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NOV 12 2014

BEFORE THE BOARD OF TAX APPEALS OF THE STATE OF KANSAS

INDUSTRIAL REVENUE BOND EXEMPTION
(K.S.A. 79-213)

*Douglas County
Appraisers Office*

APPLICANT:

City of Lawrence, Kansas

Applicant Name (Owner of Record)

6 East 6th Street

Applicant Address (Street or Box No.)

Lawrence KS 66044

City State Zip

Applicant Phone #: (785) 832-3413

Applicant E-mail: dstoddard@lawrenceks.org

ATTORNEY OR REPRESENTATIVE: (If applicable)*

Gary Anderson Attorney

Representative Name Title

Gilmore & Bell, P.C.
2405 Grand Boulevard, Suite 1100

Representative Address

Kansas City MO 64108

City State Zip

Atty/Rep Phone #: (816) 221-1000

Representative E-mail: ganderson@gilmorebell.com

Taxing County: Douglas

Year/Years at issue: 2014-2023

Property at issue:

Real Property---Street address, city: 6100 Rock Chalk Drive, Lawrence, KS 66049

Personal Property---Description: N/A

Mailed 11-19-14

(For State of Kansas use only)

**Copy For Your Records
Original Mailed to BOTa**

DOCKET NO. _____-IRBX

Fee: _____ Amt Rec. _____

Rec. Date: _____ Ck # _____

No Fee: _____ Reason: _____

R 330009

(For County use only)

Parcel ID #/Personal Property ID #
or Vehicle ID #:

023-069-29-0-00-00-02.03-0

Plate U13992

County's valuation: \$ *119,581.10*

LBCS Function Code: *5379*

1. Real Property – For real property, provide a detailed description of all improvements, and attach a copy of the deed.
See attached deed. Collegiate track & field stadium, soccer stadium, & softball stadium, &
accessory facilities & Infrastructure
2. Personal Property – For personal property, provide an itemized list of all items, including the acquisition date(s) and any legal documentation of ownership. (If the description is lengthy, attach additional pages to this form.)
N/A
3. Provide the lessee's:
Company Name: RCP, LLC
Address: 1891 Constant Ave., Lawrence, KS 66047
Telephone #: 785-832-7334
Company Contact: Dale Seuferling
4. The Informational Statement required pursuant to K.S.A. 12-1744a, and amendments thereto, must be on file before an exemption can be considered. Provide the filing number assigned to that statement by the Board of Tax Appeals. 2013-5696-IRB
5. Indicate the issuance date of the IRBs: 10/15/2013
6. Indicate the total principal amount issued in IRBs. \$ 40,000,000

Of this total, how much in bond funds was expended to acquire, purchase, remodel, etc., in each of the following categories?

Land	\$ 1,859,438.05
Improvements	\$ 33,027,760.13
Machinery, Equipment	\$ 5,058,440.82
Property exempt	
pursuant to K.S.A. 79-223	\$ 0
Other (describe)	\$ 0
	\$
TOTAL SPENDING	\$ 39,945,639.00

7. Indicate the total cost from all sources of acquiring, purchasing, remodeling or renovating this property (by category):

Land	\$ 1,859,438.05
Improvements	\$ 33,027,760.13
Machinery, Equipment	\$ 5,058,440.82
Property exempt	
pursuant to K.S.A. 79-223	\$ 0
Other (describe)	\$ 0
	\$
TOTAL SPENDING	\$ 39,945,639.00

8. Indicate whether the lessee is a corporation, a partnership, a limited liability company, etc.
limited liability company
9. Describe specifically the nature of lessee's business. Copies of company brochures may be attached.
Single purpose entity formed to facilitate the construction of the KU athletic facilities
now located thereon.
10. Describe specifically the use of the property financed by the IRBs.
Collegiate track & field stadium, soccer stadium, and softball stadium and accessory
facilities and infrastructure.
11. Is the bond-funded property at issue located in a Redevelopment Project Area as defined by K.S.A. 12-1770 *et seq*? xxx No Yes
12. Is the subject property, or any portion of it, used in a retail enterprise, poultry confinement facility, rabbit confinement facility, or swine production facility? xxx No Yes
If yes, list all property used for any of the above listed purposes.
13. Has a previous application for exemption pursuant to K.S.A. 79-201a, or Article 11, §13 of the Kansas Constitution of the subject property been submitted to the Board? xxx No
 Yes Years @ issue: BOTA Docket No.:
14. Has a previous application for exemption pursuant to K.S.A. 79-201a, or Article 11, §13 of the Kansas Constitution for other property been submitted to the Board? xxx No
 Yes Years @ issue: BOTA Docket No.:
15. Enclose:
- a. The prepared cost-benefit analysis, which includes the effect of granting the exemption on state revenues.
 - b. Proof of publication of the notice of public hearing concerning the granting of the economic development exemption and attach a publisher's affidavit showing publication at least 7 days prior to the hearing.
 - c. A copy of the letter of notice of public hearing sent to the governing body of any city or county and unified school district within which the subject property is located.
 - d. A copy of the ordinance or resolution adopted by the local governing body authorizing issuance of the IRBs.
 - e. A copy of any lease or payment in lieu of tax agreements.
16. Did you receive assistance from the Kansas Department of Commerce? Yes xxx No
17. Do you request a hearing on the application for exemption? Yes xxx No

VERIFICATION

I, Diane Stoddard, do solemnly swear or affirm that the information set forth herein is true and correct, to the best of my knowledge and belief. So help me God.

Diane Stoddard
Signature of Applicant

Diane Stoddard, Assistant City
Printed Name and Title manager

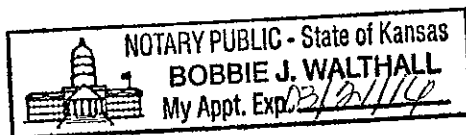
State of Kansas)
County of Douglas)

This instrument was acknowledged before me on 12 by November, 2014.

Seal

Bobbie J. Walthall
Signature of Notary Public

My appointment expires: 03/21/14



COUNTY APPRAISER RECOMMENDATIONS AND COMMENTS

TO COUNTY APPRAISER:

Pursuant to K.S.A. 79-213, and amendments thereto, the County Appraiser is required to review each application and recommend whether the relief sought should be granted or denied. Therefore, please answer the following questions and provide any additional comments you believe are necessary to support your recommendation. The County Appraiser shall provide a copy of the completed comments and recommendations to the applicant.

1. Do you find the facts as stated by the applicant represent the true situation? ☒ Yes ☐ No
2. Do you recommend that the exemption herein requested be granted? ☒ Yes ☐ No
3. Do you request a hearing on this application? ☐ Yes ☒ No
4. What was the total appraised valuation of the subject property as of January 1st of the year after the IRBs were issued? \$ 11,958,110
5. What was the appraised valuation of the existing property prior to the IRB statement? \$ 2,260
6. What is the mill levy for the subject property for the coming year (if set) or for the current year?
Year 2014 Mill Levy 129.736

Comments:

VERIFICATION

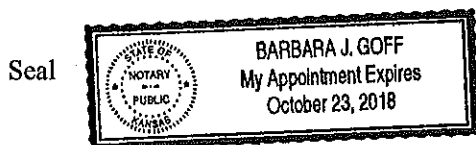
I, Steven Miles, do solemnly swear or affirm that the information set forth herein is true and correct, to the best of my knowledge and belief. So help me God.

Steven Miles
Signature of County Official

Steven Miles, Dg. Co. Appr.
Printed Name and Title

State of Kansas)
County of Douglas)

This instrument was acknowledged before me on 11/19/14 by Steven Miles.



Barbara J. Goff
Signature of Notary Public

My appointment expires: _____

INDUSTRIAL REVENUE BOND EXEMPTION
INSTRUCTIONS

(For assistance, contact the Kansas Department of Commerce (785) 296-5298)

1. Each application for tax exemption must be filled out completely with all accompanying facts and attachments. The statement of facts must be in affidavit form. Applications or statements that have not been signed by the property owner before a Notary Public will not be considered. Pursuant to K.S.A. 79-213, and amendments thereto, the property owner is required to file the application. If the subject property is leased, the lessee can **not** file the application.
2. Pursuant to Kansas law, the burden is on the applicant to prove affirmatively that relief is necessary. Failure to do so will result in the denial of the request for exemption.
3. Enclose any applicable filing fee(s) pursuant to K.A.R. 94-5-8. Checks or money orders should be made payable to the Board of Tax Appeals. For information regarding fees with the State Board of Tax Appeals, visit www.kansas.gov/bota/ or contact the Board at (785) 296-2388. The County Appraiser's office also has fee schedules available.

This form along with the applicable attachments is to be filed with the County Appraiser for recommendations pursuant to K.S.A. 79-213(d). The County Appraiser will forward the application to the Board of Tax Appeals.

Entered in Transfer Record in my
office on 10/31/2013, County Clerk

[Signature]



Douglas County Register of Deeds

Book: 1108 Page: 3475-3476

Receipt #: 449782

Pages Recorded: 2

Authorized By

Total Fee: \$12.00

[Signature]

Date Recorded: 10/31/2013 12:48:52 PM
[ELECTRONICALLY FILED]

Kansas Secured Title
3123842

WARRANTY DEED

THIS WARRANTY DEED, made as of October 31, 2013, by and between RCP, LLC, a Kansas limited liability company, party of the first part, and the CITY OF LAWRENCE, KANSAS, a municipal corporation duly organized and existing under the laws of the State of Kansas, and having a mailing address of City Hall, 6 East 6th Street, Lawrence, Kansas 66044, party of the second part.

WITNESSETH: THAT SAID PARTY OF THE FIRST PART, in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does by these presents WARRANT AND CONVEY, unto the party of the second part, its municipal successors and assigns, all of the following described REAL ESTATE situated in the County of Douglas and State of Kansas, to-wit:

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

SUBJECT, HOWEVER TO THE FOLLOWING PERMITTED ENCUMBRANCES: as of any particular time (a) liens for ad valorem taxes and special assessments not then delinquent, (b) the Trust Indenture dated as of October 1, 2013, by and between the party of the first part and BOKF, N.A., as trustee, (c) the Lease Agreement dated as of October 1, 2013 (the "Lease"), by and between the party of the first part and the party of the second part, (d) utility, access and other easements and rights-of-way, mineral rights, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the Issuer, (e) such minor defects, irregularities, encumbrances, easements, mechanic's liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project (as defined in the Trust Indenture) and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Issuer, (f) any other lien, encumbrance, lease, easements, restrictions or covenants consented to by the Owner of 100% of the principal amount of the Bonds (as defined in the Trust Indenture) and (g) the Permitted Encumbrances (as defined in the Lease).

TO HAVE AND TO HOLD THE SAME, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining forever, and the said party of the first, for itself, its successors and assigns, does hereby covenant, promise and agree, to and with said party of the second part, that at the delivery of these presents, it is lawfully seized in its own right of an absolute and indefeasible estate of inheritance, in fee simple, of and in all and singular the above granted and described premises, with the appurtenances; that the same are free, clear, discharged and unencumbered of and from all former and other grants, titles, charges, estates, judgments, taxes, assessments and

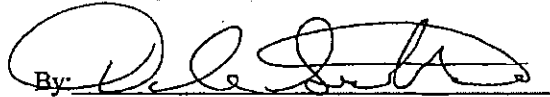
FOREVER DEFEND the same unto said party of the second part, its municipal successors and assigns, against said party of the first part, its successors and assigns, and all and every person or persons whomsoever, lawfully claiming or to claim the same, except as above stated.

THIS CONVEYANCE IS FOR THE PURPOSE OF SECURING A DEBT OR OTHER OBLIGATION AND IS EXEMPT FROM THE REQUIREMENTS OF A SALES VALIDATION QUESTIONNAIRE PURSUANT TO K.S.A. 79-1437e(2).

IN WITNESS WHEREOF, the said parties of the first part has executed this Deed as of the date first written above.

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

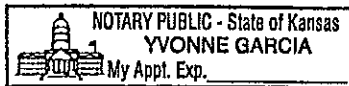
ACKNOWLEDGMENT

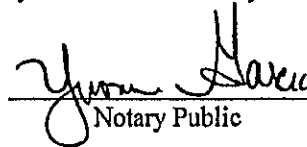
STATE OF KANSAS)
) SS.
COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this 18 day of October, 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 December 29, 2014

Enclosure A

Cost-Benefit Analysis

Memorandum
City of Lawrence
City Manager's Office

TO: Public Incentives Review Committee (PIRC)

FROM: Britt Crum-Cano, Economic Development Coordinator

Date: February 19, 2013

**CC: David L. Corliss, City Manager
Diane Stoddard, Assistant City Manager**

**RE: Tax Abatement Request: Kansas Athletic facilities at Rock
Chalk Park**

Background:

Rock Chalk Park is a proposed sports campus to be located near the northeast corner of the 6th Street and K-10 intersection, off of George Williams Way. KU Endowment has announced plans for KU Athletics to proceed with developing a new seated competition track and field stadium for KU Track & Field, new competition outdoor soccer facilities for KU Women's Soccer, and a softball facility for KU Softball. KU has also invited the City to locate its new recreation facility on the site, creating unique synergies between the City and the University of Kansas athletics. The possible City portion of the project is the subject of a February 19, 2013 City Commission agenda item.

If the City proceeds, the City portion of the project will automatically be exempt from sales taxes on construction materials as well as property taxes. Current Kansas Athletic facilities also enjoy a property tax abatement by right. These facilities when constructed by the University are also exempt from sales tax on construction materials. However, the proposed structure of construction and lease of the new Kansas Athletic facilities at Rock Chalk Park by Bliss Sports LC may not carry an automatic property tax exemption.

For this reason, the applicant (Bliss Sports LC) is requesting a 10-year, 100% tax abatement for the KU portion of the project.

Analysis:

State statutes require a cost-benefit analysis for consideration of a tax abatement. Bliss Sports, LC submitted a preliminary application for incentives on January 15, 2013. The company subsequently provided updates to the application, which refined estimates. The final application requests a 10-year, 100% tax abatement. Based on revised information as provided on the updated application, analysis shows the request meets or exceeds the 1:1.25 cost-benefit ratio as preferred by the City and County.

Rock Chalk Park: KU Facilities					
Incentives	Cost-Benefit Ratios				Total Value
	City	County	USD 323 (Perry- Lecompton)	State	
10-year, 100% tax abatement	1.62	2.69	33.16	N/A	\$17,031,609

Overall, the model estimates the total value of incentives at a little over \$17 million, with the project delivering positive returns for all jurisdictions over the ten year abatement period. The analysis shows that the 1.25 threshold for the benefit-cost ratio will be met as the City will realize a benefit-cost ratio of 1.62, the County will realize a ratio of 2.69 and the School District will realize a ratio of 33.16. This means that for every dollar of additional costs and tax abatements, the City will receive \$1.62, the County will receive \$2.69 and USD 323 (Perry-Lecompton) will receive \$33.16 of revenue. The State does not have a cost-benefit ratio as there are no costs involved.

Additional Analysis:

Bliss Sports had previously requested the issuance of Industrial Revenue Bonds (IRBs), which in addition to accommodating conduit project financing, would also provide a sales tax exemption on construction-related materials for the KU portion of the project. Subsequently, Resolution 7002 was approved by the City Commission on January 22, 2013, indicating the City's intent to issue IRBs for the project.

Based on initial construction materials expenses, the below shows an estimated break down of the amount of sales tax that the various jurisdictions would forego through a sales tax exemption.

Estimated Sales Tax Savings: Rock Chalk Park	
Est. Construction Materials Expense	\$10,000,000
Sales Tax Estimates	
City (1.55%)	\$155,000
County (1%)	\$100,000
State (6.3%)	\$630,000
Net Estimated Savings from Sales Tax Exemption	\$885,000

Incorporating the amount of sales tax savings into the model, additional analysis shows cost-benefit ratios are reduced for both the City and County, but still exceed the 1:1.25 threshold.

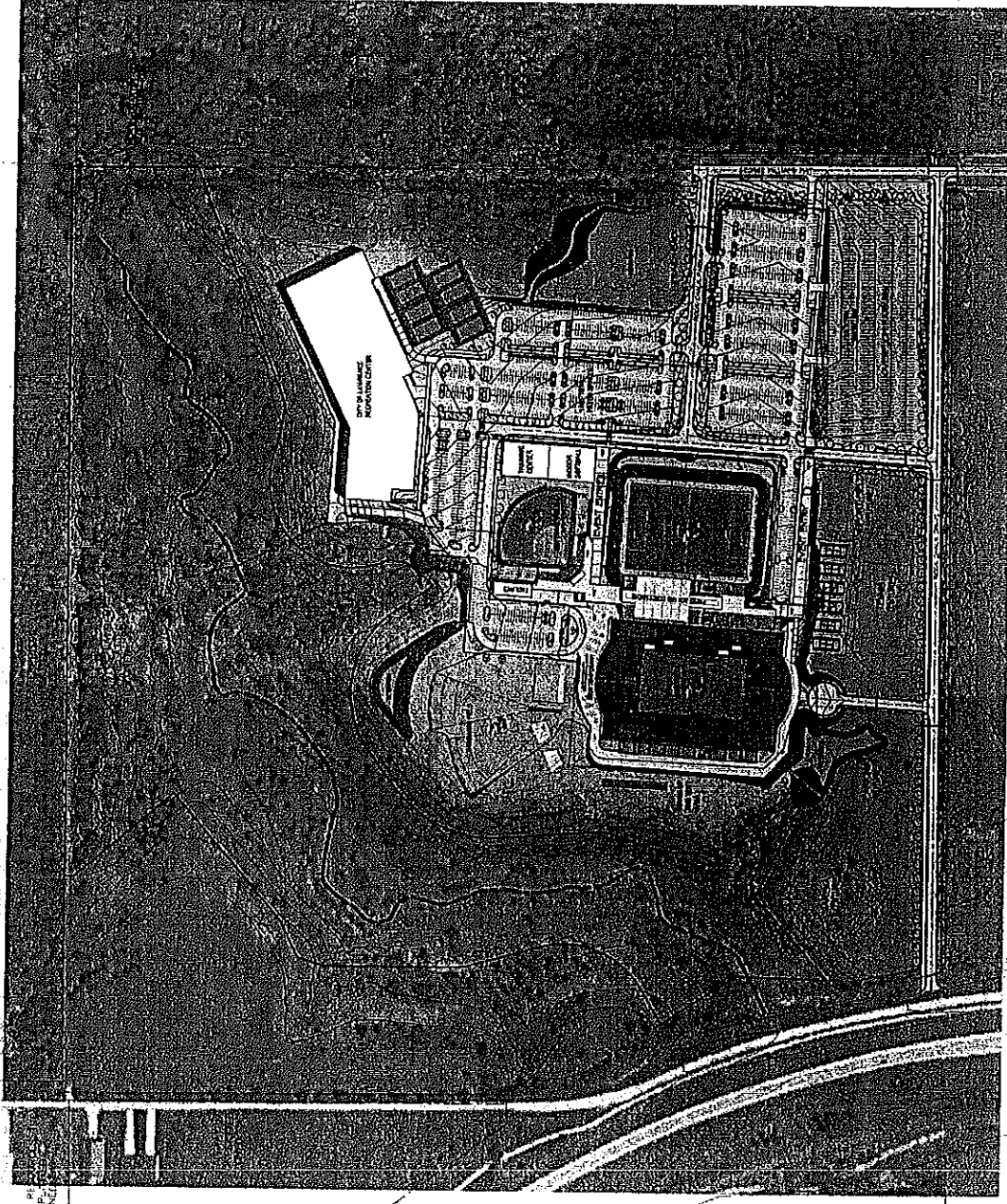
Rock Chalk Park: KU Facilities (includes sales tax exemption)					
Incentives	Cost-Benefit Ratios				Total Value
	City	County	USD 323 (Perry-Lecompton)	State	
10-year, 100% tax abatement	1.49	2.54	33.16	N/A	\$17,916,609

Additional Considerations:

Under normal property tax exemption status, both the City and KU Athletic facilities enjoy an exemption of property taxes for the duration of ownership. However, state statutes limit a property tax abatement to 10 years. Thus, under a tax abatement, the KU portion of the project would be exempt for a limited period. After that 10-year period, the property would be subject to property taxes.

Suggested Action:

Consider applicant's request for a 10 year, 100% tax abatement on the portion of the Rock Chalk Park project that will accommodate KU facilities and provide a recommendation to the City Commission regarding the request. It is anticipated that the City commission would hold its public hearing and consider this issue at its March 5, 2013 meeting.



ROCK CHALK PARK
MASTERPLAN
SCALE 1" = 150'
2012 DECEMBER 10




gould evans paul werner
ARCHITECTS

CPN RI
JAN
2012

Final Incentives Application
(updated 2-11-13)

1) Name of Company * Bliss Sports, LC

2) Current Address * 
209 Fall Creek Road
Lawrence, Kansas 66049
United States

3) Contact Person for Application * Thomas Fritzel

3a) Title * Member

3b) Phone * (785) 841-6347

3c) Fax (785) 841-6342

3d) E-mail Address * Thomas@gfritzel.com

3e) Is the Contact's address the same as the Company's address? Yes

4) Please provide a brief description of the Company Single purpose entity to develop and operate collegiate sports facilities

5) What is the NAICS code for the operation that you are locating or expanding in Lawrence? * 531000 (Real Estate)

5a) If the NAICS code is unknown, please describe the primary line of business for the Lawrence operation development and operation of collegiate sports facilities

6) Please list the Public Incentive/s that you are seeking as well as the amount of each public Incentive * 100% real estate tax abatement for 10 years.
IRB for sales tax exemption on construction-related materials.

6a) Please tell us why you are seeking these Incentives	Necessary component of project financing and tenant leasing
7) Will your firm be leasing the building or the land in your expansion or newly constructed facility?	Yes
7b) If you are seeking an IRB, please list the firm that will be receiving the IRB	Bliss Sports, LC
8) Is your firm Relocating or Expanding? Note: If an Expansion, please proceed to question 10 *	New business being located within City
9) Will this Relocation involve your whole Company or part?	Whole Company
10) For Expansion, briefly describe the purpose and activities of the new facility	Soccer, track and field, and softball facilities for KU collegiate athletics use, including conference-wide and other NCAA tournaments
11) When do you plan to begin operation of the new facility? *	April 2014
12) How many Employees currently work in Lawrence (0 for Relocation)? *	0
12a) How many total employees will work in Lawrence after Expansion/Relocation *	17
12b) Of these total Employees, how many do you anticipate hiring from <i>outside</i> the Local Labor Market? *	5
12c) How many do you plan to hire or relocate from <i>outside</i> Kansas? *	0
13) Current Operating Expenditures per Year (Enter 0 for Relocation) *	\$0
13a) Anticipated Operating Expenditures after expansion/relocation *	\$2,000,000

13b) Estimated % of <i>additional</i> operating expenditures made in Lawrence *	100
14) If you are seeking a tax abatement or an IRB, please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion *	\$300,000
15) What is the size of the new facility being constructed (square feet)? *	1000000
16) What is the estimated Value of the new construction? *	50000000
17a) Size of the Parcel on which the building will be located (acres) *	84
17b) What is the Value of the land? *	3500000
18) About what % of new Goods produced in Lawrence, will be sold outside of Lawrence and/or Douglas County: *	42%
a) New Employees, Year 1 *	11
a) New Employees, Year 2 *	3
a) New Employees, Year 3 *	0
a) New Employees, Year 4 *	0
a) New Employees, Year 5 *	0
a) New Employees, Year 6 *	3
a) New Employees, Year 7 *	0
a) New Employees, Year 8 *	0
a) New Employees, Year 9 *	0
a) New Employees, Year 10 *	0

b) Average Salary of New Employees Hired in Year 1 *	\$48,636
b) Average Salary of New Employees Hired in Year 2 *	\$55,000
b) Average Salary of New Employees Hired in Year 3 *	0
b) Average Salary of New Employees Hired in Year 4 *	0
b) Average Salary of New Employees Hired in Year 5 *	0
b) Average Salary of New Employees Hired in Year 6 *	\$55,000
b) Average Salary of New Employees Hired in Year 7 *	0
b) Average Salary of New Employees Hired in Year 8 *	0
b) Average Salary of New Employees Hired in Year 9 *	0
b) Average Salary of New Employees Hired in Year 10 *	0
c) Capital Investment in Building, Year 1 *	40000000
c) Capital Investment in Building, Year 2 *	100000
c) Capital Investment in Building, Year 3 *	100000
c) Capital Investment in Building, Year 4 *	100000
c) Capital Investment in Building, Year 5 *	100000
c) Capital Investment in Building, Year 6 *	100000
c) Capital Investment in Building, Year 7 *	100000

c) Capital Investment in Building, Year 8 * 100000

c) Capital Investment in Building, Year 9 * 100000

c) Capital Investment in Building, Year 10 * 100000

% of Health Care Premium Covered * 50

% of Employees with Company Health Care * 100

% of Employees with Retirement Program * 100

20a) Will you provide Job Training for Employees? Yes

20c) What is the lowest Hourly Wage offered to Employees associated with this Expansion or Relocation? * \$14.42

20d) What percentage of your new Employees will receive this Wage? * 50

21) Will you provide Additional Benefits to Employees? Yes

a) Gas * 2000

b) Electricity * 10000

c) Cable Television * 1000

d) Telephone Service * 1000

23) Will the Building meet Energy STAR criteria? * No

24) Will the Building seek LEED Certification? * No

24a) If you will Seek LEED Certification, what level will you seek? Certified

25) Please describe any environmental impacts, positive or negative, your operations have as well as any remedial actions your firm may N/A

take to address negative impacts. *

26) Please describe any additional benefits or costs you believe your business will bring to the City of Lawrence and Douglas County, KS.

*Attractive community amenity to be enjoyed by KU and greater Lawrence community.

* Synergy with and complement to proposed City recreation center.

*Positive economic impact on area businesses from visiting teams and spectators, including from conference-wide and other regional tournaments and events.

Model: Bliss Sports: 100% TA over 10 years**Project Summary**

Capital Investment in Plant:	\$50,000,000
Annual Local Expenditures by Firm:	\$2,000,000
Retained Jobs:	17
Average Wage per Retained Job:	\$50,882
Indirect Jobs Created:	5
Average Wage of Indirect Jobs:	\$146,269
Total New Households:	10
Discount Rate:	5.87%
Cost and Revenue Escalation:	1.00%
Number of Years Evaluated:	15

Incentives

IRB Offered	No
Value of IRB Construction Sales Tax:	\$0
Tax Rebate:	100% annually over 10 years
Length of Tax Abatement/s:	10 Years
Value of Tax Abatements, Total:	\$17,031,609
Other Incentives	
Site Infrastructure:	\$0
Facility Construction:	\$0
Loans/Grants:	\$0

Value of All Incentives Offered: \$17,031,609

Value of All Incentives per Job per Year:	\$66,791
Value of Incentives in Hourly Pay:	\$32.11
Value of Incentives per Dollar Invested:	\$0.34

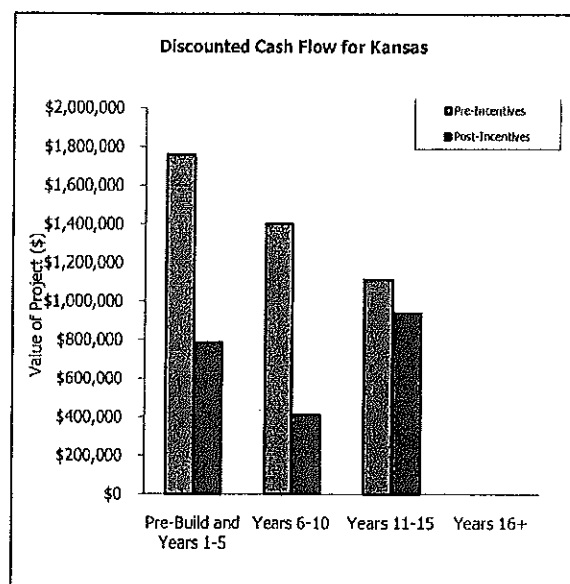
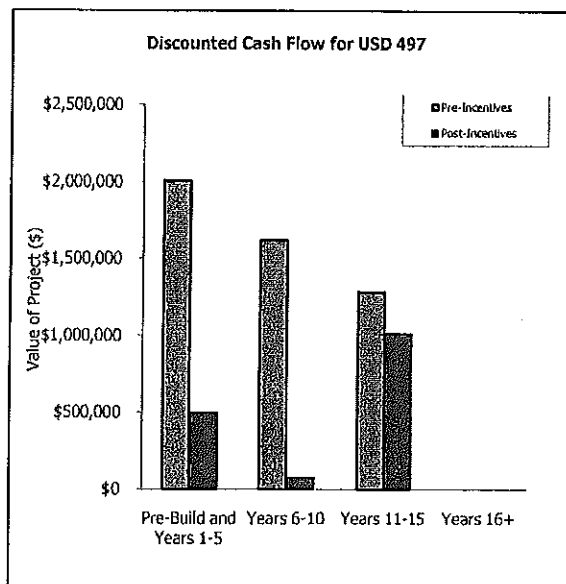
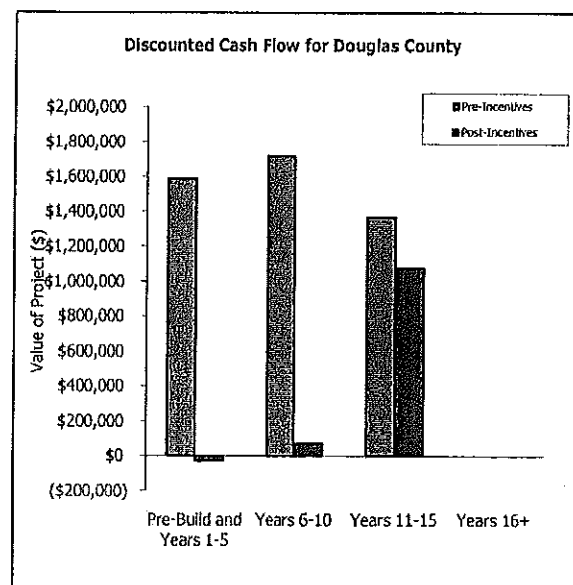
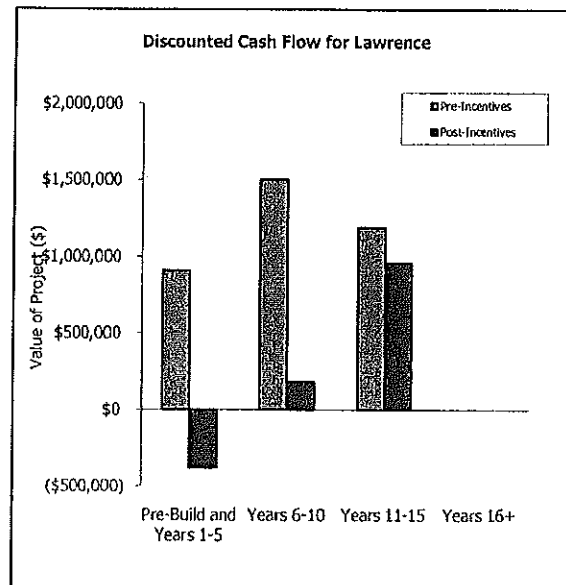
Summary of Results

Returns for Jurisdictions	Lawrence	Douglas County	USD 343	State of Kansas
Revenues	\$7,489,958	\$8,280,485	\$7,695,199	\$6,629,299
Costs	\$1,423,077	\$756,270	\$77,293	\$0
<i>Revenue Stream, Pre-Incentives</i>	<i>\$6,066,881</i>	<i>\$7,524,215</i>	<i>\$7,617,905</i>	<i>\$6,629,299</i>
Value of Incentives Offered	\$4,085,176	\$5,107,612	\$4,769,085	\$3,069,736
Revenue Stream with Incentives	\$1,981,705	\$2,416,602	\$2,848,821	\$3,559,563

Returns for Jurisdictions, Discounted	Lawrence	Douglas County	USD 343	State of Kansas
Discount Rate	5.87%			
Discounted Cash Flow, Without Incentives	\$3,606,584	\$4,676,255	\$4,911,482	\$4,279,094
<i>Benefit/Cost Ratio, Without Incentives</i>	<i>3.93</i>	<i>8.05</i>	<i>100.17</i>	<i>N/A</i>
Discounted Cash Flow, With Incentives	\$763,950	\$1,122,167	\$1,592,956	\$2,143,045
Benefit/Cost Ratio, With Incentives	1.62	2.69	33.16	N/A

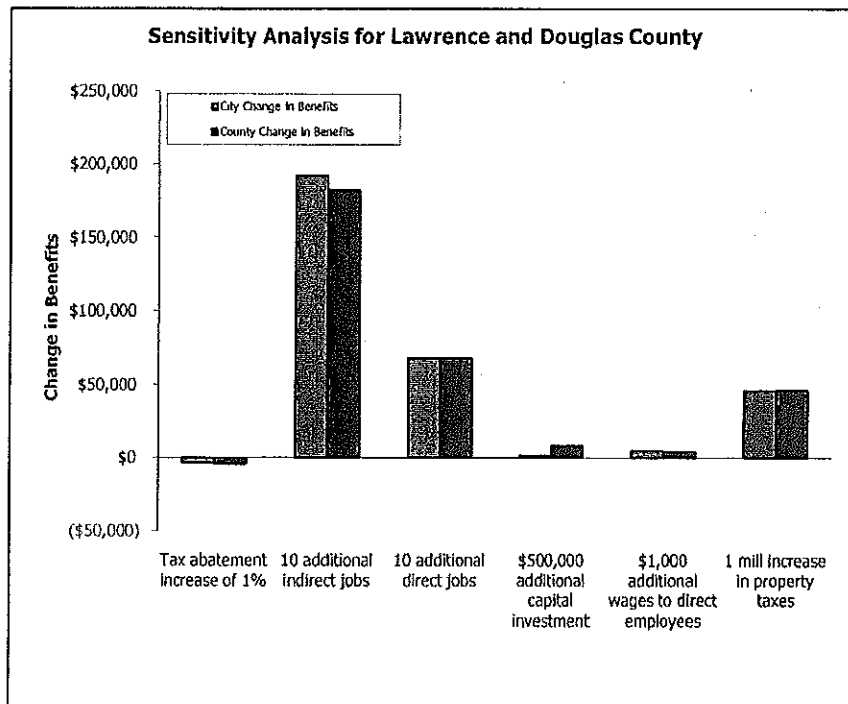
Model: Bliss Sports: 100% TA over 10 years

Graphs of Benefits and Costs by Time Period, with and Without Abatement



Model: Bliss Sports: 100% TA over 10 years

Sensitivity Analysis



Model: Bliss Sports: 100% TA over 10 years**APPENDIX 1: Annual Results (not Discounted)**

<i>Lawrence</i>					
Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$456,259	(\$1,071,371)	\$0	(\$615,112)	(\$615,112)
2	\$468,422	(\$25,970)	(\$387,235)	\$55,217	(\$559,895)
3	\$473,920	(\$20,807)	(\$391,837)	\$61,276	(\$498,619)
4	\$479,482	(\$21,015)	(\$396,492)	\$61,974	(\$436,645)
5	\$487,322	(\$21,226)	(\$401,201)	\$64,895	(\$371,750)
6	\$499,532	(\$31,189)	(\$405,965)	\$62,378	(\$309,371)
7	\$494,856	(\$25,858)	(\$410,784)	\$58,214	(\$251,157)
8	\$497,101	(\$26,116)	(\$415,659)	\$55,325	(\$195,832)
9	\$502,917	(\$26,378)	(\$420,590)	\$55,949	(\$139,882)
10	\$508,800	(\$26,641)	(\$425,578)	\$56,580	(\$83,302)
11	\$513,888	(\$24,800)	(\$429,834)	\$59,254	(\$24,048)
12	\$519,027	(\$25,048)	\$0	\$493,979	\$469,931
13	\$524,217	(\$25,299)	\$0	\$498,919	\$968,850
14	\$529,460	(\$25,552)	\$0	\$503,908	\$1,472,758
15	\$534,754	(\$25,807)	\$0	\$508,947	\$1,981,705

<i>Douglas County</i>					
Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$501,473	(\$596,424)	\$0	(\$94,951)	(\$94,951)
2	\$511,978	(\$10,061)	(\$484,152)	\$17,765	(\$77,185)
3	\$518,023	(\$9,813)	(\$489,906)	\$18,304	(\$58,881)
4	\$524,138	(\$9,911)	(\$495,726)	\$18,501	(\$40,380)
5	\$530,991	(\$10,010)	(\$501,614)	\$19,367	(\$21,013)
6	\$541,340	(\$12,389)	(\$507,570)	\$21,380	\$368
7	\$547,716	(\$12,151)	(\$513,595)	\$21,970	\$22,338
8	\$554,166	(\$12,272)	(\$519,690)	\$22,204	\$44,542
9	\$560,690	(\$12,395)	(\$525,855)	\$22,440	\$66,982
10	\$567,289	(\$12,519)	(\$532,092)	\$22,678	\$89,660
11	\$572,962	(\$11,434)	(\$537,413)	\$24,115	\$113,775
12	\$578,691	(\$11,549)	\$0	\$567,143	\$680,918
13	\$584,478	(\$11,664)	\$0	\$572,814	\$1,253,732
14	\$590,323	(\$11,781)	\$0	\$578,543	\$1,832,274
15	\$596,226	(\$11,898)	\$0	\$584,328	\$2,416,602

Model: Bliss Sports: 100% TA over 10 years**APPENDIX 1: Annual Results (not Discounted) (Continued)**

<i>USD 497</i>					
Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$464,910	(\$5,052)	\$0	\$459,858	\$459,858
2	\$475,404	(\$4,629)	(\$452,063)	\$18,712	\$478,570
3	\$481,010	(\$4,162)	(\$457,435)	\$19,413	\$497,983
4	\$486,680	(\$4,203)	(\$462,870)	\$19,607	\$517,590
5	\$492,416	(\$4,245)	(\$468,367)	\$19,803	\$537,394
6	\$503,423	(\$5,736)	(\$473,929)	\$23,758	\$561,152
7	\$509,343	(\$5,259)	(\$479,555)	\$24,530	\$585,682
8	\$515,332	(\$5,311)	(\$485,245)	\$24,775	\$610,457
9	\$521,390	(\$5,364)	(\$491,002)	\$25,023	\$635,480
10	\$527,517	(\$5,418)	(\$496,825)	\$25,273	\$660,754
11	\$532,792	(\$5,472)	(\$501,794)	\$25,526	\$686,280
12	\$538,120	(\$5,527)	\$0	\$532,593	\$1,218,873
13	\$543,501	(\$5,582)	\$0	\$537,919	\$1,756,792
14	\$548,936	(\$5,638)	\$0	\$543,298	\$2,300,090
15	\$554,425	(\$5,694)	\$0	\$548,731	\$2,848,821

<i>State of Kansas</i>					
Year	Revenues	Costs	Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$407,173	\$0	\$0	\$407,173	\$407,173
2	\$412,013	\$0	(\$290,981)	\$121,032	\$528,205
3	\$416,910	\$0	(\$294,439)	\$122,471	\$650,676
4	\$421,863	\$0	(\$297,937)	\$123,926	\$774,601
5	\$426,874	\$0	(\$301,476)	\$125,398	\$899,999
6	\$431,942	\$0	(\$305,056)	\$126,887	\$1,026,885
7	\$437,070	\$0	(\$308,677)	\$128,393	\$1,155,278
8	\$442,256	\$0	(\$312,340)	\$129,916	\$1,285,195
9	\$447,503	\$0	(\$316,045)	\$131,458	\$1,416,652
10	\$452,810	\$0	(\$319,794)	\$133,017	\$1,549,669
11	\$457,338	\$0	(\$322,992)	\$134,347	\$1,684,016
12	\$461,912	\$0	\$0	\$461,912	\$2,145,928
13	\$466,531	\$0	\$0	\$466,531	\$2,612,459
14	\$471,196	\$0	\$0	\$471,196	\$3,083,655
15	\$475,908	\$0	\$0	\$475,908	\$3,559,563

Model: Bliss Sports: 100% TA over 10 years**APPENDIX 2: Annual Results (Discounted)**

<i>Lawrence</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$430,978	(\$1,012,008)	\$0	(\$581,030)	(\$581,030)
2	\$417,951	(\$23,172)	(\$345,511)	\$49,268	(\$531,762)
3	\$399,427	(\$17,537)	(\$330,246)	\$51,644	(\$480,118)
4	\$381,723	(\$16,731)	(\$315,654)	\$49,338	(\$430,779)
5	\$366,468	(\$15,962)	(\$301,705)	\$48,802	(\$381,978)
6	\$354,836	(\$22,154)	(\$288,372)	\$44,310	(\$337,668)
7	\$332,038	(\$17,350)	(\$275,627)	\$39,060	(\$298,608)
8	\$315,062	(\$16,553)	(\$263,445)	\$35,065	(\$263,543)
9	\$301,087	(\$15,792)	(\$251,800)	\$33,496	(\$230,047)
10	\$287,731	(\$15,066)	(\$240,669)	\$31,997	(\$198,050)
11	\$274,507	(\$13,248)	(\$229,607)	\$31,652	(\$166,398)
12	\$261,889	(\$12,639)	\$0	\$249,251	\$82,853
13	\$249,852	(\$12,058)	\$0	\$237,795	\$320,647
14	\$238,368	(\$11,504)	\$0	\$226,865	\$547,512
15	\$227,412	(\$10,975)	\$0	\$216,438	\$763,950

<i>Douglas County</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$473,687	(\$563,377)	\$0	(\$89,690)	(\$89,690)
2	\$456,814	(\$8,977)	(\$431,986)	\$15,851	(\$73,838)
3	\$436,597	(\$8,271)	(\$412,900)	\$15,427	(\$58,411)
4	\$417,274	(\$7,890)	(\$394,655)	\$14,729	(\$43,682)
5	\$399,308	(\$7,528)	(\$377,216)	\$14,564	(\$29,118)
6	\$384,533	(\$8,800)	(\$360,545)	\$15,187	(\$13,931)
7	\$367,505	(\$8,153)	(\$344,611)	\$14,742	\$811
8	\$351,230	(\$7,778)	(\$329,379)	\$14,073	\$14,883
9	\$335,675	(\$7,421)	(\$314,820)	\$13,434	\$28,318
10	\$320,807	(\$7,079)	(\$300,903)	\$12,825	\$41,143
11	\$306,062	(\$6,108)	(\$287,073)	\$12,882	\$54,024
12	\$291,995	(\$5,827)	\$0	\$286,168	\$340,192
13	\$278,574	(\$5,559)	\$0	\$273,015	\$613,206
14	\$265,770	(\$5,304)	\$0	\$260,466	\$873,673
15	\$253,554	(\$5,060)	\$0	\$248,494	\$1,122,167

Model: Bliss Sports: 100% TA over 10 years**APPENDIX 2: Annual Results (Discounted) (Continued)**

<i>USD 497</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$439,150	(\$4,772)	\$0	\$434,378	\$434,378
2	\$424,181	(\$4,130)	(\$403,354)	\$16,696	\$451,074
3	\$405,402	(\$3,508)	(\$385,533)	\$16,362	\$467,436
4	\$387,454	(\$3,346)	(\$368,498)	\$15,610	\$483,045
5	\$370,299	(\$3,193)	(\$352,214)	\$14,892	\$497,937
6	\$357,599	(\$4,074)	(\$336,649)	\$16,876	\$514,813
7	\$341,758	(\$3,528)	(\$321,770)	\$16,459	\$531,273
8	\$326,617	(\$3,366)	(\$307,548)	\$15,703	\$546,975
9	\$312,146	(\$3,212)	(\$293,954)	\$14,981	\$561,956
10	\$298,316	(\$3,064)	(\$280,960)	\$14,292	\$576,248
11	\$284,604	(\$2,923)	(\$268,046)	\$13,635	\$589,884
12	\$271,523	(\$2,789)	\$0	\$268,735	\$858,618
13	\$259,043	(\$2,661)	\$0	\$256,383	\$1,115,001
14	\$247,137	(\$2,538)	\$0	\$244,599	\$1,359,600
15	\$235,778	(\$2,422)	\$0	\$233,356	\$1,592,956

<i>State of Kansas</i>					
Year	Discounted Revenues	Discounted Costs	Discounted Incentives	Net	Cumulative
Pre-Operation	\$0	\$0	\$0	\$0	\$0
1	\$384,612	\$0	\$0	\$384,612	\$384,612
2	\$367,620	\$0	(\$259,629)	\$107,991	\$492,603
3	\$351,378	\$0	(\$248,158)	\$103,220	\$595,823
4	\$335,852	\$0	(\$237,192)	\$98,659	\$694,482
5	\$321,011	\$0	(\$226,711)	\$94,299	\$788,782
6	\$306,824	\$0	(\$216,692)	\$90,132	\$878,914
7	\$293,264	\$0	(\$207,115)	\$86,149	\$965,063
8	\$280,302	\$0	(\$197,961)	\$82,341	\$1,047,404
9	\$267,912	\$0	(\$189,211)	\$78,701	\$1,126,105
10	\$256,069	\$0	(\$180,846)	\$75,222	\$1,201,327
11	\$244,299	\$0	(\$172,534)	\$71,765	\$1,273,092
12	\$233,070	\$0	\$0	\$233,070	\$1,506,162
13	\$222,358	\$0	\$0	\$222,358	\$1,728,520
14	\$212,138	\$0	\$0	\$212,138	\$1,940,658
15	\$202,387	\$0	\$0	\$202,387	\$2,143,045

Enclosure B

Proof of publication – publisher's affidavit
showing publication at least 7 days prior to hearing

Affidavit in Proof of Publication

STATE OF KANSAS
Douglas County

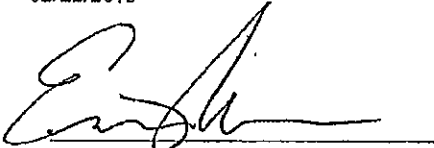
Eric Moore of the Legal Dept. of the Lawrence Daily Journal-World being first duly sworn, deposes and says:

That this daily newspaper printed in the State of Kansas, and published in and of general circulation in Douglas County, Kansas, with a general paid circulation on a daily basis in Douglas County, Kansas, and that said newspaper is not a trade, religious or fraternal publication, and which newspaper has been admitted to the mails as periodicals class matter in said County, and that a notice of which is hereto attached, was published in the regular and entire issue of the Lawrence Daily Journal-World

Said newspaper is published daily 365 days a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice and been admitted at the post office of Lawrence in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for 1 consecutive days/weeks the first publication thereof being made as aforesaid on 02/22/2013 with publications being made on the following dates:

02/22/2013



Subscribed and sworn to before me this



Notary Public

My Appointment expires: March 15, 2015

Notary And Affidavit	\$0.00
Additional Copies	\$0.00
Publication Charges	\$111.90
	<u>\$111.90</u>

(First published in the Lawrence Daily Journal-World February 22, 2013)

NOTICE OF PUBLIC HEARING ON ISSUANCE OF INDUSTRIAL REVENUE BONDS AND INTENT TO ENTER INTO LEASE AGREEMENT

Public notice is hereby given in accordance with K.S.A. 12-174e, as amended, that the City of Lawrence, Kansas (the "City"), hereby gives notice of its intent to enter into a Lease Agreement with RCP, LLC or assigns in connection with the proposed issuance of taxable industrial revenue bonds by the City. The bonds are proposed to be issued by the City under the authority of K.S.A. 12-740 et seq, as amended.

Public notice is also hereby given that the City Commission of the City will conduct a public hearing on Tuesday, March 5, 2013, at 6:35 p.m., or as soon thereafter as may be heard, at Lawrence City Hall, 6 East 6th Street, Lawrence, Kansas, in regard to the proposed issuance by the City of its Industrial Revenue Bonds (RCP, LLC Project), in an approximate principal amount of \$40,000,000 (the "Bonds") and in regard to an exemption from ad valorem taxation for property constructed or purchased with the proceeds of such Bonds.

The Bonds are proposed to be issued under authority of K.S.A. 12-740 et seq, as amended, to provide funds for acquiring, purchasing, constructing, installing and equipping a commercial facility, consisting of a commercial/recreational facility to be located at approxi-

mately the northwest intersection of Rock Chalk Drive and George Williams Way east of K-10 within the City. The City intends to own the facility and further intends to lease the facility to RCP, LLC, a Kansas limited liability company.

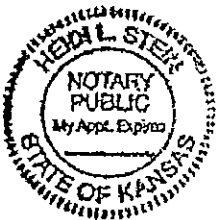
The applicant has requested a 10-year 100% property tax abatement for the property constructed or purchased with the proceeds of the Bonds.

A copy of this Notice, together with a copy of the resolution of intent of the City to be considered for adoption, indicating the intent of the governing body of the City to issue such series of Bonds and a report analyzing the costs and benefits of such property tax exemption, are on file in the office of the City Clerk and available for public inspection during normal business hours.

All persons having an interest in this matter will be given an opportunity to be heard at the time and place above specified.

Dated: February 22, 2013

Jonathan Douglass
City Clerk of the City of
Lawrence, Kansas
6 East 6th Street
Lawrence, Kansas 66044
(785) 832-3000



Enclosure C

Letter of notice of public hearing



City of Lawrence

CITY MANAGER'S OFFICE

DAVID L. CORLISS
CITY MANAGER

City Offices
PO Box 708 66044-0708
www.lawrenceks.org

6 East 6th St
785-832-3000
FAX 785-832-3405

CITY COMMISSION

MAYOR
ROBERT J. SCHUMM

COMMISSIONERS
MICHAEL DEVER
HUGH CARTER
MIKE ANYX
ARON E. CROMWELL

February 21, 2013

Douglas County Board of Commissioners
c/o Craig Weinaug, County Administrator
1101 Massachusetts Street
Lawrence, KS 66044

Sent via Electronic Mail and Certified USPS mail

Dear County Commissioners,

The City of Lawrence is in receipt of a tax abatement request from Bliss Sports, LC for the facilities related to the University of Kansas portion of the Rock Chalk Park project. Current KU facilities are automatically exempt from property taxes by right when constructed by KU. However, the financing structure for this project dictates a lease agreement with Bliss Sports, LC and may not carry an automatic property tax exemption. For this reason, the applicant is requesting a 10-year, 100% tax abatement for the KU portion of the project.

The City Commission has referred the request to the Public Incentive Advisory Committee, which will meet to discuss the request on Tuesday, February 26, 2013 at 4:00 p.m. in the City Commission Room at City Hall. Additionally, the City Commission will hold a public hearing regarding the request on March 5, 2013 at 6:35 p.m. in the City Commission Room at City Hall.



We are committed to providing excellent city services that enhance the quality of life for the Lawrence Community

Staff has completed a benefit-cost analysis regarding the request, which is enclosed. A summary of the impact on Douglas County shows the following:

Rock Chalk Park: KU Facilities					
Incentives	Cost-Benefit Ratios				Total Value
	City	County	USD 323 (Perry- Lecompton)	State	
10-year, 100% tax abatement	1.62	2.69	33.16	N/A	\$17,031,609

This shows that for every \$1 in taxes abated, the County will receive \$2.69 in benefits from the proposed project. I have also enclosed the application from Bliss Sports, LC and the staff memo and attachments in case you wish to review the detailed analysis.

The City Commission is interested in hearing any feedback regarding this request from Douglas County and would encourage the County to provide comments by the March 5 public hearing date. City staff is available to help answer any questions you may have regarding the proposed project, or any of the analysis. Should you have any questions, comments or concerns regarding this request, please contact me.

Sincerely,



Britt Crum-Cano
Economic Development Coordinator

C: Mayor and City Commission
David L. Corliss, City Manager
Diane Stoddard, Assistant City Manager



City of Lawrence

CITY MANAGER'S OFFICE

DAVID L. CORLISS
CITY MANAGER

City Offices
PO Box 708 66044-0708
www.lawrenceks.org

8 East 6th
785-832-3000
FAX 785-832-3405

CITY COMMISSION

MAYOR
ROBERT J. SCHUMM

COMMISSIONERS
MICHAEL DEVER
HUGH CARTER
MIKE AMYX
ARON E. CROMWELL

February 21, 2013

Perry-Lecompton School District
c/o Dennis Yoder, Superintendent
P.O. Box 729
Perry, KS 66073

Sent via Electronic Mail and Certified USPS mail

Dear Members of the School Board,

The City of Lawrence is in receipt of a tax abatement request from Bliss Sports, LC for the facilities related to the University of Kansas portion of the Rock Chalk Park project. Current KU facilities are automatically exempt from property taxes by right when constructed by KU. However, the financing structure for this project dictates a lease agreement with Bliss Sports, LC and may not carry an automatic property tax exemption. For this reason, the applicant is requesting a 10-year, 100% tax abatement for the KU portion of the project.

The City Commission has referred the request to the Public Incentive Advisory Committee, which will meet to discuss the request on Tuesday, February 26, 2013 at 4:00 p.m. in the City Commission Room at City Hall. Additionally, the City Commission will hold a public hearing regarding the request on March 5, 2013 at 6:35 p.m. in the City Commission Room at City Hall.



We are committed to providing excellent city services that enhance the quality of life for the Lawrence Community

Staff has completed a benefit-cost analysis regarding the request, which is enclosed. A summary of the impact on USD 323 shows the following:

Rock Chalk Park: KU Facilities					
Incentives	Cost-Benefit Ratios				Total Value
	City	County	USD 323 (Perry- Lecompton)	State	
10-year, 100% tax abatement	1.62	2.69	33.16	N/A	\$17,031,609

This shows that for every \$1 in taxes abated, the school district will receive \$33.16 in benefits from the proposed project. I have also enclosed the application from Bliss Sports, LC and the staff memo and attachments in case you wish to review the detailed analysis.

The City Commission is interested in hearing any feedback regarding this request from Douglas County and would encourage the County to provide comments by the March 5 public hearing date. City staff is available to help answer any questions you may have regarding the proposed project, or any of the analysis. Should you have any questions, comments or concerns regarding this request, please contact me.

Sincerely,



Britt Crum-Cano
Economic Development Coordinator

C: Mayor and City Commission
David L. Corliss, City Manager
Diane Stoddard, Assistant City Manager

Enclosure D

Ordinance authorizing issuance of the bonds

[Published in The *Lawrence Journal World* on October 18, 2013.]

ORDINANCE NO. 8862

AN ORDINANCE AUTHORIZING THE CITY OF LAWRENCE, KANSAS, TO ISSUE INDUSTRIAL REVENUE BONDS (ROCK CHALK PARK STADIUM PROJECT), SERIES 2013, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF ACQUIRING, PURCHASING, CONSTRUCTING, INSTALLING AND EQUIPPING A COMMERCIAL PROJECT, INCLUDING LAND, BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES, MACHINERY AND EQUIPMENT; AUTHORIZING THE CITY TO ENTER INTO A TRUST INDENTURE; AUTHORIZING THE ISSUER TO ENTER INTO A LEASE AGREEMENT; AUTHORIZING THE ISSUER TO ENTER INTO A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, AND AUTHORIZING AND APPROVING THE EXECUTION OF CERTAIN DOCUMENTS AND THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.

WHEREAS, the City of Lawrence, Kansas, (the "Issuer"), is authorized pursuant to the provisions of K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "Act"), to acquire, purchase, construct, install and equip certain commercial and industrial facilities, and to issue industrial revenue bonds for the purpose of paying the cost of such facilities, and to lease such facilities to private persons, firms or corporations; and

WHEREAS, the governing body of the Issuer has heretofore and does now find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue its Industrial Revenue Bonds (Rock Chalk Park Stadium Project), Series 2013, in a principal amount not to exceed \$40,000,000, for the purpose of acquiring, purchasing, constructing, installing and equipping a commercial project, consisting of a track and field stadium, softball stadium, soccer stadium and related improvements to be located at the northwest intersection of Rock Chalk Drive and George Williams Way east of K-10 in Lawrence, Kansas, including land, buildings, structures, improvements, fixtures, machinery and equipment (the "Project"), and that the Issuer lease the Project to RCP, LLC, a Kansas limited liability company (the "Tenant"); and

WHEREAS, the governing body of the Issuer further finds and determines that it is necessary and desirable in connection with the issuance of these bonds that the Issuer enter into certain agreements, and that the Issuer take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS, AS FOLLOWS:

Section 1. Authorization for the Acquisition, Purchase, Construction, Installation and Equipping of the Project. The Issuer is hereby authorized to provide for the acquisition, purchase, construction, installation and equipping of the Project, all in the manner and as more particularly described in the Indenture and the Lease hereinafter authorized.

Section 2. Authorization of and Security for the Bonds. The Issuer is hereby authorized to issue and sell its Industrial Revenue Bonds (Rock Chalk Park Stadium Project), Series 2013, in a principal

amount not to exceed \$40,000,000 (the "Bonds"), for the purpose of providing funds to pay the cost of acquiring, purchasing, constructing, installing and equipping the Project. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall bear such date, shall mature at such time, shall be in such denominations, shall bear interest at such rates, shall be in such form, shall be subject to redemption and other terms and conditions, and shall be issued in such manner, subject to such provisions, covenants and agreements, as are set forth in the hereafter defined Indenture. The Bonds shall be payable solely out of the rents, revenues and receipts derived by the Issuer from the Project, and the Project and the net earnings derived by the Issuer from the Project shall be pledged and assigned to the hereafter defined Trustee as security for payment of the Bonds as provided in the Indenture.

Section 3. Authorization of Documents. The Issuer is hereby authorized to enter into the following documents, in substantially the forms presented to and reviewed by the governing body of the Issuer (copies of which documents, upon execution thereof, shall be filed in the office of the Clerk of the Issuer), with such changes therein as shall be approved by the officers of the Issuer executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Trust Indenture (the "Indenture"), between the Issuer and BOKF, N.A., the bond trustee (the "Trustee"), pursuant to which the Bonds shall be issued and the Issuer shall pledge the Project and assign the rents, revenues and receipts received pursuant to the hereafter defined Lease to the Trustee for the benefit of and security of the holder of the Bonds upon the terms and conditions as set forth in said form of Indenture;

(b) Lease Agreement (the "Lease"), among the Issuer, the Tenant and Bliss Sports, LC and Kansas Athletics, Inc. under which the Issuer will agree to use the proceeds derived from the sale of the Bonds for the purpose of acquiring, purchasing, constructing, installing and equipping the Project and to lease the Project to the Tenant, and the Tenant will agree to make payments in amounts sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the Bonds as the same become due;

(c) Bond Purchase Agreement dated the date set forth therein (the "Bond Purchase Agreement"), between the Issuer and Bliss Sports, LC, as Purchaser; and

(d) Performance Agreement (the "Performance Agreement"), among the Issuer, the Tenant and Bliss Sports, LC.

Section 4. Execution of Bond and Documents. The Mayor of the Issuer is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Issuer in the manner provided in the Indenture. The Mayor of the Issuer is hereby authorized and directed to execute the Indenture, the Lease, the Bond Purchase Agreement, the Performance Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the Issuer. The Clerk of the Issuer is hereby authorized and directed to attest to and affix the seal of the Issuer to the Bonds, the Indenture, the Lease, the Bond Purchase Agreement, the Performance Agreement and such other documents, certificates and instruments as may be necessary.

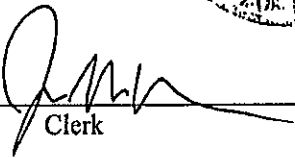
Section 5. Further Authority. The Issuer shall, and the officers, employees and agents of the Issuer and the Issuer's Bond Counsel, Gilmore & Bell, P.C. are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the Issuer with respect to the Bonds, the Indenture, the Lease, the Performance Agreement and the Bond Purchase Agreement.

Section 6. Effective Date. This Ordinance shall take effect and be in force from and after its passage, approval and publication in the official Issuer newspaper.

PASSED by the governing body of the City of Lawrence, Kansas on October 15th, 2013.

[SEAL]

ATTEST:


Clerk




Mayor

Enclosure E

Lease or payment in lieu of tax agreements
(Performance Agreement)

PERFORMANCE AGREEMENT

Dated as of October 1, 2013

BETWEEN THE
CITY OF LAWRENCE, KANSAS

AND

RCP, LLC

AND

BLISS SPORTS, LC

Prepared By:

Gilmore & Bell, P.C.
Kansas City, Missouri

PERFORMANCE AGREEMENT

THIS PERFORMANCE AGREEMENT, dated as of October 1, 2013 (the "**Agreement**"), between the **CITY OF LAWRENCE, KANSAS**, a municipal corporation organized and existing under the laws of the State of Kansas (the "**Issuer**"), **RCP, LLC**, a Kansas limited liability company (the "**Tenant**") and **BLISS SPORTS, LC**, a Kansas limited liability company (the "**Subtenant**");

WITNESSETH:

WHEREAS, the Issuer is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "**Act**"), to acquire, construct and improve certain facilities for commercial, industrial and manufacturing purposes, to enter into leases and lease-purchase agreements with any person, firm or corporation for said projects, and to issue revenue bonds for the purpose of paying the cost of any such facilities;

WHEREAS, pursuant to such authorization, the governing body of the Issuer has passed and approved an Ordinance authorizing the Issuer to issue its Industrial Revenue Bonds (Rock Chalk Park Stadium Project), Series 2013, in the principal amount of not to exceed \$40,000,000 (the "**Bonds**"), for the purpose of acquiring, constructing, installing and equipping a track and field stadium, softball stadium, soccer stadium and related improvements to be located on the Project Site (as hereinafter defined) [together with the Project Site, the "**Project**", which is more fully described in the Application (as hereinafter defined)], and authorizing the Issuer to lease the Project to the Tenant pursuant to a Lease Agreement (the "**Lease Agreement**") to be entered into by and between the Issuer, as lessor, and the Tenant, as lessee, at the time the Bonds are issued;

WHEREAS, pursuant to a Ground Lease dated February 12, 2013 between Tenant and the Subtenant (the "**Sublease**"), Tenant has leased the Project Site to Subtenant, and in accordance therewith the Subtenant will construct the Project, and pay all ad valorem taxation on the Project;

WHEREAS, the Issuer is authorized and empowered under the Act and K.S.A. 79-201a, as amended (the "**Abatement Statute**") to exempt from ad valorem taxation all or any portion of the Project financed with the proceeds of the Bonds, subject to the limitations set forth in the Abatement Statute and this Agreement; and

WHEREAS, pursuant to the foregoing, the Issuer desires to enter into this Agreement with the Tenant and the Subtenant in consideration of the Subtenant's desire to purchase, construct and equip the Project as more fully described in the hereinafter defined Application upon the terms and conditions hereinafter set forth and in the Lease Agreement and the Sublease;

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the Issuer, Tenant and the Subtenant hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. The following words and terms as used herein shall have the following meanings:

"Abatement Statute" means K.S.A. 79-201a, as amended.

"Ad valorem taxes" or "ad valorem taxation" means all property taxes imposed on real or personal property (including fixtures) and eligible for exemption pursuant to the Abatement Statute.

"Agreement" means this Performance Agreement dated as of October 1, 2013, between the Issuer and the Tenant and the Subtenant, as from time to time amended and supplemented in accordance with the provisions hereof.

"Application" means the Application for Issuance of Industrial Revenue Bonds filed with the Issuer by the Subtenant in connection with the request for the issuance of the Bonds, a copy of which is attached hereto as Exhibit A.

"Bond Financed Portion of the Project" means that portion of the Project financed in whole from the proceeds of the Bonds as evidenced by the requisitions submitted by the Subtenant to the bond trustee in accordance with Section 2.8 hereof.

"Bonds" means the Issuer's Industrial Revenue Bonds (Rock Chalk Park Stadium Project), Series 2013, issued in the maximum aggregate principal amount of \$40,000,000.

"Court of Tax Appeals" means the State of Kansas Court of Tax Appeals.

"Event of Default" means any Event of Default as described in Section 5.1 hereof.

"Exempt Period" means calendar years 2014 through 2023, inclusive.

"Exempt Property" means all Property that is exempt from taxation pursuant to K.S.A. 79-201(a) *Second* by reason that such property was constructed or purchased with the proceeds of the Bonds authorized by and in accordance with the Abatement Statute.

"Future Facility Additions" means any additions, improvements or renovations to or equipping of the Bond Financed Portion of the Project. As used herein, **"Future Facility Additions"** shall never include any future additions, improvements or renovations to or equipping of the Project that are exempt from ad valorem taxes.

"Issuer" means the City of Lawrence, Kansas.

"KAI" means Kansas Athletics, Inc., a Kansas non-profit corporation.

"Property" means all real and personal property subject to taxation pursuant to K.S.A. 79-101.

"Project" means acquiring, constructing, installing and equipping a track and field stadium, softball stadium, soccer stadium and related improvements to be located on the Project Site.

"Project Costs" means all costs and expenses of every nature paid after January 22, 2013, from proceeds of the Bonds and relating to the acquisition, construction, and equipping of the Project; provided, however, the Project Costs shall not include any of the foregoing items if such item was paid or incurred prior to January 22, 2013, with the following two exceptions: (i) costs and expenses relating to architectural and engineering services for the Project constitute Project Costs within the meaning of this definition regardless of the date such costs were paid to the extent such costs are properly capitalizable in accordance with generally accepted accounting principles, and (ii) costs and expenses necessary or

incidental to the acquisition by the Issuer of the Project Site constitute Project Costs within the meaning of this definition regardless of the date such costs were paid.

“Project Site” means all of the real property described in **Exhibit B** attached hereto and by this reference made a part hereof which is located at the northwest intersection of Rock Chalk Drive and George Williams Way east of K-10 in Lawrence, Kansas.

“Sublease” means that certain Ground Lease dated February 12, 2013 between Tenant and the Subtenant.

“Sub-Sublease” means that certain Amended and Restated Lease Agreement dated February 12, 2013 between Subtenant and KAI.

“Subtenant” means Bliss Sports, LC, a Kansas limited liability company.

“Tax Payment” means a payment-in-lieu of taxes in an amount equal to the amount set forth in **Section 2.12** hereof.

“Tenant” means RCP, LLC, a Kansas limited liability company and its successors and assigns.

“Tenant’s Delegee” means, during the term of the Sublease, the Subtenant (or, if so provided in the Sub-Sublease and permitted in the Sublease, at Subtenant’s option, KAI) and after any termination of the Sublease then a person or entity designated in a writing delivered to Issuer from time to time by Tenant.

ARTICLE II

EXEMPTION

Section 2.1. Exempt Property. During the Exempt Period, and so long as the Issuer owns title to the Project, the Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be Exempt Property.

Section 2.2. Term of Agreement. This Agreement shall become effective upon execution, and subject to earlier termination pursuant to the provisions of this Agreement (including particularly **Article V** hereof), shall terminate on December 1, 2023.

Section 2.3. No Abatement of Special Assessments. The Issuer and the Tenant and the Subtenant hereby agree that the Abatement Statute and any tax abatement with respect to the Project shall not apply to special assessments. The parties acknowledge that as between the Tenant and the Subtenant, Subtenant is obligated to make all of such payments pursuant to the terms of the Sublease.

Section 2.4. Obligation of City to Effect Tax Abatement. The Issuer agrees to use its best efforts to cause the Bond Financed Portion of the Project to be Exempt Property, and agrees to make all filings required by the Douglas County Board of County Commissioners or the Court of Tax Appeals; provided, however, the Issuer shall not be liable for any failure of the Court of Tax Appeals to effect the exemption permitted by the Abatement Statute. The Issuer covenants that it will not knowingly take any action that the Issuer has knowledge may cause the Bond Financed Portion of the Project to no longer be Exempt Property. In the event the Bond Financed Portion of the Project is determined to no longer be Exempt Property, the Issuer and Tenant shall, at the Subtenant’s request, cooperate with the Subtenant in all

reasonable ways to cause the Bond Financed Portion of the Project to be Exempt Property, including cooperating with the Subtenant in any related litigation. The Subtenant agrees to pay to the Issuer and the Tenant the costs that the Issuer and Tenant incur (including legal fees and expenses) in cooperating with the Subtenant in the manner required by this Section.

Section 2.5. Compliance. Beginning on the January 15th following the issuance of the Bonds and continuing on each January 15th thereafter until the Project is completed, and at any other time upon the request of the Issuer, the Subtenant shall provide the Issuer and Tenant with (i) copies of the requisitions submitted by the Subtenant to the bond trustee in accordance with the Lease Agreement for the preceding calendar year, (ii) a list containing a brief description and the amount of all costs of the Bond Financed Portion of the Project, and (iii) the total costs of the Project, all in such reasonable detail as the Issuer or Tenant shall request.

Section 2.6. Value of the Project Not Determined By Bonds. The Issuer, Tenant and the Subtenant acknowledge that it is not the intent of the parties that the principal amount of the Bonds be used for the purpose of determining the appraised value of the Project or any portion thereof for tax purposes.

Section 2.7. Classification; Limitation on Tenant's Right To Protest. If the Project Site is not currently classified as commercial, the Tenant and the Subtenant acknowledge that the county appraiser may reclassify the Project Site to commercial as a result of the issuance of the Bonds. During the term of this Agreement, the Tenant and the Subtenant agree that they will not, without the written consent of the Issuer, (i) seek to change the classification of all or any portion of the Project Site from commercial to another classification, or (ii) contest the reclassification of all or any portion of the Project Site to commercial.

Except as set forth in the preceding paragraph, nothing in this Agreement shall be construed to limit or in any way restrict the ability of the Tenant to utilize any provision of Kansas law to appeal, protest or otherwise contest any property tax valuation, assessment or similar action with respect to the Project Site or any portion thereof.

Section 2.8. No Abatement on Appraised Value of Future Facility Additions. In the event any Future Facility Additions are determined to be Exempt Property as a result of the issuance of the Bonds, this Agreement or for any other reason, so long as this Agreement remains in effect, the Tenant and the Subtenant hereby agree that 100% of the amount of such abated ad valorem taxes attributable to the Future Facility Additions shall be paid to the Issuer at the times when ad valorem taxes are due and payable for other real property located in Douglas County, Kansas. This provision shall not be construed as restricting the Tenant or Subtenant from applying to the Issuer or to any other governmental entity for any future tax abatement in connection with the Future Facility Additions.

Section 2.9. Tax Abatement Order. The Issuer and the Tenant and the Subtenant acknowledge that, prior to the Bond Financed Portion of the Project being determined to be Exempt Property, the Issuer must obtain on behalf of the Tenant and the Subtenant an order from the Court of Tax Appeals approving tax abatement on the Bond Financed Portion of the Project for the Exempt Period.

Section 2.10. Projected Construction Schedule. The Subtenant expects to commence and complete construction of the Project as in accordance with the schedule set forth on **Exhibit C**. Failure of the Subtenant to actually commence or complete construction of the Project in accordance with the schedule set forth on **Exhibit C** shall not constitute a breach or default under this Agreement.

Section 2.11. Determination of Appraised Value and Assessments. The Tenant and the Subtenant acknowledge that the county appraiser independently determines the appraised value of Property. The Tenant and the Subtenant further acknowledge that the Issuer does not have input in or in any way control the determination of the appraised value of Property or the assessment of Property, and that the Issuer cannot and is not attempting to bind the county appraiser or any other governmental authority with respect to a determination of the appraised value of the Bond Financed Portion of the Project.

Section 2.12 Agreement to Make Tax Payments. Subject to Section 5.4 hereof, the Tenant covenants and agrees that, for each calendar year during the Exempt Period that the Bond Financed Portion of the Project is Exempt Property, Tenant shall make a payment in lieu of tax payment to the Issuer (or, if the Issuer shall direct, to the County Treasurer) in an amount equal to 100% of the ad valorem taxes that would otherwise be due with respect to the Project without the Project being treated as Exempt Property in the event that the Sub-Sublease has terminated.

ARTICLE III

COVENANTS OF THE COMPANY

Section 3.1. Inspection. Subject to the Issuer obtaining KAI's written consent, the Tenant and the Subtenant agree that the Issuer and its duly authorized agents shall have the right at reasonable times (during business hours), subject to at least 48 hours advance notice and to the Subtenant's usual business proprietary, safety and security requirements, to enter upon the Project Site to examine and inspect the Project and the records of the Subtenant which demonstrate compliance with this Agreement.

Section 3.2. Compliance with Laws. During the term of the Sublease, the Subtenant will cause the Project to comply in all material respects with all applicable building and zoning, health, environmental and safety ordinances and regulations and all other applicable laws, rules and regulations.

Section 3.3. Construction. The Subtenant will cause the Project to be constructed, equipped and operated in a manner that is consistent with the description of the Project herein; provided that as between Tenant and Subtenant the provisions of the Sublease shall supersede any inconsistent provisions of this Agreement. In the event the Project is constructed in a manner that the Issuer determines, in its reasonable discretion, is materially inconsistent with the description of the Project herein, the Issuer reserves the right to declare an Event of Default in accordance with Section 5.1 hereof.

Section 3.4. Payment of Fees and Reimbursement or Payment of Costs.

(a) The Subtenant agrees to pay to the Issuer the standard fees charged by the Issuer in connection with tax abatement projects and the issuance of industrial revenue bonds. These fees are an initial application fee and an annual administrative fee, which is currently \$200 per year.

(b) The Subtenant (or if the Sublease has terminated, then, subject to Section 5.4 hereof, Tenant) agrees to promptly reimburse the Issuer, upon receipt by the Subtenant (or if the Sublease has terminated, then Tenant) of an invoice from the Issuer, for any amounts that the Issuer pays to any other party as a result of the Issuer pursuing, obtaining or maintaining the tax abatement granted pursuant to this Agreement. These costs shall include, but shall not be limited to, all fees and expenses for filings with the Court of Tax Appeals (including the application fee and annual administration fee), legal notice publication expenses, and the costs and expenses of the Issuer's legal counsel.

ARTICLE IV

SALE AND ASSIGNMENT

The benefits granted by the Issuer to the Tenant and the Subtenant pursuant to this Agreement shall belong solely to the Tenant and the Subtenant and such benefits shall not be transferred (other than to an affiliate of the Tenant or Subtenant), assigned, pledged or in any other manner hypothecated without the express written consent of the Issuer; provided, nothing herein shall preclude the Tenant or Subtenant from assigning or pledging its interest in the Project so long as the Subtenant continues to occupy the Project and otherwise remains responsible for its undertakings herein.

Notwithstanding the foregoing, the Issuer has consented to the Sublease and the Sub-Sublease.

Notwithstanding the foregoing, as between the Tenant and the Subtenant, the right to assign or pledge their respective interests in the Project shall be governed by the Sublease.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.1. Events of Default. If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" hereunder:

- (a) the Tenant or Subtenant shall fail to perform any of its obligations hereunder;
- (b) the Tenant or Subtenant shall breach any covenant contained herein or any representation of the Tenant or Subtenant contained herein shall prove to be materially false or erroneous; or
- (c) the Tenant shall be in default under the Lease Agreement.

Section 5.2. Remedies on Default. Upon the occurrence of an Event of Default hereunder, the Tenant and the Subtenant shall be given 60 days (or such longer period as the Issuer and the Tenant and the Subtenant may agree), following written notice by the Issuer to the Tenant and the Subtenant of the occurrence of such Event of Default, to cure such Event of Default. If such Event of Default is not cured within such time, this Agreement may be terminated by written notice to the Tenant and the Subtenant from the Issuer. Such termination shall be effective immediately following delivery of such written notice. Upon the termination of this Agreement, subject to Section 5.4 hereof, a payment shall be made to the Issuer (or as the Issuer may otherwise direct) in an amount equal to the sum of (i) the pro rata amount of any taxes that would be due for the remaining portion of the current calendar year assuming the Bond Financed Portion of the Project were not Exempt Property, and (ii) the amount of any costs and attorneys' fees incurred by the Issuer as a result of such Event of Default and in enforcing this Agreement. Subtenant acknowledges that as between the Tenant and the Subtenant, the obligation to make such payment shall be that of Subtenant pursuant to the terms of the Sublease.

Section 5.3. Payments on Defaulted Amounts. Any amounts due hereunder which are not paid when due shall bear interest at the interest rate imposed by Kansas law on overdue ad valorem taxes from the date such payment was first due. In addition, amounts payable hereunder in lieu of ad valorem

taxes that are not paid when due shall be subject to the same penalties imposed by Kansas law on overdue ad valorem taxes.

Section 5.4. Non-Recourse Nature of Tenant's Obligations. Notwithstanding anything to the contrary in this Performance Agreement or in any other document executed in connection with the Bonds, including without limitation the Indenture and the Lease, Tenant's obligations under the Performance Agreement and such documents shall not be personal obligations of Tenant and Issuer's and any other parties' sole remedies hereunder or under such other documents as the case may be upon a failure to perform or breach of any obligation by Tenant shall be to exercise their respective remedies under this Performance Agreement or such other documents as against Tenant's right, title and interest in the Project. Nothing herein shall be construed as preventing Subtenant or another Tenant's Delegee other than Tenant from agreeing to be personally liable for any or all of any of Tenant's obligations hereunder or under such other documents.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Notice and Waiver of Tenant. The Issuer reserves the right to grant tax abatement for projects that are located adjacent to or in the proximity of the Project or for projects that are located elsewhere within the Issuer but are similar to the Project in amounts that are above or below the amounts set forth herein.

Section 6.2. Severability. If for any reason any provision of this Agreement shall be determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 6.3. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Kansas.

Section 6.4. Execution in Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6.5. Waiver. The Issuer and the Tenant and the Subtenant acknowledge and agree that the amounts payable hereunder shall constitute payments due the Issuer under the Lease Agreement. The Tenant and the Subtenant shall not be entitled to any extension of payment of such amounts as a result of a filing by or against the Tenant or Subtenant in any bankruptcy court.

Section 6.6 Notices. All notices, certificates or other communications required or desired to be given hereunder shall be in writing and shall be deemed duly given (i) three days after being mailed by registered or certified mail, postage prepaid, or (ii) one day after being sent by overnight delivery or other delivery service which requires written acknowledgment of receipt by the addressee, addressed as follows:

(a) To the Issuer:

City of Lawrence, Kansas, Kansas
City Hall
100 East Santa Fe
Lawrence, Kansas 66061
Attention: Clerk

(b) To the Tenant

RCP, LLC
c/o The Kansas University Endowment Association
1891 Constant Avenue
Lawrence, Kansas 66047-3743
Attention: Monte Soukup

With a copy to:

Lathrop & Gage LLP
10851 Mastin Blvd., Suite 1000
Overland Park, Kansas 66210
Attention: Harry Wigner

(c) To the Subtenant

Bliss Sports, LC
209 Fall Creek Road
Lawrence, Kansas 66049

With a copy to:

Polsinelli PC
6201 College Boulevard, Suite 500
Overland Park, Kansas 66211
Attention: Curt Petersen

The Issuer and the Tenant and the Subtenant may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent. Any notice may be given by the attorney for such party.

Section 6.7 Estoppel Certificate. The Issuer agrees that it will, from time to time, upon request by the Tenant or Subtenant, execute and deliver to the Tenant or Subtenant and to any parties designated by the Tenant or Subtenant, within ten (10) days following demand therefor, an estoppel certificate on the Tenant's or Subtenant's form, certifying (i) that this Agreement is unmodified and in full force and effect (or if there had been modifications, that the same are in full force and effect as so modified, (ii) that there are no defaults hereunder (or specifying any claimed defaults), and (iii) such other matters as may be reasonably requested by the Tenant or Subtenant.

Section 6.8 Further Assurances. The parties each agree to do, execute, acknowledge and deliver any and all other documents and instruments and to take all such further action as shall be reasonably necessary or reasonably required in order to fully carry out this Agreement and to fully consummate and effect the transactions contemplated hereby.

Section 6.9 Authority, etc. Each party to this Agreement represents and warrants to each other party as follows: (i) that such party has the requisite power and authority to enter into and perform this Agreement; (ii) that this Agreement has been duly authorized by all necessary action on the part of such party; (iii) that the execution and deliver and performance by each party of this Agreement will not conflict with or result in a violation of such party's organizational documents or any judgment, order or decree of any court or arbiter to which such party is bound; and (iv) that this Agreement constitutes the valid and binding obligation of such party, and is enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, creditor's rights and other similar laws.


[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

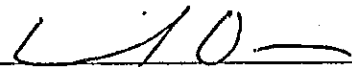


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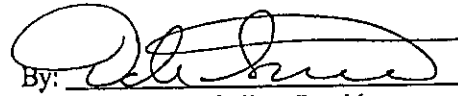
By: 
Clerk

CITY OF LAWRENCE, KANSAS

By: 
Mayor

RCP, LLC, a Kansas limited liability company

By: The Kansas University Endowment
Association, its sole member

By: 
Dale Seuferling, President

BLISS SPORTS, LC, a Kansas limited liability company

By: 
Thomas S. Fritz, Manager

and


By: 
Dru Stewart Fritz, Member

EXHIBIT A

APPLICATION FOR THE ISSUANCE OF INDUSTRIAL REVENUE BONDS

Preliminary IRB Application

From: City of Lawrence KS
To: Britt Crum-Cano; Diane Stoddard
Subject: Incentive Application [#12]
Date: Tuesday, January 15, 2013 1:58:39 PM

- 1) Name of Company * Bliss Sports, LC
- 2) Current Address *  209 Fall Creek Road
Lawrence, Kansas 66049
United States
- 3) Contact Person for Application * Thomas Fritzel
- 3a) Title * Member
- 3b) Phone * (785) 841-6347
- 3c) Fax (785) 841-6342
- 3d) E-mail Address * Thomas@gfritzel.com
- 3e) Is the Contact's address the same as the Company's address? Yes
- 4) Please provide a brief description of the Company Single purpose entity to develop and operate collegiate sports facilities
- 5) What is the NAICS code for the operation that you are locating or expanding in Lawrence? * unknown
- 5a) If the NAICS code is unknown, please describe the primary line of business for the Lawrence operation development and operation of collegiate sports facilities
- 6) Please list the Public Incentive/s that you are seeking as well as the amount of each public incentive * 100% real estate tax abatement for 10 years via issuance of up to \$40,000,000 of Industrial Revenue Bonds
Sales tax exemption on construction materials, equipment, and furnishings
- 6a) Please tell us why you are seeking these Incentives Necessary component of project financing and tenant leasing
- 7) Will your firm be leasing the building or the land in your expansion or newly constructed facility? Yes
- 7b) If you are seeking an IRB, please list the firm that will be receiving the IRB Bliss Sports, LC or its successors / assigns
- 8) Is your firm Relocating or Expanding? Note: If an Expansion, please proceed to question 10 * Expanding

9) Will this Relocation involve your whole Company or part?	Whole Company
10) For Expansion, briefly describe the purpose and activities of the new facility	Soccer, track and field, and softball facilities for KU collegiate athletics use, including conference-wide and other NCAA tournaments
11) When do you plan to begin operation of the new facility? *	Wednesday, January 1, 2014
12) How many Employees currently work in Lawrence (0 for Relocation)? *	205
12a) How many total employees will work in Lawrence after Expansion/Relocation *	2
12b) Of these total Employees, how many do you anticipate hiring from <i>outside</i> the Local Labor Market? *	1
12c) How many do you plan to hire or relocate from <i>outside</i> Kansas? *	0
13) Current Operating Expenditures per Year (Enter 0 for Relocation) *	67000000
13a) Anticipated Operating Expenditures after expansion/relocation *	69000000
13b) Estimated % of <i>additional</i> operating expenditures made in Lawrence *	100
14) If you are seeking a tax abatement or an IRB, please provide an estimate of anticipated Annual Gross Profits (\$). Note: For expansions, please enter anticipated gross annual profits from expansion *	0
15) What is the size of the new facility being constructed (square feet)? *	1000000
16) What is the estimated Value of the new construction? *	50000000
17a) Size of the Parcel on which the building will be located (acres) *	84
17b) What is the Value of the land? *	3500000
18) About what % of new Goods produced in Lawrence, will be sold outside of Lawrence and/or Douglas	0

County: *

a) New Employees, Year 1 *	2
a) New Employees, Year 2 *	0
a) New Employees, Year 3 *	0
a) New Employees, Year 4 *	0
a) New Employees, Year 5 *	0
a) New Employees, Year 6 *	0
a) New Employees, Year 7 *	0
a) New Employees, Year 8 *	0
a) New Employees, Year 9 *	0
a) New Employees, Year 10 *	0
b) Average Salary of New Employees Hired In Year 1 *	52500
b) Average Salary of New Employees Hired in Year 2 *	0
b) Average Salary of New Employees Hired in Year 3 *	0
b) Average Salary of New Employees Hired in Year 4 *	0
b) Average Salary of New Employees Hired In Year 5 *	0
b) Average Salary of New Employees Hired In Year 6 *	0
b) Average Salary of New Employees Hired in Year 7 *	0
b) Average Salary of New Employees Hired in Year 8 *	0
b) Average Salary of New Employees Hired In Year 9 *	0
b) Average Salary of New Employees Hired in Year 10 *	0
c) Capital Investment in Building, Year 1 *	40000000
c) Capital Investment in Building, Year 2 *	100000

c) Capital Investment in Building, Year 100000
3 *

c) Capital Investment in Building, Year 100000
4 *

c) Capital Investment in Building, Year 100000
5 *

c) Capital Investment in Building, Year 100000
6 *

c) Capital Investment in Building, Year 100000
7 *

c) Capital Investment in Building, Year 100000
8 *

c) Capital Investment in Building, Year 100000
9 *

c) Capital Investment in Building, Year 100000
10 *

% of Health Care Premium Covered * 50

% of Employees with Company Health
Care * 100

% of Employees with Retirement
Program * 100

20a) Will you provide Job Training for
Employees? Yes

20c) What is the lowest Hourly Wage
offered to Employees associated with
this Expansion or Relocation? * 45000

20d) What percentage of your new
Employees will receive this Wage? * 50

21) Will you provide Additional
Benefits to Employees? Yes

a) Gas * 2000

b) Electricity * 10000

c) Cable Television " 1000

d) Telephone Service * 1000

23) Will the Building meet Energy
STAR eriteria? * No

24) Will the Building seek LEED
Certification? * No

24a) If you will Seek LEED Certification, what level will you seek? Certified

25) Please describe any environmental impacts, positive or negative, your operations have as well as any remedial actions your firm may take to address negative Impacts. * N/A

26) Please describe any additional benefits or costs you believe your business will bring to the City of Lawrence and Douglas County, KS.

*Attractive community amenity to be enjoyed by KU and greater Lawrence community.

* Synergy with and complement to proposed City recreation center.

*Positive economic impact on area businesses from visiting teams and spectators, including from conference-wide and other regional tournaments and events.

EXHIBIT B

PROJECT SITE

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

EXHIBIT C

ESTIMATED CONSTRUCTION SCHEDULE

<u>Event</u>	<u>Projected Date</u>
Substantial Completion of Construction	April 30, 2014
Final Completion	May 31, 2014

Parcel ID: 023-069-29-0-00-00-002.03-0

Quick Ref: R330009

DGCAMA Property Record Card

Tax Year: 2014

Run Date: 11/19/2014 9:44:59 AM

OWNER NAME AND MAILING ADDRESS

CITY OF LAWRENCE

Attn City Clerk
LAWRENCE, KS 66044-0708
PROPERTY STATUS ADDRESS

6100 ROCK CHALK DR
LAWRENCE, KS

LAND-BASED CLASSIFICATION SYSTEM

Function: 5379 Sports complex Sfx:
Activity: 6200 Spectator sports assembly
Ownership: 1100 Private-free simple
Site: 6000 Developed site - with building

GENERAL PROPERTY INFORMATION

Prod Class: N Not for Profit - N
Living Units: GPI
Zoning: GPI
Neighborhood: 073.1 073.1
Economic Adj. Factor:
Map / Routing: U13992
Tax Unit Group: 000041

TRACT DESCRIPTION

NP 6-27-2013 SEE ALSO U13991 ROCK CHALK
PARK ADD NO 1 LT 1, 57A(C)

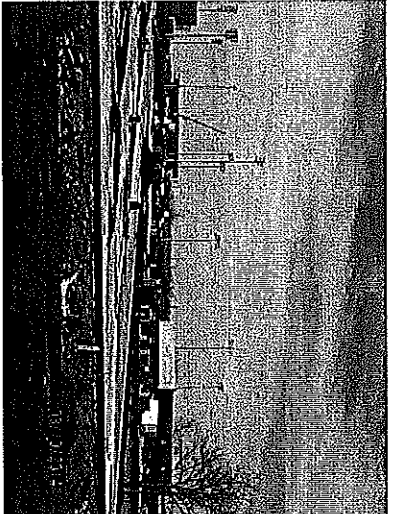


Image Date: 03/10/2014

PROPERTY FACTORS

Topography: Rolling - 4
Utilities: All Public
Access: Paved Road
Fronting: Dead End
Location: Neighborhood or Spot
Parking Type: Off Street
Parking Quantity: Adequate
Parking Proximity: On Site
Parking Covered:
Parking Uncovered: 1.228

GenLink: 023-069-29-0-00-00-002.00-0-

INSPECTION HISTORY

Date	Time	Code	Reason	Appraiser	Contact	Code
03/10/2014	1:45 PM	9	P	354		
12/29/2013	9:00 AM	FR	FR	347		
09/18/2013	11:10 AM	AP	SC	354		

SALES INFORMATION

Date	Type	Sale Amount	Src	Validity	Inst Type	COV
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BUILDING PERMITS

Number	Amount	Type	Issue Date	Status	% Comp
1-14-00803	52,300	NEW-BUILDING	07/10/2014	O	
1-14-00103	100,000	NEW-BUILDING	03/06/2014	O	
1-14-00102	100,000	NEW-BUILDING	03/06/2014	O	

RECENT APPEAL HISTORY

Tax Year	Hearing Date	Appeal Level	Case Number	Status	Final Action	Results Code	Hearing Value
----------	--------------	--------------	-------------	--------	--------------	--------------	---------------

2014 APPRAISED VALUE

Cls	Land	Building	Total	Cls	Land	Building	Total
N	1,554,750	10,403,360	11,958,110	A	2,260	0	2,260
Total	1,554,750	10,403,360	11,958,110	Total	2,260	0	2,260

2013 APPRAISED VALUE

Cls	Land	Building	Total
A	2,260	0	2,260
Total	2,260	0	2,260

PARCEL COMMENTS

MARKET LAND INFORMATION

Method	Type	AC/SF	Eff FF	Depth	D-Fact	Int1	Fact1	Int2	Fact2	OVRD	Rsn	Cls	Model	Base Size	Base Val	Inc Val	Dec Val	Value Est
Soft	1-Primary Site	2,482,920			SZ	20						84		50,000.00	9.50	3.00	3.00	1,554,750

Total Market Land Value 1,554,750

GENERAL BUILDING INFORMATION

LBGS Structure Code: 3300-Sports stadium or arena
 Bldg No. & Name: 2 Medical/Merch/Concessions (North)
 Identical Units: 1 No. of Units:
 Unit Type:
 MS Mult: MS Zip: Baths:

APARTMENT DATA

Units: 1 2 3 4 5 6 7 8

IMPROVEMENT COST SUMMARY

Building RCN: 204,380
 Mkt Adj: 100 Eco Adj:
 Building Value: 204,380
 Other Improvement RCN: 0
 Other Improvement Value: 0
 Market Value: 0
 MRA Value:

CALCULATED VALUES

Cost Land: 1,554,750
 Cost Building: 525,790
 Cost Total: 2,080,540
 Income Value: 0
 Market Value: 0
 MRA Value:

FINAL VALUES

Value Method: COST
 Land Value: 1,554,750
 Building Value: 10,403,360
 Final Value: 11,958,110
 Prior Value: 2,260

BUILDING COMMENTS

SKETCH VECTORS

COMMERCIAL BUILDING SECTIONS & BASEMENTS

Sec	Occupancy	MSCIs	Rank	Yr Blt	Eff Yr	Levels	Stories	Area	Perim	Hgt	Phys Func	Econ	OVR %	Rsn	Inc Use	Net Area	Cls	RCN % Gd	Value	
1	529-Snack Bar	C	2.00	2014		01 / 01	1	1,938	242	10	4	4						204,380	100.0	204,380

COMMERCIAL BUILDING SECTION COMPONENTS

Sec	Code	Units	Pct	Size	Other	Rank	Year
1	612-Warmed and Cooled Air	100					
1	818-Concrete, Tilt-up	100					

OTHER BUILDING IMPROVEMENT COMPONENTS

No Sketch Available

GENERAL BUILDING INFORMATION

LEBS Structure Code: 3300-Sports stadium or arena

Bldg No. & Name: 4 Ticket Booth (South)

Identical Units: 1 No. of Units:

Unit Type:

MS Mult: MS Zip:

APARTMENT DATA

Units: 1 2 3 4 5 6 7 8

BR Type:

Baths:

IMPROVEMENT COST SUMMARY

CALCULATED VALUES

FINAL VALUES

Building RCN:	34,830	Cost Land:	1,554,750	Value Method:	COST
Mkt Adj:	100	Eco Adj:	525,790	Land Value:	1,554,750
Building Value:	34,830	Cost Total:	2,080,540	Building Value:	10,403,360
Other Improvement RCN:	0	Income Value:	0	Final Value:	11,958,110
Other Improvement Value:	0	Market Value:	0	Prior Value:	2,260
		MRA Value:			

BUILDING COMMENTS

SKETCH VECTORS

COMMERCIAL BUILDING SECTIONS & BASEMENTS

Sec	Occupancy	MSCIs	Rank	Yr Bld	Eff Yr	Levels	Stories	Area	Perim	Hgt	Phys Func	Econ	OVR %	Rsn Inc Use	Net Area	Cls	RCN	% Gd	Value
1	344-Office Building	C	1.00	2014		01 / 01	1	345	86	10	4	4					34,830	100.0	34,830

COMMERCIAL BUILDING SECTION COMPONENTS

OTHER BUILDING IMPROVEMENT COMPONENTS

No Sketch Available

Assessment Calculation Breakdown

Quick-Ref ID R330009 Property ID 023-069-29-0-00-00-002.03-0
Tax Year 2013

Class	A
Cama Calc Date	09/18/2013
Asmt Calc Date	11/20/2013,11:33:AM
***** APPRAISAL	-
Appraised Land Value	\$2,260
Market Value of Ag LAnd	\$95,100
Appraised Building Value	\$0
Total Appraised Value	\$2,260
***** EXEMPTION INFO	-
Exemption Code	No Exemptions Apply
Total Exempt Land Amt	\$0
Total Exempt Bldg Amt	\$0
Total Exempt Amt	\$0
Total Taxable Amt	\$2,260
***** ASSESSED	-
Assessed Land Value	\$678
Assessed Building Value	\$0
Assessed Total Value	\$678
***** OTHER INFO	-
Appraised TIF Base	\$0
Assessed TIF Base	\$0
Appraised TIF Incr	\$0
Assessed TIF Incr	\$0
New Const Appraised	\$0
New Const Assessed	\$0

Assessment Calculation Breakdown

Quick-Ref ID R330009 Property ID 023-069-29-0-00-00-002.03-0
Tax Year 2014

Class	N
Cama Calc Date	03/18/2014
Asmt Calc Date	03/21/2014,09:59:AM
***** APPRAISAL	-
Appraised Land Value	\$1,554,750
Market Value of Ag LAnd	\$0
Appraised Building Value	\$10,403,360
Total Appraised Value	\$11,958,110
***** EXEMPTION INFO	-
Exemption Code	No Exemptions Apply
Total Exempt Land Amt	\$0
Total Exempt Bldg Amt	\$0
Total Exempt Amt	\$0
Total Taxable Amt	\$11,958,110
***** ASSESSED	-
Assessed Land Value	\$186,570
Assessed Building Value	\$1,248,403
Assessed Total Value	\$1,434,973
***** OTHER INFO	-
Appraised TIF Base	\$0
Assessed TIF Base	\$0
Appraised TIF Incr	\$0
Assessed TIF Incr	\$0
New Const Appraised	\$541,360
New Const Assessed	\$64,963

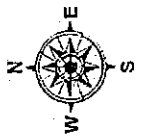


Douglas County

ROCK CHALK PARK

This map is to be used for reference purposes only, and no other use or reliance on the same is authorized. Parcel lines are shown for tax purposes only and are not intended for conveyances, nor is it intended to substitute for a legal survey or property abstract. Parcels shown do not necessarily constitute a legal lot of record.

Printed: Nov 19, 2014



KANSAS ATHLETICS, INC.
LAWRENCE, KS 66045

CHECK NUMBER
VENDOR

7605396

DATE 11/10/2014

0015592

Kansas Board of Tax Appeals

INVOICE NO.	INVOICE DATE	DESCRIPTION	AMOUNT
11014*	11/10/2014	Property tax exemption applica	\$1,000.00
Please Detach Here and Return Top Portion For Your Records			TOTAL THIS CHECK
			\$1,000.00



KANSAS ATHLETICS, INC.
1651 NAISMITH DRIVE
LAWRENCE, KANSAS 66045



usbank.com

7605396

DATE

11/10/2014

AMOUNT

\$1,000.00

One Thousand Dollars and 00 Cents

Kansas Board of Tax Appeals

PAY
TO THE
ORDER
OF

[Handwritten Signature]
AUTHORIZED SIGNATURE

Details on back

⑈07605396⑈ ⑆101000187⑆ 145570288624⑈

COPY