paved and landscaped areas on the Premises (including grass cutting and snow removal from driveways, parking areas and sidewalks on the Property). Tenant shall reimburse Landlord for an equitable share of the costs incurred by Landlord to perform

grass cutting and snow removal services on the Property. Tenant shall pay such reimbursement amounts to Landlord within thirty (30) days after its receipt of any statement of such expenses from Landlord.

During the first twelve (12) months of the Term, Landlord shall maintain in good condition and repair, at Landlord's sole expense, the heating, ventilating and air conditioning systems serving the Premises ("HVAC"). Upon expiration of the first twelve (12) months of the Term, Tenant, at its sole expense, shall be responsible for the maintenance and repair of the HVAC and shall provide for regular preventative maintenance of the HVAC systems to be performed not less than once every six (6) months during the Term; provided, however, that Tenant's obligation for costs to repair the HVAC systems (in addition to Tenant's costs to have the foregoing preventative maintenance performed), shall not exceed \$500 per maintenance item occurrence and an annual aggregate of \$1,500, and Landlord shall be responsible for the remainder of such cost, provided that Landlord has approved in advance the contractor that performs such work. In the event any repair and/or replacement of the HVAC following the first twelve (12) months of the Term constitutes a Capital Improvement (as defined below), Landlord shall be responsible for the prompt performance of such repair or replacement work and Landlord may amortize the cost of such repair and/or replacement on a straight line basis over the useful life of such item as reasonably determined by Landlord in accordance with generally accepted accounting principles ("GAAP"), in which event, Tenant, as additional rent hereunder, shall pay the amortized amount of the cost of such repair or replacement attributable to such year, plus interest on the outstanding amount at 6% per annum, which amount plus accrued interest shall be paid by Tenant to Landlord in equal monthly installments at the same time that Base Rent is due. Tenant, at its election, may prepay all or a portion of such amount prior to the date such amount is due without penalty. For purposes hereof, the term "Capital Improvement" refers to any item the cost of which, under GAAP, would be amortized over the useful life of the asset being replaced, or repaired.

Except for those maintenance and repair items Landlord is responsible to perform described above, Tenant shall, without cost to Landlord, diligently cause the Premises, and all improvements, fixtures, systems and equipment from time to time located on or exclusively serving the Premises, to be kept in good repair and condition at all times during the Term, and Tenant shall promptly and adequately repair all damage thereto. Should Tenant fail to perform such obligations, Landlord may (without any obligation so to do) cause such maintenance and repairs to be accomplished at the cost of Tenant. Any costs incurred by Landlord in so doing shall be payable by Tenant upon demand and shall bear interest at the Default Rate until paid in full (such right of Landlord to be subject to the property management agreements of the parties set forth below). Notwithstanding the foregoing terms of this paragraph, upon written notice to Landlord, Landlord shall be responsible, at its sole expense, for the prompt performance of any maintenance and repair item concerning the Premises that (i) does not concern the HVAC and is reasonably estimated to cost in excess of \$250, (ii) is non-routine and not of the type that is customarily repaired or maintained by maintenance and repair personnel employed by the City of St. Louis, (iii) is unrelated to Tenant's specific use of the Premises, and (iv) is not damage or misuse related to Tenant's operations on the Premises.

14. Destruction or Damage. Except as otherwise provided herein, if the Premises is damaged by fire or other casualty, the damage shall be promptly repaired by Landlord to substantially the same condition that existed prior to the casualty. Such restoration shall be. Landlord's repair of the Premises shall not include any of Tenant's trade fixtures or other personal property at the Premises, which Tenant shall promptly restore. Landlord shall deliver to Tenant a written notice of Landlord's estimated time for repair within ninety (90) days of the date of casualty ("Landlord's Restoration Notice"). If: (a) the Premises is damaged by fire or other insured casualty to the extent of fifty percent (50%) or more of the replacement cost thereof and (b) any damage to the Premises cannot be repaired within one hundred eighty (180) days of the date of such damage (as reasonably determined by Landlord within ninety (90) days after the occurrence of such damage and set forth in

Landlord's Restoration Notice), then Tenant may terminate this Lease by written notice to Landlord given within ninety (90) days after the occurrence of the casualty, time being of the essence. In addition, if the building on the Property is materially damaged or destroyed to the extent of fifty percent (50%) or more of the replacement cost thereof during the Term, then Landlord may terminate this Lease by written notice to Tenant given within ninety (90) days after the occurrence of the casualty.

15. Eminent Domain. In the event that all or any portion of the Premises shall be taken by the exercise of the power of eminent domain or pursuant to any agreement in lieu of the exercise of such power (a "Condemnation Proceeding") then Landlord shall be entitled to all of the income, rent, awards or interest derived from such Condemnation Proceeding.

16. Holding Over. If Tenant retains possession of the Premises or any portion thereof after the termination or expiration of the Term, Tenant shall pay Landlord Base Rent in an amount (on a per diem basis with reduction for partial months during the holdover) equal to 150% of the Base Rent in effect immediately prior to the expiration of the Term, and this Lease shall become a tenancy by sufferance, terminable in accordance with law.

17. Surrender of Possession. Upon the expiration or termination of the Term Tenant shall surrender the Premises and all improvements thereon to Landlord in good, clean order, repair and condition, ordinary wear and tear (typical of a standard commercial warehouse facility) excepted and free of all stains, odors and damage caused by animals, and shall remove from the improvements on the Premises all furniture, trade fixtures and other items of personal property located in such improvements or on the Premises. Tenant shall remove all personal property and trade fixtures of Tenant located on the Premises and shall promptly repair any and all damage to the Premises caused by such removal prior to expiration or earlier termination of the Term. Any property remaining on the Premises following expiration or termination of the Term shall conclusively be deemed to have been abandoned and Landlord may dispose of same without liability to Tenant or any other party.

18. Default; Remedies. If default shall be made in the payment of any sum required to be paid by Tenant under this Lease and such default shall continue for ten (10) days after payment thereof is due, or if default shall be made in the observance or performance of any of the other covenants or conditions in this Lease which Tenant is required to observe and perform and such default shall continue for thirty (30) days after written notice to Tenant (unless within such period Tenant has promptly commenced such cure and is diligently prosecuting the same to completion in which case Tenant shall be afforded a reasonable time, not to exceed sixty (60) days, to cure the default), or if any voluntary petition in bankruptcy or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within sixty (60) days from the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not have been dismissed within sixty (60) days from the date of appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall admit in writing Tenant's inability to meet Tenant's debts as they mature, then, in addition to any other lawful remedy, Landlord, by notice to Tenant, may terminate this Lease and re-enter and take possession of the Premises or terminate Tenant's right of possession without termination of this Lease. Landlord may (i) terminate this Lease and be entitled to recover, as damages, a sum of money equal to the excess of the value of the Rent provided to be paid by Tenant for the balance of the then existing Term, over the fair market rental value of the Premises after deduction of all anticipated expenses of reletting for said period; or (ii) terminate Tenant's right of possession and may repossess the Premises by unlawful detainer suit, by taking peaceful possession or otherwise, without terminating this Lease, and relet the same for the account of Tenant, for such rent and upon such terms as shall be satisfactory to Landlord. If the rents to be paid pursuant to the terms of such reletting are insufficient to cover the Rent due hereunder and Landlord's costs of reletting, Tenant shall pay to Landlord any deficiency therein as it becomes due. No waiver of any default by Tenant shall be implied from any omission by Landlord to take any action on account of said default if such default persists or shall be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated. No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance with any obligation hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of

Landlord's right to demand exact compliance with the terms hereof. The provisions of this section shall survive any termination of this Lease.

The rights and remedies of Landlord under this Lease shall be cumulative and in addition to any and all other rights and remedies which Landlord may have at law or in equity.

19. Notices. All notices hereunder shall be in writing and shall be given personally against signed receipt or communicated by U.S. registered or certified mail, postage prepaid, return receipt requested or by nationally recognized overnight courier service, addressed to the parties at the address set forth adjacent to each party's signature to this Lease. Any notice which is sent in accordance herewith shall be deemed to have been given on the earlier to occur of the date of delivery or the date of the first attempt to deliver as shown on the records of the carrier. Either party may change such party's address for notices by notice to the other party in the manner provided in this section.

20. Exculpation. Landlord's liability hereunder with respect to any monetary payment shall be limited to Landlord's interest in the Premises, including without limitation the rents, insurance proceeds, sales proceeds and condemnation awards therefrom, subject to the rights of the holder of a superior mortgage or deed of trust. All the covenants and conditions to be performed hereunder are the obligations of the parties, and no personal liability shall be asserted or be enforceable against, the members, beneficiaries, shareholders, officers, directors, or partners, thereof, nor any of their respective members, partners, shareholders, directors, officers, agents or employees by reason of any of the covenants, statements, representations or warranties contained in this instrument.

21. Indemnification. Subject to the mutual waiver of subrogation set forth in Section 12, and except for matters arising from the negligence or willful misconduct of Landlord, Tenant shall indemnify and hold harmless Landlord from and against any and all losses, claims, liabilities, damages, causes of action or expenses of Landlord arising in connection with (a) Tenant's use of the Premises or the conduct of its operations or from any activity, work or thing done, permitted or suffered by Tenant on or about the Premises, (b) the nonperformance of any covenant or agreement on Tenant's part to be performed pursuant to the terms of this Lease, or (c) any act or negligence of Tenant or of any of Tenant's agents, contractors, employees, invitees, licensees, permitted subtenants or assignees and from and against all costs, counsel fees, expenses and liabilities incurred in any such claim or in any action or proceeding brought thereon; and in case any action or proceeding be brought against Landlord for reason of any such claim, Tenant, upon notice from Landlord, covenants to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord. Tenant's obligations under this Section 21 shall survive the expiration or earlier termination of this Lease.

Subject to the mutual waiver of subrogation set forth in Section 12, and except for matters arising from the negligence or willful misconduct of Tenant, Landlord shall indemnify and hold harmless Tenant from and against any and all losses, claims, liabilities, damages, causes of action or expenses of Tenant arising in connection with (i) Landlord's use, operation or maintenance of the Premises or from any activity, work or thing done, permitted or suffered by Landlord on or about the Premises, (ii) the nonperformance of any covenant or agreement on Landlord's part to be performed pursuant to the terms of this Lease, or (iii) any act or negligence of Landlord or of any of Landlord's agents, contractors, employees, invitees, licensees, permitted subtenants or assignees and from and against all costs, counsel fees, expenses and liabilities incurred in any such claim or in any action or proceeding brought thereon; and in case any action or proceeding be brought against Tenant for reason of any such claim, Landlord, upon notice from Tenant, covenants to resist or defend at Landlord's expense such action or proceeding by counsel reasonably satisfactory to Tenant. Landlord's obligations under this Section 21 shall survive the expiration or earlier termination of this Lease.

22. Hazardous Materials. Tenant shall not use, store, manufacture, dispose of or discharge any Hazardous Substances (as hereinafter defined) from or on the Premises. Tenant shall promptly notify Landlord of the breach, or the potential or threatened breach, of any of the provisions of this section. Landlord shall have the right of access to the Premises to inspect, test and, in Landlord's sole discretion, remedy any potential environmental

problem. Tenant shall indemnify and hold Landlord harmless from any loss, claim, liability or expense (including, without limitation, attorney's fees, court costs, consultant fees, expert fees, penalties, fines, removal, clean-up, transportation, disposal, restoration expenses, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises) arising in connection with Tenant's failure to comply with the provisions of this section. A breach of the provisions of this section shall be a material default enabling Landlord to exercise any of the remedies set forth in this Lease or otherwise provided by law. Tenant's indemnity obligation under this Section 22 shall survive the expiration or sooner termination of this Lease. "Hazardous Substances" for purposes of this Lease shall be interpreted broadly to include, but not be limited to, any material or substance that is defined or classified under federal, state, or local laws as: (a) a "hazardous substance" pursuant to section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. (S)1321(14), section 311 of the Federal Water Pollution Control Act, 33 U.S.C. (S)1321, as now or hereafter amended; (b) a "hazardous waste" pursuant to section 1004 or section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. (S)6903, 6921, as now or hereafter amended; (c) a toxic pollutant under section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. (S)1317(a)(1); (d) a "hazardous air pollutant" under section 112 of the Clean Air Act, 42 U.S.C. (S)7412, as now or hereafter amended; (e) a "hazardous material" under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. App. (S)1802(4), as now or hereafter amended; (f) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws; or (g) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances, or regulations, as now or as may be passed or promulgated in the future. "Hazardous Substances" specifically include, but are not limited to, asbestos, polychlorinated biphenyls ("PCBs"), radioactive substances, petroleum and petroleum-based derivatives, hydrocarbons and urea formaldehyde. The provisions of this Section 22 shall survive the expiration or sooner termination of this Lease.

23. Entire Agreement; Severability; effect. This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be amended or modified except in a writing signed by all parties hereto. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions hereof and such other provisions shall remain in full force and effect. This Lease shall be binding upon the parties hereto (jointly and severally, if executed by two or more parties) and shall inure to the benefit of their respective heirs, executors, administrators, successors and permitted assigns, as the case may be.

24. Captions; Governing law. Headings and captions are for convenience of reference only. This Lease shall be governed by and enforced in accordance with the laws of the State of Missouri.

25. Subordination of Lease. Upon the written request of Landlord, or any mortgagee or beneficiary of Landlord, Tenant shall in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust, now or hereafter in force, against the Premises and to all advances made or hereafter to be made upon the security thereof pursuant to a commercially reasonable subordination, non-disturbance and attornment agreement furnished by Landlord.

26. Costs of Enforcement. If at any time during the Term of this Lease either Landlord or Tenant shall institute any action or proceeding against the other relating to the provisions of this Lease or any default hereunder, then the unsuccessful party in such action or proceeding shall reimburse the successful party for the reasonable expenses of the costs of such litigation or proceeding, including, without limitation, reasonable attorneys' fees. Such reimbursement shall include all litigation expenses incurred prior to trial, at trial, and at all levels of appeal and post judgment proceedings.

27. Survival. The following obligations of Landlord and Tenant shall survive the expiration or termination of this Lease: (i) any obligation herein permitted to be performed after expiration or termination of this Lease; (ii) any obligation not reasonably capable of performance prior to expiration or termination of this Lease; and (iii) any obligation required hereunder to be performed at or before the expiration or termination of this Lease to the extent not so performed.



28. Brokers. Landlord and Tenant each acknowledge that the only real estate brokers that it has dealt with in connection with this Lease is Duffe Nuernberger Realty Co., LLC representing Tenant, and Block Hawley representing Landlord, and that Casey Urkevich is a member of Landlord and is affiliated with Block Hawley. Landlord shall be responsible, pursuant to a separate agreement, for any and all brokerage commissions or finders fees of the aforementioned broker(s). Landlord and Tenant each warrant and represent to each other that, except as acknowledged above, there are no other claims for brokerage commissions or finders fees in connection with the execution of this Lease as a result of the actions of the respective party and Landlord and Tenant each agree to indemnify the other party and the other's party's agents and representatives against, and hold them harmless from, all liabilities arising from any such claims (including, without limitation, reasonable attorneys' fees).

29. Estoppel Letters. Each party shall, upon the from time to time request of the other party, execute and deliver certificates confirming the existence of this Lease and confirming such other matters relative to this Lease as may be reasonably request by the requesting party. Such certificates shall be executed and returned to the requesting party within ten (10) days after receipt thereof.

30. Landlord's Transfer. Landlord has the right to transfer its interest in the Premises and, upon such transfer and assumption by the transferee of all future obligations of Landlord under this Lease, shall be released from all future obligations hereunder.

31. No Waiver. The failure of either Landlord or Tenant to insist upon strict performance by the other of any of the covenants, conditions and agreements of this Lease shall not be deemed a waiver of any subsequent breach or default in any of the covenants, conditions and agreements of this Lease. No surrender of the Premises by Tenant shall be affected by Landlord's acceptance of Rent or by other means whatsoever, unless the same is evidenced by Landlord's written acceptance of the surrender.

32. Landlord's Work. Following the Effective Date, Landlord shall diligently pursue the work described on Exhibit B attached hereto to completion ("Landlord's Work"). Landlord's Work shall be performed by licensed contractors with architectural plans permitted, as necessary, by the City of St. Louis. As a condition to its obligation to commence Landlord's Work, Landlord shall have received from Tenant an executed Proof of Funds statement in substantially the form attached to this Agreement as Exhibit C demonstrating that funds sufficient to cover Tenant's obligations under this paragraph to pay Landlord \$175,000 are separately appropriated, committed and available for payment to Landlord in accordance with this Agreement. Tenant shall pay Landlord \$175,000 in a lump sum to Landlord within two (2) weeks following satisfaction by Landlord of its obligations under Section 1 above to deliver the Premises to Tenant. Any costs actually incurred by Landlord in excess of \$175,000, not to exceed \$100,000, to prepare plans, obtain permits and approvals, and construct and install Landlord's Work shall be acknowledged to Tenant in writing by Landlord following completion of Landlord's Work, and shall be amortized over the initial Term of this Lease. The applicable amortized amount, plus 6% per annum interest on the outstanding amount, shall be paid by Tenant to Landlord as additional rent in equal monthly installments at the same time that Base Rent is due. Tenant, at its election, may prepay all or a portion of such amount prior to the date such amount is due without penalty.

*[Signature page follows]*

IN WITNESS WHEREOF, the undersigned have caused this Lease to be signed and delivered on their behalf as of the day and year first above written.

**LANDLORD:**

GRRC INVESTMENTS LLC,  
a Missouri limited liability company

By: \_\_\_\_\_  
Robert G. Goltermann, Member

**TENANT:**

CITY OF ST. LOUIS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LANDLORD'S ADDRESS:**

c/o CGM Smith, L.L.C.  
13588 Northwest Industrial Drive  
Bridgeton, Missouri 63044  
Attention: Russell J. Smith

**TENANT'S ADDRESS:**

Asset Manager  
1520 Market Street, Suite 3005  
St. Louis, MO 63103

Approved as to Form:

\_\_\_\_\_  
City Counselor                      Date

\_\_\_\_\_  
Register                              Date

EXHIBIT A

DESCRIPTION OF PREMISES

**EXHIBIT B**

**LANDLORD'S WORK**

**EXHIBIT C**

**FORM OF PROOF OF FUNDS STATEMENT**