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STATE OF ARIZONA, County of Yavapai—ss.
I do hereby certify that the within instrument was filed and recorded at the request of Palmer C. Byrme
Sept. 21 A.D. 1964 at 10:01 o'clock AM M. Book 337 Official Records
291-320 (Sub) Records of Yavapai County, Arizona.
WITNESS my hand and official seal the day and year first above written.

FRANK S. BAUER, County Recorder.
By: Hermine Trumbach Deputy

THE INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF PRESCOTT, ARIZONA

TO

~~EMERSON ELECTRIC CO.~~

LEASE

Dated as of June 1, 1964

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LEASE

This Indenture of Lease made and entered into as of this 1st day of June, 1964 by and between THE INDUSTRIAL DEVELOPMENT CORPORATION OF THE CITY OF PRESCOTT, ARIZONA, a non-profit corporation organized and existing under the laws of the State of Arizona (hereinafter called "Lessor"), and EMERSON ELECTRIC CO., a corporation organized and existing under the laws of the State of Missouri, with an office and post-office address at 8100 Florissant Avenue, St. Louis, Missouri, duly authorized to conduct business in the State of Arizona (hereinafter called "Lessee").

A. The Lessee has conveyed to Lessor certain real property in Yavapai County, Arizona, on which Lessee has commenced and substantially completed the construction of a manufacturing plant to produce commercial and industrial electrical equipment and components, such conveyance having been made upon the condition that (i) the Lessor will make certain funds available to complete the manufacturing plant in accordance with the below mentioned plans and specifications, as from time to time amended, and (ii) the Lessor will lease the real property and manufacturing plant to the Lessee on the terms and conditions hereof.

B. The Lessor, having been organized to stimulate the promotion of industrial development in the vicinity of the City of Prescott, Arizona, has agreed to enter into this Lease to obtain funds to carry out its obligations hereunder. Lessor agrees to issue and sell One Million Dollars (\$1,000,000) principal amount of its The Industrial Development Corporation of the City of Prescott, Arizona, First Mortgage Bonds, Series A (Emerson Electric), dated June 1, 1964 (herein sometimes referred to as the "Series A Bonds"), to be secured by and to contain such terms and provisions as are set forth in that certain Indenture of Mortgage (the "Indenture") dated as of June 1, 1964, between Lessor and St. Louis Union Trust Company and Hord W. Hardin, as Trustees (the "Trustees"). The proceeds of the sale of the Series A Bonds shall be deposited with the Trustees and disbursed for the acquisition of the real estate and partially completed manufacturing plant described above and for the completion of said manufacturing plant for the use and occupancy of Lessee (in accordance with plans and specifications approved by the Lessee) and for such other purposes as are set forth in the Indenture, all as more fully provided therein. Lessor shall proceed with the completion of construction as expeditiously as practicable so that Lessee may obtain full possession of the manufacturing plant at the earliest practicable date.

Upon the completion of such manufacturing plant in accordance with such plans and specifications and the payment of all costs and expenses therefore payable from the proceeds of the Series A Bonds, any surplus of such bond proceeds shall be disbursed for the purposes and in the manner provided in the Indenture.

The Lessee agrees that in the event the cost of such acquisition and construction exceeds the amount derived from the sale of the Series A Bonds, it will pay all costs in excess of such amount.

W I T N E S S E T H:

Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents demise, lease and let unto Lessee, for the term and upon the conditions hereinafter stated, the premises described in Schedule A attached hereto and hereby made a part hereof, together with a manufacturing plant and other facilities and improvements erected and to be erected thereon and appurtenances thereto (said manufacturing plant and other facilities and improvements and appurtenances thereto hereinafter called the Facilities, and the Facilities and said premises hereinafter collectively called the "Leased Premises").

ARTICLE I

Title and Construction

Section 1.01. The Leased Premises are leased subject to the existing state of the title thereof on the first day of the term of this Lease. The Lessor and Lessee agree that the Facilities are to be completed in accordance with the plans and specifications prepared by Edward L. Varney Associates, which plans and specifications are hereby in all respects approved.

Lessor covenants and agrees that, during the Original Term (as hereinafter defined) of this Lease, it will not convey, or suffer or permit the conveyance of, by any voluntary act on its part, its title to the Leased Premises to any person, firm or corporation whatsoever, without the consent of Lessee, and irrespective of whether any such conveyance or attempted conveyance shall recite that it is expressly subject to the terms of this Lease; provided, however, that nothing herein shall restrict the conveyance or transfer of the Leased Premises in accordance with any terms or requirements of the Indenture, nor shall it restrict the voluntary conveyance of the Leased Premises by the Lessor to the City of Prescott, Arizona provided, further, however, that, in the event of the conveyance of the Leased Premises to the City of Prescott, Arizona, no further conveyance thereof by the City of Prescott, Arizona, shall be made without the consent of Lessee.

ARTICLE II

Use of Leased Premises and Compliance with Laws

Section 2.01. Lessee is granted and shall have the right during the term of this Lease to occupy and use the Leased Premises for any lawful purpose. Insofar as it is practicable under existing conditions from time to time during the term of this Lease, the Leased Premises shall be used primarily for manufacturing operations and related functions including, but without intending any limitation, administrative, sales and transportation functions, and shall not be used solely for warehousing, as it is one of the purposes of this Lease to prevent migration from the City of Prescott of its citizens by providing employment for a number of persons. The Lessor agrees that it will use all reasonable efforts to insure that such uses are and will continue to be lawful uses under all applicable zoning laws and regulations.

Section 2.02. Lessee shall, throughout the term of this Lease and at no expense to Lessor, promptly comply or cause compliance with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which may be applicable to the Leased Premises, the repair and alteration thereof, including, without limitation, the Facilities and the streets, sidewalks and passageways adjoining the Leased Premises, and the use or manner of use of the Leased Premises, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change of governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof, provided, however, that if no Bond Indebtedness of Lessor is outstanding and unpaid, Lessee, in lieu of compliance with such law, orders, rules, regulations and requirements, or the making of such insertions, changes or alterations, may elect to terminate this Lease, and, in such event, shall have no further liability hereunder. Lessee accepts the Leased Premises in their condition on the date of the commencement of the term of this Lease, and assumes all risks, if any, resulting from any present or future, latent or patent defects therein or from the failure of the Leased Premises to comply with all legal requirements applicable thereto. Lessee acknowledges that Lessor has made no representations as to the condition or manner of construction of the Facilities. Lessee also agrees that it will, at its expense perform and observe all requirements and conditions of all instruments recorded at date of the commencement of the term of this Lease and in any instrument recorded thereafter lawfully affecting the Leased Premises.

ARTICLE III

Term

Section 3.01. Subject to the terms and provisions herein contained, this Lease shall be and remain in full force and effect for an original term of twenty (20) years, commencing on June 1, 1964 and ending at midnight on May 31, 1984 (hereinafter called the "Original Term"). The Original Term shall commence on June 1, 1964 and shall continue irrespective of when the Facilities are completed.

This Lease shall, upon the expiration of the Original Term, be automatically renewed or extended for not exceeding fifty (50) additional terms of one year each unless and until notice be given in writing by the Lessee at least 180 days before the end of the Original Term of this Lease, or any renewal or extension term thereof, of its intention to terminate the Lease at the end of such term, in which event the Lease shall terminate in accordance with such notice.

All such renewal terms should be upon the terms and conditions herein specified except that the rental during any such renewal term shall be paid monthly in advance on or before the 10th day of each month and shall be at the rate of \$5,000 per year.

The Original Term and the additional term or additional terms, if any, are herein sometimes referred to as the "Term".

ARTICLE IV

Rent

Section 4.01. Lessee will pay to Lessor without notice or demand, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts at the office of St. Louis Union Trust Company, attention of Corporate Trust Division, or at such place or to such

agent as Lessor from time to time may designate, the net basic rental (hereinafter called the "Basic Rent") for the periods, in the amounts and at the times set forth in Schedule B. The Basic Rent shall be absolutely net to Lessor, free of any taxes costs, expenses, liabilities, charges or other deduction whatsoever with respect to the Leased Premises and the possession, operation, maintenance, repair, rebuilding use or occupation thereof, or of any portion thereof, so that this Lease shall yield the Basic Rent net to Lessor throughout the Term.

If at any time the moneys in the various accounts created by the Indenture shall equal or exceed the entire principal amount of the Bond Indebtedness of Lessor then outstanding, together with interest accrued and to accrue thereon to the next succeeding redemption date or dates at which the Bond Indebtedness may be redeemed at the option of the Lessor, plus all applicable redemption premiums, the entire amount in such funds shall at the request of the Lessee be used by Lessor on such redemption date or dates to retire such outstanding Bond Indebtedness at the principal amount thereof, accrued interest to the date or dates of redemption and the premium or premiums applicable in the case of the redemption of such Bond Indebtedness at the option of the Lessor. Upon retirement of all such Bond Indebtedness, both as to principal and interest, the remaining portion of the Original Term of this Lease shall be regarded as the "paid up period" thereof, and the Lessee shall have no further obligation to pay rent during such paid up period of the Original Term hereof.

When all of the Bond Indebtedness shall have been paid in full, both as to principal and interest, any money remaining in the various accounts created by the Indenture shall be paid to the Lessee if the Lessee shall then be in good standing under this Lease.

Section 4.02. Lessee will pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay, except that the liquidated damages referred to in Sections 18.02 and 18.04 shall not constitute additional rent. In the event of any failure on the part of Lessee to pay any such amounts, liabilities or obligations, Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of the Basic Rent. Lessee will also pay Lessor, on demand, as additional rent, interest at the rate of 6% per annum, or at the highest rate permitted by law if less than 6% per annum, on all overdue instalments of the Basic Rent from the due date thereof until payment.

Section 4.03. This Lease is a net Lease and the Basic Rent, additional rent and all other sums payable hereunder to or on behalf of Lessor, shall, so long as any part of the Bond Indebtedness is outstanding and unpaid, be paid without notice or demand, and without set-off, counterclaim, abatement, suspension, deduction, diminution or defense.

Section 4.04. Except as otherwise expressly provided herein and so long as any part of the Bond Indebtedness is outstanding and unpaid, this Lease shall not terminate, nor shall Lessee have any right to terminate this Lease or be entitled to the abatement of any rent or any reduction thereof, nor shall the obligations hereunder of Lessee be otherwise affected; by reason of any damage to or the destruction of all or any part of the Leased Premises from whatever cause, the loss or theft of the Facilities or any part thereof, the taking of the Leased Premises or any portion thereof by condemnation or otherwise, the prohibition, limitation or restriction of Lessee's use of the Leased Premises, or the interference with such use by any private person or corporation, or by reason of any eviction by paramount title or

otherwise, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, being the intention of the parties hereto that so long as any part of the Bond Indebtedness is outstanding and unpaid the Basic Rent and additional rent reserved hereunder shall continue to be payable in all events and the obligations of Lessee hereunder shall continue unaffected, unless the requirement to pay or perform the same shall be terminated pursuant to an express provision of this Lease.

Lessee also agrees to pay reasonable expenses of the Lessor, not exceeding \$200.00 per calendar year, approved by Lessee and not otherwise required to be paid by the Lessee under the terms of this Lease.

Section 4.05. Lessee covenants and agrees that so long as any part of the Bond Indebtedness is outstanding and unpaid it will remain obligated under this Lease in accordance with its terms, and that Lessee will not take any action to terminate, rescind or avoid this Lease, notwithstanding the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting Lessor or any assignee of Lessor in any such proceeding, and notwithstanding any action with respect to this Lease which may be taken by any trustee or receiver of Lessor or of any assignee of Lessor in any such proceeding, or by any court in any such proceeding. Lessor covenants and agrees that it will not voluntarily take any action to terminate, rescind or void this Lease and will not voluntarily submit to any bankruptcy, insolvency, reorganization, composition, readjustment, action or appointment of a receiver, liquidation, dissolution, winding-up or other proceeding affecting it or any assignee under this Lease without the prior consent of Lessee, so long as Lessee is not in default hereunder.

Section 4.06. So long as any part of the Bond Indebtedness is outstanding and unpaid Lessee waives all rights now or hereafter conferred by law (i) to quit, terminate or surrender this Lease or the Leased premises or any part thereof, or (ii) to any abatement, suspension, deferment or reduction of the Basic Rent or additional rent or any other sums payable under this Lease, except as otherwise expressly provided herein, regardless of whether such rights shall arise from any present or future constitution, state or rule of law.

Section 4.07. If for any reason the Basic Rent shall be diminished or subject to diminution through attachment, withholding, claim, demand, charge, lien, levy or otherwise, by reason of any taxes, expenses, indebtedness, obligations or liabilities of any character incurred by the Lessee and/or the Lessor, or any successor or assignee, or by reason of any claims, demands, charges or liens of any nature against the Lessee and/or the Lessor, or any successor or assignee or against the Basic Rent, so that the Basic Rent shall be rendered inadequate to meet the regular periodic instalments of principal of and interest on Lessor's Bond Indebtedness, as defined in Section 28.01, or if the use or application of the Basic Rent by Lessor or any assignee of the Basic Rent for the purpose of making such regular periodic instalments of principal of and interest on Lessor's Bond Indebtedness shall be delayed, hindered or prevented, or the right of Lessor or such assignee so to use or apply the same shall be in any way adversely affected, then as soon as any such attachment, withholding, claim, demand, charge, lien or levy (i) results on any Basic Rent payment date in a diminution in the Basic Rent received by Lessor or any assignee of such Basic Rent or (ii) has been determined to be prior to the lien of any assignment of this Lease or the Basic Rent as security for Lessor's Bond Indebtedness by any court or administrative tribunal having jurisdiction, Lessee will in the case of (i) above pay as additional rent to Lessor or such assignee, an additional sum payable on such Basic Rent payment date, sufficient to restore such diminution to Lessor or such assignee and in the case of (ii) Lessee will pay as additional rent, an additional sum payable on each Basic Rent payment date, sufficient to pay and discharge all such taxes, expenses, indebtedness, obligations, liabilities, claims, demands, charges and liens, and to eliminate or prevent such delay, hindrance or obstacle, and to protect fully such right, it being the intention of the parties hereto

that the Basic Rent shall be received and enjoyed by Lessor or such assignee as an absolutely net sum, and that Lessee shall pay all charges which diminish said sum or render the same inadequate as aforesaid, so that the Basic Rent shall be received and enjoyed by Lessor or such assignee, and shall be available for application to the payment of Lessor's Bond Indebtedness, without diminution to any extent for any reason, all without regard to whether or not Lessor or such assignee shall have become insolvent or shall have been adjudicated bankrupt or there shall have been any reorganization, composition, readjustment, liquidation, dissolution, winding-up or other similar proceeding affecting Lessor or such assignee, or whether or not the assignment by Lessor of this Lease or the Basic Rent shall have been perfected against all other parties, or whether or not the transfer of title to Lessor of the Leased Premises shall have become valid and binding against all parties.

To the extent of any payments of additional rent by Lessee under this Section 4.07, Lessee shall be subrogated to Lessor's rights in respect to the proceedings or matter which caused the Basic Rent to be insufficient, and any recovery by Lessor or release to Lessor of moneys in such proceedings or matter shall be used to reimburse Lessee for the amount of such additional rent so paid by Lessee, provided always that the Basic Rent is paid in the manner and at the times herein set forth. In addition, after Lessor's Bond Indebtedness is paid and discharged, Lessee shall have the right to set off the amounts of any additional rent paid under this Section against any cash rentals thereafter accruing hereunder to Lessor.

ARTICLE V

Taxes and Other Charges

Section 5.01. Lessee agrees, subject to Section 14.02, so long as any of Lessor's Bond Indebtedness is outstanding and unpaid, to pay and discharge, as additional rent, punctually as and when the same shall become due and payable, each and every cost, expense and obligation of every kind and nature, foreseen or unforeseen, for the payment of which Lessor or Lessee is or shall become liable by reason of its estate or interest in the Leased Premises or any portion thereof, by reason of any right or interest of Lessor or Lessee in or under this Lease, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Leased Premises. Lessee also agrees, subject to Section 14.02, to pay and discharge, as additional rent, punctually as and when the same shall become due and payable without penalty, all real estate taxes, personal property and income taxes, business and occupation taxes, occupational license taxes, water charges, sewage charges, assessments (including, but not limited to, assessments for public improvements or benefits) and all other governmental taxes, impositions and charges of every kind and nature, extraordinary or ordinary, general or special, unforeseen or foreseen, whether similar or dissimilar to any of the foregoing, which at any time during the Term shall be or become due and payable by Lessor or Lessee and which shall be levied, assessed or imposed:

- (i) upon or with respect to, or shall be or become liens upon, the Leased Premises or any portion thereof or any interest of Lessor or Lessee therein or under this Lease;
- (ii) upon or with respect to the possession, operation, management, maintenance, alteration, repair, rebuilding, use or occupancy of the Leased Premises or any portion thereof; or
- (iii) upon this transaction or any document to which Lessee is a party creating or transferring an interest or an estate in the Leased Premises;

under or by virtue of any present or future law, statute, ordinance, regulation or other requirement of any governmental authority, whether federal, state, county, city, municipal or otherwise provided, however, Lessee shall have no liability in respect to payment of any income taxes or similar taxes imposed upon Lessor for any period during which no Bond Indebtedness of Lessor is outstanding and unpaid. It is the intention of the parties hereto that, insofar as the same may be lawfully done, Lessor shall be free from all costs, expenses and obligations and all such taxes, water charges, sewer charges, assessments and all such other governmental impositions and charges, and that this Lease shall yield net to Lessor not less than the Basic Rent reserved hereunder throughout the Term.

Section 5.02. Lessee agrees to pay or cause to be paid all charges for gas, water, sewer, electricity, light, heat, power, telephone, and other utility and service used, rendered or supplied to, upon or in connection with the Leased Premises. Lessee shall also, at its sole cost and expense, procure or cause to be procured any and all necessary permits, licenses and other authorizations required for the lawful and proper use, occupation, operation and management of the Leased Premises. Lessee agrees that Lessor is not, nor shall it be, required to furnish to Lessee or any other occupant of the Leased Premises, any gas, water, sewer, electricity, light, heat, power or any other facilities, equipment, labor, materials or services of any kind.

Section 5.03. Lessee agrees to pay, or cause to be paid, all of the fees and expenses of the Trustees (as defined in Section 28.01) acting under the Indenture (as defined in Section 28.01), whether or not such fees or expenses are payable before the commencement of, during, or after the expiration of the term of this Lease.

Section 5.04. Lessee covenants to furnish to Lessor, promptly upon request, proof of the payment of any tax, assessment, and other governmental or similar charge, and any utility charge, which is payable by Lessee as provided in this Article.

Section 5.05. Upon expiration or earlier termination of this Lease (except for the termination hereof pursuant to the provisions of Article XV) real estate taxes, assessments and other charges which shall be levied, assessed or become due upon the Leased Premises or any part thereof shall be prorated to the date of such expiration or earlier termination.

ARTICLE VI

Liens

Section 6.01. Subject to Sections 13.01 and 14.02, Lessee will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge (other than a lien, encumbrance or charge created by Lessor) upon the Leased Premises or any part thereof or upon Lessee's leasehold interest therein; provided that the existence of any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof shall not constitute a violation of this Section 6.01 if payment is not yet due and payable under the contract in question.

ARTICLE VII

Indemnification and Non-Liability of Lessor

Section 7.01. Lessee covenants and agrees, at its expense, to pay, and to indemnify and save Lessor harmless against and from, any and all claims by or on behalf of any person, firm, corporation, or governmental authority, arising from the occupation, use, possession, conduct or management of or from any work done in or about the Leased Premises or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Leased Premises or the occupancy or use thereof. Lessee also covenants and agrees, at its expense.

to pay, and to indemnify and save Lessor harmless against and from, any and all claims arising from (i) any condition of the Leased Premises and the adjoining streets, sidewalks and passageways, (ii) any breach or default on the part of Lessee in the performance of any covenant or agreement to be performed by Lessee pursuant to this Lease, (iii) any act or negligence of Lessee, or any of its agents, contractors, servants, employees or licensees, or (iv) any accident, injury or damage whatever caused to any person, firm or corporation, in or about the Leased Premises or upon or under the sidewalks and the land adjacent thereto, and from and against all costs, reasonable counsel fees, expense and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section. In the event that any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to resist or defend such action or proceeding by counsel satisfactory to Lessor.

Section 7.02. Lessee covenants and agrees to pay, and to indemnify Lessor against, all costs and charges, including reasonable counsel fees, lawfully and reasonably incurred in obtaining possession of the Leased Premises after default of Lessee or upon expiration or earlier termination of any term hereof, or in enforcing any covenant or agreement of Lessee contained in this Lease.

ARTICLE VIII

Insurance

Section 8.01. All insurance provided for in this Article VIII shall be effected under valid and enforceable policies issued by insurers of recognized responsibility.

Section 8.02. Lessee shall, at its expense, keep the Facilities insured against loss or damage by fire, lightning, windstorm, explosion, aircraft, smoke damage, vehicle damage, sprinkler leakage and such other risks as are or shall be customarily insured against with respect to property that is similar to the Facilities in amounts that are not less than (a) the full insurable value of the Facilities or (b) the outstanding Bond Indebtedness of the Lessor. The term "full insurable value", as used in this Lease, means the actual replacement value less physical depreciation.

Section 8.03. Lessee shall, at its expense, maintain boiler and pressure vessel (including pressure pipes) explosion insurance in an amount at least equal to \$200,000 (with deductible provisions not to exceed \$10,000) with respect to all boilers and pressure vessels and pressure pipes installed in the Facilities.

Section 8.04. Lessee shall, at its expense, maintain general public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Leased Premises and the adjoining streets, sidewalks and passageways, such insurance to afford protection to Lessor of not less than \$300,000 with respect to bodily injury or death to any one person, not less than \$1,000,000 with respect to any one accident, and not less than \$100,000 with respect to property damage. Policies for such insurance shall be for the mutual benefit of Lessor and Lessee.

Section 8.05. All policies of insurance required by Sections 8.02 and 8.03 shall provide that the proceeds of such insurance shall be payable to Lessor and Lessee as their respective interest may appear, provided, however, that in the case of any particular casualty resulting in loss or damage not exceeding \$15,000 in the aggregate, the proceeds of such insurance shall be payable to Lessee. The policies of insurance required by this Article VIII shall contain an undertaking by the respective insurers, to the extent obtainable, that such policies shall not be modified or cancelled without at least 10 days prior written notice to Lessor. Not less than 10 days prior to the expiration dates of the policies, originals of the renewal policies (or certificates therefor from the insurers evidencing the existence thereof) shall be deposited with the Trustee.

Section 8.06. So long as the Bond Indebtedness of the Lessor remains outstanding and unpaid, the policies of insurance described in Sections 8.02 and 8.03 shall be payable to the Trustee under the Indenture, as the interest of such Trustee may appear, subject to the provisions in Section 8.05 that the proceeds of such insurance shall be payable to Lessee in the case of any particular casualty resulting in loss or damage not exceeding \$15,000 in the aggregate. In the event no Bond Indebtedness of the Lessor remains outstanding and unpaid, the policies of insurance described in Sections 8.02 and 8.03 shall provide that the loss, if any, shall be payable to St. Louis Union Trust Company, or if it should fail to act, a bank or trust company located in the City of St. Louis, Missouri, selected by Lessee and acceptable to Lessor as Insurance and Condemnation Trustee (hereinafter sometimes referred to as the "Insurance and Condemnation Trustee"), for the benefit of the Lessor and the Lessee as their respective interests may appear and shall be held and disbursed as provided herein. Certificates from the insurers evidencing the existence of all policies required by this Article VIII shall be filed with the Trustee and the Insurance and Condemnation Trustee, as the case may be. All such policies shall contain provisions for notice to the Trustee and the Insurance and Condemnation Trustee, as the case may be, prior to modification or cancellation thereof similar to that required by Section 8.05, and shall, to the extent obtainable, provide that any loss shall be payable to Lessor or the Trustee and the Insurance and Condemnation Trustee, as the case may be, notwithstanding any act or negligence of Lessee which might otherwise result in a forfeiture of said insurance.

Section 8.07. Any claims under the policies of insurance described in this Article shall be adjusted by and at the cost of Lessee, provided that Lessor shall have the right to join Lessee in adjusting any such claims, and provided, further, that the proceeds from such insurance shall be applied pursuant to the terms of this Lease.

ARTICLE IX

Maintenance and Repair

Section 9.01. Lessee has received the Leased Premises in good order and condition, and at its expense, will keep and maintain the Facilities in good repair and appearance. Lessee shall promptly make, or cause to be made, all repairs, interior and exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen, necessary to keep the Facilities in good and lawful order and condition, wear and tear from reasonable use excepted, whether or not such repairs are due to any laws, rules, regulations or ordinances hereafter enacted which involve a change of policy on the part of the governmental body enacting the same, provided, however, that if there shall be no Bond Indebtedness of Lessor outstanding, Lessee, in lieu of making any structural or extraordinary repairs required during the term hereof, may elect to terminate this Lease, and in such event Lessee shall have no further rights or obligations hereunder.

Section 9.02. Lessor shall not be required to rebuild or to make any repairs, replacements or renewals of any nature or description to the Leased Premises or to make any expenditure whatsoever in connection with this Lease or to maintain the Leased Premises in any way. Lessee expressly waives the right contained in any law now or hereafter in effect to make any repairs at the expense of Lessor.

ARTICLE X

Condemnation

Section 10.01. If during the Term all or any part of the Leased Premises be taken by the exercise of the power of eminent domain or condemnation, Lessor shall subject to all the terms of this Article, be entitled to, and shall receive, the entire award for the taking. So long as the Bond Indebtedness of the Lessor remains outstanding and unpaid, Lessor and Lessee hereby irrevocably assign all their right, title and interest in and to such award or awards to the Trustee under the Indenture or, in the event no Bond Indebtedness of the Lessor remains outstanding and unpaid, to the Insurance and Condemnation Trustee, and Lessor and Lessee shall immediately pay the same to the Trustee, or the Insurance and Condemnation Trustee, as the case may be, for the benefit of the Lessor and the Lessee as their respective interests may appear and any such award or awards shall be held and disbursed as provided herein.

Section 10.02. If the entire Leased Premises, or any part thereof which is sufficient to render the remaining portion of the Leased Premises untenable for Lessee's business purposes, be taken by the exercise of the power of eminent domain or condemnation, Lessee shall purchase the award or payment for such taking and the remaining portion of the Leased Premises not taken, if any, as of the Basic Rent payment date first occurring sixty (60) days or more after the effective date of such taking, at a price in cash determined as set forth in Section 26.02, or if at the time of any such taking there shall be no Bond Indebtedness of Lessor outstanding and unpaid, Lessee shall purchase the award or payment for such taking and the remaining portion of the Leased Premises not taken, if any, as of the first day of the first month occurring sixty (60) days or more after the effective date of such taking, in consideration of all of the terms and conditions of this Lease and without additional payment by Lessee to Lessor. Lessee shall deliver to Lessor at least 40 days before the proposed date of purchase a certificate, signed by a vice president of Lessee, to the effect that the entire Leased Premises have been so taken or that the remaining portion of the Leased Premises has been rendered untenable by such taking for Lessee's business purposes,

as the case may be. On the proposed date of purchase Lessor shall convey the remaining portion of the Leased Premises to Lessee, subject to and pursuant to Article XXVII, and the Trustee or the Insurance and Condemnation Trustee, as the case may be, shall assign and pay over the entire award for the taking to Lessee, less any expenses incurred by Lessor in collecting such award (hereinafter called the "Net Award") or, in the case of the taking of the entire Leased Premises, the Trustee or the Insurance and Condemnation Trustee, as the case may be upon payment by Lessee of the purchase price computed as provided above, shall assign and pay over the Net Award to Lessee.

Section 10.03. If a lesser portion of the Leased Premises be taken by exercise of the power of eminent domain or condemnation, this Lease shall nevertheless continue in full force and effect without abatement of rent, and if such taking shall have caused damage to, or necessitated restoration or rebuilding of, any of the improvements on the Leased Premises, Lessee, at its sole cost and expense, shall promptly and diligently restore and rebuild such improvements to such condition as shall be reasonable in view of the nature of the taking and the then intended use of the Leased Premises by Lessee, whether or not the Net Award is sufficient for the purpose. Upon the receipt by Lessor of a certificate of a vice president of Lessee stating that the restoration and rebuilding required by this Section 10.03 has been completed and certifying the cost thereof or stating that such restoration and rebuilding is not required, as the case may be, and in the event Lessee has incurred costs for such restoration and rebuilding, the Trustee or the Insurance and Condemnation Trustee, as the case may be, shall assign and pay over to Lessee such portion of the Net Award as will reimburse the Lessee for the cost of such restoration and rebuilding as certified up to the full amount of the Net Award, and if there shall remain any balance of such Net Award, Trustee or the Insurance and Condemnation Trustee, as the case may be, shall apply the balance, if any, of the Net Award to the redemption of Bond Indebtedness as provided in Article V of the Indenture. In the event no Bond Indebtedness of the Lessor is outstanding and unpaid, the Trustee or the Insurance and Condemnation Trustee shall assign and pay over to the Lessee any such balance. If any taking of the character referred to in this Section shall occur when no Bond Indebtedness of Lessor is outstanding, or if the amount of the Net Award for such taking, together with other sums available for such purpose, is sufficient to pay in full the remaining Bond Indebtedness then outstanding, Lessee, in lieu of rebuilding or restoring as herein provided, may elect to terminate this Lease, and in such event this Lease shall terminate, neither party shall have any further liability hereunder, and the entire net award shall be paid over to Lessor, subject, however, to the terms of the Indenture and the payment to the Trustee thereunder of such part of such Net Award as shall be required in order to pay in full the remaining Bond Indebtedness.

Section 10.04. If at any time during the Term the whole or any part of the Leased Premises or of Lessee's interest under this Lease shall be taken by the exercise of the power of eminent domain or condemnation by any government or governmental agency or corporation for its or their temporary use or occupancy, the foregoing provisions of this Article shall not apply, and Lessee shall continue to pay the Basic Rent and the additional rent and other charges payable by Lessee hereunder in the manner and at the times herein specified; and, except to the extent that Lessee may be prevented from so doing pursuant to the terms of the order of the condemning authority, Lessee shall continue to perform and observe all of the other terms, covenants, conditions and obligations to be performed and observed by Lessee hereunder, as though such taking had not occurred. In the event of any such taking, Lessee shall be entitled to receive the entire amount of the Net Award, whether paid by way of damages, rent or otherwise, unless such period

temporary use or occupancy shall extend beyond the expiration date of the Term, in which case such Net Award shall be apportioned between Lessor and Lessee as of such date of expiration of the Term. If any taking of the kind and character referred to herein shall occur or shall continue after the Bond Indebtedness of Lessor is paid and no longer outstanding, Lessee may elect to terminate this Lease, and, in such event, neither party shall have any further liability hereunder and the Net Award for any period after such termination shall be paid to Lessor.

ARTICLE XI

Casualty

Section 11.01. If during the Term all or any part of the Facilities shall be destroyed or damaged, Lessee shall promptly notify Lessor, and at Lessee's expense (whether or not the insurance proceeds hereinafter mentioned are sufficient for the purpose) Lessee shall promptly and diligently rebuild, restore, replace and repair the same in such manner as to restore the Facilities to at least the market value thereof immediately prior to such damage or destruction. Upon the receipt by Lessor of a certificate of a vice president of Lessee stating that such rebuilding, restoration, replacement and repair has been completed and certifying the cost thereof, Lessor shall cause the Trustee under the Indenture or the Insurance and Condemnation Trustee, as the case may be, to pay to Lessee the insurance proceeds received and held by said Trustee or Insurance and Condemnation Trustee on account of such damage or destruction.

Section 11.02. If, during the Term, the entire Facilities, or any part thereof which is sufficient to render the remaining portion of the Leased Premises untenable for Lessee's business purposes shall be damaged or destroyed, Lessee, in lieu of rebuilding, restoring, replacing and repairing the Leased Premises, shall have an option to purchase the remainder of Leased Premises, shall have Basic Rent payment date first occurring sixty (60) days or more after the date of such damage or destruction at a price in cash determined as provided in Section 26.02, or, if there shall be no Bond Indebtedness of Lessor then outstanding and unpaid, as of the 1st day of the first month following sixty (60) days or more after the date of such damage or destruction in consideration of all the terms and conditions hereof and without further payment by Lessee to Lessor. Lessee shall exercise such option by delivering to Lessor at least 40 days before the proposed date of purchase written notice of its intention to purchase the Leased Premises. Such notice shall be accompanied by a certificate, signed by a vice president of Lessee, certifying that the Board of Directors of Lessee has determined, in good faith that the Facilities have been damaged and destroyed to such an extent as to render the remaining portion of the Leased Premises untenable for Lessee's business purposes. On the proposed date of purchase Lessor shall convey the Leased Premises to Lessee, subject to and pursuant to Article XXVII and Lessee shall be entitled to all insurance proceeds resulting from such damage or destruction and the Trustee under the Indenture or the Insurance and Condemnation Trustee shall assign and pay over to Lessee all such insurance proceeds.

Section 11.03. Notwithstanding any other provision hereof, if all or any part of the Facilities shall be destroyed or damaged and at such time Lessor shall have no Bond Indebtedness outstanding and unpaid, Lessee shall have no obligation to effect the repair or restoration of the Facilities except to the extent of any insurance proceeds then available for such repair or restoration. If any such uninsured or partially insured damage or destruction shall occur when there shall be no Bond Indebtedness outstanding and unpaid, Lessee may elect to effect such repair or restoration from its own funds, in which event this Lease shall continue in accordance with its terms, or elect to terminate this Lease, in which event Lessee shall have no further liability hereunder and any insurance proceeds payable on account of such damage or destruction shall be paid to Lessor.

ARTICLE XII

Additions, Alterations, Improvements and New Construction

Section 12.01. Lessee shall have the right to make additions, alterations of, and improvements on the Leased Premises, structural or otherwise, and to construct additional Facilities, at its expense, subject, however, to the provisions of Article XXIX.

The Lessee shall have the privilege of erecting any additional building or buildings and of remodeling the Facilities from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that such remodeling shall not damage the basic structure of the then existing Facilities or materially decrease their value, with no obligation to restore or return the Facilities to their original condition, but the cost of such new building or buildings and improvements and remodeling shall be paid for by it and upon the expiration or termination of this lease or any extension or renewal hereof, shall belong to and be the property of the Lessor, subject, however, to the right of the Lessee to remove from the leased premises at any time before the expiration or termination of this lease and while it is in good standing with reference to the payment of Rent and its performance of other obligations hereunder, all improvements, machinery, fixtures, equipment, and appliances placed in or upon the Leased Premises by the Lessee which can be removed without material damage to the existing building or structures; or if they cannot be removed without such damage, then provided that Lessee repairs any damage caused by such removal.

The Lessee may at any time or times during the Term of this lease, install or commence the installation of any machinery, equipment or fixtures, to such extent as the Lessee may deem desirable, and the Lessee may also remove any machinery, equipment or fixtures so installed by it; provided, however, that such installation or removal shall not be permitted to interfere with the construction of the Facilities or in any way damage the Facilities.

Section 12.02. The Leased Premises as so improved or altered upon completion of such additions, alterations, improvements or construction, shall be of a value not less than the value of the Leased Premises immediately prior to the making of such additions, alterations, improvements or the construction of additional Facilities.

Section 12.03. All work done in connection with such additions, alterations, improvements or construction shall be done promptly and in good and workmanlike manner, and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and offices thereof, and in accordance with the orders, rules and regulations of the National Board of Fire Underwriters or any other body exercising similar functions. Lessee shall maintain, or cause to be maintained, at all times when any work is in process in connection with such additions, alterations, improvements or construction, workmen's compensation insurance covering all persons employed in connection with such work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee or the Leased Premises, and general public liability insurance for the benefit of Lessor and of Lessee, as their interests may appear, of not less than \$250,000 in the event of injury to one person and not less than \$500,000 in the event of injury to any number of persons in any one accident, and not less than \$50,000 for property damage.

ARTICLE XIII

Subletting, Assignments and Mortgaging

Section 13.01. Lessee may sublet the Leased Premises or any part thereof, and may assign or otherwise transfer all of its rights, and interest hereunder, provided that no assignment, transfer or sublease shall affect or reduce any of the obligations of Lessee hereunder, but all obligations of Lessee hereunder shall continue in full force and effect as the obligations of a principal and not of a guarantor or surety. So long as any Bond Indebtedness of Lessor is outstanding and unpaid neither this Lease nor the term hereby let and demised shall be mortgaged, nor shall Lessee mortgage, assign or pledge the interest of Lessee in and to any sublease or the rentals payable thereunder, unless such mortgage, assignment or pledge is made expressly subject to the terms of this Lease and Indenture.

Section 13.02. If this Lease be assigned or transferred, or if the Leased Premises or any part thereof be sublet or occupied by anybody other than Lessee, Lessor may, after default by Lessee, collect rent from the assignee, transferee, subtenant, or similar occupant, and apply the net amount collected to the Basic Rent and any other amounts reserved hereunder, but no such assignment, transfer, subletting, occupancy or collection shall be deemed the acceptance of the assignee, transferee, subtenant or similar occupant as tenant, or a waiver or release of Lessee from the performance of the terms, covenants and conditions of this Lease to be performed by Lessee. Any violation of any provision of this Lease, whether by act or omission, by an assignee, transferee, subtenant, or similar occupant, shall be deemed a violation of such provision by Lessee, it being the intention of the parties hereto that Lessee shall assume and be liable to the Lessor for all and any acts and omissions of any and all assignees, transferees, subtenants and similar occupants.

ARTICLE XIV

Default; Permitted Contests

Section 14.01. If Lessee at any time shall fail to make any payment or perform any act on its part to be made or performed under this Lease, then subject to the provisions of Section 14.02, Lessor may (but shall not be obligated to), without notice to or demand upon Lessee and without waiving or releasing Lessee from any obligations or default of Lessee hereunder, make any such payment or perform any such act for the account and at the expense of Lessee, and may enter upon the Leased Premises for the purpose and take all such action thereon as may be reasonably necessary therefor. No such entry shall be deemed an eviction of Lessee. All sums so paid by Lessor and all necessary and incidental costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the performance of any such act by Lessor, together with interest at the rate of 6% per annum from the date of the making of such payment or the incurring of such costs and expenses by Lessor, shall be deemed additional rent hereunder and shall be payable by Lessee to Lessor on demand, and Lessee covenants to pay any such sum or sums with interest as aforesaid.

Section 14.02. Lessee shall not be required to pay, discharge or remove any tax, lien or assessment, or any mechanic's, laborer's or materialman's lien, or any other lien or encumbrance, or any other imposition or charge against the Leased Premises or any part thereof, so long as Lessee shall, after prior written notice to Lessor, at Lessee's expense, contest the same or the validity thereof in good faith, by appropriate proceedings which shall operate

to prevent the collection of the tax, lien, assessment, encumbrance, imposition or charge so contested and the sale of said Leased Premises or any part thereof to satisfy the same. Such contest may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine, and Lessor agrees that it will, at Lessee's expense, cooperate with Lessee in any such contest to such extent as Lessee may reasonably request. It is understood, however, that Lessor shall not be subject to any liability for the payment of any costs or expenses in connection with any such proceeding brought by Lessee, and Lessee covenants to pay, and to indemnify and save harmless Lessor from, any such costs or expenses. Pending any such proceeding Lessor shall not have the right to pay, remove, or cause to be discharged the tax, lien, assessment, encumbrance, imposition or charge thereby being contested, provided that Lessee shall have given such security as may be required in the proceeding and such reasonable security as may be demanded by Lessor to insure such payment and prevent any sale or forfeiture of the Leased Premises or any part thereof by reason of such nonpayment, and provided further that Lessor would not be in any substantial danger of civil or any danger of criminal liability by reason of such nonpayment.

ARTICLE XV

Events of Default; Termination

Section 15.01. If any one or more of the following events (herein called Events of Default) shall happen:

(a) if default shall be made in the due and punctual payment of any Basic Rent, additional rent or other amount payable to Lessor hereunder, for more than 10 days after the same have become due and payable;

(b) if Lessee shall assign, mortgage or encumber this Lease, or sublet the whole or any part of the Leased Premises, otherwise than as expressly permitted hereunder, or if this Lease or the estate of Lessee hereunder shall be transferred, passed to or devolved upon, any person, firm or corporation other than Lessee herein named, except in the manner permitted hereunder;

(c) if default shall be made by Lessee in the due performance of or compliance with any of the terms hereof other than those referred to in the foregoing subdivisions (a) and (b), and such default shall continue for 60 days after Lessor shall have given Lessee written notice of such default (or in the case of any such default which cannot with due diligence be cured within such 60-day period, if Lessee shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with all due diligence, it being intended in connection with the default not susceptible of being cured with due diligence within the 60 days that the time of Lessee within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence);

(d) if Lessee shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statute, law or regulation, or shall seek or consent

to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or of all or any substantial part of its properties or of the Leased Premises, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

(e) if a petition shall be filed against Lessee seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation, and shall remain undismis-
sed or unstayed for an aggregate of 90 days (whether or not consecutive), or if any trustee, receiver or liqui-
dator of Lessee or of all or any substantial part of its properties or of the Leased Premises shall be appointed without the consent or acquiescence of Lessee and such appointment shall remain unvacated or unstayed for an aggregate of 90 days (whether or not consecutive); or

(f) if Lessee shall abandon the Leased Premises and the same shall remain uncared for and unoccupied for more than thirty (30) days.

then in any such event (regardless of the pendency of any proceeding which has or might have the effect of preventing Lessee from complying with the terms of this Lease) Lessor at any time thereafter and while such Event of Default shall continue may give a written termination notice to Lessee, which notice shall specify a date of termination of this Lease, not less than 10 days after the giving of such notice, and, subject to the provisions of Section 18.01 relating to the survival of Lessee's obligations, the term of this Lease shall expire and terminate by limitation and all rights of Lessee under this Lease shall cease on such date.

ARTICLE XVI

Repossession

Section 16.01. At any time after the expiration of the term of this Lease pursuant to Section 15.01, Lessor without further notice may enter upon and repossess the Leased Premises and may remove Lessee and all other persons and any and all property from the Leased Premises. If an Event of Default occurs and shall be continuing, Lessor shall also have the right of entry, repossession, and removal, after not less than 10 days prior written notice to Lessee of its intent to exercise such right, prior to the expiration of the term of this Lease and without any obligation on the part of Lessor to terminate this Lease, provided that such right shall not be in contravention of the laws of the jurisdiction in which the Leased Premises are located. In the event of the exercise of such right, without termination of this Lease, the Lease shall continue in full force and effect for the balance of its term except that Lessee shall have no right of possession from the date of the exercise of such right; provided that the exercise of such right shall not preclude the subsequent exercise of any other right under this Lease, including the right of termination pursuant to Section 15.01. Lessor shall be under no liability for or by reason of any such entry, repossession or removal.

ARTICLE XVII

Reletting

Section 17.01. At any time or from time to time after the expiration of the term of this Lease pursuant to Section 15.01, Lessor may (but shall be under no obligation to) relet the Lease Premises or

any part thereof for the account of Lessee, in the name of Lessee or Lessor or otherwise without notice to Lessee, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this Lease), on such conditions and for such uses as Lessor in its discretion may determine; and Lessor may collect and receive the rents therefor. Lessor shall have the same right to relet if it shall exercise its right of entry, repossession or removal without termination of this Lease as provided in Section 16.01. Lessor shall not be responsible or liable for any failure to relet the Leased Premises or any part thereof, or for any failure to collect any rent due upon any such reletting.

ARTICLE XVIII

Survival of Lessee's Obligations; Damages

Section 18.01. No expiration of the term of this Lease pursuant to Section 15.01 or repossession of the Leased Premises pursuant to Section 16.01 shall relieve Lessee of its liability and obligations hereunder, all of which shall survive any such expiration or repossession.

Section 18.02. In the event of the expiration of the term of this Lease pursuant to Section 15.01, Lessee shall pay to Lessor the Basic Rent and all additional rent and other charges required to be paid, and not theretofore paid under this Lease or otherwise, by Lessee up to the time of such expiration; and thereafter Lessee, until the end of what would have been the term of this Lease in the absence of such expiration and whether or not the Leased Premises or any part thereof shall have been relet, shall be liable for and shall pay to Lessor, as and for liquidated and agreed current damages for Lessee's default:

(i) the Basic Rent and all additional rent and other charges which would be payable under this Lease by Lessee if the term of this Lease had not so expired, less

(ii) the net proceeds, if any, of any reletting effected for the account of Lessee pursuant to the provisions of Section 17.01, after deducting all Lessor's necessary and incidental expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees and expenses, employees' expenses, reasonable alteration costs, and expenses of preparation for such reletting.

Lessee shall pay such current damages on the days on which the Basic Rent would have been payable under this Lease if the term hereof had not so expired, and Lessor shall be entitled to recover the same from Lessee on each such day.

Section 18.03. The liability and obligations of Lessee as set forth in Section 18.02 shall be the same if Lessor shall exercise its right of entry, repossession or removal without termination of this Lease as provided in Section 16.01.

Section 18.04. At any time after the expiration of the term of this Lease pursuant to Section 15.01, whether or not Lessor shall have collected any current damages as aforesaid, Lessor shall, at its option, be entitled to recover from Lessee, and Lessee will pay to Lessor on demand, as and for liquidated and agreed final damages for Lessee's default and in lieu of all current damages beyond the date of such demand, an amount equal to the greater of:

(i) the Basic Rent and additional rent and other charges which would be payable under this Lease from the date of such demand (or, if it be earlier, the date to which Lessee shall have satisfied in full its obligations under Section 18.02 to pay current damages) for what would be the then unexpired term of this Lease if the same had not so expired, less the then fair net rental value of the Leased Premises for the same period, or

(ii) all unpaid installments of rent as defined in Article XXVI hereof if any Bond Indebtedness is then outstanding and unpaid.

Section 18.05. The right of recovery of Lessor and the obligation of Lessee to pay the amount set forth in Section 18.04 shall be the same if Lessor shall exercise its right of entry, re-possession or removal without termination of this Lease as provided in Section 16.01.

Section 18.06. If any statute or rule of law shall validly limit the amount of such liquidated final damages to less than the amount agreed upon in Section 18.04, Lessor shall be entitled to the maximum amount allowable under such statute or rule of law.

ARTICLE XIX

Waiver of Statutory Rights; Waiver by Lessor

Section 19.01. This Lease shall not be affected by any laws, ordinances or regulations, whether federal, state, county, city, municipal or otherwise, which may be enacted or become effective from and after the date of this Lease affecting or regulating or attempting to affect or regulate (i) the Basic Rent and other amounts herein reserved or (ii) the continuing in occupancy of Lessee or any sublessees, transferees or assignees of Lessee's interest in the Leased Premises beyond the dates of termination of their respective leases, or otherwise.

Section 19.02. No failure by Lessor or any assignee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of the Basic Rent, in full or in part, during the continuance of such breach, shall constitute a waiver of such breach or of such term. No waiver of any breach shall affect or alter this Lease or constitute a waiver of a then existing or subsequent breach.

ARTICLE XX

Remedies Cumulative

Section 20.01. Each right, power and remedy of Lessor provided for in this Lease shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by Lessor of any one or more of the rights, powers or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lessor of any or all such other rights, powers or remedies.

ARTICLE XXI

Acceptance of Surrender

Section 21.01. No surrender to Lessor of this Lease or of the Leased Premises or any part thereof of any interest therein shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by any representative or agent of Lessor, and no act by Lessor, other than such a written agreement and acceptance by Lessor, shall constitute an acceptance of any such surrender.

ARTICLE XXII

Surrender of the Leased Premises

Section 22.01. Except as otherwise provided in this Lease, Lessee shall, upon the expiration or termination of this Lease for any reason whatsoever, surrender the Leased Premises to Lessor in good order, condition and repair, except for reasonable wear and tear.

ARTICLE XXIII

Estoppel Certificate by Lessee

Section 23.01. Lessee agrees at any time and from time to time, upon not less than 10 days' prior request by Lessor or Trustee to execute, acknowledge and deliver to Lessor and Trustee a statement in writing certifying that this Lease is unmodified and is in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), and the date to which the Basic Rent and other charges have been paid in advance, if any.

ARTICLE XXIV

No Claims Against Lessor

Section 24.01. Nothing contained in this Lease shall constitute any consent or request by Lessor, expressed or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Leased Premises or any part thereof, nor give Lessee any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Lessor. Lessor shall have the right to post and keep posted at all reasonable times on the Leased Premises any notices which Lessor shall be required to post for the protection of Lessor and the Leased Premises for any lien.

ARTICLE XXV

Waiver, Discharge

Section 25.01. If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby. Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. The terms and provisions of this Lease shall be binding upon

and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, devisees, trustees, successors and assigns. The headings in this Lease are for convenience of reference only and shall not define or limit the provisions hereof. All references in this Lease to particular Articles or Sections are references to Articles or Sections of this Lease. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

ARTICLE XXVI

Option to Purchase the Remainder in the Event of Condemnation or Casualty and Purchase Prices

Section 26.01. Lessee shall exercise the option provided in Section 26.02 by delivering to Lessor written notice, not less than 90 nor more than 120 days prior to the proposed purchase date, of its intention to purchase the Leased Premises. Upon the payment by Lessee to Lessor of the purchase price, in cash, on such purchase date, Lessor shall convey the Leased Premises to Lessee on such date subject to and pursuant to Article XXVII.

Section 26.02. Lessee is required to purchase or has an option to purchase the remainder of the Leased Premises and/or the award for any taking thereof under the provisions of Sections 10.02 and 11.02, dealing with Condemnation and Casualty. The purchase price for any such purchase shall be as follows:

The purchase price shall be an amount equal to all unpaid installments of rent as hereinafter defined, including whatever premium is required to be paid in the event of redemption of the Bond Indebtedness with eminent domain or insurance proceeds.

The term "all unpaid installments of rent" shall mean an amount equal to the entire principal amount of the then outstanding Bond Indebtedness, together with any applicable redemption premiums and all interest accrued or to accrue on and prior to the next succeeding redemption date or dates on which the Trustee can redeem the Bond Indebtedness after giving notice to the holders thereof as required by the Indenture, less moneys available for such purpose then held by the Trustee and any additional rental due or to become due hereunder, including, without limitation, any unpaid fees and expenses of the Trustee which are then due or will become due prior to the time that the Bond Indebtedness is paid in full and the trust established by the Indenture is terminated.

ARTICLE XXVII

Payment and Title Upon Purchase

Section 27.01. In the event of any purchase of the remainder of the Leased Premises by Lessee pursuant to any provision of this Lease, Lessor shall convey title to the remainder of Leased Premises to Lessee free and clear of the Indenture, but Lessor shall not otherwise be obligated to give or assign any better title to Lessee than existed on the first day of the Term. Lessee shall accept such title, subject, however, to (i) any liens, encumbrances, charges, exceptions and restrictions not created or caused by Lessor, and (ii) any laws, regulations and ordinances. Although Lessor shall be obligated to convey title to the Leased Premises as aforesaid on the date of purchase

on receipt of the purchase price therefor, Lessor shall nevertheless give such additional time as is reasonably required by Lessor to deliver cause to be delivered to Lessee all instruments and documents reasonably required by Lessee and necessary to remove from record or otherwise discharge any liens, encumbrances, charges or restrictions in order that Lessor may convey title as aforesaid.

Section 27.02. Upon the date fixed for the purchase of the remainder of Leased Premises by Lessee, Lessee shall tender the purchase price therefor to Lessor, and Lessor shall deliver a deed for the remainder of Leased Premises to Lessee. Lessee shall pay all charges incident to any conveyance, including any escrow fees, recording fees, title insurance premiums and any applicable federal, state or local taxes and the like, including federal documentary and local taxes.

Section 27.03. Notwithstanding any other provision hereof, this Lease shall not terminate on the date on which Lessee shall be obligated to purchase the remainder of Leased Premises (whether or not any delay in the completion of such purchase shall be the fault of Lessor), nor shall Lessee's obligations hereunder cease until Lessee shall have paid the purchase price then payable for the Leased Premises, without set-off, counterclaim, abatement, suspension, deduction, diminution, or defense for any reason whatsoever, so long as any Bond Indebtedness of Lessor is outstanding and unpaid, and until Lessee shall have discharged, or made provision satisfactory to Lessor for the discharge of, all of Lessee's obligations under this Lease, which obligations have arisen on or before the date for the purchase of the Leased Premises, including the obligation to pay the Basic Rent due and payable on the date for the purchase of the Leased Premises.

ARTICLE XXVIII

Certain Definitions

Section 28.01. As used in this Lease the following terms have the following respective meanings:

- Bond Indebtedness:** Any indebtedness of Lessor issued under a Trust Indenture dated as of June 1, 1964, as from time to time supplemented and amended, entered into by the Lessor and St. Louis Union Trust Company and Hord W. Hardin, as Trustees.
- Indenture:** The Trust Indenture, as from time to time supplemented and amended, referred to in the foregoing definition.
- Trustee:** St. Louis Union Trust Company, as Trustee, or its successor, from time to time under the terms of the Indenture.
- Trustees:** St. Louis Union Trust Company and Hord W. Hardin, as Trustees, or their successors, from time to time under the terms of the Indenture.

ARTICLE XXIX

Improvement Bonds

Section 29.01. As provided in Article XII, Lessee shall have the right to make additions to, alteration of, and improvements on the Leased Premises, structural or otherwise, and to construct additional Facilities (hereinafter collectively called "improvements"). The cost of any improvement shall be paid for by the Lessee, or the Lessee at its option, by notice to the Lessor, specifying the improvement proposed and the estimated cost thereof, may request the Lessor to pay for the improvement by the sale of Improvement Bonds. In the latter event the Lessor agrees that it will use its best efforts to issue and sell such Improvement Bonds and that it will apply the proceeds of such sale to pay the cost of such improvement.

Section 29.02. If the Lessor is unable within a period of two months following its receipt of said request of the Lessee successfully to issue, sell and deliver such Improvement Bonds, the Lessee, at its option, may decide not to make the proposed improvement, or may make the proposed improvement at its own cost. The latest maturity date of each series of Improvement Bonds shall be as specified by the Lessee but shall not exceed 20 years from date of issue. Nothing in this Article XXIX shall require the Lessor to use its best efforts to sell at any one time less than \$300,000 aggregate principal amount of Improvement Bonds, it being understood that the Lessee may pay improvement costs aggregating less than such amount and, when such costs aggregate at least \$300,000, the Lessee may then request the issue and sale of Improvement Bonds to pay for such costs as herein provided. The schedule of payments and the rate of interest on such Improvement Bonds shall be subject to the Lessee's approval.

Prior to each issuance of Improvement Bonds under the Indenture, the parties hereto shall enter into a supplement to this Lease. Said supplement to this Lease shall, among other things, modify and extend the term hereof and increase the Basic Rent to be paid hereunder by an amount at least sufficient to enable the Lessor to pay the principal of and interest on such Improvement Bonds. As and when such revised Basic Rent payments are agreed upon, a supplement to this Lease shall be executed by the parties hereto and recorded in the office of the County Recorder of Yavapai County, Arizona.

ARTICLE XXX

Applicable Law - Entire Understanding

Section 30.01. This Lease shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Arizona. This Lease expresses the entire understanding and all agreements of the parties hereto with each other and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Lease.

ARTICLE XXXI

Severability

Section 31.01. In the event that any clause or provision of this Lease shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provisions shall not affect any of the remaining provisions hereof.

ARTICLE XXXII

Notices, Demands, Requests, Consents, Approvals, And Any Other Similar Instruments

Section 32.01. All notices, demands, requests, consents, approvals and other similar instruments under this Lease shall be in writing, and shall be deemed to have been properly given if sent by United States certified or registered mail, postage prepaid, (a) if to Lessee, addressed to Lessee at Emerson Electric Co., 8100 Florissant Avenue, St. Louis, Missouri, Attention: Treasurer, or at such other address as Lessee from time to time may have designated by written notice to Lessor and any assignee, (b) if to Lessor, addressed to P. O. Box 29, Prescott, Arizona, or at such address as Lessor may have designated, from time to time, in written notice to Lessee and any assignee, and (c) if to an assignee, to such assignee at such address as such assignee shall have furnished to Lessor and Lessee.

ARTICLE XXXIII

Occupancy and Service Charge and
Termination of Lease

Section 33.01. During any additional term hereof, the real property leased hereunder may not be subject to ad valorem taxes as property owned by a municipal corporation.

In the event the real property leased hereunder is not subject to ad valorem taxes (or any tax or tax in substitution or lieu thereof) the Lessee agrees to pay in lieu of all ad valorem taxes (but only so long as Lessee is not required to pay ad valorem taxes, or any tax or taxes in substitution thereof) as an occupancy and service charge, an amount equal to the said ad valorem tax (or any tax or taxes in substitution or lieu thereof) which would have been assessed on the real property leased hereunder, if such real property were owned by other than a corporation exempt from such taxation.

The amounts to be paid in lieu of said taxes shall be payable in quarterly instalments on the first day of each calendar quarter, provided that if Lessee's period of occupancy in any calendar year is less than a full year, the amount to be so paid to Lessor shall be based on the proportionate part of the calendar year during which the Facility is occupied by Lessee. If this Lease be terminated for any reason, other than by default of Lessee, or if Lessee is required to pay ad valorem taxes (or any tax or taxes in substitution thereof) on the property leased hereunder, the aforesaid occupancy and service charge shall also terminate. Said occupancy and service charge when and if payable shall be paid to the City Treasurer of the City of Prescott, Arizona.

Section 33.02. The Basic Rent provided for in Section 4.01 hereof has been computed and arrived at upon the basis that the interest upon the Bond Indebtedness of Lessor is excludable from the gross income of the recipients thereof for Federal income tax purposes and that the Basic Rent payments hereunder are deductible by Lessee as rentals pursuant to Section 162 (a) (3) of the Internal Revenue Code of 1954. Notwithstanding any provision herein to the contrary, the Lessor and Lessee covenant and agree that, if the Internal Revenue Code of The United States shall be amended, construed or interpreted by court decision, government regulation or ruling to provide, or if it should be hereafter determined or adjudicated by any agency or tribunal having jurisdiction, that (i) the interest upon the Bond Indebtedness is not excludable from the gross income of the recipients thereof and/or (ii) that the Basic Rent payments due hereunder are not deductible by Lessee as trade or business expenses, then this Lease and the obligations of Lessor and Lessee hereunder may be modified or may be terminated as provided in this Section 33.02.

Upon the happening of either or both of the events specified in subsection (i) or (ii) as provided in this Section 33.02 the Lessor and Lessee covenant and agree that Lessee may require Lessor to use its best efforts to refinance and/or refund the then outstanding Bond Indebtedness of Lessor by delivery of written notice to such effect to Lessor, within six months following the happening of either of the events specified in subsection (i) or (ii) above. Such notice shall be accompanied by a certificate signed by the President or a Vice President of Lessee, certifying that either the event specified in (i) above or the event specified in (ii) has occurred. Lessee shall also furnish such other evidence of the happening of such event as the Lessor may reasonably require.

In the event that, pursuant to the provisions of this Section, Lessee shall require Lessor to use its best efforts to re-finance and/or refund the then outstanding Bond Indebtedness of Lessor, Lessor further agrees that, if loan funds sufficient to refund and/or refinance said outstanding Bond Indebtedness are offered to Lessor on terms satisfactory to Lessee, and Lessee shall have agreed to the modification of this Lease or a supplement hereto which, inter alia, will adjust the rentals to an amount sufficient to amortize fully such refinancing or refunding loan funds, and such refinancing and/or refunding is otherwise accomplished with all costs thereof paid or provided for by Lessee and without cost to Lessor, Lessor will refund and/or finance said then outstanding Bond Indebtedness on such terms.

Upon refinancing and/or refunding of the Bond Indebtedness of Lessor as provided in this Section 33.02, the Lessor and Lessee shall have the right to terminate this Lease provided, however, that such termination shall become effective only by depositing with the Trustee under the Indenture, in trust, at or before maturity, money in the necessary amount to pay or redeem the Bond Indebtedness of Lessor outstanding under the Indenture, and all other amounts payable under the Indenture.

Section 33.03. In addition to any other right to terminate this Lease herein granted, the Lessee shall have the right on June 1, 1969, or at any time thereafter to terminate this Lease after not less than sixty days' written notice to the Lessor if, in the sole opinion of Lessee, advances in technology have made the industrial building obsolete or inefficient to operate and the Lessee is then in good standing with reference to its obligations hereunder. Such termination shall become effective only upon the payment of all unpaid instalments of rent determined as provided in Section 26.02 hereof.

IN WITNESS WHEREOF, The Industrial Development Corporation of the City of Prescott, Arizona has executed this Indenture of Lease by causing its name to be hereunto subscribed by its President and its official seal to be impressed hereon and attested by its Secretary; and Emerson Electric Co. has executed this Indenture of Lease by causing its corporate name to be hereunto subscribed by its VICE President and its corporate seal to be impressed hereon and attested by its ASST. Secretary, all being done as of the day and year first above written.

THE INDUSTRIAL DEVELOPMENT CORPORATION
OF THE CITY OF PRESCOTT, ARIZONA

By George J. Johnson
Its President

Attest:

Thomas J. Malin
Secretary

Executed in the presence of:

Robert M. Williams

Robert L. Byrne

EMERSON ELECTRIC CO.

By Robert L. Byrne
Its VICE President

Attest:

Robert L. Byrne
ASST. Secretary

Executed in the presence of:

John M. Malin

Oliver Burt

STATE OF ARIZONA, }
COUNTY OF YAVAPAI. } SS

On this the 16th day of September, 1964, before me, the undersigned officer, personally appeared George Rothfuss and Norris Maler, who acknowledged themselves to be the President and Secretary, respectively of The Industrial Development Corporation of the City of Prescott, Arizona, a corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument (Indenture of Lease) for the purposes therein contained, by signing the name of the corporation by themselves as such officers.

In witness whereof, I hereunto set my hand and official seal.

Benny K. Glin
A Notary Public

My commission expires 2-26-68.

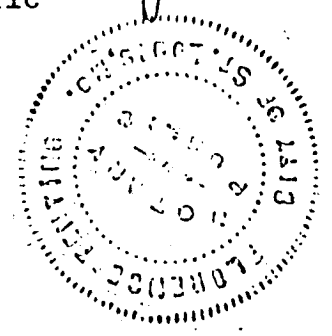
STATE OF MISSOURI, }
COUNTY OF ST. LOUIS. } SS

On this the 11th day of September, 1964, before me, the undersigned officer, personally appeared R. E. Petering and V. J. Henning, who acknowledged themselves to be the Vice President and Treasurer and Assistant Secretary, respectively of Emerson Electric Co., a corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument (Indenture of Lease) for the purposes therein contained, by signing the name of the corporation by themselves as such officers.

In witness whereof, I hereunto set my hand and official seal.

Flourance Tenting
A Notary Public

My commission expires Sept. 5th. 1966.



SCHEDULE A TO INDENTURE OF LEASE DATED AS OF JUNE 1, 1964
BY AND BETWEEN THE INDUSTRIAL DEVELOPMENT CORPORATION OF
THE CITY OF PRESCOTT, ARIZONA AND EMERSON ELECTRIC CO.

The following described real property located in the State of Arizona, County of Yavapai and more fully described as follows, to wit:

All that portion of Section Twenty-five (25), Township Fifteen (15) North, Range Two (2) West, Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the north quarter corner of said Section Twenty-five (25);
Thence South $89^{\circ} 52'$ West 841.32 feet, along the North line of said Section Twenty-five (25);
Thence South $41^{\circ} 15'$ West 993.20 feet to the true point of beginning;
Thence South $48^{\circ} 45'$ East 1122.00 feet;
Thence South $41^{\circ} 15'$ West 828.01 feet;
Thence North $43^{\circ} 30'$ West 1126.73 feet;
Thence North $41^{\circ} 15'$ East 724.91 feet to the true point of beginning, containing twenty (20) acres, more or less.

SCHEDULE B

Schedule B of Basic Rent Payments applicable to \$1,000,000 First Mortgage Bonds, Series A (Emerson Electric) of The Industrial Development Corporation of the City of Prescott, Arizona. This Schedule is made pursuant to Section 4.01 of the Lease (the "Lease") between The Industrial Development Corporation of the City of Prescott, Arizona and Emerson Electric Co.. The Lessee shall pay the Basic Rent for the periods and in the amounts listed below as Total Annual Basic Rent Payment. Basic Rent shall be payable in semi-annual instalments, at the times (Payment Dates) and in the amounts listed below as Semi-Annual Basic Rent Instalments.

<u>Payment Periods</u>	<u>Payment Dates</u>	<u>Semi-Annual Basic Rent Instalments</u>	<u>Total Annual Basic Rent Payment</u>
June 1, 1964 - May 31, 1965	Nov. 15, 1964 May 15, 1965	\$ 19,375.00 39,375.00	\$ 58,750.00
June 1, 1965 - May 31, 1966	Nov. 15, 1965 May 15, 1966	38,988.00 38,600.00	77,588.00
June 1, 1966 - May 31, 1967	Nov. 15, 1966 May 15, 1967	38,213.00 37,825.00	76,038.00
June 1, 1967 - May 31, 1968	Nov. 15, 1967 May 15, 1968	37,438.00 37,050.00	74,488.00
June 1, 1968 - May 31, 1969	Nov. 15, 1968 May 15, 1969	36,662.00 36,275.00	72,937.00
June 1, 1969 - May 31, 1970	Nov. 15, 1969 May 15, 1970	35,888.00 35,500.00	71,388.00
June 1, 1970 - May 31, 1971	Nov. 15, 1970 May 15, 1971	35,113.00 34,725.00	69,838.00
June 1, 1971 - May 31, 1972	Nov. 15, 1971 May 15, 1972	34,338.00 33,950.00	68,288.00
June 1, 1972 - May 31, 1973	Nov. 15, 1972 May 15, 1973	38,563.00 38,078.00	76,641.00
June 1, 1973 - May 31, 1974	Nov. 15, 1973 May 15, 1974	37,594.00 37,109.00	74,703.00
June 1, 1974 - May 31, 1975	Nov. 15, 1974 May 15, 1975	36,625.00 36,141.00	72,766.00
June 1, 1975 - May 31, 1976	Nov. 15, 1975 May 15, 1976	35,656.00 35,172.00	70,828.00
June 1, 1976 - May 31, 1977	Nov. 15, 1976 May 15, 1977	34,688.00 34,203.00	68,891.00
June 1, 1977 - May 31, 1978	Nov. 15, 1977 May 15, 1978	38,719.00 38,138.00	76,857.00
June 1, 1978 - May 31, 1979	Nov. 15, 1978 May 15, 1979	37,556.00 36,975.00	74,531.00

<u>Payment Periods</u>	<u>Payment Dates</u>	<u>Semi- Annual Basic Rent Instalments</u>	<u>Total Annual Basic Rent Payment</u>
June 1, 1979 - May 31, 1980	Nov. 15, 1979 May 15, 1980	\$ 36,394.00 35,813.00	\$ 72,207.00
June 1, 1980 - May 31, 1981	Nov. 15, 1980 May 15, 1981	35,231.00 34,650.00	69,881.00
June 1, 1981 - May 31, 1982	Nov. 15, 1981 May 15, 1982	39,069.00 38,391.00	77,460.00
June 1, 1982 - May 31, 1983	Nov. 15, 1982 May 15, 1983	37,713.00 37,034.00	74,747.00
June 1, 1983 - May 31, 1984	Nov. 15, 1983 May 15, 1984	36,356.00 35,678.00	72,034.00

#87-77

AMENDMENT TO LEASE

This Agreement entered into this 13th day of October . 1987, by and between the CITY OF PRESCOTT, a municipal corporation of the State of Arizona, Lessor, and STURM, RUGER & COMPANY, INC., a corporation of the State of Delaware, duly authorized to do business in the State of Arizona, Lessee.

WHEREAS, the City of Prescott by and through Ordinance No. 1941 has approved the assignment and transfer of that certain Lease dated June 1, 1964 between Emerson Electric, a Missouri Corporation and the Industrial Development Corporation of the City of Prescott, and it's successor in interest the City of Prescott, from Emerson Electric to Sturm, Ruger & Company, Inc.; and,

WHEREAS, the City of Prescott desires economic development and an expanded employment base to be located within the City of Prescott; and,

WHEREAS, Sturm, Ruger & Company, Inc. desires to locate certain of its industrial and manufacturing facilities to the City of Prescott;

NOW, THEREFORE, IT IS AGREED:

1. In consideration of the economic benefits and employment opportunities to be enjoyed by the citizens of the City of Prescott by the location to Prescott of those certain industrial and manufacturing facilities by Sturm, Ruger & Company, Inc., and to be located on the leased premises, that the provisions of §§33.01 and 3.01 be deemed amended to provide that

for a period of five (5) years from the effective date of the above mentioned assignment, or May 1, 1988, whichever last occurs, the annual rental amount and occupancy and service charge, together, shall be in the sum of One Dollar (\$1.00) per year. Upon the expiration of said five (5) year period, or the assignment, subletting or any other transfer, or the attempted assignment, subletting or any other transfer by Sturm, Ruger & Company, Inc., whichever first occurs, §§33.01 and 3.01, as written in the original Lease dated June 1, 1964, shall then again become effective and operative.

2. All other terms, conditions, covenants and agreements contained in the above described Lease shall remain in effect as written.

3. The Lease and any and all amendments shall be recorded in the Office of the County Recorder, County of Yavapai, Prescott, Arizona.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment To Lease as of the date first above written.

CITY OF PRESCOTT,

By: *Jerri Wagner*
JERRI WAGNER, Mayor

ATTEST:

Marie L. Watson
MARIE L. WATSON
City Clerk

APPROVED AS TO FORM:

K. Kane Graves
K. KANE GRAVES
City Attorney

///

STURM, RUGER & COMPANY,
INC.,

By: *William B. Ruger, Jr.*
WILLIAM B. RUGER, JR.

Title: *Vice Pres.*

APPROVED

BY THE COUNCIL

City Clerk *M. Watson*

Date *9/17/87*

Ord. No. *1941*

EXHIBIT "A"

AMENDMENT TO AIRPORT GROUND LEASE

WHEREAS the City of Prescott (hereinafter referred to as the "City") and Sturm, Ruger & Company, Inc., a foreign corporation (hereinafter referred to as "Ruger") entered into a ground lease for certain City property on or about the 13th of October, 1987, City Contract Number 87-77 (hereinafter referred to as the "Lease"); and

WHEREAS the City desires to build a roadway across a portion of the property subject to the Lease; and

WHEREAS the foregoing property is located within a floodplain and is unbuildable; and

WHEREAS the parties hereto do wish to amend the lease with respect to the area of the demised premises.

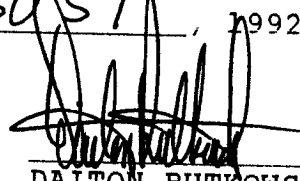
NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES HEREIN CONTAINED, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That the demised premises to be leased by Ruger pursuant to City Contract Number 87-77 is hereby amended as reflected on the attached Exhibit "A".
2. That except as amended herein, the Lease between the parties shall remain in full force and effect.



ROBERT R. STUTLER
GENERAL STUTLER

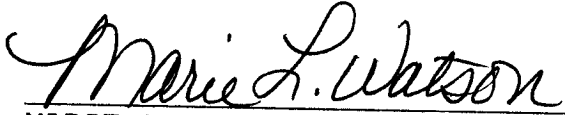
DATED this 14th day of AUGUST, 1992.



DAITON RUTKOWSKI, Mayor

ATTEST:

APPROVED AS TO FORM:

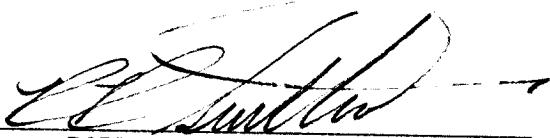


MARIE L. WATSON
City Clerk



JOHN R. MOFFITT
City Attorney

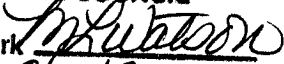
STURM, RUGER & COMPANY, INC.
a Foreign Corporation



By: _____
Name: ROBERT R. STUTLER
Title: GENERAL MANAGER

APPROVED

BY THE COUNCIL

City Clerk 

Date 8/11/92

Ordinance No. 3006

EXHIBIT

"A"

EARNEST A. LOVE FIELD

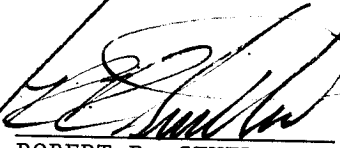
WASH AREA IN
EMERSON ELECTRIC PROPERTY.

ROADWAY AREA IN
EMERSON ELECTRIC PROPERTY

ROADWAY AREA AT
STURM RUGER.

BK 293 O.R. PGS. 344 - 345
ENTIRE 30.00 ACRE PARCEL

BK 1638 O.R. PGS 32 - 34
SOUTHWESTERLY 20.00 ACRES


ROBERT R. STUTLER
GENERAL MANAGER



SCALE 1" = 300'

CL RUNWAY II - 29

CL RUNWAY 3 - 21



PROPERTY SUBJECT TO LEASE