

MEMORANDUM OF REPURCHASE RIGHTS

THIS MEMORANDUM OF REPURCHASE RIGHTS (the "Memorandum") is made as of August 8, 2013, by and between RCP, LLC, a Kansas limited liability company ("Seller") and CITY OF LAWRENCE, KANSAS, a municipal corporation ("Purchaser").

RECITALS

A. Contemporaneously with the execution hereof, pursuant to a certain Purchase Agreement between Seller and Purchaser dated July 10, 2013 (the "Purchase Agreement") Purchaser has acquired fee simple title from Seller to certain parcels of real property located in Douglas County, Kansas, more fully described on Exhibit A attached hereto (said real property, together with all easements, tenements, hereditaments, appurtenances, adjacent strips and gores on or appurtenant thereto and all improvements and fixtures left, placed or installed thereon now or in the future are referred to herein collectively as the "Recreation Center Site");

B. Seller is the owner of fee simple title to certain parcels of real property located in Douglas County, Kansas, more fully described on Exhibit B (the "Stadium Site");

C. Seller, Purchaser and others are parties to a certain Rock Chalk Park Development Agreement dated as of July 10, 2013, which is incorporated herein by this reference (the "Development Agreement"), which, among other things, provides for the coordinated construction of certain improvements defined therein (and referred to herein) as the "Recreation Center" and of certain other improvements on the Recreation Center Site, the Stadium Site and on other nearby property which are defined in the Development Agreement and referred to herein as the "Infrastructure Improvements" (as that term is defined in the Development Agreement and used herein) on the Recreation Center Site and the Stadium Site;

D. Under the Development Agreement Purchaser is to pay Seller an amount defined in the Development Agreement (and referred to herein) as the "Infrastructure Payment" upon completion of the Infrastructure Improvements, all upon the terms and conditions set forth in the Development Agreement; and

E. The Purchase Agreement provides that Seller or its successors in interest as owner of fee title to the Stadium Site will have certain rights to repurchase the Recreation Center Site and any improvements thereon under certain circumstances that the Seller and Purchaser will sign and record a memorandum setting forth those rights at the time that Purchaser acquires title to the Recreation Center Site and this Memorandum is intended to be that memorandum.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants hereinafter made and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, including without limitation the conveyance of the Recreation Center Site to the Purchaser by Seller, the parties hereby agree as follows:

1. Right of First Offer. Seller, and its successors in interest as owner of fee title to the Stadium Site (at any point in time that the ROFO, as hereinafter defined, becomes exercisable, the "ROFO Holder") shall have the right of first offer (the "Right of First Offer" or "ROFO") to buy or lease, as the case may be, any portion of the Recreation Center Site or of any

improvements thereon which Purchaser desires to offer for sale or for a lease with a term (including any renewal or extension rights the lessee may have) of greater than five (5) years (each such portion of the Recreation Center Site or of any improvements thereon which Purchaser desires to offer for sale or for such a lease being referred to as the "ROFO Property"). Purchaser shall notify the then ROFO Holder in writing of the availability of such ROFO Property, and the consideration (including in the case of such a lease the rent and term) and all other terms and conditions which Purchaser then intends to offer the ROFO Property for sale or such a lease. Unless hereafter agreed in writing by Purchaser and the ROFO Holder, the ROFO Holder may only exercise its ROFO with respect to all of the ROFO Property and on the terms and conditions proposed by Purchaser for such sale or lease. Within forty-five (45) days after receipt of Purchaser's notice of the proposed sale or lease of the ROFO Property, together with the proposed terms and conditions, the ROFO Holder shall advise Purchaser in writing of its acceptance or rejection of the right to buy or lease, as the case may be, the ROFO Property on the offered terms. Failure of ROFO Holder to advise Purchaser within said forty-five (45) day period shall render this ROFO of no further force or effect for the portion of the ROFO Property so offered with respect to any sale or lease that Purchaser makes to an unrelated third party on the same terms and conditions as were offered to the ROFO Holder within one hundred eighty (180) days of the date that the ROFO Holder either notifies the Purchaser that ROFO Holder rejects the offered terms or that the sixty (60) day period expires without the ROFO Holder having accepted such offer. Any entity that is related to the Purchaser (i.e., an entity which the Purchaser controls, directly or indirectly) which acquires title to the ROFO Property will take the same subject to the terms of this Memorandum, including without limitation the obligation to provide a subsequent ROFO notice to the ROFO Holder prior to selling or leasing any portion of the Recreation Center Site or any improvements thereon to a person or entity that is not related to the Purchaser. If the ROFO Holder accepts the offer given in accordance with the terms of this Section, then the ROFO Holder or its assigns will buy or lease, as the case may be, the ROFO Property so offered on the terms and conditions set forth in the notice the Purchaser (or its related successor in interest) offered in accordance with the terms of this Section or on such other terms and conditions as such parties agree in writing.

2. Right of First Refusal. Seller, and its successors in interest as owner of fee title to the Stadium Site (at any point in time that the ROFR, as hereinafter defined, becomes exercisable, the "ROFR Holder") shall have the right of first refusal (the "Right of First Refusal" or "ROFR") to buy or lease, as the case may be, any portion of the Recreation Center Site or of any improvements thereon which Purchaser is then prepared to sell or lease for a term (including any renewal or extension rights the lessee may have) of greater than five (5) years (each such portion of the Recreation Center Site or of any improvements thereon which Purchaser is so prepared to sell or lease being referred to as the "ROFR Property"). Purchaser shall notify the then ROFR Holder in writing of the availability of such ROFR Property, and the consideration (including in the case of such a lease the rent and term) and all other terms and conditions which Purchaser then intends to sell or lease the ROFR Property, including the identity of the proposed purchaser or lessee. Unless hereafter agreed in writing by Purchaser and the ROFR Holder, the ROFR Holder may only exercise its ROFR with respect to all of the ROFR Property and on the terms and conditions upon which the Purchaser notifies the ROFR Holder that Purchaser is prepared to sell or lease the ROFR Property. Within twenty (20) days after receipt of Purchaser's notice of the proposed sale or lease of the ROFR Property, together with the proposed terms and conditions, the ROFR Holder shall advise Purchaser in writing of its acceptance or rejection of

the right to buy or lease, as the case may be, the ROFR Property on the offered terms. Failure of ROFR Holder to advise Purchaser within said twenty (20) day period shall render this ROFR of no further force or effect for the portion of the ROFR Property so offered with respect to any sale or lease that Purchaser makes to the proposed purchaser or lessee specified in the notice given by Purchaser to the ROFR Holder hereunder on the same terms and conditions as were offered to the ROFR Holder within one hundred eighty (180) days of the date that the ROFR Holder either notifies the Purchaser that ROFR Holder rejects the offered terms or that the twenty (20) day period expires without the ROFR Holder having accepted such offer. Any entity that is related to the Purchaser (i.e., an entity which the Purchaser controls, directly or indirectly) which acquires title to the ROFR Property will take the same subject to the terms of this Memorandum, including without limitation the obligation to provide a subsequent ROFR notice to the ROFR Holder prior to selling or leasing any portion of the Recreation Center Site or any improvements thereon to a person or entity that is not related to the Purchaser. If the ROFR Holder accepts the offer given in accordance with the terms of this Section, then the ROFR Holder or its assigns will buy or lease, as the case may be, the ROFR Property so offered on the terms and conditions set forth in the notice the Purchaser (or its related successor in interest) offered in accordance with the terms of this Section or on such other terms and conditions as such parties agree in writing.

3. Option. Seller, and its successors in interest as owner of fee title to the Stadium Site (at any point in time that the Option, as hereinafter defined, becomes exercisable, the "Option Holder") shall have the option to purchase the Recreation Center Property and the improvements thereon, or such portions thereof as the Purchaser, or an entity which the Purchaser controls, directly or indirectly, then owns fee title to (the "Option"), if and at any time after (a) by the second (2nd) anniversary of the date hereof the Purchaser has failed to construct a Recreation Center (as defined in the Development Agreement) and the Infrastructure Improvements (as defined in the Development Agreement) or (b) if the Purchaser has caused the Recreation Center and Infrastructure Improvements to be built by the second (2nd) anniversary of the date hereof but the Purchaser fails to operate the Recreation Center or any other improvements on the Recreation Center Site primarily as a recreational facility open to the general public for a period of twelve (12) consecutive months (exclusive of up to nine (9) months following a casualty event affecting a substantial portion of any such Recreation Center)(the events described in (a) and (b) being the "Option Conditions"). If one or both of the Option Conditions occurs, then the Option Holder may exercise the Option and purchase the Recreation Center Property and the improvements thereon (or such portions thereof as the Purchaser, or an entity which the Purchaser controls, directly or indirectly, then owns fee title to)(the "Option Property") from the Purchaser and any entity(ies) then controlled by the Purchaser directly or indirectly which own any portion or all thereof at a closing which will occur on or before the ninetieth (90th) day after the Option Holder gives the Purchaser notice of the exercise of the Option. The notice of exercise of the Option shall specify the name of an appraiser engaged in the business of appraising real property and improvements thereon which has any licenses then required to do so in the State of Kansas and which the Option Holder has engaged to assist in determining the appraised value of the Option Property. Within thirty (30) days after receipt of such notice of exercise of the Option, the Purchaser shall provide the Option Holder with a commitment for title insurance on the Option Property from a title company then licensed to insure titles to real property in the State of Kansas and shall notify the Option Holder of the name of an appraiser engaged in the business of appraising real property and improvements thereon which has any licenses then required to do so in the State of Kansas and which the Purchaser has engaged to

assist in determining the appraised value of the property then subject to the Option. Within thirty (30) days after the naming of the Purchaser's appraiser the two appraisers shall each make a determination of what they believe to be the fair market value of the Option Property and shall exchange such determinations. If the two appraisers cannot agree upon a single appraised value for the Option Property, then within five (5) days thereafter the two appraisers shall pick a third appraiser engaged in the business of appraising real property and improvements thereon which has any licenses then required to do so in the State of Kansas which third appraiser, within ten (10) days of its appointment, shall determine which of the two appraisers' appraisals is, in such third appraiser's judgment, closest to the then fair market value of the Option Property. The Option Holder and the Purchaser will be notified of the appraised value of the Option Property, whether determined by the agreement of the initial two appraisers or by a third appraiser picked by the two appraisers, and, unless the Option Holder gives notice to the Purchaser that the Option Holder is withdrawing its notice of exercise of the Option within ten (10) days thereafter, shall be the price that will be paid in cash at the closing in exchange for a general warranty deed to the Option Property from the Purchaser and any parties related to the Purchaser which then own or lease any portion of the Option Property and the Purchaser shall cause a policy of title insurance to be issued to the Option Holder in the amount of the appraised price so paid pursuant to the aforesaid title insurance commitment. If the Option Holder timely withdraws the notice of exercise of the Option after the appraised price is so determined, the Option Holder will have no further Option under this Section in the property subject to the Option but may still have rights provided under other provisions of this Memorandum. The costs of determining the appraised value of the Option Property, the aforesaid title commitment and policy and any other closing costs shall be split by the Purchaser and the Option Holder equally with any utilities, rents and taxes related to the Option Property being prorated as of the closing date.

4. Notices. Notices which are required or permitted to be given hereunder shall be given to the address of the City Clerk of the Purchaser at such official's then address in the case of a notice to the Purchaser or a related successor in interest which is bound by the terms and conditions of this Memorandum and shall be given to the registered office in the State of Kansas of the Seller (or of its successor in interest referred to herein as the ROFO Holder, the ROFR Holder or the Option Holder herein, as the case may be), if any; provided that if the ROFO Holder, ROFR Holder or Option Holder does not have a registered office in the State of Kansas then any notice required or permitted to be given hereunder shall be given to the address to which ad valorem tax statements are then being sent for the Stadium Site.

5. Effect of Sale of a Portion of Stadium Site and of Industrial Revenue Bonds. Seller shall retain its rights under this Memorandum so long as Seller owns fee title to at least fifty percent (50%) of the acreage referred to herein as the Stadium Site. If Seller conveys fee title to more than fifty percent (50%) of the Stadium Site to an affiliate of Seller, the University of Kansas or Kansas Athletics, Inc. (the "Assignee"), then thereafter so long as Assignee owns at least fifty percent (50%) of the acreage referred to herein as the Stadium Site, Assignee shall be deemed to be the successor in interest of the Seller referred to herein as the ROFO Holder, the ROFR Holder or the Option Holder herein, as the case may be. For purposes hereof, if Seller or Assignee in fee title conveys fee title to all or any portion of the Stadium Site to Purchaser or any other person or entity in connection with the issuance of industrial revenue or other bonds subject to a leaseback to the Seller (or its successor in fee title), the Seller or Assignee will still be deemed to own such portion of the Stadium Site that is so conveyed in connection with such

industrial revenue or other bond issue for all purposes under this Memorandum unless and until the Seller or Assignee loses all interests in such portion of the Stadium Site by reason of the exercise of remedies to enforce a default under such bond issue.

6. Binding Effect. The provisions of this Memorandum shall run with the title to the Recreation Center Site and the Stadium Site as the case may be and will be binding upon any person(s) or entity(ies) which acquires any interest in any portion of the Recreation Center Site or any improvements thereon and the respective successors and assigns of the parties hereto.

7. Term. Notwithstanding anything to the contrary in this Memorandum, all rights of the Seller and its successors and assigns under this Memorandum will terminate no later than the sooner of December 31, 2112 and that date which is 21 years after the death of the last to die of the students, faculty and alumni of the University of Kansas living on the date of this Memorandum.

8. Severability. If any portion of the provisions of this Memorandum is determined to be invalid by a court of competent jurisdiction, the remaining portions of this Memorandum shall remain in effect.

9. Entire Agreement/Modification. Except to the extent incorporated herein by reference, this Memorandum contains the entire agreement of the parties relating to the subject matter hereof and replaces any prior or contemporaneous agreements or understandings unless specifically incorporated herein. No modification of this Memorandum shall be valid unless made in accordance with any applicable laws and in a writing signed by the parties hereto.

10. Captions. The captions appearing in this Memorandum are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope and intent of this Memorandum or any of the provisions hereof.

11. K.S.A. 12-1301. Certain obligations of the Purchaser under this Memorandum are subject to the provisions of K.S.A. 12-1301, as amended from time to time.

12. Certain Transactions. The ROFO, ROFR and Option will not become exercisable solely due to: (a) a transaction between the Purchaser and a third party which results in that third party leasing less than 10% of the Recreation Center for health and wellness purposes, such as a wellness center; or (b) leases between the Purchaser and a third party of portions of the Recreation Center by which the third party sponsors, hosts or operates sports tournaments, sports leagues and similar events, so long as the Purchaser is still actively managing and operating the Recreation Center and the Recreation Center is open to the general public for recreational use at least sixty percent (60%) of the time that the Recreation Center is being operated (as measured on a calendar year basis). For purposes of this Memorandum, a license or other agreement which gives a third party control of the day to day operations of more than 10% of the Recreation Center will be deemed to be a lease unless the third party is owned (directly or indirectly) by the Purchaser or by another subdivision of the State of Kansas.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date stated above by their duly authorized representatives.

[The signatures of the parties follow on separate pages]

RCP, LLC,
a Kansas limited liability company

By: The Kansas University Endowment
Association, a Kansas non profit
corporation, its sole member

By: 
Dale Seufferling, President

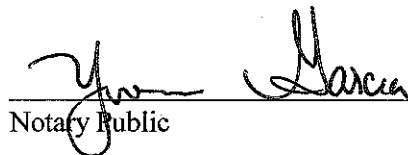
STATE OF KANSAS)
) ss
COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this 5 day of August, 2013, before me the undersigned, a Notary Public in and for the County and State aforesaid, came Dale Seufferling as the President of The Kansas University Endowment Association, a Kansas non profit corporation, as the sole member of RCP, LLC, a Kansas limited liability company, who is personally known to me to be such officer, and who is personally known to me to be the same person who executed the within instrument on behalf of said corporation in its capacity as member of such limited liability company, and such officer duly acknowledged the execution of the same to be the act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

[SEAL]




Notary Public

My commission expires:

(Seal)



CITY OF LAWRENCE, KANSAS
a municipal corporation

By: _____

Name: Michael Dever

Title: Mayor

ATTEST:

Name: Jonathan M. Douglass

Title: City Clerk

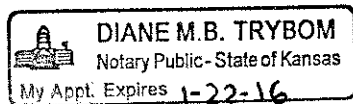
ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF DOUGLAS)

BE IT REMEMBERED that on this 22nd day of July, 2013, before me, a notary public in and for said county and state, came Michael Dever, Mayor of the City of Lawrence, Kansas, a municipal corporation duly authorized, incorporated and existing under and by virtue of the Constitution and laws of the State of Kansas, and Jonathan M. Douglass, City Clerk of said City, who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said City, and such persons duly acknowledged the execution of the same to be the act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above-written.

[SEAL]



Notary Public

My commission expires 1-22-16

EXHIBIT A

LEGAL DESCRIPTION OF RECREATION CENTER SITE

Lot 2, Rock Chalk Park Addition No. 1, a subdivision in the City of Lawrence, Douglas County, Kansas

EXHIBIT B

LEGAL DESCRIPTION OF STADIUM SITE

Lot 1, Rock Chalk Park Addition No. 1, in the City of Lawrence, Douglas County, Kansas.