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By

AMENDMENT TO INTERLOCAL AGREEMENT AND  
GUARANTEE AND REIMBURSEMENT AGREEMENT  
CONCERNING LAND AND IMPROVEMENTS AT  
EAST HILLS BUSINESS PARK

THIS AMENDMENT, made and entered into this 5th day of  
November, 1991, among the COUNTY OF DOUGLAS COUNTY, KANSAS,  
(hereinafter referred to as "County"), DOUGLAS COUNTY DEVELOPMENT,  
INC., a Kansas corporation (hereinafter referred to as "Development,  
Inc."), and THE CITY OF LAWRENCE, a municipal corporation (hereinaf-  
ter referred to as "City").

WHEREAS, on June 16,, 1989 the parties entered into an  
"Interlocal Agreement And Guarantee And Reimbursement Agreement" con-  
cerning the financing and improvement of the property comprising East  
Hills Business Park in Douglas County, Kansas; and

WHEREAS, provisions in Article IV., Paragraph C. of said agree-  
ment provide for the suspension of payments due the County and City  
under the agreement in connection with the construction of a specula-  
tive building (i.e., "shell building") for resale or lease on such  
property in East Hills Business Park upon the closing of a sale or  
lease of the property to a subsequent purchaser or lessee; and

WHEREAS, under the terms of Article IV., Paragraph C. County has  
conveyed title to Lot 10, Block 3 in East Hills Business Park to De-  
velopment, Inc. and Development, Inc. has caused the construction of  
a shell building thereon and has negotiated the lease of said lot and  
building to a prospective lessee; and

WHEREAS, the financial success of said lease transaction depends  
upon County and City agreeing to certain modifications to Article

IV., Paragraph C. of the June 16, 1989 agreement among the parties.

NOW, THEREFORE, IN MUTUAL CONSIDERATION OF THE TERMS AND CONDITIONS HEREINAFTER SET FORTH AND THOSE CONTAINED IN THE JUNE 16, 1989 AGREEMENT AMONG THE PARTIES, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Article IV, Paragraph C. of the June 16, 1989 agreement among the parties referenced above is hereby amended to read as follows:

C. Special Provisions For Speculative Shell Buildings

1. Except as provided in subparagraph 2 below, City agrees that property subject hereto may be conveyed by County and Development, Inc. without payment of the amounts described in such paragraphs A.5., C.2. and C.3. of Article III and without compliance with the terms of paragraph B. of Article IV to a purchaser (hereinafter referred to as "Party A") who agrees to construct a speculative or shell building for resale on such property, provided that Party A presents proof satisfactory to City, County and Development, Inc. of Party A's financial capacity to construct such building, and provided further, that payment of the amounts described in paragraphs A.5., C.2. and C.3. of Article III shall be required upon the closing of a sale or lease of the property by Party A to a subsequent purchaser or lessee. If the property has been transferred or conveyed to Party A under the terms of this paragraph and at the end of the 20 year period for delay of a portion of the Assessments Party A has not sold or leased the property in a manner requiring payment of the delayed

Assessments as provided herein, the delayed Assessments shall become due and shall be paid by Development, Inc. and the County, in the manner provided and subject to the same priorities and guarantees as stated in Article III, Paragraph A.6. and Paragraph A.7. of this Agreement.

2. City agrees that Lot 10, Block 3 in East Hills Business Park and any speculative shell building located thereon (hereinafter referred to collectively as "the property") may be leased by Development, Inc. without payment of the amounts described in paragraphs A.5., C.2. and C.3. of Article III and without compliance with the terms of paragraph B. of Article IV so long as all sums due under these paragraphs are made in accordance with one or more of the following methods:

a. payment of the total amount due shall commence no later than seven (7) years after and be completed no later than ten (10) years following the date of execution of this amendment;

b. periodic payments are made to the City from funds derived from sales of land in the East Hills Business Park by Development, Inc., after the date of execution of this amendment, with the total amount of all sums due to be paid no later than ten (10) years following the date of execution of this amendment; or

c. a combination of (a) and (b), or any other arrangement agreed to by the City and Development, Inc., which provides for payment of the full amount due upon a date no later than ten (10) years

from the date of execution of this amendment; provided however, that on and after the seventh anniversary of the execution of this amendment, the debt owed to the City for the sums required to be paid pursuant to paragraphs A.5., C.2. and C.3. of Article III of this agreement shall be equal in status with all other outstanding liens for acquisition or development of the property, and the City shall be entitled to receive no less than a prorata share of the receipts derived from the lease of the property. If the property is sold or if the amounts due under the provisions of paragraphs A.5., C.2. and C.3. of Article III are not otherwise paid within ten (10) years from the date of this agreement, the delayed assessments shall become due and shall be paid by Development, Inc. and the County in the manner provided and subject to the same priorities and guarantees as stated in paragraphs A.6. and A.7. of Article III of this Agreement. Notwithstanding any other provisions in this agreement to the contrary, if the property is sold within ten (10) years from the date of this agreement, the amount due to the City shall be paid in full by Development, Inc., upon the closing of such sale.

3. County agrees that Lot 10, Block 3 in East Hills Business Park and any speculative shell building located thereon (hereinafter referred to collectively as "the property") may be leased by Development, Inc., without payment of the \$3,000.00 per acre price required under the terms of the April 15, 1988, option agreement between County and Development Inc., so long as all sums due County are made

in accordance with one or more of the following methods:

a. payment of the total amount due shall commence no later than seven (7) years after and be completed no later than ten (10) years following the date of execution of this amendment;

b. periodic payments are made to the County from funds derived from sales of land in the East Hills Business Park by Development, Inc., after the date of execution of this amendment, with the total amount of all sums due to be paid no later than ten (10) years following the date of execution of this amendment; or

c. a combination of (a) and (b), or other arrangement agreed to by the County and Development, Inc., which provides for payment of the full amount due upon a date no later than ten (10) years from the date of execution of this amendment; provided however, that on and after the seventh anniversary of the execution of this amendment, the debt owed to the County pursuant to the April 15, 1988 option agreement as a result of the sale of Lot 10, Block 3 in East Hills Business Park shall be equal in status with all other outstanding liens for acquisition or development of the property, and the County shall be entitled to receive no less than a prorata share of the receipts derived from the lease of the property. If the property is sold within ten (10) years from the date of this agreement, the amount due to the County shall be paid in full by Development, Inc., upon the closing of such sale.

Section 2. This agreement is contingent upon Development, Inc.

entering into an agreement for the lease of Lot 10, Block 3, and the improvements located thereon, in East Hills Business Park within one (1) year from the date of the execution of this amendment.

Section 3. The parties shall cause this Amendment to be executed in quadruplicate and submitted to the Attorney General of the State of Kansas for his approval. Thereafter, the parties shall cause this Amendment to be filed with the Register of Deeds of Douglas County, Kansas, and with the Secretary of State, all in accordance with K.S.A. 12-2904 and 12-2905 and amendments thereto. Each party hereto shall receive a duly executed original of this Amendment.

IN WITNESS WHEREOF, we have hereunto set our hands this  
5th day of November, 1991.

DOUGLAS COUNTY DEVELOPMENT, INC.

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

*Steph*  
President

ATTEST:

*William H. Minter*  
\_\_\_\_\_



COUNTY OF DOUGLAS COUNTY, KANSAS

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

*Louie M. Elhary*  
Chairman, Board of County Commissioners

ATTEST:


*Patty Jaimes*  
Patty Jaimes, County Clerk

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By:

Mayor

  
Raymond J. Hummert, City Clerk

The foregoing Amendment approved this 2<sup>nd</sup> day of December, 1991 by the Attorney General for the State of Kansas.

Robert T. Stephan, Attorney General

NO. 23649 ✓  
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NUMERICAL INDEX            ✓  
C15-331 ✓

State of Kansas, Douglas County, SS.  
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1943  
DEC - 9 1991  
By [Signature] Register of Deeds  
Deputy

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ORIGINAL COMPARED WITH RECORD