

**AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE BETWEEN THE
CITY OF LAWRENCE AND THE NORTH MASS REDEVELOPMENT GROUP, LLC.**

1. **Parties:** This Agreement is between the City of Lawrence, Kansas, a municipal corporation, acting by and through David L. Corliss, in his capacity as City Manager, with the approval of the Lawrence City Commission ("Seller"), and North Mass Redevelopment, LLC, a Kansas limited liability company ("Purchaser"). Seller and Purchaser are collectively referred to herein as the "Parties".
2. **Premises:** Subject to the terms and conditions of this Agreement, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller all Seller's right, title and interest in and to the unassembled excess properties, together with any improvements thereon and appurtenances and easements thereto, less the Kansas River Levee, the ground under the levee, any improvements necessary to the functioning of the levee, any storm water drainage improvements which would not be replaced as part of Purchaser's development plans and all recorded and those unrecorded, if any, easements reasonably necessary for access to the levee, storm water drainage, and public utilities located in the City of Lawrence, County of Douglas, State of Kansas, as generally described on Exhibit A, and as more particularly described on a boundary survey to be performed by Purchaser at Purchaser's expense and approved by Seller (hereinafter the "Property"). Notwithstanding the foregoing, the Seller and Purchaser agree that the Seller shall have the right to reserve land from the toe of the levee extending in-land thirty-five feet (35') and not sell said land to Purchaser under this Agreement, if the Seller determines, in consultation with the U.S. Army Corps of Engineers, that said land is reasonably necessary to protect the stability of the levee. The size of the Property shall be conclusively determined by the boundary survey performed by Purchaser and approved by Seller. Purchaser shall commence work on the boundary survey within sixty (60) days of receipt and delivery of an original counterpart of this Agreement. Upon completion of the boundary survey, the Property will be cross-hatched and illustrated and attached hereto as Exhibit B, which shall become the definitive definition of the Property to be purchased by Purchaser.
3. **Consideration:** The purchase price for the Property ("Purchase Price") shall be one dollar and seventy five cents (\$1.75) per square foot, as determined by an appraisal performed by Keller and Associates for the number of square feet contained in the Property as determined by the boundary survey referenced above in paragraph 2, excluding any consideration for the square footage for the land included in public street right-of-ways. Seller selected the appraiser and approved the appraisal. Purchaser covenants and agrees to pay the cost of the appraisal within thirty (30) days of receipt of Seller's statement therefor. Purchaser shall pay Seller the Purchase Price in immediately available funds at the time of closing. The parties agree that if any of the Property acquired by Seller to construct the levee was acquired through use of federal funds and the terms of the agreement between

Seller and the federal government required that the funds be reimbursed if the Property is sold, then Seller and not Purchaser shall be responsible for such reimbursement and no adjustment shall be made to the Purchase Price unless the amount required to be reimbursed by the federal government for the Property is greater than the Purchase Price, in which event, upon written notification together with appropriate documentation ("Reimbursement Notice"), from Seller to Purchaser, Purchaser shall within thirty (30) days of receipt of Seller's Reimbursement Notice elect to either increase the Purchase Price to include the difference between the original Purchase Price and the amount of the reimbursement for the Property required by the federal government so that the Purchase Price is equal to the amount of the reimbursement or terminate this Agreement by written notice to Seller. Seller agrees to use due diligence and commercially reasonable efforts to determine what amount, if any, is required to be reimbursed by the federal government and to provide this information to Purchaser within sixty (60) days (or if not possible to determine within sixty (60) days, a reasonable time thereafter provided Seller is exercising reasonable efforts and due diligence in obtaining the required information) of execution of this Agreement.

4. **AS IS Purchase.** Purchaser shall have the right to inspect any and all aspects of the Property Purchaser deems necessary or appropriate, at its expense, including conducting such engineering, environmental, and other studies of the Property as it deems necessary, and finding it acceptable. **PURCHASER SHALL RELY EXCLUSIVELY ON ITS INSPECTION IN PROCEEDING WITH ITS PURCHASE HEREUNDER AND NOT ON ANY WARRANTY OR REPRESENTATION OF SELLER OR ANY OF SELLER'S AGENTS; IT BEING UNDERSTOOD, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, THAT SELLER MAKES NO WARRANTY OR REPRESENTATION AND THAT PURCHASER TAKES AND ACCEPTS THE PROPERTY "AS IS."** Seller grants Purchaser, its employees, agents, representatives, engineers and architects the reasonable right of entry onto the Property prior to closing for the purpose of investigating and conducting tests on the condition of the Property, and Purchaser agrees to indemnify and hold Seller harmless from any loss as a result of any such entry. Notwithstanding the foregoing, Purchaser agrees that it shall not perform any due diligence testing consisting of drilling or perforating the ground within the levee right-of-way ("No Testing Area") without first obtaining Seller's prior consent, which consent shall not be reasonably withheld or delayed. It shall be Purchaser's obligation to demonstrate that Purchaser's proposed subsurface testing within the No Testing Area shall not compromise the levee. All such testing shall be performed under the supervision of licensed engineers and it shall be Purchaser's obligation to restore any ground tested to its condition prior to such testing.
5. **Purchaser's Due Diligence Feasibility Period** . Purchaser shall have a period of twenty- four (24) months from the date of execution and delivery of this Agreement

to conduct, at its sole cost and expense, its due diligence investigation ("Feasibility Period") on the Property, including but not limited to the following:

5.1 Title. Purchaser, at Purchaser's sole cost and expense shall order a title commitment for the Property. Purchaser shall order a commitment for title through Kansas Secured Title, Lawrence, Kansas ("Title Company").

5.2 Survey. Acceptable state of facts disclosed by a boundary and accurate topographic, including any encroachments, levee right-of-way, and utility location survey of the Property completed by a licensed surveyor or civil engineer to the specifications of Purchaser. The survey shall conform to the American Congress on Surveying and Mapping and the National Society of Professional Surveyors, Inc., ALTA/ASCM Land Title Survey Standards. Purchaser shall deliver Seller a copy of the completed survey.

5.3 Soils and other Engineering Tests; Approval of Excavation by City and Corps of Engineers. Completion of a foundation design recommendation for the Property by a registered or licensed soils engineer to the specifications of Purchaser. Completion of other engineering test necessary to determine feasibility of construction in critical area of flood control projects constructed by the Corps of Engineers. Purchaser acknowledges pursuant to K.S.A. 19-3309 that any excavation within one thousand (1000) feet landward or riverward of the center line of the Kansas River and Mud Creek Levee requires a permit and that such permits shall be issued pursuant to K.S. A. 19-3309. Purchaser further understands and acknowledges that the U.S. Corps of Engineers has approval authority over any excavation within a "Critical Area" of the levee, which is defined as five hundred (500) feet landward and three hundred (300) feet riverward of the centerline of the levee.

5.4 Intentionally omitted.

5.5 Environmental Site Assessment. Receipt by Purchaser of a satisfactory environmental site assessment of the Property performed to Purchaser's specifications by (or under the direction of) a registered environmental manager, professional engineer or professional geologist.

5.6 Permits and Approvals. Issuance and receipt by Purchaser of all permits, licenses and approvals required by any governmental or quasi-governmental agency of the Federal Government, State of Kansas, City of Lawrence and Douglas County to construct the improvements contemplated by Purchaser in its plans and specifications, including, but not limited to, rezoning, platting, preliminary development plans, final development plans, site plans, excavation and building permits, excavation and building permits within a Critical Area of the levee; access permits and sign permits, and utility extension permits. Purchaser agrees to use reasonable commercial efforts and to diligently proceed with the preparation of architectural drawings and specifications and to apply for all governmental permits and approvals required to construct the contemplated

improvements, doing all that is reasonably necessary to obtain such permits promptly. Seller reserves the right as part of the approval process of Purchaser's plans to require as a condition of such approval: (i) a reasonable set back (originally estimated not to exceed fifty feet (50')) from the toe of the landward side of the levee for the construction of building structures if reasonably necessary, as determined by the Seller or the US Army Corp of Engineers, to protect the stability of the levee. Purchaser shall have the opportunity to present a proposal allowing maximum development of the Property without regard to any setback requirements provided that Purchaser's plans satisfy U.S. Army Corps of Engineers requirements for excavation and construction of building structures within a Critical Area of a levee; Seller agrees to accept any engineering design/methodology proposed by Purchaser for the development in the Critical Area which is approved by the Corps of Engineers, (ii) construction of a storm water pumping station in a location mutually acceptable to Seller and Purchaser to provide additional water flow capacity for increased storm water run-off caused as a result of the proposed development, and (iii) access and maintenance easements necessary for existing utility infrastructure or levee infrastructure, if any, which would remain on the Property after approval of Purchaser's plans and be necessary to provide access and repairs to the levee or utility service to residents of North Lawrence not located on the Property but whose utility service depends on public infrastructure located on the Property.

5.7 Plat of Property. The City and Douglas County Planning Commission's approval of a plat of the Property prepared by Purchaser to be recorded in the Office of the Douglas County Register of Deeds.

5.8 Purchaser's Right to Terminate. Purchaser shall be entitled to terminate this Agreement by written notice to Seller at any time during the Feasibility Period in Purchaser's sole and absolute discretion, regardless as to whether the grounds for such termination are one of the matters set forth in this Section 5 (with Seller understanding that Purchaser's termination right as contained herein is unlimited and is one which may be exercised with or without cause). Upon such notice the Parties shall be relieved of all further obligations under this Agreement.

5.9 Sellers's Right to Terminate. Seller shall have the right to terminate this Agreement by written notice to Purchaser: (i) if at any time during the Feasibility Period Purchaser notifies Seller of its intent to close this Agreement and purchase the Property without first having received approval from the appropriate authorities of Purchaser's development and building plans with respect to the Property, or (ii) if the Army Corp of Engineers, in the exercise of its legal authority to prohibit the sale of the Property, shall exercise such authority, then Seller shall provide any such notice received from the US Army Corp of Engineers to Purchaser immediately upon receipt thereof. Purchaser shall have a period of sixty (60) days from receipt of such notice to determine alternative courses of

action including the filing of a lawsuit challenging the Army Corp of Engineer's authority to prohibit the sale whereupon this Agreement shall continue in full force and effect and all timetables herein shall be tolled during such time as the action is pending. If at the end of said sixty (60) days, provided that Purchaser has not elected to file suit, this Agreement shall terminate and both Purchaser and Seller shall be relieved of any further responsibility hereunder. In the event Purchaser elects to file a lawsuit challenging the Corp's legal authority to prohibit the sale of the Property, Purchaser agrees to indemnify Seller for Seller's reasonable attorney's fees and/or costs incurred by Seller as a result of such lawsuit.

6. Purchaser's Right to Extend Feasibility Period. In the event any of the contingencies, set forth in Sections 5 above has not been satisfied by Purchaser by the expiration of Purchaser's due diligence Feasibility Period provided above, Purchaser shall have the right to extend the due diligence feasibility period for satisfying said contingency(ies) for three (3) successive periods of 12 months each. Purchaser must provide Seller with written notice, which notice must be received by Seller prior to the expiration of the then current contingency period, notifying Seller of Purchaser's intention to exercise a subsequent extension.

7. Closing and Possession.

7.1 Closing Agent: Time of Closing. Unless terminated by Purchaser pursuant to Section 5 above or by Seller pursuant to subsection 5.9 above, this Agreement shall be closed through the office of Purchaser's Title Insurance Company (the Closing Agent), on or before 30 days from the expiration of the Feasibility Period, unless the time of closing is extended pursuant to Section 6.

7.2 Seller's Obligations at Closing. Seller shall deliver to Purchaser and the Closing Agent for examination a copy of Seller's general warranty deed conveying title to the Property to Purchaser in fee simple absolute, free and clear of liens, encumbrances and tenancies not approved by Purchaser. On or before closing, Seller shall deliver to the Closing Agent the deed, properly executed and acknowledged.

7.3 Purchaser's Obligations at Closing. On or before closing, Purchaser shall deliver to the Closing Agent the following: (i) purchase price, less any amounts for which Purchaser is to receive a credit; (ii) any other documents required by this Agreement, and (iii) such additional funds as may be required of Purchaser to pay closing costs or charges properly allocable to Purchaser.

7.4 Closing Costs. The Parties agree to initiate and pay the following costs in connection with this transaction:

ITEM		ORDERED BY	PAID BY
(a)	Title Report or Commitment	Purchaser	Purchaser
(b)	Title Insurance Premium	Purchaser	Purchaser
(c)	Preparation of Deed	Seller	Seller
(d0)	Recording of Deed (not exceeding \$10.00)	N/A	Purchaser
(e)	Revenue Stamps or deed. Tax. All Recording Fees Over \$10.00	N/A	Seller
(f)	Prior Liens, Encumbrances and all Assessments	N/A	Seller
(g)	Real Estate Taxes	N/A	Prorated to Closing
(h)	Closing Fee	N/A	Purchaser
(i)	Real Estate Commissions and Finder's Fee, if any	N/A	Purchaser
(j)	Survey	Purchaser	Purchaser
(k)	Soils Investigation	Purchaser	Purchaser
(l)	Environmental Audit	Purchaser	Purchaser

7.5 Prorations. All real estate taxes and assessments (i) for the current tax year shall be prorated to the date of closing; (ii) for prior tax years shall be paid by Seller, and (iii) for subsequent tax years shall be paid by Purchaser. If current tax year real estate taxes and assessments are unavailable at closing, the proration shall be based on the preceding tax year's amount.

7.6 Possession. Seller shall deliver possession of the Property to Purchaser on the date of closing, free and clear of all other occupants or claims of right except as may be set forth in Purchaser's title commitment.

8. Seller's Representations and Warranties. At the time of closing, Seller represents and warrants that: (i) it is the fee simple owner of the Property free and clear of all claims of third parties; (ii) it has secured the prerequisite authority to enter into this Agreement and comply with the terms hereof, including, without limitation, the authority to transfer the Property to Purchaser at Closing; and (iii) to the best of Seller's actual knowledge, there are no pending lawsuits, administrative actions or other claims or actions which are pending as relates to the Property.

9. Entire Agreement. This Agreement merges and supersedes all prior negotiations and understandings between the parties and constitutes their entire agreement, which is binding upon Seller when executed by Seller, and is binding upon Purchaser when executed by two authorized members who are managers of Purchaser, notwithstanding any oral or written representations of any agents or employees of Purchaser to the contrary.

10. Choice of Law. The law of the State of Kansas shall govern the rights of the Parties with respect to this Agreement.

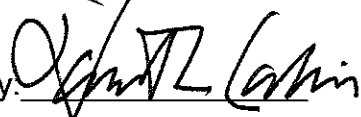
- 11. No Third Party Beneficiaries.** No third party beneficiaries are intended to be created by this Agreement, nor do the parties herein authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms of the Agreement.
- 12. Transfer.** Except as specifically provided in this Section, Purchaser shall not, without the written consent of Seller, which consent shall not be unreasonably withheld, assign this Agreement or sell or otherwise transfer any rights which may accrue to it hereunder, and any purported assignment, sale or transfer of any such rights, if made without Seller's consent, shall be void. Without in any way affecting the foregoing prohibition on the sale, assignment or transfer of rights by Purchaser, this Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.
- 13. Date of Agreement.** The date of this Agreement shall be the date of execution of the last party to sign.

[Signatures on immediately following page]

EXECUTED BY: Seller this 28th day of October 2008.

WITNESS:

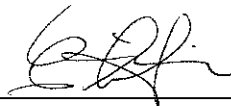
SELLER: City of Lawrence, Kansas, a
municipal corporation

By: 
David L. Corliss
City Manager

EXECUTED BY: Purchaser this 28 day of October 2008.


WITNESS:

PURCHASER: **North** **Mass**
Redevelopment, LLC

By: 

Name: Christian Ablah

Its: Manager

By: 

Name: Jon Davis

Its: Manager

EXHIBIT A
(LEGAL DESCRIPTION OF PROPERTY)

Owner	Approximate Sq. Feet	Legal Description
City of Lawrence Lot#3	39,000 S.F.	North Lawrence Addition No. 2 Lots 29 thru 32 Less W Part and All Lots 33 thru 36.
City of Lawrence Lot #10	17,637.50 S.F.	North Lawrence Addition No. 2 Beg 70' W of NE Cor Lot 74, SLY165.7', NWLY 5', SLY100', S 85', N 270', E 109' to POB.
City of Lawrence Lot #16	26,460 S.F.	North Lawrence Addition No. 2 N ½ Lot 98 Less Strip along WLY side & W ½ Lot 99.
City of Lawrence Lot #17	8,910 S.F.	North Lawrence Addition No. 2 E ½ Lot 100 & S ½ 101 Less RW.
City of Lawrence Lot #21	28,215 S.F.	North Lawrence Maple Street Block1 Lots 49, 53, & 57. E 27' Lot 41 & W 12' Lot 45, N ½ of E 38' of Lot 45.
City of Lawrence Lot #28	36,000 S.F.	North Lawrence Locust Street Lots 37, 41, 45, 49, 53 & 57.
City of Lawrence Lot #30	5,500 S.F.	North Lawrence Elm Street Block 1 Lot 58.
City of Lawrence Lot #31	27,187.50 S.F.	North Lawrence Massachusetts Stre Block 1, Lots 45 & 49, N 37.5' Lot 41, 97' of S 12.5' Lot 41 & E 97' Lot37, W Adj Vac N Mass St. Less Tract to Dg (Dr Dist.
City of Lawrence Lot #35	20,150 S.F.	North Lawrence Bridge Street Lots 31, 33, 35, 37, 39 E ½ Vacant N Mass Street Row.

EXHIBIT B
(PROPERTY AFTER BOUNDARY SURVEY)