

AGREEMENT

This agreement made and entered into this 15th day of December 1999, by and between the City of Lawrence, Kansas, a municipal corporation (hereafter "City") and Mike Elwell, an individual (hereafter "Elwell").

WHEREAS, on April 29, 1991, City and Mike Elwell and Ron Miller (hereafter "Elwell-Miller") made and entered into a written agreement whereby Elwell-Miller was granted use of that certain real estate owned by City and situated in the City of Lawrence, Douglas County, Kansas, (hereafter Barb Wire Building) to-wit:

See Exhibit One hereto,

together with the improvements thereto and the appurtenance thereon, in and for the consideration and upon the terms and conditions therein set forth, a copy of said agreement being attached hereto as Exhibit Two (hereafter Barb Wire Building);

WHEREAS, on October 22, 1991, City and Elwell-Miller made and entered into a written agreement whereby it voided and replaced the agreement identified as Exhibit Two hereto, a copy of the October 22, 1991, agreement being attached hereto as Exhibit Three;

WHEREAS, at the time of Exhibits Two and Three the occupancy and use of the Barb Wire Building were subject to certain conditions, restrictions, covenants and agreements imposed by Lawrence Riverfront Plaza Associates, L.P. Kansas limited partnership (hereafter "Riverfront"), which acquired a leasehold interest in and to the Barb Wire Building and other property owned by City, together with all improvements thereto and appurtenances thereon;

WHEREAS, the use and occupancy of the Barb Wire Building by Elwell is subject to all of the terms conditions, covenants and restrictions in force and effect as of the date of this agreement, as created and imposed by Riverfront, Chelsea and/or Riverfront L.L.C., a Kansas Limited Liability company, together with such terms, conditions, covenants and restrictions as agreed to by and between City and Elwell herein;

WHEREAS, the aforesaid, Ron Miller, has previously made, executed and delivered his written disclaimer of all right, title and interest of any kind or nature in and to the Barb Wire Building and the lease thereof;

WHEREAS, by the terms of Exhibit Two Elwell-Miller agreed to complete the renovation and development of the Barb Wire Building so as to qualify for a Certificate of Occupancy from City no later than April 1, 1994, which date was subsequently extended to January 1, 1995, and then December 31, 1995, by City;

WHEREAS, as of the date of this agreement the Barb Wire Building has not been developed and renovated to the extent that City would issue a Certificate of Occupancy.

WHEREAS, City and Elwell do, by this written agreement, intend to set forth the consideration for and the covenants, agreements, obligations, liabilities, terms and conditions of Elwell's continued use and occupancy of the Barb Wire Building.

THEREFORE, the parties hereto do hereby agree, each with the other, as follows, to-wit:

1. City hereby leases to Elwell and Elwell hereby leases

from City, the real estate described in Exhibit One hereto, together with all improvements thereto and appurtenances thereon, in and for the consideration(s) hereafter provided, the nature, extent and sufficiency of which are acknowledged by City. Commencing on the 1st day of January, 2005, Elwell shall pay to City the sum of \$4,800.00 per year, in consideration for the use by his customers or patrons of that portion of the parking garage, located southeast of Barb Wire Building, where the public is from time to time permitted to park without charge. The payments shall be made yearly, in advance, commencing January 1, 2005, and continuing on the same day of each year thereafter during the initial term of this lease and all renewals thereof.

2. The initial term of the lease shall be for a period of _____ years and _____ months commencing the ___ day of _____, 1999, and ending on the 4th day of April, 2007. Elwell shall have the option to extend this lease for eight (8) additional periods of ten (10) years each, provided he shall be in full compliance with all of his obligations under this lease on the first day of each such renewal term for which he shall elect to exercise his option. The option for each renewal period must be exercised separately and shall be effective upon written notice thereof given to City no later than six months prior to the end of the then existing lease period, initial or renewal. If Elwell shall fail to timely exercise his option to renew this lease for any renewal period, City shall give Elwell written notice of such failure and Elwell shall have 90 days after such notice to give

City written notice of his election to renew this agreement. Should Elwell then fail to timely renew this lease said lease shall be automatically terminated. This lease agreement shall, at the latest, terminate on April 4, 2087.

3. It is recognized by the parties that Elwell has spent considerable money, time and effort in the development and renovation of the Barb Wire Building however, considerable work and expenditure of money remain before City will issue a Certificate of Occupancy for said building. Such additional work repairs and renovations to said building include, but are not specifically limited to the following:

a. Elwell has substantially completed construction of an overhead walkway, which connects the Barb Wire Building to the City's parking garage located on the south side of the railroad tracks. City has authorized the connection of the walkway to said parking garage only at the location it presently exists. The design, location and materials used in constructing the walkway have been approved by the City, based upon the plans developed and stamped by a structural engineer licensed by the State of Kansas. Elwell shall pay all of the costs of design, engineering, materials, labor, equipment, insurance, and all other costs whatsoever, incurred or to be incurred, for the construction of said walkway. City is not, and shall not be, responsible to Elwell for any other access point or method he may want or desire for ingress to or

egress from Barb Wire Building however, Elwell is not precluded from requesting that the City approve additional methods or points of entry to Barb Wire Building.

b. Elwell, at his sole cost and expense will provide access to the interior of the Barb Wire Building from the overhead walkway by such means as shall be required or permitted by City and which shall meet the requirements of all codes, ordinances, statutes, rules and regulations, local, state and federal, relating to or dealing with access to and for Persons with Disabilities.

c. Elwell, at his sole cost and expense shall cause the Barb Wire Building to be placed in compliance with the requirements of all codes, ordinances, statutes, rules and regulations, local, state and federal relating to or dealing with safety, health and the environment, save and except for adverse environmental conditions which may have been in existence on April 29, 1991.

d. All things to be done by Elwell hereunder prior to the issuance of a Certificate of Occupancy for the Barb Wire Building shall be completed on or before the 1st day of June, 2000. Should Elwell fail to timely bring the Barb Wire Building to such condition that City will issue a Certificate of Occupancy for said building, then in that event Elwell shall pay to City, as and for a penalty for failing to timely complete such construction, the amount of \$100.00 for each and

every day the Barb Wire Building shall not be so completed. The city will not issue a Certificate of Occupancy for the Barb Wire Building until the sum of said daily penalties for late completion have been paid.

The governing body of City may extend the completion date to a reasonable completion date beyond the 1st day of June, 2000, only upon a showing by Elwell that he was unable to complete the project by the agreed upon date because of causes, acts or happenings beyond his control, with lack of adequate funds not being a cause beyond his control.

4. City does not agree, covenant, warrant or guarantee Elwell parking for Barb Wire Building, other than the right to use available public parking as all citizens and guests can do.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell will not use the Barb Wire Building for any purpose(s) not allowed in a C-3 zoning district in the City of Lawrence, Kansas, and specifically said property shall not be used for gambling purposes, the conduct of a sexually oriented business or the showing of sexually explicit scenes or activities in any form or media whatsoever.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell may use all or part of Barb Wire Building for the sale of alcoholic beverages and cereal malt beverages, provided he qualifies for and is issued the appropriate license(s) by the State of Kansas and/or the City. Elwell specifically understands and agrees, as an express consideration of this agreement, that the

City, both in its capacity as landlord of Barb Wire Building and in its capacity as a Kansas Municipality, has the power to regulate the hours during which alcoholic beverages and/or cereal malt beverages may be sold or consumed at the Barb Wire Building; and should the City Commission of City, at any time, for good cause shown determine, in the exercise of its rights and duties as a landlord or in the exercise of its Police Powers, that such sale or consumption should stop at a time earlier than allowed any other licensed establishment in Lawrence, Kansas, then in that event Elwell agrees to abide the decision of the City Commission, Elwell shall always have the right to appeal such decision to the District Court of Douglas County, Kansas, for the reason that said City Commission exceeded its authority under the Police Powers granted it by the State of Kansas.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that at all times Elwell shall possess a valid license(s) to sell or serve alcoholic and/or cereal malt beverages, Elwell shall have in full force and effect a valid Liquor Liability Insurance Policy whereby City is an additionally named insured. Such policy of insurance shall be written by an insurance company authorized to do business in the State of Kansas and shall have a single event liability coverage limit of not less than \$1,000,000.00 for bodily injury, death and property less damage or destruction. The issuing insurance company shall provide City with a Declaration of Coverage at the time of the initial issuance of the policy and all renewals thereof, and shall contain a provision that the policy will not be

canceled or amended by the issuer without 30 days advance written notice to City.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell will purchase and maintain a general liability insurance policy with minimum limits of \$500,000.00 per occurrence insuring against personal injury, death and property damage occurring on or arising from the operation of Barb Wire Building, upon which city shall be an additional named insured. The issuing insurer shall provide City with a Declaration of Coverage upon the initial issuance of the policy and all renewals thereof. The issuing insurer may not cancel or amend said policy of insurance without 30 days advance written notice to City.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell shall maintain and keep in good state of repair the grounds described in Exhibit One hereto, upon which is located the Barb Wire Building, together with the building and all improvements thereto, including the overhead access to the south side of the building. Elwell's maintenance responsibilities shall include the interior and exterior condition of the building (cosmetic and structural), the grounds, the roof, roof structure, walls, flooring windows, elevator(s), mechanical, water, electrical heating and air conditioning, plumbing and all other parts and portions, whether specifically stated and identified herein, all of which shall be maintained and kept in as good a state of repair, throughout the initial term of this lease and all renewals thereof, as of the date City shall cause a Certificate of Occupancy for Barb Wire Building

to be issued to Elwell. It is expressly understood and agreed that neither city or Elwell shall have any obligation or responsibility to the other because of erosion of the river bank.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell shall at all times, in the use and occupancy of Barb Wire Building, comply with all laws, and regulations, Federal, State and Local, applicable to Barb Wire Building and its location and the use(s) to which it is put during the initial term of this agreement and all renewals thereof, including, but not limited to, zoning laws, historic preservation laws, OSHA, liquor and cereal malt beverage laws, and Americans With Disabilities Act. Should the law(s) governing the use of said building change so as to make Elwell's use thereof a non-conforming use, then in that event, to the extent allowed by law, Elwell's use of said building shall be "Grandfathered", and Elwell shall be entitled to continue his then existing use of said building.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell shall at all times during the initial term of this agreement, and all renewals thereof, obtain, keep and maintain, at his own cost, a policy(ies) of fire and extended coverage insurance, with a minimum of 90% of co-insurance, insuring the Barb Wire Building, together with leasehold improvements thereto, against loss, damage or destruction customarily insured against by such policy(ies). Said insurance shall be written by a reputable company(ies) authorized to issue such policy(ies) in the State of Kansas, and shall name City as an additional named insured. Said

insurance shall always be in an amount not less than \$250,000.00. The company(ies) which shall issue such policy(ies) of insurance shall deliver to City a Declaration of Coverage for insurance at the beginning of the initial term of this agreement and at the beginning of each renewal term thereof. Such policy(ies) shall not be cancelable by the issuer without 30 days prior written notice to City.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell may carry additional limits of fire and extended coverage insurance whereby he insures his fixtures, equipment, inventory, personal property and other leasehold improvements against loss, damage or destruction. In the event of loss, damage or destruction to Barb Wire Building or its contents, by a cause or event covered by said policy(ies) of insurance, Elwell shall cause the Barb wire Building to be repaired and restored to as good condition as existed immediately prior to such loss, provided such can be done for not more than \$250,000.00, or not more than 15% of the amount of the fire and extended insurance coverage on said building and leasehold improvements at the time of such loss, whichever amount shall be the greater. If the Barb Wire Building cannot be repaired and restored for \$250,000.00 or 15% of the amount of said insurance coverage, whichever is the greater, Elwell shall have the option of repairing or restoring said Barb Wire Building to its condition immediately prior to the loss, all without cost to City, or may elect not to make such repairs. Should it be determined that City will receive said insurance proceeds in lieu of the restoration or

repair of City's Insured Property then in that event this agreement shall be null and void and of no further force and effect and Elwell shall immediately vacate and surrender Barb Wire Building to City, without additional payment or compensation by either party. Elwell shall cause to be endorsed on said policy(ies) a non-subrogation clause thereby protecting City against claims and suits because of its negligent acts which may have caused or contributed to any such damage, loss or destruction.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that parties hereto, that Elwell shall pay all personal property taxes, real estate taxes and special assessments, if any, levied and charged against Barb Wire Building for the year 1991 and all subsequent years, including each of the years of the initial term of this agreement and all renewals thereof.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell shall be responsible for and pay the cost of all utilities servicing Barb Wire Building, including installation, maintenance, deposits and monthly charges. However, Elwell shall not be required to pay an impact fee(s), if any would otherwise be required.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell leases and takes Barb Wire Building subject to the terms, conditions, obligations and responsibilities set forth in the following agreements and documents, to-wit:

1. Party Wall agreement between Lawrence Riverfront Plaza Associates, L.P. and Bowersock Mills and Power company dated

January 11, 1989 and recorded February 9, 1989, in Book 428, pages 775-784, Office of the Register of Deeds, Douglas County, Kansas, a copy of which is attached hereto as Exhibit 4 and by reference is incorporated herein;

2. Retaining Wall Agreement between Lawrence Riverfront Plaza Associates, L.P. and Bowersock Mills and Power Company dated January 11, 1989, and recorded in Book 428, pages 785-793, a copy of which is attached hereto as Exhibit 5 and by reference is incorporated herein;

3. Sewer Line Agreement between Lawrence Riverfront Plaza, L.P., and Bowersock Mills and Power Company dated January 11, 1989 and recorded February 9, 1989, in Book 428, Pages 294-803, Office of the Register of Deeds, Douglas County, Kansas; a copy of which is attached hereto as Exhibit 6 and by reference is incorporated herein;

4. Agreement between Atchison, Topeka, and Santa Fe Railway Company and Riverfront Plaza Associates, L.P. dated January 20, 1989, and recorded February 9, 1989, in Book 428, Pages 804-808, Office of the Register of Deeds, Douglas County, Kansas, a copy of which is attached hereto as Exhibit 7 and by reference incorporated herein;

5. Agreement between the Atchison, Topeka, and Santa Fe Railway Company and City of Lawrence and Lawrence Riverfront Plaza Associates, L.P. dated January 23, 1989, and recorded February 9, 1989, in Book 428, Pages 8009-821, Office of the Register of Deeds, Douglas County, Kansas, a copy of which is attached hereto as

Exhibit 8 and by reference incorporated herein;

6. Real Estate Purchase and Sale Agreement between Mike Elwell and Ron Miller and Lawrence Riverfront Plaza Associates, L.P. dated February 28, 1991 a copy of which is attached hereto as Exhibit 9 and by reference is incorporated herein;

7. Dated November 22, 1988, Permit No. 88-22 issued by State of Kansas, Kansas Department of Wildlife and Parks to City, Kansas Riverfront Plaza Associates, L.P. and Chelsea Group, and their personal representatives, heirs, successors and assigns relating to environmental protection of Bald Eagles, a copy of which is attached hereto as Exhibit 10 and by reference is incorporated herein;

8. Party Wall Agreement between Riverfront, L.L.C. and City of Lawrence, Kansas dated March 20, 1999 a copy of which is attached hereto as Exhibit 11 and by reference is incorporated herein;

9. Access Easement between City of Lawrence, Kansas, and Bowersock Mills and Power Company, dated March 26, 1999, a copy of which is attached hereto as Exhibit 12 and by reference is incorporated herein;

10. Sewer Easement Agreement between Riverfront L.L.C. and Bowersock Mills and Power Company, dated _____, 1999, a copy of which is attached hereto as Exhibit 13 and by reference is incorporated herein;

11. Sewer Easement Agreement between City of Lawrence, Kansas, Mike Elwell and Bowersock Mills and Power Company, a copy

of which is attached hereto as Exhibit 14 and by reference incorporated herein; and

12. Conservation Easement by and between City and State of Kansas, Department of Wildlife and Parks, dated March 21, 1989, a copy of which is attached hereto as Exhibit 15 and by reference incorporated herein.

13. Real Estate Purchase and Sale Agreement between Lawrence Riverfront Plaza Associates and Elwell-Miller, dated February 28, 1991, as modified by the Amendment to Real Estate Purchase and Sale Agreement between Elwell and Riverfront L.L.C., a Kansas limited liability company, dated March ____, 1999, copies of which are attached hereto as Exhibits 16 and 17 respectively.

IT IS EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell is and shall be bound by the terms, conditions, duties and obligations of each of the above-described Exhibits 4 through 17, inclusive, and all other agreements, leases, easements and writings of every kind, which in anyway relate to the Barb Wire Building and the use, occupancy and improvement, maintenance and repair of Barb Wire Building by City or any other person(s), corporation(s), partnership(s) or entity(ies) acting through, on behalf of or under the authority of City.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that:

1. If Elwell shall fail (i) to make any payment of any sum to be paid by Elwell, as provided in this lease, when the same shall become due as herein provided and such default shall continue

for a period of one hundred eighty (180) days after notice by City to Elwell specifying such default; or (ii) if, during the initial term or any renewal thereof, Elwell shall be adjudicated a bankrupt or make a general assignment for the benefit of creditors, or take the benefit of any insolvency act (federal or state, and whether now or hereafter enacted); or if a Receiver or Trustee be appointed for Tenant's property in any federal or state court insolvency proceeding, or any proceeding involving the major portion of Elwell's assets, and such appointment shall not be vacated within one hundred fifty (150) days after it has been made; or if Tenant's leasehold estate shall be taken upon execution or attachment which is not vacated in one hundred fifty (150) days after notice from City; (iii) if Elwell shall voluntarily abandon or desert the leased premises; or (iv) if Elwell shall permit or cause a mechanic's lien to be filed of record against any part or portion of Barb Wire Building, or the land upon which it is located, such shall be considered an event of default by Elwell, and if such default is not cured by the release of record of such mechanic lien(s) within one hundred eighty (180) days of the date of the filing thereof; then upon the happening of any one of the foregoing events, City may at its election, terminate this lease by giving Elwell at least one hundred eighty (180) days notice of its election so to do, and upon the date set forth in said notice, this lease shall terminate in the same manner and with the same effect as if said date were fixed herein for expiration of the term without entry or other act by City.

2. In the event Elwell shall fail or neglect to do any act or thing in this lease provided to be done or performed by it, and such failure shall continue for any applicable grace period after notice from City specifying the act or thing to be done or performed, City may (but shall not be required to) perform the same and Elwell shall, on demand, reimburse City for the cost thereof together with interest thereon at the maximum rate permitted by law.

3. If this lease shall be terminated as provided in paragraph 1 above City's representatives, agents or servants, may immediately or at any time thereafter re-enter the Barb Wire Building, the building and the building equipment and remove therefrom Elwell his agents, employees, servants, and any persons holding or claiming by, through or under Elwell, and all or any of its or their property therefrom, either by summary dispossession proceedings or by any suitable action or proceeding at law or by force or otherwise, without being liable to indictment, prosecution, or damages therefor, and repossess and enjoy the Barb Wire Building the building and the building equipment.

4. In case of any such termination, re-entry, or dispossession by summary proceedings or otherwise, all charges required to be paid by Elwell hereunder shall thereupon become due and payable to the time of such termination, re-entry or dispossession, and Elwell shall also pay to city all expenses which city may then or thereafter reasonably incur for legal expenses, attorneys' fees, brokerage commissions, and all other reasonable costs paid or

incurred by City for restoring the Barb Wire Building, the building and the building equipment to good order and condition and for altering and otherwise preparing the same for reletting.

5. Elwell, for himself and any and all persons claiming by through or under Elwell, including without limitation, his creditors, receivers and trustees in bankruptcy, upon the termination of this lease in accordance with the terms hereof, or in the event of entry of judgment for the recovery of the possession of the Barb Wire Building in any action or proceeding, or if City shall enter the Barb Wire Building by process of law or otherwise, hereby waives any right of redemption provided or permitted by any statute, law or decision now or hereafter in force, and does hereby waive, surrender and give up all rights or privileges which he or they may or might have under and by reason of any present or future law or decision, to redeem the Barb Wire Building or for a continuation of this lease after having been dispossessed or ejected therefrom by process of law, or otherwise.

6. Should Elwell be in default of any of his obligations and duties imposed by this agreement, for which City shall be required to give him notice of such default and a period within which to cure such default, City may elect to deny use of the City parking garage, located immediately southeast of Barb Wire Building, to Elwell and the customers, patrons and other occupants of said Barb Wire Building, commencing on the date of said notice to cure and continuing until such default is cured.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that

Elwell shall have the right to sell, assign or transfer this lease agreement, or sub-lease or sublet Barb Wire Building with the prior consent of the City, which said consent shall not unreasonably withheld, so long as the assignee shall be fully bound by the terms, conditions, covenants, restrictions, duties and obligations of this agreement, and any sub-lessee or sub-tenant of the Barb Wire Building, or part thereof, shall be required to abide by the terms, conditions and requirements of this agreement. Upon the City's consent the prior leaseholder shall be relieved of all future obligations under the lease. The City's consent is not required upon an assignment by Elwell to a Limited Liability Corporation that he retains majority ownership in or upon the death of Elwell at which time his interest in the Barb Wire building would pass by will, trust or by law. However, upon such assignment by Elwell to the Limited Liability Company or passage of Elwell's interest in the Barb Wire Building upon his death, neither Elwell, the Limited Liability Company or Elwell's heirs shall be released from the terms, conditions, covenants and obligations of this lease agreement. All such assignments will require an Assumption Agreement to be executed in recordable form by all such assignees, devisees or legatees.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell shall have the right to mortgage, assign or pledge his leasehold interest in an amount not to exceed 75% of the appraised value of the leasehold interest or \$250,000, whichever is greater, created by his lease agreement.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that Elwell shall, upon the expiration or sooner termination of this lease for any reason whatsoever, surrender to City the Barb Wire Building, in good condition and repair, except for reasonable wear and tear and damage resulting from fire or other casualty, subject to the application of the proceeds of the fire and extended policy(ies) insuring Barb Wire Building above-provided and required.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that City covenants and agrees that Elwell, upon making the payments herein required, and performing and observing the covenants, conditions and agreements hereof on the part of Elwell to be performed and observed, shall and may peaceably hold and enjoy the demised premises during the initial term and all renewals thereof, without any interruption or disturbance from the City or persons claiming through City, subject, however, to the terms of this lease. this covenant shall be construed as running with the land to and against subsequent owners and successors in interest shall expire upon the termination of this lease.

THE PARTIES FURTHER AGREE to the following general conditions to this lease agreement:

1. NOTICE: All notices, consents, demands, approvals and requests (other than rent bills) (hereafter collectively "Notices") which are required or desired to be given by either party to the other shall be in writing. All notices by either party to the other shall be sent by United States registered or certified mail,

return receipt requested, postage prepaid, addressed to the other party at its address set forth in this lease, or at such other place as it may from time to time designate in a written notice in the above manner to the other party. Notices which are served upon City or Elwell in the manner aforesaid, shall be deemed to have been given or served for all purposes hereunder on the business day next following the date of mailing.

In the alternative, notices required hereunder, which are in writing, may be hand delivered to the addressee personally and shall be effective upon the date of such personal delivery.

2. RELATIONSHIP OF CITY AND ELWELL: No relationship exists between Elwell and City, other than that of landlord and tenant, and Elwell has no authority, real, imagined or pretended, to bind to or commit City to any obligation regarding Barb Wire Building, other than as specifically set forth in this lease agreement.

3. APPLICABLE LAW: This lease shall be governed by and construed in accordance with the laws of the State of Kansas, without aid of any presumption or canon requiring construction against the party causing this lease to be prepared.

4. ENTIRE AGREEMENT: This instrument constitutes the entire agreement between the parties with respect to the subject matter hereof, and there are no verbal or collateral understandings, agreements, representations or warranties not expressly set forth herein and this lease agreement shall replace and supersede in its entirety all past agreements and understandings between the parties hereto, except for the terms, conditions and obligations of

Exhibits ____ through ____ hereto.


5. COVENANTS BINDING ON RESPECTIVE PARTIES: This agreement is and shall be binding upon and inure to City and Elwell, and their respective heirs, executors, administrators, personal representatives, successors and assigns.

6. REMEDIES CUMULATIVE: The specified remedies to which the parties hereto may resort under the terms of this lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the parties hereto may be lawfully entitled in case of any breach or threatened breach by the other party hereto of any provision of this lease.

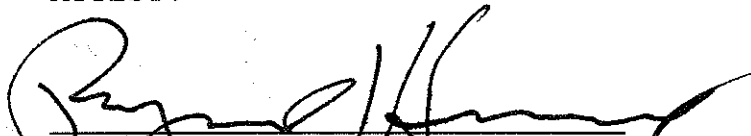
7. NO ORAL CHANGE: This lease may not be changed orally but only by an agreement in writing signed by the party against whom enforcement of the change modification discharge is sought.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Agreement as of the day and year first above written.


CITY OF LAWRENCE, KANSAS
a municipal corporation

By 
Ervin E. Hodges, Mayor
"CITY"

ATTEST:


Raymond J. Hummert, City Clerk

MIKE ELWELL, individual

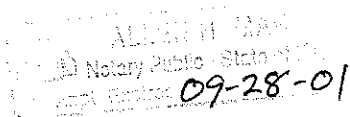
By: 
Mike Elwell
"ELWELL"

ACKNOWLEDGEMENT

STATE OF KANSAS)
) ss:
COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this 14th day of DECEMBER, 1999, before me, a Notary Public in and for the County and State aforesaid, came ERVIN E. HODGES, Mayor of the City of Lawrence, Kansas, and RAYMOND J. HUMMERT, City Clerk of said City, who are personally known to me to be the same persons who executed the above instrument and duly acknowledged the execution of the same to be the act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal on the date last above written.



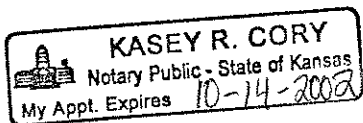
Allen H. Martin
Notary Public

ACKNOWLEDGEMENT

STATE OF KANSAS)
) ss:
COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this 15th day of December 17, 1999, before me, a Notary Public in and for the County and State aforesaid, came MIKE ELWELL, who is personally known to me to be the same person who executed the above instrument and duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal on the date last above written.



Kasey R Cory
Notary Public