

THE LAW OFFICES OF  
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October 1, 2008

David Corliss  
City Manager  
City of Lawrence  
6 East 6th  
Lawrence, KS 66044

Re: Purchase and Sale Agreement for Unassembled Lots Owned by the City in the Area of North 2<sup>nd</sup> Street.

Dear David:

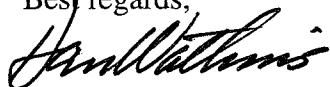
We are pleased to inform you after extensive discussions with City Staff, North Mass Development Group, LLC ("North Mass"), a Kansas investment group, has developed an agreement with Toni Wheeler and City Staff, subject to approval by the City Commission, for the purchase of the unassembled lots owned by the City in the area of North 2<sup>nd</sup> Street and the Kansas River levee.

North Mass, a property owner in the area, seeks to purchase the lots in order to assemble property for a mixed-use development. The specific details of the type of mixed-use project will be developed as North Mass undertakes its due diligence investigation to determine more specifically what can be developed given the complexity of the location.

Toni Wheeler and City Staff have developed a fair agreement that protects the City: (i) the price for the lots was determined on the basis of an appraisal, and (ii) the City and Kansas River Levee are protected so that no closing on the sale of the lots can occur until North Mass has obtained permits and approvals for development. As part of the discussion with City Staff, both City Staff and North Mass have met with the US Army Corp of Engineers and reviewed the Corp's role in the project and its guidelines and requirements for development within the area of a levee.

A mixed-use development in this area of North Lawrence is an excellent opportunity to extend Lawrence's downtown and to dramatically enhance the riverfront. North Mass is excited to pursue this opportunity, and hereby requests your favorable recommendation to the Commissioners for authority to execute the purchase and sale agreement in order for North Mass to take next steps and develop a mixed-use plan for this area.

Best regards,



Dan Watkins