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LEASE AGREEMENT

THIS AGREEMENT OF LEASE, entered into effective this 20th day of 2,
2002, by and between:

the **STROTHER FIELD AIRPORT/INDUSTRIAL PARK**,
an interlocal governmental entity jointly owned and operated by the Cities of
Arkansas City and Winfield, Kansas,

herein referred to as "**Landlord**", and,

the **CITIES OF ARKANSAS CITY, KANSAS AND WINFIELD, KANSAS**,
municipal corporations of the State of Kansas to jointly hold, construct and
operate a "**Humane Shelter**",

herein referred to as "**Tenant**".

WITNESSETH:

In consideration of the terms, conditions, and covenants hereinafter set
forth, the parties agree as follows:

(1) Demised Premises:

(1-a) Landlord hereby leases and Tenant does hereby lease from
Landlord a certain 5 acre tract of real estate east of US 77 and north of Cowley
County 27 legally described in attached "**Exhibit A**" and hereinafter referred to
as the "**Premises**" together with all and singular the appurtenances, rights,
privileges, and easements in any wise pertaining thereto, together with right of
access to any adjoining streets or alleys.

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(2) Primary Term of Lease and Option for Extension:

(2-a) The Primary term of this Lease shall be for ten (10) years, commencing on the 1st day of March, 2002, and terminating on the 28th day of February, 2012. The lease may be extended for additional lease periods of ten (10) years at the option of the Tenant by delivery of written notice to the Landlord within 30 days of the termination date of the lease.

(3) Lease Payments:

(3-a) Tenant shall pay unto Landlord an annual rental of ten dollars (\$10) on the 10th day of January of each year that this lease is in effect. Payment shall be made to:

Manager
Strother Field Airport Industrial Park
P.O. Box 747
Winfield, Kansas 67156

or such other place as Landlord may from time to time designate by written notification unto Tenant.

(4) Lease Extension, Rent Adjustment:

(3-a) Should the Tenant exercise its option to extend this lease for an additional term as allowed in Section 2 above the Landlord may request an adjustment in the amount of the lease payment subject to the mutual written agreement of the parties.

(5) Recording:

(5-a) It is understood and agreed that this Lease may not be in recordable form but the parties hereto agree that they may execute a Memorandum of this Lease in recordable form.

(6) Rights of Ingress or Egress To and From Premises:

(6-a) Landlord hereby grants unto Tenant all rights to traverse existing roadways or roadways developed for access to or around the Premises or necessary to provide ingress and egress (including motorized vehicles) and entrances for utility services to and from the premises. Otherwise, Landlord shall not be required to furnish any services or facilities or make any repairs or alterations in or to the leased premises or improvements thereon, except as the parties may agree.

(7) Ownership of Improvements:

(7-a) All buildings, building equipment, or improvements erected upon the property under this lease herein during the primary term of this Lease Agreement shall remain the property of Tenant. Upon termination of this Lease Agreement or any extension or renewal thereof, all buildings, building equipment, or improvements now or hereafter erected thereon, unless removed by Tenant with Landlord's consent shall become the property of Landlord. Landlord specifically reserves the option to (1) accept title to any building or improvements

erected under this Lease; or (2) require the buildings and all improvements erected upon the property under this Lease to be removed and the property restored to its original condition prior to the entry of this Lease Agreement at the sole expense of the aforementioned cities as tenants.

(7-b) The real property upon which all buildings, building equipment, or improvements now or hereafter erected thereon during the primary term or any extension or renewal thereof of this Lease shall remain the property of Landlord.

(8) Taxes and Utilities:

During the term of this Lease Agreement or any extension thereof, Tenant shall:

(8-a) Pay and discharge as the same shall become due and payable all utility service billings or assessments directly attributable to its possession, use and occupancy of the demised premises.

(8-b) Pay and discharge such taxes, licenses, general or special assessments and all other charges as may now or hereafter be lawfully levied by appropriate governmental authorities upon the leased premises or the privilege of conducting business thereon or upon the building's fixtures, improvements, equipment, inventory or other property of Tenant. Tenant reserves the right by appropriate legal proceedings, and at Tenants' sole expense, to review or contest any taxes or assessments levied against it or to make application for separate assessment whenever the same shall be in furtherance of the purposes of this

Lease, or in accordance with the relative rights and liabilities of Landlord and Tenant.

(9) Nondiscrimination Assurance:

(9-a) The Tenant will not, on the grounds of race, sex, color, religion, age, national origin, veteran status or disability discriminate or permit discrimination against any person or group of persons in any manner. The Landlord reserves the right to take such action as the United States Government may direct to enforce this covenant.

(10) Subletting:

(10-a) Tenant shall not assign, sublet or otherwise encumber this Lease or its rights hereunder, without the prior, written consent of Landlord, which consent shall not be unreasonably withheld. The Landlord does hereby specifically acknowledge and consent to the Tenant's subleasing of the premises to the Cowley County Humane Society for purposes of constructing and operating an animal shelter in accordance with the terms and conditions of an interlocal agreement between the Society and the Tenants, a copy of which is attached to this lease agreement.

(11) Signs:

(11-a) Tenant shall not affix, attach, permit to be attached or affixed upon the premises any flags, placards or signs, without the expressed

written consent of the Landlord, which consent shall not be unreasonably withheld.

(12) Liability and Indemnity:

(12-a) Tenant covenants and agrees at all times during the term hereof at Tenant's expense, to maintain and keep in force, general public liability Insurance against claims for personal injury, death, or property damages, occurring in, on, or about the demised premises, to afford protection to the limit of not less than \$500,000.00, in respect to injury and/or death of any one person and to the limit of \$1,000,000.00 in respect to property damage. Tenant agrees to include the Landlord as an additional named insured and to deliver unto Landlord upon request, copies or certificates of Insurance policies and of renewals thereof from time to time during term of this Lease Agreement.

(12-b) Tenant further agrees as additional legal consideration afforded herein, to hold harmless, indemnify and defend Landlord from and against any claims, judgments, damages, penalties, fines, costs, liabilities or losses, including Attorney fees, consultant fees and expert fees resulting from contamination by hazardous or toxic substances, waste or pollutants or contaminants which may occur upon the demised premises directly or indirectly resulting from Tenant's activities and its occupancy upon the demised premises.

(12-c) Each party shall assume all risk and liability for damage to property or injury to persons occurring on or about the leased premises which is proximately caused or contributed to by negligent acts or omissions of such

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party, its officers, agents, servants, employees and contractors, and shall further protect, defend, indemnify and hold the other harmless from and against any and all losses, damages, claims, liabilities, penalties, costs or expenses arising therefrom.

(13) Warranty as to Use of Property:

(13-a) Landlord warrants and represents it is lawfully seized of the leased premises and has the right to lease the same subject only to restrictive covenants imposed therein by the United States of America, acting by and through the Administrator of Civil Aeronautics as set forth in its deed of release to the Cities of Winfield, Kansas and Arkansas City, Kansas, as dated March 9, 1956, recorded in Book 235, at Page 422, of the records of the Office of the Registrar of Deeds, Cowley County, Kansas, and regulations of the Federal Aviation Administration as contained in Section 77 of the FCR.

(13-b) Landlord hereby warrants and agrees to defend title to the leased premises and covenants that Tenant shall not be disturbed in the quiet enjoyment thereof by claims against Landlord or persons claiming by, through or under Landlord so long as Tenant is not in default.

(13-c) Landlord expressly disclaims any representation or warranty, expressed or implied, as to the adequacy or fitness of the leased premises for any particular purpose.

(14) Right to Inspect:

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(14-a) Landlord shall have the right to enter upon the leased premises during Tenant's regular business hours to examine the condition and use thereof, provided such right is exercised so as to not interfere with Tenant and the conduct of Tenant's businesses.

(15) Governmental Authority:

(15-a) Tenant agrees to observe and comply with all laws, regulations, rules, orders and ordinances pertaining to its possession, use and occupancy of the leased premises as now existing or hereinafter promulgated by Federal, State, County or Governmental authorities asserting requisite jurisdiction and to pay all costs, expenses, fines, penalties, and claims arising out of its non-compliance therewith.

(15-b) Should the leased premises or any part thereof be taken, appropriated, confiscated or condemned for any public or quasi-public use under statute or by right of eminent domain, then this Lease shall automatically terminate effective as of the date possession is transferred as to that part of the leased premises so taken, appropriated, confiscated or condemned. In the event of a partial condemnation, rent payable to Landlord hereunder shall be reduced in the proportion the condemned acreage bears to the entire leased premises. The parties shall prorate any award paid for the remaining term of the Lease except that portion of the award applicable and apportioned to Tenant's building and improvements located upon the demised premises shall be awarded unto Tenant.

(16) Conditions of Default:

(16-a) In the event either party shall:

A. Fail to perform according to the terms, conditions and covenants of this Agreement;

B. Falsely warrant or represent a material fact called for herein;

C. Become insolvent or bankrupt as evidenced by a Petition filed by or against that party under Federal Bankruptcy Laws, voluntarily or involuntarily, make an assignment for the benefit of its creditors or have all or a substantial part of its assets become the subject of receivership or liquidation;

then such party shall be in default.

(16-b) If either party shall remain in default for a continuous period of thirty (30) days following written notification from the other or does not proceed with reasonable diligence to cure a default not otherwise capable of redress within said thirty (30) day period, the party not in default may terminate this Lease and proceed by appropriate action to invoke any other remedies available at law or in equity.

Upon failure of tenant to cure default, Landlord shall be entitled to immediate possession of the leased premises and Tenant shall relinquish the same. The forbearance of or failure to invoke any remedy afforded by either party herein shall not preclude or prejudice the subsequent exercise of such remedy, nor shall such forbearance or failure operate as a defense to any subsequent claim of

breach or default.

(16-c) In the event Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any obligation hereunder due to causes beyond its reasonable control, performance thereof shall be excused for the period of such delay.

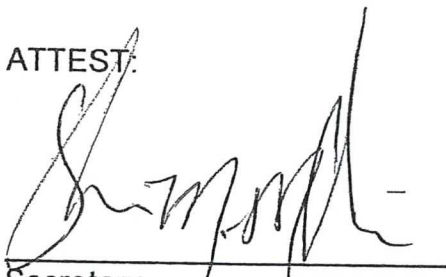
The provisions of this Lease and all right and obligation hereunder shall be governed by and construed in accordance with the laws of the State of Kansas. Any provision found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating any other part of this Agreement.


All terms, covenants and conditions herein contained or implied by law shall run with the land and shall be binding upon the parties hereto, their successors, agents, representatives and assigns.

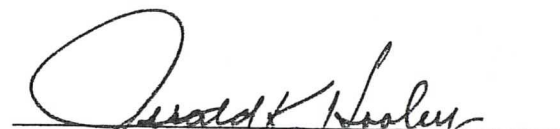
IN WITNESS WHEREOF, the parties have set their hands the day and year first above appearing.

THE STROTHER FIELD AIRPORT/INDUSTRIAL
PARK Cowley County, Kansas

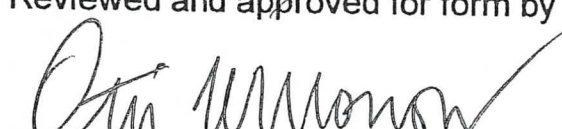
ATTEST:


Secretary



By: Chairman


ARKANSAS CITY MAYOR


ATTEST CITY CLERK

Reviewed and approved for form by

Arkansas City Attorney

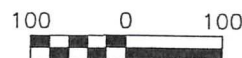

ATTEST CITY CLERK

Reviewed and approved for form by

Winfield City Attorney

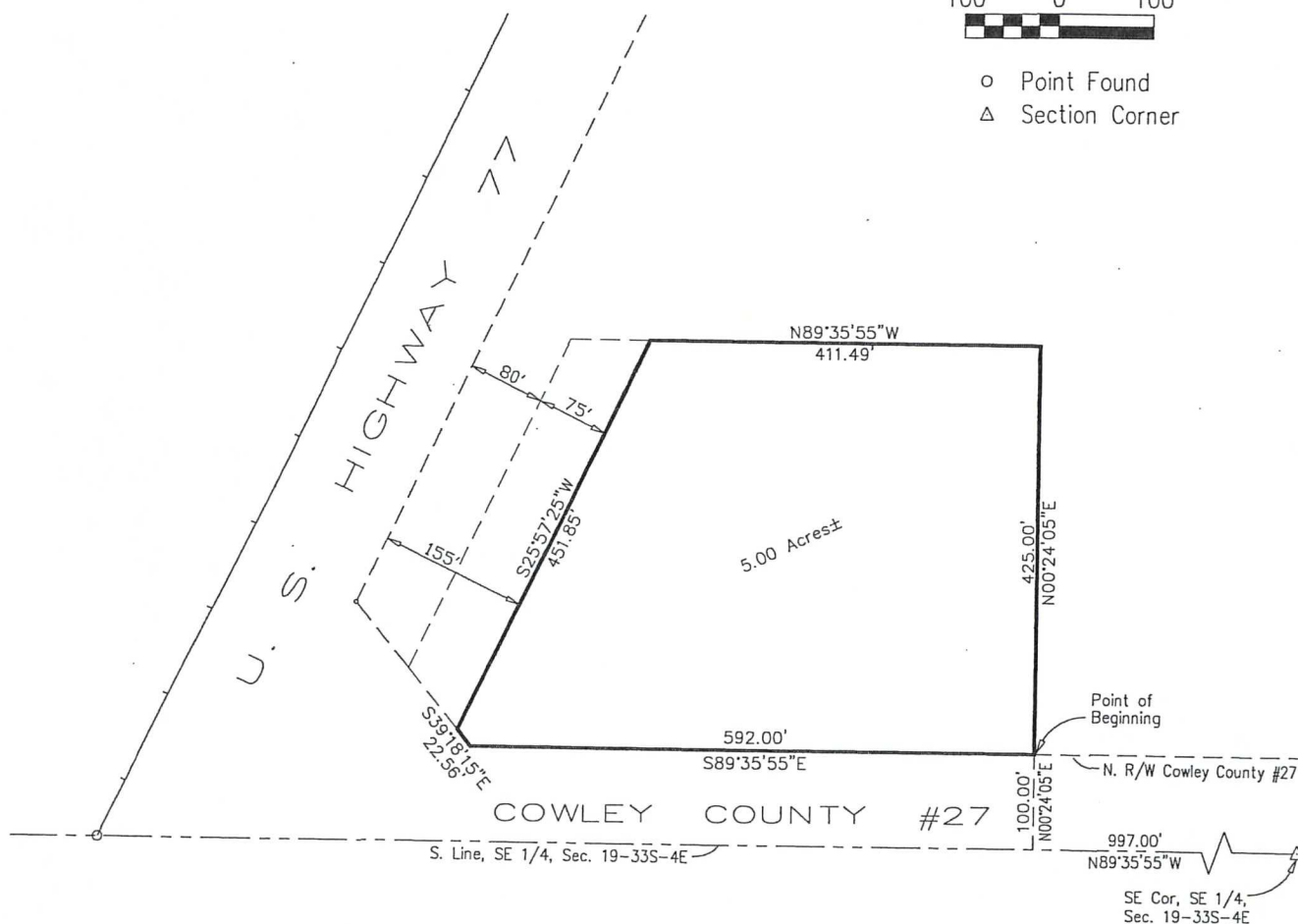

WINFIELD MAYOR

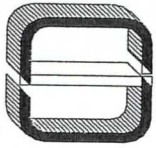


DESCRIPTION: See Attached Sheet



- Point Found
- △ Section Corner



**SMITH & OAKES**
ENGINEERS / SURVEYORS, P.A.

P.O. Box 696 / 107 North Summit / Arkansas City, KS 67005
(620) 442-4756 (Voice/Fax) / E-Mail: info@smithandoakes.com

Al J. Oakes, P.E., L.S.
President

April 1, 2002

DESCRIPTION:

A tract of land situated in the Southeast Quarter of Section 19, Township 33 South, Range 4 East of the 6th Principal Meridian; being more particularly described as follows:

Commencing at the Southeast Corner of the Southeast Quarter of Section 19, Township 33 South, Range 4 East of the 6th Principal Meridian; thence North 89 degrees, 35 minutes, 55 seconds West (on an assumed bearing) along the South Line of said Southeast Quarter a distance of 997.00 feet to a point; thence North 00 degrees, 24 minutes, 05 seconds East a distance of 100.00 feet to a point on the North Right-of-Way of Cowley County #27, and the Point of Beginning of the herein described tract of land; thence continuing North 00 degrees, 24 minutes, 05 seconds East a distance of 425.00 feet to a point; thence North 89 degrees, 35 minutes, 55 seconds West a distance of 411.49 feet to a point; thence South 25 degrees, 57 minutes, 25 seconds West, being parallel and 155.00 normally distant to the East U.S. Highway 77 Right-of-Way a distance of 451.85 feet to a point; thence South 39 degrees, 18 minutes, 15 seconds East a distance of 22.56 feet to a point on the North Right-of-Way of Cowley County #27; thence South 89 degrees, 35 minutes, 55 seconds East along said North Right-of-Way a distance of 592.00 feet to the Point of Beginning; containing 5.00 acre(s), more or less.