THE

OREAD

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CITY MANAGERS OFFICE
LAWRENCE, KS

To: Dave Corliss

From: Thomas Fritzel

Date: April 9, 2009

Re: TIF Eligible Expenses

Hi Dave,

We are submitting our first summary of TIF Eligible Expenses for your review. These are all the expenses through March 31, 2009.

Please let me know if you have any questions.

Thank you, and all of City Staff, for your support as we work through this project. We are truly excited about what an incredible asset this hotel will be for the University and for the City of Lawrence!

1200 Oread Avenue Post Office Box 1200 Lawrence, Kansas 66044 785-843-1200 www.theoread.com

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CITY MANAGERS OFFICE
LAWRENCE, KS

EXHIBIT B

FORM OF CERTIFICATE OF REDEVELOPMENT PROJECT COSTS

CERTIFICATE OF REDEVELOPMENT PROJECT COSTS

TO: City of Lawrence, Kansas
Attention: City Manager

Re: 12th & Oread Redevelopment District

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the 12th & Oread Tax Increment Financing District Development Agreement dated as of April 8, 2008 (the "Agreement") between the City and the Developer.

In connection with the Agreement, the undersigned hereby states and certifies that:

1. Each item listed on *Schedule 1* hereto is a Redevelopment Project Cost and was incurred in connection with the construction of the Project after February 19, 2008.

2. These Redevelopment Project Costs have been paid by the Developer and are reimbursable under the Project Plan and the Agreement.

3. Each item listed on *Schedule 1* has not previously been paid or reimbursed from money derived from the Tax Increment Fund or any money derived from any project fund established by the issuance of any TIF Obligations, and no part thereof has been included in any other certificate previously filed with the City.

4. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.

5. All necessary permits and approvals required for the work for which this certificate relates were issued and were in full force and effect at the time such work was being performed.

6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.

7. If any cost item to be reimbursed under this Certificate is deemed not to constitute a Redevelopment Project Cost within the meaning of the Act and the Agreement.

8. The Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes a Developer Event of Default under the Agreement.

9. All of the Developer's representations set forth in the Agreement remain true and correct as of the date hereof.

Dated this 9th day of April, 2009.

OREAD INN, L.C.,
a Kansas limited liability company

By: ______________________

Name: Thomas Fritzel

Title: Member

Approved for Payment this ____ day of __________, 20____:

CITY OF LAWRENCE, KANSAS

By: ______________________

Title: ______________________

The Oread

Schedule 1

CODE	DESCRIPTION	ESTIMATE	COMPLETED TO DATE	% COMPLETE	BALANCE TO FINISH	thru 7-22	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar	ytd
01100	Building Permits	$ 36,000	$ 35,113	98%	$ 887	$ 35,053	$ -	$ -	$ -	$ -	$ -	$ -			$ 60	$ 35,113
01105	Funding Agreement	$ 50,000	$ 50,000	100%	$ -	$ 25,000					$ 25,000					$ 50,000
01110	A/E Fees Garage	$ 700,000	$ 542,977	78%	$ 157,023	$ 542,977										$ 542,977
01150	Special Inspection Garage	$ 50,000	$ 44,175	88%	$ 5,825	$ -	$ 2,273	$ 5,050	$ 4,337	$ 7,464	$ 4,412	$ 4,924	$ 4,130	$ 8,551	$ 3,035	$ 44,175
01200	Site Engineering	$ 100,000	$ 24,229	24%	$ 75,771	$ 24,229	$ -	$ -	$ -	$ -	$ -	$ -			$ -	$ 24,229
01250	Site Demo	$ 140,000	$ 140,000	100%	$ -	$ 140,000	$ -	$ -	$ -	$ -	$ -	$ -			$ -	$ 140,000
01255	Shoring	$ 375,000	$ 372,162	99%	$ 2,838	$ 156,997	$ 9,203	$ 167,908	$ 4,742	$ 18,733	$ 14,578				$ -	$ 372,162
01260	Garage Excavation	$ 520,000	$ 520,000	100%	$ -	$ 520,000										$ 520,000
01270	Site Improvements Water/Sa	$ 450,000	$ -	0%	$ 450,000											$ -
01275	Indiana/Oread/12th Streets	$ 2,225,000	$ -	0%	$ 2,225,000											$ -
01280	Streetscape	$ 1,200,000	$ -	0%	$ 1,200,000											$ -
01285	City Impact Fees	$ 200,000	$ 130,920	65%	$ 69,080							$ 130,920				$ 130,920
01290	Backfill Garage	$ 125,000	$ 125,000	100%	$ -				$ 970	$ 7,499	$ 45,158	$ 15,389	$ 55,984			$ 125,000
01510	Equipment/Dumpster Garage	$ 200,000	$ 169,665	85%	$ 30,335	$ 6,172		$ 20,916	$ 19,676	$ 22,606	$ 21,386	$ 18,846	$ 20,097	$ 19,646	$ 20,321	$ 169,665
01600	Site Utility Hook-up	$ 190,000	$ 103,545	54%	$ 86,455	$ 72,502	$ 10,779	$ 2,685		$ 2,113		$ 13,413	$ 1,282	$ 771	$ -	$ 103,545
01700	Utility Use Garage	$ 50,000	$ 16,565	33%	$ 33,435					$ 417	$ 3,385	$ 7,216	$ 4,008	$ 1,539	$ -	$ 16,565
01900	Builders Risk Insurance	$ 30,000	$ 16,920	56%	$ 13,080	$ 16,920	$ -	$ -	$ -	$ -	$ -	$ -			$ -	$ 16,920
01920	Legal	$ 250,000	$ 224,205	90%	$ 25,795	$ 163,530	$ 29,289	$ 13,508	$ 4,187	$ 4,207	$ 3,982	$ 544	$ 460	$ 1,012	$ 3,486	$ 224,205
01930	RE Taxes	$ 100,000	$ 61,054	61%	$ 38,946	$ 40,511	$ -	$ -	$ -	$ -	$ -	$ 20,543				$ 61,054
01940	Appraisal	$ 13,850	$ 13,850	100%	$ -	$ 11,850	$ 2,000	$ -	$ -	$ -	$ -	$ -				$ 13,850
01950	Origination Fee	$ 125,025	$ 125,025	100%	$ -	$ 125,025	$ -	$ -	$ -	$ -	$ -	$ -				$ 125,025
01960	Kansas Secured Title Fees	$ 22,100	$ 22,100	100%	$ -	$ 22,100	$ -	$ -	$ -	$ -	$ -	$ -				$ 22,100
01970	Stinson Legal Fees	$ 14,500	$ 14,500	100%	$ -	$ 14,500	$ -	$ -	$ -	$ -	$ -	$ -				$ 14,500
01980	Register of Deeds Rcrdng De	$ 60,336	$ 60,336	100%	$ -	$ 60,336	$ -	$ -	$ -	$ -	$ -	$ -				$ 60,336
03300	Cast-In-Place Concrete Gara	$ 4,300,000	$ 4,300,000	100%	$ -		$ 467,360	$ 373,800	$ 349,000	$ 740,000	$ 778,000	$ 799,500	$ 505,100	$ 287,240	$ -	$ 4,300,000
05511	Metal Stairs Garage	$ 65,000	$ 65,000	100%	$ -			$ -		$ 16,250	$ 16,250	$ 16,250	$ 16,250			$ 65,000
07115	Bituminous Dampproofing	$ 225,000	$ 225,000	100%	$ -			$ -	$ 170,000		$ 34,038	$ 10,481	$ 10,481		$ -	$ 225,000
08361	Sectional Overhead Doors	$ 10,000	$ -	0%	$ 10,000			$ -							$ -	$ -
14210	Elevators Garage	$ 112,000	$ 38,917	35%	$ 73,083			$ -	$ 38,917							$ 38,917
15015	HVAC Garage	$ 85,000	$ 85,000	100%	$ (0)			$ -				$ 65,140	$ 19,861			$ 85,000
15300B	Fire Protection garage	$ 190,000	$ 171,151	90%	$ 18,849		$ 31,640	$ -	$ 1,651		$ 18,262	$ 57,300	$ 21,079	$ 15,900	$ 25,319	$ 171,151
15400	Plumbing Garage	$ 150,000	$ 150,000	100%	$ (0)		$ 5,876	$ 7,350	$ 27,864	$ 2,126	$ 33,848	$ 38,373	$ 34,564			$ 150,000
16000B	Electrical Garage	$ 375,000	$ -	0%	$ 375,000					$ -	$ -	$ -	$ -	$ -	$ -	$ -
17020	Construction Interest		$ 95,123						$ 34,688	$ 4,727	$ 6,800	$ 10,940	$ 10,017	$ 11,607	$ 16,344	$ 95,123
	TOTAL COSTS:	$ 12,738,811	$ 7,942,532	62.35%	$ 4,891,402	$ 1,977,702	$ 558,420	$ 591,218	$ 656,032	$ 826,141	$ 1,005,098	$ 1,209,780	$ 703,311	$ 346,267	$ 68,565	$ 7,942,532

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Schedule 1: TIF Eligible Expenses through 3/31/2009