

CAPTAIN EDGAR DALE POST 81 LEASE

THIS LEASE, made and entered into this 1st day of November, 2009, by and between the City of El Dorado, Kansas, a municipal corporation, hereinafter called "Lessee" and Captain Edgar Dale Post 81, the American Legion, department of Kansas, hereinafter called "Lessor".

The intent of this lease is to facilitate the Lessee's desire to maintain and operate the Lessor's golf operations and provide property for the development of a football and track & field complex for the benefit of the Community.

- 1) Lessee shall use land only for the municipal purposes including but not limited to golf operations, storm water control, parks and football and track and field facilities, including any and all additional activities of that nature. (ex. Soccer)
- 2) Lease term is from November 1, 2009 until October 31, 2109 and covers all taxable Legion property located in the area of Central and Haverhill streets in El Dorado, Kansas more fully described on Exhibit "A" attached hereto and made part hereof.
- 3) Lessee agrees to save and hold Lessor harmless from and against any and all claims and demands which might arise out of the usage of such premises by Lessee and in the event that any such claim or demand is ascertained, Lessee agrees to defend the same at Lessee's expense and to pay any judgment which might result therefrom including holding Lessor safe from attorney's fees. Similarly, if through act of Lessor a claim or liability is created for Lessee, Lessor agrees to hold Lessee safe and harmless from said liability including safe from attorney fees.
- 4) All golf course operation and maintenance costs will be paid by the City of El Dorado-including driving and parking surfaces, effective November 1, 2009. Any and all prior expenses shall be Lessor's responsibility.
- 5) All property covered by the terms of the lease may be removed from lease by Lessor by providing Lessee with 60 days written notice of intent to remove, except for the property designated for the football/track complex and its amenities tract, including but not limited to improved and unimproved parking areas, roadways for ingress and egress, storm water drainage improvements, etc. That particular area cannot be taken out of the lease except in the event the Lessee or its assignees purchase that tract for \$219, 249.00 or it is assigned to a Community Sports Authority. It is anticipated this excepted tract is the area described in Exhibit "B", attached and made a part hereof. The Lessee reserves the option to purchase the entire property for \$1 or other valuable considerations at the end or term of this lease.
- 6) The Parties agree and it is understood that Lessor may remove any or all portions except Exhibit B above for financial gain. If that occurs, the cash portion of Lessee's monthly payment will be reduced dollar for dollar proportional to gain, up to 50 %. This reduction process is more fully described in Exhibit "C" attached and made a part hereof.

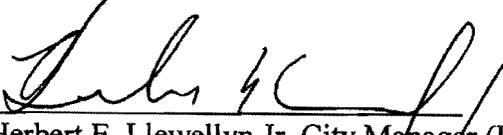
Lessee is allowed use free of additional fee or expense of all Legion golf equipment and associated buildings while Lessee operates golf course. Once the golf course is no longer operated by the Lessee, the real property and improvements are still under the Lessee's control. However, the moveable equipment shall be returned to Lessor for use and disposal. Lessee is not liable for any damage to personal property from theft or damage in the interim.

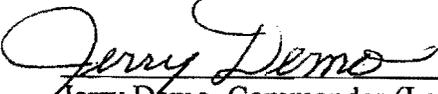
- 7) Lessee will keep golf course open at least until March 31, 2010 or transfer memberships to some other local course to that date. After March 31, 2010, Lessee shall have no obligation to keep Course open for operation. Lessee shall not assume nor be liable for any membership contracts or employee agreements in the name of the Lessor.

- 8) The Naming rights more specifically described in provision #4 Naming Rights, in Option Agreement dated March 3, 2008 and amendment dated March 3, 2009 will be part of this Lease. The obligation to retain for employment two employees specifically named in Paragraph #10 Groundskeeper shall be honored by Lessee. The Parties agree the Option Agreement and Amendment lapse on their own terms once this Lease is executed.
- 9) Parties always agree to work together and discuss Lease contract provisions and possible modifications that are constructive modifications subject to both parties' approval and agree to make good faith efforts to make accommodations whenever possible.
- 10) The lease shall be available to and binding upon the parties hereto and their respective heirs, administrators, successors and assigns.
- 11) In consideration of the mutual promises conveyed in this lease, Lessee agrees to pay Lessor one thousand dollars (\$1,000.00) per month and pay electric, water waste water and gas bills on Post Home, 1801 West Central, El Dorado, Kansas, at their current rate of actual use. Gas and electric bill payment combined shall be no more than \$1,000 per month.
- 12) The Parties acknowledge they have the legal authority and authorization from their elected Board and Commission to enter into this extended Lease.
- 13) The Lessor warrants that it is the legal owner of the property described in Exhibit A and that said property is free and clear of any and all liens and encumbrances except easements of record.
- 14) Lessee has right to sublease any and all property subject to the terms and conditions of this Lease. Parties agree the Property described as Exhibit B may be conveyed to a Community Sports Authority and separated from this Lease at that time keeping as constant, right of purchase and maintaining a 99 year lease at consideration of a dollar and other good and valuable consideration.
- 15) This Lease does not create a corporation, Joint Venture or Partnership between the parties.
- 16) In the event the rent or utility payments are unpaid for 30 days, Lessor shall provide Lessee written notice and the Lessee shall have 20 days to cure the default by making the payments designated. Failure to cure provides Lessor with option to terminate Lease or keep it in effect.

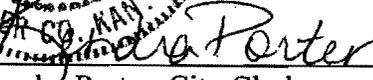
IN WITNESS WHEREOF, the parties have executed these presents in duplicate, each copy to be treated as an original, the day and year first above written.

THE CITY OF EL DORADO, KANSAS


 Herbert E. Llewellyn Jr, City Manager (Lessee)


 Jerry Demo, Commander (Lessor)




 Kendra Porter, City Clerk


 Jerry Manderino, Adjutant

EXHIBIT A

Commencing at a point three hundred thirty (330') feet south of the northeast corner of the southwest quarter (SW $\frac{1}{4}$) of Section number three (3) Township number twenty six (26) south of Range number five (5) east; thence running south to the southeast corner of the northeast quarter of the southwest quarter (NE $\frac{1}{4}$ of SW $\frac{1}{4}$) of said section; thence running west sixty two rods three and one half feet (62 Rods & 3 $\frac{1}{2}$ '); thence running due north to a point four hundred forty three (443') feet south of the north line of said southwest quarter (SW $\frac{1}{4}$); thence running east five hundred fourteen (514') feet; thence running north four hundred forty three (443') feet to the north line of said southwest corner; thence running east to a point three hundred (300') feet west of the northeast corner of the southwest quarter (SW $\frac{1}{4}$) of said Section three (3); thence running south three hundred thirty (330') feet; thence running east three hundred (300') feet to the place of commencement in the County of Butler, State of Kansas

And

The west half of the southwest quarter (W $\frac{1}{2}$ of SW $\frac{1}{4}$) of Section number three (3); also beginning at the southeast corner of the west half of the southwest quarter (W $\frac{1}{2}$ of SW $\frac{1}{4}$) of said Section three (3); thence running east four (4) rods and six (6) links; thence running north two and one half (2 $\frac{1}{2}$ °) degrees west three hundred ninety and one half (390 $\frac{1}{2}$ ') feet; thence running east two hundred and seventy-seven (277') feet; thence running north two and one half (2 $\frac{1}{2}$ °) west six hundred twenty nine and one half (629 $\frac{1}{2}$) feet to a point ninety-eight (98) rods and six (6) links south of the north line of said southwest quarter (SW $\frac{1}{4}$) of said section; thence north ninety-eight (98) rods and six (6) links to said north line of the southwest quarter (SW $\frac{1}{4}$) of said Section three (3); thence west to the northeast corner of the west half of said southwest quarter and thence south along the east line of the west half of said southwest quarter to the place of beginning, all in Township number twenty-six (26) south, of Range number five (5) east of the sixth (6th) Principal Meridian, in the County of Butler, State of Kansas

And

Excludes the following Book & Page numbers

Book 1004 Page 0099
Book 1191 Page 0182
Book 2007 Page 3937
Book 2008 Page 5873
Book D165 Page 0275
Book 0890 Page 0245
Book 744 Page 174

Exhibit "B"

Legal Description

A Point Beginning 500' +/- North of the Southwest Corner of Section 3, Township 26S, Range 5E along the Section Line thence East 1,100.0' +/-; thence North 1,700.0' +/-; thence West 1,100.0' +/- to Section Line; thence South along Section Line 1,700.0' +/- to the Point of Beginning. (Said Tract Contains 43 Acres +/-)

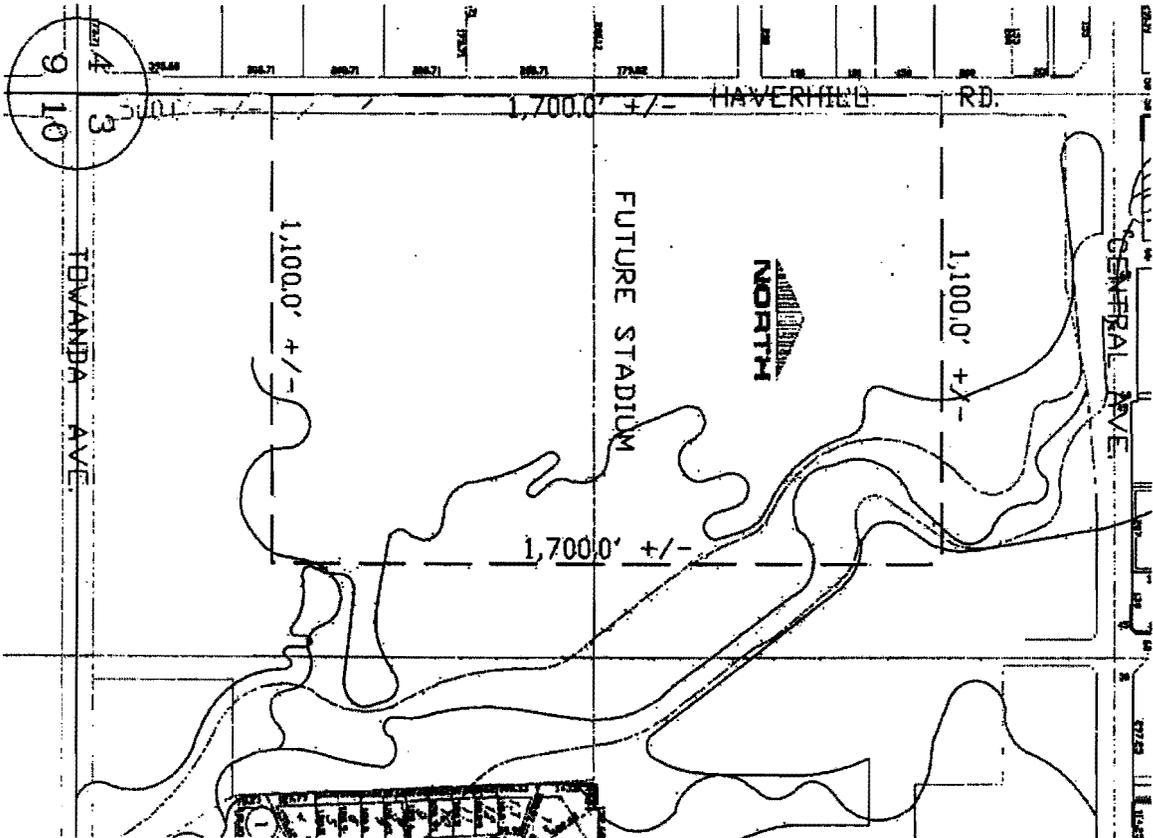


EXHIBIT C

CAPTAIN EDGAR DALE POST 81 LEASE RENUMERATION REDUCTION DESCRIPTION

Provision 6 of City of El Dorado and Edgar Dale Legion Post 81 lease anticipates that the Post will from time to time ask and be granted the right to remove portions of the property described in this lease from same. The parties agree that when this occurs, payments to Post from the City shall be lowered. Below is a fuller description of how payments shall be reduced.

Three independent examples are submitted as an illustration of how City's monthly payments will be impacted when Post takes land out of lease;

Legion agrees to lease third party acreage for \$400.00 per month. City's monthly payment will be reduced \$400.00 per month and shall be \$600.00 per month.

Legion agrees to lease third party acreage for \$1,000 dollars per month. City's monthly payment will be lowered to \$500.00 per month because rent cannot be lowered below \$500.00.

Legion agrees to sell acreage for \$30,000 dollars. City's payment would be reduced 10% or \$300.00. City's new rent will be \$700.00 per month.