

TAX REBATE AGREEMENT

THIS Tax Rebate Agreement is made this 17th day of April, 2012, by and between the City of Lawrence, Kansas, a municipal corporation, and 720, L.L.C., a Kansas limited liability company.

RECITALS

- A.** On April 3, 2007, the City of Lawrence, Kansas ("City"), adopted City of Lawrence, Kan., Ord. No. 8093 (Apr. 3, 2007), wherein, pursuant to the Kansas Neighborhood Revitalization Act of 1994, K.S.A. 12-17,115 et seq., the City established the "City of Lawrence Neighborhood Revitalization Plan and Program 8th and Pennsylvania District" and, thereby, created a tax rebate program in order to provide incentives for property owners to stimulate revitalization of the district, to encourage the construction of private and public infrastructure within the district, and to inspire the rehabilitation, conservation, and redevelopment of the district, all with the overarching goal of promoting the public health, safety, and welfare.
- B.** On April 27, 2007, the City and Cinco Hombres, L.L.C., entered into a "Development Agreement" ("the Original Agreement"), whereby Cinco Hombres, L.L.C., agreed to redevelop and to revitalize certain tracts of land within the 8th and Pennsylvania District, as described in Ordinance No. 8093, and whereby, in accordance with state law and Ordinance No. 8093, the City agreed to provide certain tax rebates to Cinco Hombres, L.L.C., for the redevelopment and revitalization of those certain tracts of land within the district.
- C.** Since that time, 720, L.L.C., ("the Company") has purchased certain real property within the 8th and Pennsylvania District, commonly known as 720 East 9th Street, Lawrence, Douglas County, Kansas (the legal description of which is affixed hereto as **Exhibit A** and is incorporated herein by reference), and, in accordance with Ordinance No. 8093 and the Original Agreement, has redeveloped and revitalized that property ("the Property").
- D.** On November 6, 2007, the Company requested that, in accordance with the terms of the Original Agreement, the City grant it the appropriate tax rebates for redeveloping and revitalizing the Property. (A copy of the November 6, 2007, request is affixed hereto as **Exhibit B** and is incorporated herein by reference).
- E.** At its April __, 2012, regular public meeting, after reviewing the Company's November 6, 2007, request, hearing public comment, and considering the evidence adduced at that meeting, the governing body of the City voted to extend the Original Agreement to the Company and directed Staff to prepare this Tax Rebate Agreement.

- F.** The City and the Company agree that the Company's receipt of certain tax rebates, as described herein, is contingent, inter alia, upon the execution of this Tax Rebate Agreement and compliance with its terms.

AGREEMENT

NOW, THEREFORE, in light of the mutual promises and obligations contained herein, and in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. Adoption of Recitals. The above recitals are incorporated herein by reference as if set forth in full.

SECTION 2. Purpose. The purpose of this Tax Rebate Agreement is to memorialize the agreement between the City and the Company regarding the administration of the "City of Lawrence Neighborhood Revitalization Plan and Program 8th and Pennsylvania District," the extension of certain parts of the Original Agreement to the Company as the successor-in-interest in the Property to Cinco Hombres, L.L.C., and the terms of the City's rebate of certain property taxes to the Company for certain infrastructure expenditures that it made while redeveloping and revitalizing the Property. (A copy of the Original Agreement is affixed hereto as **Exhibit C** and is incorporated herein by reference).

SECTION 3. Term. This Agreement shall commence on the date on which it is executed by the City Manager and shall expire on the date the last tax rebate payment is made, which shall occur once the "Maximum Amount" has been rebated to the Company, or upon December 31, 2032, whichever occurs first.

SECTION 4. Maximum Amount. In accordance with Exhibit D to the Original Agreement, the Maximum Amount of taxes to be rebated to the Company for the redevelopment of 720 East 9th Street shall be \$324,673.18. The tax rebates, in accordance with the Original Agreement and this Tax Rebate Agreement, assuming that the Company is eligible for a tax rebate for that year under those terms, shall be paid at 95% of the property tax increment based on the Company's actual expenditures to improve the infrastructure. (A table setting forth those expenditures is affixed hereto as **Exhibit D** and is incorporated herein by reference)

SECTION 5. Eligibility for a Tax Rebate. As a precondition to receiving payment of a tax rebate, the Company shall, for each year that it seeks a tax rebate, send a letter to the City certifying to the City that it has paid all real estate taxes levied or assessed against the Property to date. The City shall withhold payment of a tax rebate if the Company fails to certify that the real estate taxes have been paid to date. Upon later certification that that precondition has been satisfied, the City shall disburse any withheld funds to the Company.

SECTION 6. Real Estate Tax Payments May Be Made on Bi-annual Basis. The Company may elect to pay its annual real estate taxes in two installments, one in May and one in December, as currently permitted by law. However, as set forth above, the Company shall not be eligible to receive a requested Tax Rebate unless it meets the eligibility requirement of Section 5, supra. Also, if it elects to pay its real estate taxes on a bi-annual basis, the Company may request payment of a Tax Rebate only after its payment of the real estate taxes in December.

SECTION 7. Effect of Paying Real Estate Taxes Under Protest. If the Company's real estate tax payments have been made under protest, or the Company has filed an application to appeal the assessment of real estate taxes for any year and such dispute remains pending, the Company shall, in its letter requesting payment of a Tax Rebate, notify the City of that fact. And, so long as the Company pursues the appeal, then the non-payment of real estate taxes for the period in question shall not be used by the City as a basis for withholding payment of any Tax Rebate (provided that all other previous real estate taxes have been paid to date and all other conditions for eligibility have been satisfied).

SECTION 8. Payment of the Tax Rebate. Within thirty (30) days from the receipt of tax rebate funds from Douglas County, Kansas, assuming that all preconditions for payment have been met by the Company, the City shall, in accordance with Article II of the Original Agreement, pay from the fund the appropriate Tax Rebate to the Company, its successors, or its assigns.

SECTION 9. Payments Made to the Company, to its Successors, or to its Assigns. Upon proper application, and assuming that all preconditions for payment have been satisfied, the Tax Rebate shall be made to the Company or any person or lender to whom the Company has assigned rights to the receipt of the Tax Rebate. The Company shall provide written notice to the City of any outright or collateral assignment of any or all Tax Rebates.

SECTION 10. Effect of Foreclosure. In the event of foreclosure, the City shall make the payment of any Tax Rebate, assuming all preconditions therefor have been met and that the lender has complied with all terms of this Tax Rebate Agreement, to such lender. The Company agrees that, in the event of foreclosure or other action that would require the City to respond to preserve its rights in a court of law or other tribunal, to reimburse the City for its reasonable attorneys' fees in responding to such matter.

SECTION 11. The Company's Responsibilities. The Company agrees to adhere to and is bound by the terms of the Original Agreement, except as specifically modified by this Tax Rebate Agreement.

SECTION 12. Tax Rebate Covenant. At the Company's request, and upon the City's approval of such document, the City would agree to execute a Development and Tax Rebate Agreement and Covenant that the Company may file of record with the Office of the Register of Deeds for Douglas County, Kansas. The purpose of any such agreement would be to assign irrevocably to the Company, its successors, or assigns any interest in the Tax Rebates that any future owner of the Property may claim.

SECTION 13. Effect on Original Agreement. This Tax Rebate Agreement governs the extension of the Original Agreement to the Company and the Property. Certain terms and conditions are adopted herein explicitly. Any terms not expressly adopted herein that are necessary for the operation of this document are adopted herein by implication. Otherwise, this Tax Rebate Agreement has no effect on the Original Agreement and does not make the Company a party to the Original Agreement. The parties recognize that some sections of the Original Agreement may not be relevant to this Tax Rebate Agreement.

SECTION 14. Consent to Assignment. To the extent that it is contemplated by the Original Agreement, the City hereby consents to the Assignment from Cinco Hombres, L.L.C., to the Company of certain rights and obligations appearing thereunder.

SECTION 15. Other Agreements. Nothing in this Tax Rebate Agreement prohibits the City and the Company from entering into other agreements regarding the Property and the City's right-of-way adjoining the Property.

SECTION 16. Execution. For purposes of executing this Tax Rebate Agreement, this document, if signed and transmitted by facsimile machine or telecopier, is to be treated as an original document. This Tax Rebate Agreement may be executed in one or more counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original and all of which together shall constitute one instrument.

SECTION 17. Notices. Notices requires under this Tax Rebate Agreement shall be sent to the parties as follows:

If to City, to:

Diane Stoddard, Assistant City Manager
City of Lawrence, Kansas
6 East 6th Street
P.O. Box 708
Lawrence, Kansas 66044

With copies to:

Ed Mullins, Director Finance
City of Lawrence, Kansas
6 East 6th Street
P.O. Box 708
Lawrence, Kansas 66044

Toni R. Wheeler, City Attorney
City of Lawrence, Kansas
6 East 6th Street
P.O. Box 708
Lawrence, Kansas 66044

If to the Company, to:

Michael E. Riling
808 Massachusetts Street
P.O. Box B
Lawrence, Kansas

SECTION 18. Liberal Construction. This Tax Rebate Agreement shall be liberally construed to achieve the economic development objectives and purposes of this Agreement, the Original Agreement, and the "City of Lawrence Neighborhood Revitalization Plan and Program 8th and Pennsylvania District." Should any provision of this Tax Rebate Agreement be determined to be void, invalid, unenforceable, or illegal, such provision shall be null and void, but the remaining provisions shall be unaffected thereby and shall continue to be valid and enforceable.

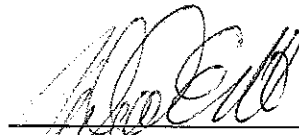
SECTION 19. Entire Agreement. This Tax rebate Agreement and those relevant portions of the Original Agreement applicable herein constitute the entire agreement between the parties and may not be modified or amended except in a writing executed by the parties in the same manner as this agreement.

SECTION 20. Governing Law. This Tax Rebate Agreement shall be governed and construed according to the laws of the state of Kansas.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this Tax Rebate Agreement to be executed as of the date noted above.

Company: 720, L.L.C., a Kansas limited liability company



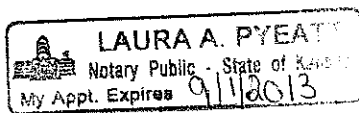
Michael E. Riling, President

ACKNOWLEDGMENT

STATE OF KANSAS)
)
COUNTY OF DOUGLAS) ss:

The foregoing Incentive Agreement was acknowledged before me this 10th day of April, 2012, by Michael E. Riling, President, in behalf of 720, L.L.C., a Kansas limited liability Company.

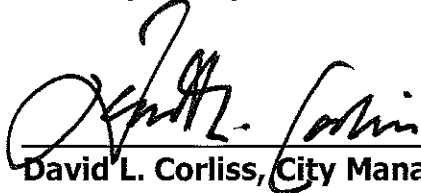
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year last above written.



Laura A. Pyeatt
Notary Public

My commission expires: 9/1/2013

CITY: CITY OF LAWRENCE, KANSAS, a
municipal corporation



David L. Corliss, City Manager

ACKNOWLEDGMENT

STATE OF KANSAS)
)
COUNTY OF DOUGLAS) SS:

The foregoing Incentive Agreement was acknowledged before me this 19th day of April, 2012, by David L. Corliss, City Manager, in behalf of City of Lawrence, Kansas, a municipal corporation.

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



Notary Public

My commission expires: April 18, 2016

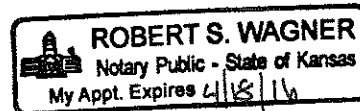


Exhibit A

Legal Description

8TH AND PENNSYLVANIA NEIGHBORHOOD REDEVELOPMENT BLK B LT 1

Exhibit B

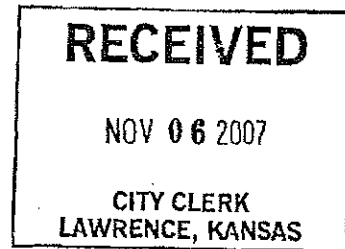
NRA : 8TH + PENN

Cinco Hombres, LLC
730 New Hampshire, Ste. 222
Lawrence, KS 66044

November 6, 2007

John Miller
Attorney at Law
City of Lawrence
6 E. 6th Street
Lawrence, KS 66044

RE: Cinco Hombres, LLC
Application for Tax Rebate under the NRA



Dear John:

Enclosed please find an original and two copies of our application for tax rebate under the Neighborhood Revitalization Act. A check for \$100.00 is also enclosed. Please help us get this where it needs to be.

Can we start construction based upon our building permit for 720 E. 9th?

Sincerely,

Roger N. "Bo" Harris
Managing Member
Cinco Hombres, LLC

-Fals. Tol

87-129/1011
 22300282
 11-6-07
 1409
 CINCO HOMBRES, LLC
 808 MASSACHUSETTS, BOX B
 LAWRENCE, KS 66044-2658
 DATE
 PAY TO THE
 ORDER OF
 City of Lawrence
 One Hundred and no/100 - - - - -
 \$ 100.00
 DOLLARS

**CITY OF LAWRENCE APPLICATION FOR TAX REBATE UNDER THE
NEIGHBORHOOD REVITALIZATION ACT**

PART I

A refundable application fee (\$25 single family residential, \$100 for all other projects) must accompany this application.

Owner's Name: Cinco Hombres, LLC
(Please print)

Day Phone Number: 785-841-4163

Owner's Mailing Address: 730 New Hampshire, Ste. 222, Lawrence, KS 66044

Address of Property: 720 E. 9th Street, Lawrence, KS 66044

Parcel Identification Number: 023-079-31-0-10-27-001-03-0

(Copy from your tax statement or call the County Appraiser's Office 832-5133)
also available on the Douglas County website at: www.douglas-county.com (online value & tax information link)

Legal Description of Property: 8th & Pennsylvania Neighborhood Redevelopment Tract of land in NE QR 31-12-20 & Replat of Lots 14, 15, 16, 17, 18, 19, 20, 22, 24, 26, 28, 30, 32, 34 & 36 on Pennsylvania Street & Lots 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21 & Part Lot 23 on Delaware Street and all of Lot 1 and Lot 2 Poehler Add Blk 'B' Lot 1. City of Lawrence; Douglas County, Ks.

(Use additional sheets if necessary.)

Proposed Property Use: (check all that apply)

RESIDENTIAL: ☐ New Construction **OR** ☐ Rehab

USE ☐ Residence ☐ Other (Explain) _____

☐ Single Family ☐ Multi-Family ☐ Number of Units

COMMERCIAL: ☒ New **OR** ☐ Rehab.

Does the applicant own the land? ☒ Yes ☐ No

Will the proposed project be permanently attached to the property? ☒ Yes ☐ No

BRIEF DESCRIPTION OF THE PROJECT:

The construction/improvements consist of site work to the 720 E. 9th building. This will include demolition of existing parking lot, landscaping of surrounding site work. Once removed, a new porous surface parking lot, landscaping, lighting, and additional curbs/islands will be constructed.

I have read and do hereby agree to follow all application procedures and criteria. I further understand that this application will be void one year from the date below if improvements or construction has not begun on this project.

Rog N. Harris
Signature of Owner - Roger N. Harris

October 25 2007
Date

**CITY OF LAWRENCE APPLICATION FOR TAX REBATE UNDER THE
NEIGHBORHOOD REVITALIZATION ACT**

PART 2 RESIDENTIAL

GENERAL

Estimated Date of Completion _____

List of Buildings Proposed to be Demolished: _____

Estimated cost of Improvements: (Please attach copies of cost documentation and Blueprints or Plans)

Materials \$ _____ Labor \$ _____

Total Cost \$ _____

Please check one of the following that best describes the construction of your property.

☐ All Contractor Built (turn-key) ☐ Pre-built Home moved on site ☐ Modular Home

☐ Contractor built with owner participation ☐ All owner built ☐ Other _____

Amount of Owner Participation: _____ Hours _____ Percent of Project _____ Value

NEW RESIDENTIAL

Story Height _____ Basement Size _____ Heating & Cooling _____

Square Feet of Finished Living Area – Basement _____ Ground Floor _____ Upper Floor _____

Number of Bedrooms _____ Number of Bathrooms _____ Square Feet of Unfinished Area _____

Garage Size _____ ☐ Attached ☐ Detached

RESIDENTIAL REMODEL

Square Feet of Living Area Added _____ ☐ Basement ☐ Ground Floor ☐ Upper Floor

Rooms to be Remodeled (Please Mark all that Apply)

☐ Living Room ☐ Bedroom ☐ Bathroom ☐ Kitchen ☐ Dining Room

☐ Basement ☐ Other _____

Rooms to be added (Please Mark all that Apply)

☐ Living Room ☐ Bedroom ☐ Bathroom ☐ Kitchen ☐ Dining Room

☐ Basement ☐ Other _____

Signature of Owner

Date

**CITY OF LAWRENCE APPLICATION FOR TAX REBATE UNDER THE
NEIGHBORHOOD REVITALIZATION ACT**

PART 3 COMMERCIAL

GENERAL

Estimated Date of Completion: 12/15/07

List of Buildings Proposed to be Demolished: None

Estimated Cost of Improvements: Materials \$ _____ Labor \$ _____
See Attached. (Please attach copies of cost documentation)

Please check one of the following that best describes the construction of your property:

(X) All Contractor Built (turn-key) () Pre-Built Unit moved on site () Modular Building

() Contractor built with owner participation () All owner built () Other _____

Amount of Owner Participation: _____ Hours _____ Percent of Project _____ Value

COMMERCIAL

Type of Building Flex Office/Warehouse

Use of Building: Office/Warehouse

Size of Building 22,900 sf Wall Height _____ Exterior Wall Material _____

COMMERCIAL REMODEL

Area to be Remodeled: Parking Lot & Site Improvements

Type and Use of Building: Flex office/Warehouse

Describe Improvements: The 720 E. 9th Building was 70% destroyed by a tornado. The building was rebuilt. Now the parking lot and associated site improvements will be added to the land. These improvements include a porous surface parking lot, landscaping, lighting, and additional islands and curbs.

Rog N. Harris
Signature of Owner - Roger N. Harris

October 25 2007
Date

CITY OF LAWRENCE APPLICATION FOR TAX REBATE UNDER THE
NEIGHBORHOOD REVITALIZATION ACT

PART 4 COMMENCEMENT OF CONSTRUCTION

(Please deliver or fax this part within 10 days of the commencement of construction to the
City Clerk's Office at 832-3305)

Parcel Identification Number: 023-079-31-0-10-27-001.03-0

Date of Original Application: October 25, 2007

Construction estimated to begin on: November 1, 2007

Building Permit Number _____
(where applicable)

Estimated Date of Completion of Construction: 12/15/07

Owner's Signature

Rog N. Harris
Roger N. Harris

Date: October 25, 2007

**CITY OF LAWRENCE APPLICATION FOR TAX REBATE UNDER THE
NEIGHBORHOOD REVITALIZATION ACT**

**(Please deliver or fax this part within 10 days of the conclusion of construction, or by
December 15 for projects incomplete by year end, to the City Clerk's Office at 832-3305)**

PART 5 STATUS OF CONSTRUCTION COMPLETION

Parcel ID Number _____

Original Application Date _____

_____ Incomplete Project as of January 1 following commencement

_____ Complete Project as of January 1 following commencement

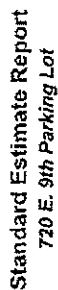
The Construction project applied for was considered complete on _____

Owner's Signature _____

Date _____

Project name	720 E. 9th Parking Lot 720 E. 9th St. Lawrence KS 66044
Estimator	SK
Labor rate table	2008 OSTD
Equipment rate table	2000 Lw-e
Bid date	11/6/2007 5:00 PM
Report format	Sorted by 'Group phase/Phase' 'Detail' summary

SITework



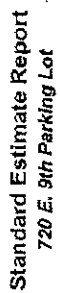
Item	Description	Takeoff Qty	Unit Cost	Labor	Material	Subcontract	Equipment	Other	Total
			Amount	Amount	Amount	Amount	Amount	Amount	Amount
2511.00 n 106	Paving: Asphalt 3" Porous Asphalt - Inc. Base & Exc	1,804.00 sqyd	-	-	-	-	-	-	-
2513.00 n 10	Paving: Concrete 6" Concrete Paving (sqft) Complete By Sub	4,144.00 sqft	-	-	-	-	-	-	-
2528.00 n 2001	Paving: Curbs & Gutters 24" Curb & Gutter	500.00 Init	-	-	-	-	-	-	-
2584.00 n 2001	Paving: Parking Lines 24" Ribbon Curb	542.00 Init	-	-	-	-	-	-	-
2584.00 n 10	Paving: Parking Lines 10 Parking Lines	1,235.00 Init	-	-	-	-	-	-	-
2615.00 n 10	Pipe: HDPE 4" Perforated Parking Lot Drain	2.00 each	-	-	-	-	-	-	-
2723.00 n 10	Drainage: Site Inlets 6"x6"x6" Inlet Collar	503.00 Init	-	-	-	-	-	-	-
2831.00 10a	Improvements: Fencing Trash Enclosure Allowance	2.00 Isum	-	-	-	-	-	-	-
2842.00 n 10 n 15	Improvements: Bollard/Rails Pipe Bollards Bases Conc/Exc. Light Pole Bases	10.00 each 7.00 each	-	-	-	-	-	-	-
2844.00 50	Improvements: Bollard/Rails Barrier Parking Precast Improvements: Parking Items	56.00 Labor hours 20.00 each 18.50 Labor hours	-	-	-	-	-	-	-
2846.00 90	Improvements: Traffic Signs Sign Handicap Parking Incl. Post	2.00 each	-	-	-	-	-	-	-
			10,000	10,000	10,000	10,000	10,000	10,000	10,000
			2,000	2,000	2,000	2,000	2,000	2,000	2,000
			4,270	4,270	4,270	4,270	4,270	4,270	4,270
			6,270	6,270	6,270	6,270	6,270	6,270	6,270
			2,590	2,590	2,590	2,590	2,590	2,590	2,590
			2,590	2,590	2,590	2,590	2,590	2,590	2,590
			250	250	250	250	250	250	250



Standard Estimate Report
720 E. 9th Parking Lot

Page 4
11/18/2007 10:22 AM

Item Description	Takeoff Qty	Unit Cost	Material	Subcontract	Equipment	Other	Total
		Amount	Amount	Amount	Amount	Amount	Amount
Imprövnments: Traffic Signs 2.50 Labor hours		100	150				250
2900.01 Landscape: General							
30 Landscaping Allowance	1.00 Isum	-	-	3,124 Allow	-	-	3,124
30 Irrigation Allowance	1.00 Isum	-	-	15,354 Allow	-	-	15,354
Landscape: General				18,478			18,478
SITWORK 77.00 Labor hours		3,360	2,420	211,092	0	0	216,872
5000.00 METALS							
5510.70 Misc: Misc Metals							
15 6" Bollards	10.00 each		0.001 /each	NIC	-	-	0
Misc: Misc Metals			0				0
METALS		0	0	0	0	0	0
9000.00 FINISHES							
9810.01 Painting: Exterior							
350 Paint Steel/Pipe Bollards 4-3" dia	10.00 each	-	-	500	-	-	500
Painting: Exterior				500			500
FINISHES		0	0	500	0	0	500
16000.00 ELECTRICAL							
16001.00 Electrical Complete							
n 14 Site Lighting Installation	1.00 Isum	-	-	7,490 Oliver	-	-	7,490
n 14 Unleaded and Receive Light Fixtures	1.00 Isum	-	-	500 HOC	-	-	500
n 14 Exterior Lighting	1.00 Isum	-	-	19,200 Oliver	-	-	19,200
Electrical Complete				27,190			27,190
16500.00 Lighting							
530 Site Lighting - Street Poles	3.00 each	-	2,245.00 /each	-	-	-	6,735
530 Site Lighting - single lal poles	3.00 each	-	3,067.00 /each	-	-	-	9,201
530 Site Lighting - dual lal poles	2.00 each	-	4,354.00 /each	-	-	-	8,708



Item	Description	Takeoff Qty	Labor Unit Cost	Labor Amount	Material Unit Cost	Material Amount	Subcontract Amount	Equipment Name	Equipment Amount	Other Amount	Total Amount
	Lighting						24,647				24,647
	ELECTRICAL		0			24,647	27,190		0	0	51,837



Standard Estimate Report
720 E. 9th Parking Lot

Page 6
11/16/2007 10:22 AM

Estimate Totals

Description	Amount	Totals	Hours	Rate	Cost Basis	Cost per Unit	Percent of Total
Labor	25,940		395.056 hrs				7.17%
Material	27,067						7.48%
Subcontract	241,282						65.67%
Equipment	1,288		190.120 hrs				0.36%
Other	295,577	295,577					81.67%
Sales Tax On Material	1,976						0.55%
Builder's Risk (Lump sum)	1,000						0.28%
General Liability \$8.50/1000	2,344						0.65%
Building Permit	1,850						0.53%
Civil Engineering Fee	31,500						8.70%
Contractor's Fee 1%	27,578						7.62%
Total		361,905					

Exhibit C

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement"), is made and entered into this 24 day of April, 2007 by and between the CITY OF LAWRENCE, KANSAS, a municipal corporation duly organized under the laws of the State of Kansas (the "City"), and CINCO HOMBRES, LLC (the "Developer").

WHEREAS, the Developer owns the real property legally described in Exhibit A, attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, the Developer is pursuing a mixed-use redevelopment project that would create a gathering place integrating residential, retail, commercial, entertainment and community uses, activities and buildings for the Property (the "Project"); and

WHEREAS, the Project encompasses both the Property and additional real property the Developer is actively working to acquire (collectively the "Project Area") legally described in Exhibit B; and

WHEREAS, on December 12, 2006, the City established the 8th and Pennsylvania Overlay District for the Project Area by Ordinance No. 8053 (the "Overlay District Ordinance"); and

WHEREAS, on December 12, 2006, the City considered an Application for Rezoning 4.54 acres within the Property from M-2 and M-3 to CS, which was approved by the City Commission by Ordinance No. 8054 (the "Rezoning Ordinance"); and

WHEREAS, on March 15, 2006, the City considered an Application for Preliminary Plat Approval, which was approved by the Planning Commission (the "Preliminary Plat"); and

WHEREAS, on August 8, 2006, the City considered an Application for Final Plat Approval, which was approved by the City Commission (the "Final Plat"); and

WHEREAS, the City finds that the rehabilitation, conservation or redevelopment of Property is necessary to protect the public health, safety or welfare of the residents of the City; and

WHEREAS, in conjunction with the approval of the Project, the City is requiring the Developer to construct certain public and private infrastructure in and around the Project Area; and

WHEREAS, the City has the authority to create a Neighborhood Revitalization Plan and Program pursuant to K.S.A. 12-17,114 through 12-17,120, and amendments thereto, (the "Act"), for the purpose of financing revitalization related projects in the area which by reason of age, history or architecture or significance should be restored to productive use; and

WHEREAS, City and Developer believe that the creation of a Neighborhood Revitalization Plan and Program for the purpose of financing the Project's public and private infrastructure through ad valorem rebates is in the best interests of the City, the Developer and the surrounding community; and

WHEREAS, in conjunction with this Agreement, the City will adopt the City of Lawrence Neighborhood Revitalization Plan and Program for the 8th and Pennsylvania District, attached hereto as Exhibit E (the "Plan").

WHEREAS, under the Act and the Plan, the owners of all property within the proposed revitalization area may apply to the City to request an ad valorem property tax rebate resulting from improvements made within the revitalization area; and

WHEREAS, the Plan requires the parties to enter into a Development Agreement before property owners may receive tax rebates; and

WHEREAS, the Parties are entering into this Agreement to (i) set forth the Developer's obligations and duties to construct the public and private infrastructure for the Project and (ii) set forth the City's obligations and duties to assist in the financing of these improvements through the implementation of a Neighborhood Revitalization Plan's tax rebate program, as required by the Plan.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I RULES OF CONSTRUCTION

Section 1.01. Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

- A. The terms defined in this Article include the plural as well as the singular.
- B. All references in this instrument to designated "Articles," "Sections" and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- C. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.
- D. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

ARTICLE II
DEVELOPER CONSTRUCTION AND PHASING

Section 2.01. Authorization to Construct. Subject to requisite approvals, the City hereby authorizes the Developer to construct certain public and private infrastructure in the Project Area including street improvements, stormwater improvements, parking lot improvements and alleyway improvements, as more particularly illustrated in **Exhibit C** and detailed in **Exhibit D** attached hereto (the "Project Infrastructure"). As indicated in the exhibits, the Project Infrastructure shall be completed in phases and in the order specified. In the event that the Developer desires to alter the order of the phasing, the City agrees to cooperate with the Developer to redefine the phases to meet both parties needs. The parties acknowledge that the Project Infrastructure items, quantities, and unit costs detailed in **Exhibit D** are based on preliminary information, and that the final determination of the public and private infrastructure that qualify as Project Infrastructure may be altered at the time the Developer obtains site plan, public improvement plan and/or building permit approval as described in Section 2.03 below and may be further altered at the time the improvements are constructed as described in Sections 2.04 and 2.06 below.

Section 2.02. Compliance with the Code. Developer shall complete the Project Infrastructure in conformance with all applicable federal, state and building codes, subdivision regulations, the Urban Conservation Overlay District, the "Design Guidelines: 8th & Penn Neighborhood Redevelopment Zone," the Zoning Ordinance, the Preliminary Plat, the Final Plat, the City of Lawrence Standard Specifications and all other applicable rules and regulations (collectively "Applicable Law and Requirements").

Section 2.03. Public Improvement Plans and Building Permits. Before commencement of construction on any phase of the development, Developer shall obtain site plan, public improvement plan and/or building permit approval, which may be required by the City. The City shall cooperate with Developer in regard to all site plan, public improvement plan and/or building permit applications. Further, the City shall review all site plans, public improvement plans and/or building permits and shall provide all reasonable assistance in obtaining and/or issuing such approvals. Notwithstanding the above acknowledgements, no building permit or plan approval shall be issued for work in any phase until approvals have been obtained for all work in each preceding phase except as mutually agreed between the parties as specified in Section 2.01. All public improvements must be installed within two (2) years of the issuance of plan approval for such public improvements, unless the City, for good cause, notifies the Developer in writing that the items shall be installed within a shorter time period, or the plan approval may be void.

Section 2.04. Developer Construction. Subject to the terms of this Agreement, Developer shall be responsible for all costs of constructing the Project Infrastructure. The Project Infrastructure will be constructed in five phases. The Project Infrastructure that will be constructed with each phase of the Project is generally depicted on the site plan attached as **Exhibit C**.

Section 2.05. Certificate of Occupancy. Developer acknowledges and agrees that a Certificate of Occupancy will not be granted for any lot, as depicted on **Exhibit C**, within any phase of the Project until all Project Infrastructure for that phase and all previous phases is substantially complete and accepted by the City. Notwithstanding the previous requirement, the City reserves the right to issue a Temporary Certificate of Occupancy for any lot, as depicted on **Exhibit C** provided that a contract is in place for construction of the Project Infrastructure for that phase, the Project Infrastructure work has begun for that phase, and all required performance, maintenance and statutory bonds for that phase are in place.

Section 2.06. Construction Standards.

A. Developer shall ensure the streets and sidewalks in the area where the builder or Developer is working shall remain free and clear of dirt, mud and other debris. If, upon inspection, at any time during the construction period, the Building Official determines the affected area is not properly free and clear of mud and debris, then the Building Official shall provide notice to the Developer.

B. Prior to the issuance of the Certificate of Occupancy and as required by the Code of the City of Lawrence, State Law and the City of Lawrence Standard Specifications, the Developer shall provide escrow fees, letters of credit, and/or a payment, performance maintenance and statutory bonds, in an amount to be determined by the City Engineer to ensure that the public improvements, amenities, and landscaping will be installed.

Section 2.07. Periodic Review. The City and its designees shall have the right to review in a monthly project team meeting the design and construction of the Project Infrastructure to determine that design and construction of the Project Infrastructure is being performed and completed in accordance with this Agreement, the Plan and all Applicable Law and Requirements. If the Project Infrastructure is not being designed or constructed in accordance with this Agreement, the Plan and all applicable law and requirements, after consulting with the Developer, the City shall promptly deliver written notice to the Developer.

Section 2.08. Certificates of Completion.

A. Upon completion of any phase of the Project Infrastructure, the Developer shall submit a report to the City certifying that phase of Project Infrastructure has been completed in accordance with this Agreement and that it is in compliance with all other provisions of the Plan and other applicable law and requirements.

B. The City may conduct an investigation, and if the City determines that a particular phase of the Project Infrastructure has been constructed in accordance with this Agreement, the City shall issue a Certificate of Completion ("Certificate of Completion"). If the City determines that particular phase of the Project Infrastructure has not been completed in accordance with this Agreement, the Plan, or is defective, in need of repair or replacement, or was not properly installed; then the City shall not issue a Certificate of Completion and shall, within thirty (30) business days of such finding, specify in writing to Developer the reasons for withholding its certification. If the City fails to notify Developer that there is a problem

with the Project Infrastructure within thirty (30) business days of Developer submitting a report certifying that a phase of the Project Infrastructure has been completed, the City shall be deemed to have concluded that the such phase of the Project Infrastructure has been constructed in accordance with this Agreement and shall issue a Certificate of Completion.

C. Upon receipt of notification that a Certificate of Completion will not be issued for the subject Phase(s) of the Project Infrastructure, the Developer shall be allowed a period of thirty (30) business days in which to remedy any and all defects or submit, subject to City staff review and approval, a plan to remedy the defects.

ARTICLE III

NEIGHBORHOOD REVITALIZATION ACT FINANCING

Section 3.01. Neighborhood Revitalization Plan. Developer's obligations and duties relating to the Project Infrastructure described herein are contingent on City, County, and the School District's adoption of the Plan. Under the Plan, the Property is a neighborhood revitalization area and ad valorem tax rebates generated within the Property will be available to finance the Project Infrastructure.

Section 3.02. Neighborhood Revitalization Fund. Following adoption of the Plan, the City shall create a Neighborhood Revitalization Fund to finance the Project Infrastructure. Any increment in ad valorem property taxes resulting from improvements by a property owner to property that is within the boundaries of the Plan will be credited to the Neighborhood Revitalization Fund for the purpose of returning the ad valorem property tax increment to the taxpayer in the form of a tax rebate (the "Tax Rebate").

Section 3.03. Neighborhood Revitalization Rebate. The Developer must apply, pursuant to KSA 12-17,118, for any Tax Rebate held in the Neighborhood Revitalization Fund ("NRA Application"). Upon approval of a NRA Application, Developer shall receive Tax Rebates from the Neighborhood Revitalization Fund until Developer has been fully reimbursed for the cost of constructing the Project Infrastructure and subject to the rebate terms described in the Plan. Once the Developer has been fully reimbursed for the cost of constructing all Project Infrastructure, Developer or any person eligible for tax rebates pursuant to Article V of this agreement or the Plan shall be ineligible for any additional rebates (the "Maximum Rebate Limit"). Tax Rebates paid to future owners, taxpayers, tenants, assignees, lessees, successors in interest, or creditors of the Property shall be considered reimbursement to Developer for purposes of calculating if Developer has reached the Maximum Rebate Limit. The parties acknowledge that the estimated cost of the Project Infrastructure described in Exhibit C is based on preliminary information, and that the final cost for such Project Infrastructure shall be determined through approval of Certificate of Expenditures (as described below).

Section 3.04. Tax Rebate Covenant. At the Developer's request, the City will acknowledge and consent to the filing of record against the Property a tax rebate agreement and covenant running with the land ("Tax Rebate Covenant") that will irrevocably assign any

interest in Tax Rebates future owners of the Property may have to Developer or Developer's assigns. Upon Developer filing of record the Tax Rebate Covenant, the City shall pay any Tax Rebates due any future Property owner(s) to Developer or Developer's assigns. The Tax Rebate Covenant will be in substantially the form as shown in Exhibit F.

Section 3.05. Certification of Expenditures. Developer shall certify all costs and expenditures to be made in connection with the Project Infrastructure in accordance with the following:

A. The Developer shall submit to the City a Certification of Expenditure setting forth the amount for which certification is sought and identification of the relevant Project Infrastructure.

B. The Certification of Expenditure shall be accompanied by such bills, contracts, invoices, lien waivers and other evidence as the City shall reasonably require to document the eligibility for rebates.

C. The City reserves the right to have its engineer or other agents or employees inspect all work in respect of which a Certification of Expenditure is submitted, to examine the Developer's and other's records relating to all expenses related to the Project Infrastructure to be paid, and to obtain from such parties such other information as is reasonably necessary for the City to evaluate compliance with the terms hereof.

D. The City shall have 30 business days after receipt of any Certification of Expenditure to review and respond by written notice to the Developer. If the submitted documentation demonstrates that: (1) the Certification of Expenditure relates to the Project Infrastructure; (2) the expense was incurred; (3) Developer is not in material default under this Agreement; and (4) there is no fraud on the part of the Developer, then the City shall approve the Certification of Expenditure. If the City reasonably disapproves of the Certification of Expenditure, the City shall notify the Developer in writing of the reason for such disapproval within such 30-day period. If the City fails to respond to Developer's request within such 30-day period, the City shall be deemed to have approved such request.

E. Upon approval of a Certificate of Expenditure, Developer shall receive tax rebates up to the amount approved in the Certificate of Expenditure.

ARTICLE IV **DEVELOPER OF RECORD**

Section 4.01. Developer Designation. Developer currently owns the Property, and is working to acquire the remaining property within the Project Area, so that Developer may revitalize the entire Project Area in a manner consistent with the Overlay District Ordinance and Design Guidelines. Developer is hereby designated the exclusive Developer of Record for the Project Area for a period of 5 years from the date of publication of the Ordinance adopting this Agreement and the Plan. If any owner of property (except City, Developer, or an assignee of Developer) within the Project Area files an application for a building permit, development approval or a Neighborhood

Revitalization Application, the City shall give notice thereof to the Developer within twenty (20) business days of the date of the application. No action shall be taken on such application until ten (10) business days have elapsed from the date notice of the application is given to the Developer.

ARTICLE V

SALE OF PROPERTY AND DEVELOPER ASSIGNMENT

Section 5.01. Sale or Disposition of Property and Assignment.

A. Sale or Lease. The Developer may sell, transfer, convey, lease or otherwise dispose of real property owned by Developer.

B. Assignment of Obligations. This Agreement and the rights, duties and obligations hereunder may be assigned by the Developer and assumed by Developer's assigns.

C. Partial Assignment of Rebate Rights.

1. At the Developer's sole discretion, Developer may assign a limited right to Tax Rebates ("Rebate Assignment") to Taxpayers, as defined by the Act, tenants, successors in interest, creditors or subsequent landowners of the Property ("Rebate Assignees").

2. All Rebate Assignments shall be made in the following manner:

a. An Assignment Agreement (the "Assignment Agreement") shall be in form and content reasonably acceptable to the City and shall be recorded and delivered to the City Clerk.

b. The Assignment Agreement shall contain instructions to the City regarding the type of Project Infrastructure Cost that the Rebate Assignee is entitled to, the timing and sequencing of the Rebate as it relates to the timing and sequencing of Rebate due to the Developer, and the amount of the Rebate being granted to the Rebate Assignee.

c. To be valid and for the City to provide rebates from the Neighborhood Revitalization Fund, the Assignment Agreement shall be signed by:

- i. The Developer; and
- ii. The Rebate Assignee(s);

3. Once a valid Assignment Agreement is executed, the City and the Developer shall take such further steps as may be reasonably necessary to comply with the intent of this section.

4. Any sale, disposition or assignment of property including any tax rebates are limited by the Maximum Rebate Limit described in Article III and the Plan.

ARTICLE VI

DEFAULTS AND REMEDIES

Section 6.01. Default. This Agreement shall be in default if there is a failure by either party to observe and perform any covenant, condition or agreement required of such party under this Agreement for a period of sixty (60) days after written notice of such default has been given to the defaulting party by the non-defaulting party during which time such default is neither cured by the defaulting party nor waived in writing by the non-defaulting party ("Event of Default"), provided that, the defaulting party shall not be in default if the failure stated in the notice cannot be corrected within said sixty (60) day period and the corrective action is instituted within the sixty (60) day period and diligently pursued to completion.

Section 6.02. Remedies on Default.

A. Whenever any Event of Default by Developer shall have occurred and be continuing, the City may take any one or more of the following remedial steps: (i) Refuse to issue any further Certification of Expenditures and/or Tax Rebates; or (ii) Terminate this Agreement. Notwithstanding the foregoing, the City shall be obligated to provide Tax Rebates to Developer for all Project Infrastructure expenditures incurred by Developer up to the date of refusal to issue any further Certification of Expenditures or termination of this Agreement.

B. Whenever any Event of Default by City shall have occurred, Developer may take any one or more of the following remedial steps (i) Terminate this Agreement, or (ii) have available all remedies at law and in equity.

Section 6.03. Legal Actions. Any legal actions related to or arising out of this Agreement must be instituted in the District Court of Douglas County, Kansas or, if federal jurisdiction exists, in the Federal District Court in the District of Kansas.

Section 6.04. Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 6.05. Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any action or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 6.06. Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where party seeking the extension has acted diligently and delays or defaults are due to events beyond the reasonable control of the party such as but not limited to: default of other party; war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; market conditions; quarantine restrictions; freight embargoes; lack of transportation; unusually severe weather; or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Times of performance under this Agreement may also be extended in writing by the mutual agreement of City and the Developer.

ARTICLE VII **GENERAL PROVISIONS**

Section 7.01. Time of Essence. Time is of the essence of this Agreement. The City and Developer will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

Section 7.02. Amendment. This Agreement, and any exhibits attached hereto, may be amended only by the mutual consent of the parties, upon official action of the City's governing body approving said amendment, and by the execution of said amendment by the Parties or their successors in interest.

Section 7.03. Immunity of Officers, Employees and Members of the City. No personal recourse shall be had for the creation of a Neighborhood Revitalization Plan or Fund, for the payment of any ad valorem property tax rebates or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Agreement against any past, present or future officer, member, employee or agent of the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and any liability of any such officers, members, directors, employees or agents is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement. Furthermore, no past, present or future officer, member, employee or agent of the City shall be personally liable to the Developer, or any successor in interest, for any default or breach by the City.

Section 7.04. Right of Access. For the purposes of assuring compliance with this Agreement, representatives of the City shall have the right of access to the Property, without charges or fees, at normal construction hours during the period of construction for purposes related to this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Project Infrastructure. Such representatives of the City shall carry proper identification, and shall not interfere with the construction activity.

Section 7.05. No Other Agreement. Except as otherwise expressly provided herein, this Agreement and all documents incorporated herein by reference supersedes all prior agreements, negotiations and discussions, both written and oral, relative to the subject

matter of this Agreement and is a full integration of the agreement of the parties.

Section 7.06. Severability. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid or unenforceable in whole or in part, this Agreement shall be deemed amended to delete or modify, in whole or in part, if necessary, the invalid or unenforceable provision or provisions, or portions thereof, and to alter the balance of this Agreement in order to render the same valid and enforceable. In no such event shall the validity or enforceability of the remaining valid portions hereof be affected.

Section 7.07. Amendment to Carry Out Intent. If any provision, covenant, agreement or portion of this Agreement, or its application to any person, entity or property, is held invalid, the parties shall take such reasonable measures including, but not limited to, reasonable amendment of this Agreement or the Plan to cure such invalidity where the invalidity contradicts the clear intent of the parties in entering into this Agreement.

Section 7.08. Kansas Law. This Agreement shall be construed in accordance with the laws of the State of Kansas.

Section 7.09. Duration. The duration of the agreement shall be until such time that the Developer's maximum rebate limits pursuant to the Plan and this Agreement have been reached, unless terminated as herein provided.

Section 7.10. Notice. All notices and requests required pursuant to this Agreement shall be in writing and shall be sent as follows:

To the Developer:

Cinco Hombres, LLC
Attn: Roger Harris
730 New Hampshire Street, Suite 222
Lawrence, KS 66044

With copies to:

Korb W. Maxwell, Esq.
Polsinelli Shalton Welte Suelthaus PC
6201 College Boulevard, Suite 500
Overland Park, Kansas 66211

To the City:

David Corliss, City Manager
City of Lawrence
P.O. Box 708
6 East 6th
Lawrence, KS 66044

With copies to:

Ed Mullins, Director of Finance
City of Lawrence
P.O. Box 708
6 East 6th
Lawrence, KS 66044

Toni Ramirez Wheeler,
Director of Legal Services
City of Lawrence
P.O. Box 708
6 East 6th
Lawrence, KS 66044

or at such other addresses as the parties may indicate in writing to the other either by personal delivery, courier, or by registered mail, return receipt requested, with proof of delivery thereof. Mailed notices shall be deemed effective on the third day after mailing; all other notices shall be effective when delivered.

Section 7.11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 7.12. Consent or Approval. Except as otherwise provided in this Agreement, whenever consent or approval of either party is required, such consent or approval shall not be unreasonably withheld.

Section 7.13. Survivorship. Notwithstanding the termination of this Agreement, Developer's obligations with respect to any terms and conditions of this Agreement which by their nature should survive termination, shall survive the termination of this Agreement.

Section 7.14. Incorporation of Exhibits. The Exhibits attached hereto and incorporated herein by reference are a part of this Agreement to the same extent as if fully set forth herein.

Section 7.15. Indemnity and Release. Developer covenants and agrees, at its expense, to indemnify and hold the City and its respective members, officers, employees, and agents harmless from and against any loss, liability, damage or expense arising out of any and all claims, demands, expenses, penalties, fines, taxes of any character or nature arising from the Plan, this Agreement or the Project Infrastructure, including but not limited to, claims for loss or damage to any property or injury to or death of any person arising out of Developer's obligations under this Agreement. If any action or proceeding is brought against the City or its respective members, directors, officers, employees or agents by reason of any such claim or demand for which Developer is obligated to defend hereunder, upon notice from the City,

Developer covenants to defend such action or proceeding on demand of the City or its respective members, directors, officers, employee or agents. Notwithstanding the forgoing, neither the City nor its respective members, directors, officers, employees or agents shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by its own act or omission or the acts or omissions of its own members, directors, officers, employees or agents.

ARTICLE VIII

REPRESENTATIONS OF THE CITY AND THE DEVELOPER

Section 8.01. Representations of the City. The City makes the following representations and warranties, which are true and correct on the date hereof:

A. **Due Authority.** The City has full power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. The City also acknowledges that this Agreement complies with the Kansas Cash-Basis law, K.S.A. 10-1101 et seq. Accordingly, this Agreement constitutes the legal valid and binding obligation of the City, enforceable in accordance with its terms.

B. **No Defaults or Violation of Law.** The execution and delivery of this Agreement, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any agreement or instrument to which the City is now a party, and do not and will not constitute a default under any of the foregoing.

Section 8.02. Representations of the Developer. Developer makes the following representations and warranties, which representations and warranties are true and correct on the date hereof:

A. **Due Authority.** The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

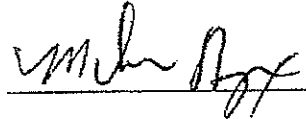
B. **No Defaults or Violation of Law.** The execution and delivery of this Agreement, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.

**ARTICLE IX
EFFECTIVE DATE**

Section 9.01. Effective Date. This Agreement shall become effective upon the later of (i) both parties executing this Agreement or (ii) the City Council passing an ordinance adopting the 8th and Pennsylvania District Neighborhood Revitalization Plan, but only then if other taxing entities that must consent to the Plan's adoption (such as the local school district or Douglas County) have consented to the Plan through an interlocal agreement between the City and taxing jurisdictions.

IN WITNESS WHEREOF, the City and the Developer have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

CITY OF LAWRENCE, KANSAS

A handwritten signature in dark ink, appearing to read "Mike Amyx", written over a horizontal line.

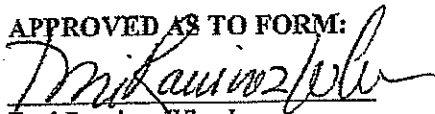
Mike Amyx, Mayor

ATTEST:

A handwritten signature in dark ink, appearing to read "Frank Reeb", written over a horizontal line.

Frank Reeb, City Clerk

APPROVED AS TO FORM:

A handwritten signature in dark ink, appearing to read "Toni Ramirez Wheeler", written over a horizontal line.

Toni Ramirez Wheeler
Director of Legal Services

Cinco Hombres, LLC

Rog N. Harris
Roger N. Harris, Manager

ATTEST:

By:
Its:

ACKNOWLEDGEMENT

STATE OF KANSAS)
)ss.
COUNTY OF DOUGLAS)

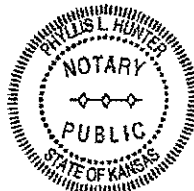
On this 30th day of August, 2007, before me appeared Roger N. Harris, who acknowledged himself to be Manager of Cinco Hombres, LLC, and that he, as such and being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of said entity.

In Witness whereof, I hereunto set my hand and official seal.

Phyllis L. Hunter
Notary Public Phyllis L. Hunter

My Commission Expires:

March 19, 2011



MY COMMISSION EXPIRES:
March 19, 2011

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

CINCO HOMBRES PROPERTIES

805 Pennsylvania

Legal Description: 8TH AND PENNSYLVANIA NEIGHBORHOOD REDEVELOPMENT TRACT OF LAND IN NE QR 31-12-20 & REPLAT OF LOTS 14,15,16,17,18,19,20,22,24,26,28,30,32,34 & 36 ON PENNSYLVANIA STREET & LOTS 1,3,5,7,9,11,13,15,17,19,21 & PART LOT 23 ON DELAWARE STREET & ALLOF LOT 1 & LOT 2 POEHLER ADD BLK 'C' LT 1

806 Pennsylvania

Legal Description: 8TH AND PENNSYLVANIA NEIGHBORHOOD REDEVELOPMENT TRACT OF LAND IN NE QR 31-12-20 & REPLAT OF LOTS 14,15,16,17,18,19,20,22,24,26,28,30,32,34 & 36 ON PENNSYLVANIA STREET & LOTS 1,3,5,7,9,11,13,15,17,19,21 & PART LOT 23 ON DELAWARE STREET & ALLOF LOT 1 & LOT 2 POEHLER ADD BLK 'A' LT 1

810 & 826 Pennsylvania

Legal Description: 8TH AND PENNSYLVANIA NEIGHBORHOOD REDEVELOPMENT TRACT OF LAND IN NE QR 31-12-20 & REPLAT OF LOTS 14,15,16,17,18,19,20,22,24,26,28,30,32,34 & 36 ON PENNSYLVANIA STREET & LOTS 1,3,5,7,9,11,13,15,17,19,21 & PART LOT 23 ON DELAWARE STREET & ALLOF LOT 1 & LOT 2 POEHLER ADD BLK 'A' LT 2

832 & 846 Pennsylvania

Legal Description: 8TH AND PENNSYLVANIA NEIGHBORHOOD REDEVELOPMENT TRACT OF LAND IN NE QR 31-12-20 & REPLAT OF LOTS 14,15,16,17,18,19,20,22,24,26,28,30,32,34 & 36 ON PENNSYLVANIA STREET & LOTS 1,3,5,7,9,11,13,15,17,19,21 & PART LOT 23 ON DELAWARE STREET & ALLOF LOT 1 & LOT 2 POEHLER ADD BLK 'A' LT 3

619 E. 8th St.

Legal Description: POEHLER ADD LT 1 & N 15 FT OF W 30 FT LT 2; ALSO DELAWARE STREET LTS 1,3,5,7 & 9; ALSO BEG AT NE COR LT 1 ON DELAWARE ST TH E 75 FT TH S 200 FT TH W 75 FT TH N 200 FT TO PT BEG & BEG 117 FT E OF NW COR LT 9 ON DELAWARE ST TH S 50 FT TH W 75 FT TH N 50 FT TH E 75 FT TO PT BEG; ALSO DELAWARE STREET N 15 FT LT 11; ALSO N 15 FT OF: BEG 117 FT E OF NW COR LT 11 ON DELAWARE ST TH S 150 FT TH W 75 FT TO SE COR LT 15 ON DELAWARE ST TH N 150 FT TH E 75 FT TO PT BEG & N 15 FT OF: BEG AT PT 117 FT E OF NW COR LT 11 ON DELAWARE ST, SD PT BEING SW COR LT 1 POEHLER ADD; TH E 30 FT TO NW COR LT 2 POEHLER ADD TH S ALONG W LINE SD LT 2 150 FT TO PROLONGED LINE BETWEEN LTS 15 & 17 ON DELAWARE ST TH W ON SD PROLONGED LINE 30 FT TO PT 117 FT E OF NW COR SD LT 17 TH N 150 FT TO PT BEG (U00001A, U02490A & PORTIONS U00003A, U00003B & U02490B COMBINED 2001)

716 E. 9th St.

Legal Description: 8TH AND PENNSYLVANIA NEIGHBORHOOD REDEVELOPMENT
TRACT OF LAND IN NE QR 31-12-20 & REPLAT OF LOTS
14,15,16,17,18,19,20,22,24,26,28,30,32,34 & 36 ON PENNSYLVANIA STREET & LOTS
1,3,5,7,9,11,13,15,17,19,21 & PART LOT 23 ON DELAWARE STREET & ALLOF LOT 1 &
LOT 2 POEHLER ADD BLK 'A' LT 4

720 E. 9th St.

Legal Description: 8TH AND PENNSYLVANIA NEIGHBORHOOD REDEVELOPMENT
TRACT OF LAND IN NE QR 31-12-20 & REPLAT OF LOTS
14,15,16,17,18,19,20,22,24,26,28,30,32,34 & 36 ON PENNSYLVANIA STREET & LOTS
1,3,5,7,9,11,13,15,17,19,21 & PART LOT 23 ON DELAWARE STREET & ALLOF LOT 1 &
LOT 2 POEHLER ADD BLK 'B' LT 1

800 BLK #3 Pennsylvania

Legal Description: PENNSYLVANIA STREET LT 27 (U00101 & 102 COMBINED 1988)

EXHIBIT B

LEGAL DESCRIPTION OF THE PROJECT AREA

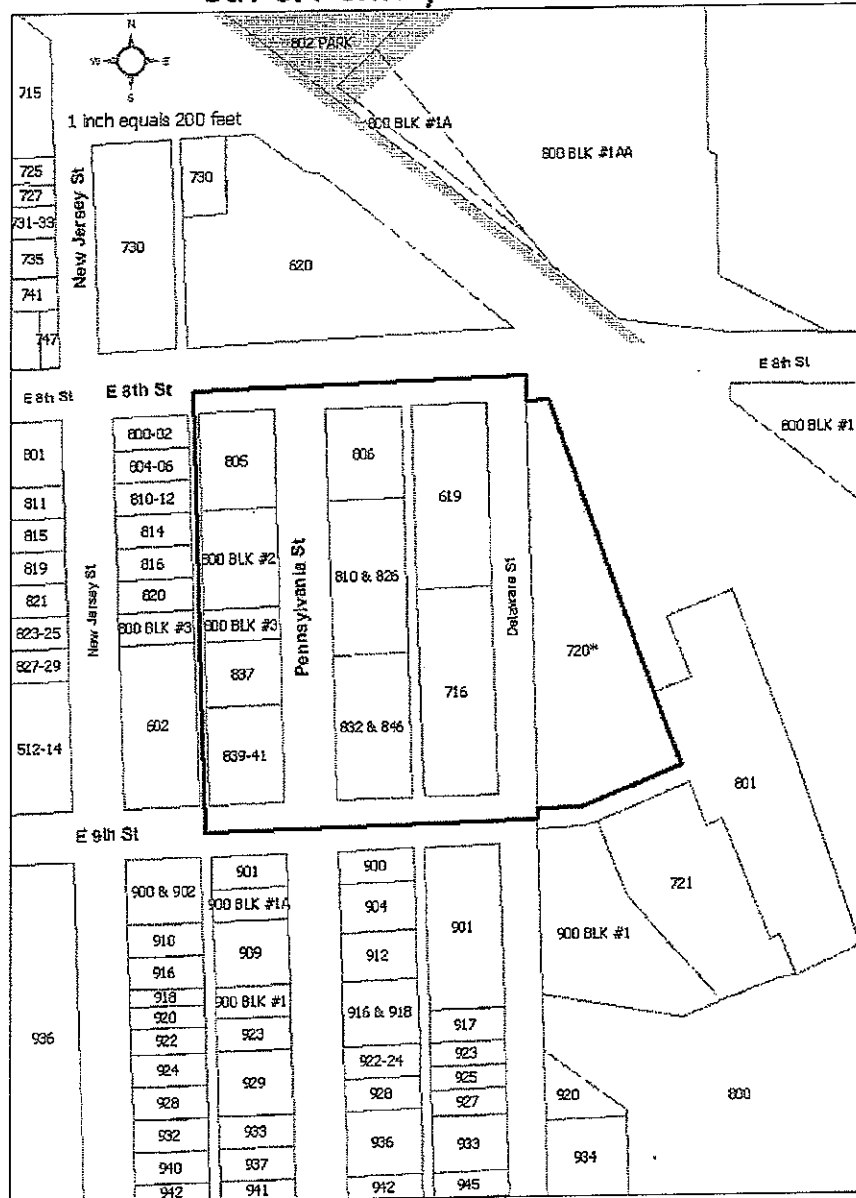
Commencing on 8th Street at the extended centerline of the alley between New Jersey Street and Pennsylvania Street; thence south along the centerline of said alley to the centerline of the 9th Street right-of-way; thence east along the centerline of 9th Street right-of-way to the east line of the Delaware Street right-of-way, which is also the west line of Lot 1, McDonald Beverage Addition; thence north along the east line of Delaware Street right-of-way to the center line of 8th Street, thence west along the center line of 8th Street to the point of beginning.

Also:

Lot 1, Block B of the final plat of 8th and Pennsylvania Neighborhood Redevelopment, a subdivision of the City of Lawrence, Douglas County, Kansas.

As depicted below:

8th & Pennsylvania Street



DISCLAIMER: NOTICED the map is provided for informational purposes only and does not constitute an offer of insurance, investment or any other financial product. The broker for determining actual rates, terms, conditions, availability and other for or the policyholder for use in the policy on the map. The City of Lakewood makes no warranty, express or implied, on the use of the map. There are no liability guarantees of performance or other for a particular purpose. The user acknowledges and accepts the limitations of the map, including the fact that the map is dynamic and is subject to change without notice, correction and update.

[illegible]

Exhibit D
8th & Pennsylvania Redevelopment Project

Page 1 of 3

Phase 1: 720 E. 9th Street Site Improvements

Item	Description	Quantity	Unit	Unit Price	Amount
1.00	General				
1.01	Mobilization	1	L.S.	\$20,000.00	\$20,000.00
1.02	Clearing & Grubbing	1	L.S.	\$5,000.00	\$5,000.00
1.03	Removal of Existing Structures (as necessary)	1	L.S.	\$5,000.00	\$5,000.00
1.04	Removal of Existing Pavement (as necessary)	2008	S.Y.	\$7.50	\$15,060.00
1.05	Construction Staking	1	L.S.	\$5,000.00	\$5,000.00
1.06	Traffic Control	1	L.S.	\$2,500.00	\$2,500.00
2.00	Parking Lot Improvements				
2.01	Unclassified Excavation	1	L.S.	\$10,000.00	\$10,000.00
2.02	Compaction of Earthwork (Type B, MR-90)	1	L.S.	\$10,000.00	\$10,000.00
2.03	Aggregate Base (36" Assumed)	1953	C.Y.	\$60.00	\$117,180.00
2.04	Full depth Combined Curb & Gutter (Type I & Type II)	1295	L.F.	\$16.50	\$21,366.18
2.05	Reinforced Concrete Pavement	79.8	S.Y.	\$65.00	\$5,187.00
2.06	Pervious Asphalt Pavement (3")	1953	S.Y.	\$10.00	\$19,530.00
2.07	Adjust Utility Cover(s) to Grade	5	Ea.	\$300.00	\$1,500.00
2.08	Parking Lot Lighting	9	Ea.	\$3,500.00	\$31,500.00
2.09	Interim Storm Sewer Management	1	L.S.	\$10,000.00	\$10,000.00
2.10	Signing	1	L.S.	\$3,500.00	\$3,500.00

Phase 1 Subtotal	\$282,323.18
15% Contingency	\$42,348.48
Phase 1 Total	\$324,671.66

Phase 2: Delaware Street & 8th Street Public Improvements

Item	Description	Quantity	Unit	Unit Price	Amount
1.00	General				
1.01	Mobilization	1	L.S.	\$75,000.00	\$75,000.00
1.02	Clearing & Grubbing	1	L.S.	\$5,000.00	\$5,000.00
1.03	Removal of Existing Structures (as necessary)	1	L.S.	\$5,000.00	\$5,000.00
1.04	Removal of Existing Pavement (as necessary)	608	S.Y.	\$7.50	\$4,557.83
1.05	Construction Staking	1	L.S.	\$20,000.00	\$20,000.00
1.06	Traffic Control	1	L.S.	\$10,000.00	\$10,000.00
2.00	Street Improvements				
2.01	Unclassified Excavation	1,043	C.Y.	\$7.50	\$7,825.58
2.02	Compaction of Earthwork (Type B, MR-90)	608	C.Y.	\$5.00	\$3,038.55
2.03	Fly Ash Treated Subgrade	3,453	S.Y.	\$7.50	\$25,897.50
2.04	Aggregate Base (36" Assumed)	888	C.Y.	\$60.00	\$53,280.00
2.05	Full depth Combined Curb & Gutter (Type I & Type II)	2,300	L.F.	\$16.50	\$37,944.72
2.06	Asphaltic Concrete Pavement	1,815	S.Y.	\$35.00	\$63,525.00
2.07	Reinforced Concrete Pavement	327.3	S.Y.	\$65.00	\$21,274.50
2.08	Pervious Asphalt Pavement (3")	888	S.Y.	\$10.00	\$8,880.00
2.09	Asphaltic Concrete Pavement (Remove & Replace)	554	S.Y.	\$75.00	\$41,550.00
2.10	5'x4" Concrete Sidewalk	7,339	S.F.	\$4.50	\$33,023.79
2.11	6" Sidewalk Ramps	64	S.Y.	\$150.00	\$9,600.00
2.12	Water Hydrant Assembly Disconnect	2	Ea.	\$500.00	\$1,000.00
2.13	Water Hydrant Assembly	2	Ea.	\$2,500.00	\$5,000.00
2.14	Adjust Utility Cover(s) to Grade	3	Ea.	\$300.00	\$900.00
2.15	Street Lighting	28	Ea.	\$3,500.00	\$98,000.00
2.16	Street Trees	33	Ea.	\$400.00	\$13,200.00
2.17	Pedestrian Canopies	3	Ea.	\$10,000.00	\$30,000.00
2.18	Signing	1	L.S.	\$3,500.00	\$3,500.00
3.00	Stormwater Improvements				
3.01	Improvements to Alleviate Ponding at 9th & Delaware Intersection	1	L.S.	\$14,375.00	\$14,375.00
3.02	Stormwater Conveyance along Delaware Street	1	L.S.	\$88,655.00	\$88,655.00
3.03	Stormwater Conveyance along 8th Street	1	L.S.	\$77,515.00	\$77,515.00
3.04	Stormwater Conveyance across Delaware Street (as necessary)	1	L.S.	\$4,980.00	\$4,980.00
3.05	Stormwater Conveyance across 8th Street (as necessary)	1	L.S.	\$9,100.00	\$9,100.00
3.06	Standard Curb Inlet(s)	4	Ea.	\$5,000.00	\$20,000.00
3.07	Extra Depth Curb Inlet(s)	3.1	V.F.	\$225.00	\$697.50
3.08	Standard Junction Box(es)	1	Ea.	\$4,500.00	\$4,500.00
3.09	Extra Depth Junction Box(es)	4.2	V.F.	\$225.00	\$945.00
3.10	Standard Manhole(s)	1	Ea.	\$4,000.00	\$4,000.00
3.11	Extra Depth Manhole(s)	3.5	V.F.	\$225.00	\$787.50
3.12	Connect To Existing Stormwater Structure	1	Ea.	\$1,000.00	\$1,000.00

Phase 2 Subtotal	\$803,532.46
15% Contingency	\$120,529.87
Phase 2 Total	\$924,062.33

8th & Pennsylvania Redevelopment Project

Page 2 of 3

Phase 3: Poehler Building Site Improvements and 8th Street & Alleyway Public Improvements					
Item	Description	Quantity	Unit	Unit Price	Amount
1.00	General				
1.01	Mobilization	1	L.S.	\$35,000.00	\$35,000.00
1.02	Clearing & Grubbing	1	L.S.	\$5,000.00	\$5,000.00
1.03	Removal of Existing Structures (as necessary)	1	L.S.	\$5,000.00	\$5,000.00
1.04	Removal of Existing Pavement (as necessary)	3125	S.Y.	\$7.50	\$23,437.50
1.05	Construction Staking	1	L.S.	\$75,000.00	\$75,000.00
1.06	Traffic Control	1	L.S.	\$7,500.00	\$7,500.00
2.00	Parking Lot, Alley, & 8th Street Improvements				\$0.00
2.01	Unclassified Excavation	1	L.S.	\$20,000.00	\$20,000.00
2.02	Compaction of Earthwork (Type B, MR-90)	1	L.S.	\$20,000.00	\$20,000.00
2.03	Aggregate Base (36" Assumed)	5025	C.Y.	\$60.00	\$301,511.67
2.04	Full depth Combined Curb & Gutter (Type I & Type II)	160	L.F.	\$16.50	\$2,641.32
2.05	Reinforced Concrete Pavement	905.8	S.Y.	\$65.00	\$58,877.00
2.06	Pervious Asphalt Pavement (3")	5025	S.Y.	\$10.00	\$50,250.00
2.07	8" Asphalt Concrete Pavement along 8th Street	127	S.Y.	\$27.50	\$3,493.60
2.08	Adjust Utility Cover(s) to Grade	3	Ea.	\$300.00	\$900.00
2.09	Parking Lot Lighting	8	Ea.	\$3,500.00	\$28,000.00
2.10	Signaling	1	L.S.	\$1,500.00	\$1,500.00
3.00	Stormwater Improvements				
3.01	Pipes from Parking Lot to Delaware System	350	L.F.	\$75.00	\$26,250.00
Phase 3 Subtotal					\$664,361.09
15% Contingency					\$99,654.16
Phase 3 Total					\$764,015.25

Phase 4: 8th Street, 9th Street, & Pennsylvania Street Public Improvements					
Item	Description	Quantity	Unit	Unit Price	Amount
1.00	General				
1.01	Mobilization	1	L.S.	\$30,000.00	\$30,000.00
1.02	Clearing & Grubbing	1	L.S.	\$5,000.00	\$5,000.00
1.03	Removal of Existing Structures (as necessary)	1	L.S.	\$10,000.00	\$10,000.00
1.04	Removal of Existing Pavement (as necessary)	791	S.Y.	\$7.50	\$5,932.50
1.05	Construction Staking	1	L.S.	\$15,000.00	\$15,000.00
1.06	Traffic Control	1	L.S.	\$25,000.00	\$25,000.00
2.00	Street Improvements				\$0.00
2.01	Unclassified Excavation	1	L.S.	\$30,000.00	\$30,000.00
2.02	Compaction of Earthwork (Type B, MR-90)	1	L.S.	\$25,000.00	\$25,000.00
2.03	Aggregate Base (36" Assumed)	643	C.Y.	\$60.00	\$38,580.00
2.04	Full depth Combined Curb & Gutter (Type I & Type II)	1547	L.F.	\$16.50	\$25,520.06
2.05	Asphaltic Concrete Pavement	156	S.Y.	\$35.00	\$5,460.00
2.06	Reinforced Concrete Pavement	1,813.9	S.Y.	\$65.00	\$117,905.45
2.07	Pervious Asphalt Pavement (3")	643	S.Y.	\$10.00	\$6,430.00
2.08	5'x4" Concrete Sidewalk	5114	S.F.	\$4.50	\$23,013.00
2.09	6" Sidewalk Ramps	39.0	S.Y.	\$150.00	\$5,850.00
2.10	Water Hydrant Assembly Disconnect	2	Ea.	\$500.00	\$1,000.00
2.11	Water Hydrant Assembly	2	Ea.	\$2,500.00	\$5,000.00
2.12	Adjust Utility Cover(s) to Grade	7	Ea.	\$300.00	\$2,100.00
2.13	Street Lighting	10	Ea.	\$3,500.00	\$35,000.00
2.14	Street Trees	23	Ea.	\$400.00	\$9,200.00
2.15	Signaling	1	L.S.	\$3,500.00	\$3,500.00
3.00	Stormwater Improvements				\$0.00
3.01	Stormwater Conveyance along Pennsylvania Street	568	L.F.	\$140.00	\$79,520.00
3.02	Stormwater Conveyance across Pennsylvania Street (as necessary)	68.0	L.F.	\$85.00	\$5,780.00
3.03	Standard Curb Inlet(s)	4	Ea.	\$4,250.00	\$17,000.00
3.04	Extra Depth Curb Inlet(s)	3.1	V.F.	\$225.00	\$697.50
Phase 4 Subtotal					\$527,488.51

Exhibit D
8th & Pennsylvania Redevelopment Project

Page 3 of 3

Phase 5: Pennsylvania Street & Alleyway Public Improvements					
Item	Description	Quantity	Unit	Unit Price	Amount
1.00	General				
1.01	Mobilization	1	L.S.	\$75,000.00	\$75,000.00
1.02	Clearing & Grubbing	1	L.S.	\$5,000.00	\$5,000.00
1.03	Removal of Existing Structures (as necessary)	1	L.S.	\$10,000.00	\$10,000.00
1.04	Removal of Existing Pavement (as necessary)	2648	S.Y.	\$7.50	\$19,860.00
1.05	Construction Staking	1	L.S.	\$20,000.00	\$20,000.00
1.06	Traffic Control	1	L.S.	\$25,000.00	\$25,000.00
2.00	Street Improvements				
2.01	Unclassified Excavation	1	L.S.	\$30,000.00	\$30,000.00
2.02	Compaction of Earthwork (Type B, MR-90)	1	L.S.	\$25,000.00	\$25,000.00
2.03	Fly Ash Treated Subgrade	2,256	S.Y.	\$5.00	\$11,280.00
2.04	Aggregate Base (36" Assumed)	737	S.Y.	\$60.00	\$44,220.00
2.05	Full depth Combined Curb & Gutter (Type I & Type II)	1778	L.F.	\$16.50	\$29,332.88
2.06	Asphaltic Concrete Pavement	2,030	S.Y.	\$35.00	\$71,050.00
2.07	Reinforced Concrete Pavement	149	S.Y.	\$65.00	\$9,685.00
2.08	Pervious Asphalt Pavement (3")	737	S.Y.	\$10.00	\$7,370.00
2.09	Remove & Replace and/or Restore Existing Brick Pavement	2,029	S.Y.	\$120.00	\$243,538.40
2.10	5'x4" Concrete Sidewalk	4775	S.F.	\$4.50	\$21,486.08
2.11	6" Sidewalk Ramps	35	S.Y.	\$150.00	\$5,250.00
2.12	Adjust Utility Cover(s) to Grade	6	Ea.	\$300.00	\$1,800.00
2.13	Street Lighting	6	Ea.	\$3,500.00	\$21,000.00
2.14	Street Trees	3	Ea.	\$400.00	\$1,200.00
2.15	Signing	1	L.S.	\$3,500.00	\$3,500.00
4.00	Alleyway Improvements				
4.01	Unclassified Excavation	1	L.S.	\$10,000.00	\$10,000.00
4.02	Compaction of Earthwork (Type B, MR-90)	1	L.S.	\$10,000.00	\$10,000.00
4.03	Aggregate Base (36" Assumed)	1069	C.Y.	\$60.00	\$64,140.00
4.04	Pervious Asphalt Pavement (3")	1069	S.Y.	\$10.00	\$10,690.00
Phase 5 Subtotal					\$775,402.35
15% Contingency					\$116,310.35
Phase 5 Total					\$891,712.71
Total Public and Private Improvement Costs:					\$3,511,073.72

EXHIBIT E

8th AND PENNSYLVANIA DISTRICT NEIGHBORHOOD REVITALIZATION PLAN

**DEVELOPMENT AND TAX REBATE AGREEMENT
AND COVENANT RUNNING WITH THE LAND**

THIS DEVELOPMENT AND TAX REBATE COVENANT RUNNING WITH THE LAND (this "**Agreement**") is made effective as of _____, 2007, by Cinco Hombres, L.L.C., a Kansas limited liability company (the "**Developer**").

WHEREAS, Developer is the present owner of the real property in the City of Lawrence, Douglas County, Kansas legally described on Exhibit "A" attached hereto and made a part hereof (the "**Property**");

WHEREAS, pursuant to that certain Development Agreement dated _____, 2007 (the "**Development Agreement**") between Developer and City of Lawrence, Kansas, a municipal corporation ("**City**"), Developer will be making improvements to the structures upon and infrastructure serving the Property (the "**Improvements**");

WHEREAS, pursuant to the Development Agreement, City has designated the Property as a "Neighborhood Revitalization Area" pursuant to the Kansas Neighborhood Revitalization Act, K.S.A. 12-17,114 to K.S.A. 12-17,120 (the "**Act**");

WHEREAS, K.S.A. 12-17,118 of the Act provides for the rebate to a taxpayer of ad valorem property taxes in the amount of the increment resulting from improvements made within a neighborhood revitalization area ("**Rebates**");

WHEREAS, pursuant to the Development Agreement, City desires to reimburse Developer for the Improvements by paying the Rebates directly to Developer or its assigns;

WHEREAS, Developer intends to sell some or all of the Property to third parties prior to the expiration of the period in which the Rebates are payable pursuant to the Act;

WHEREAS, Developer desires to provide for the continued payment of Rebates to the Developer as reimbursement for the Improvements after such time as Developer has sold some or all of the Property;

NOW THEREFOR, in consideration of the Improvements, Developer for itself and for its successors and assigns, and for its future grantees, hereby agrees and declares that all of the Property shall be, and it hereby is, subject to the following covenants in the manner hereinafter set forth:

1. **Assignment of Rebates.** Except for Developer, each owner or subsequent owner of all or part of the Property ("**Owner**"): (i) acknowledges it may be entitled to a Rebate pursuant to the Act, (ii) irrevocably assigns any interest it may have in the Rebates pursuant to the Act to Developer or Developer's assigns, and (iii) directs City to pay the Rebates otherwise payable to Owner directly to Developer or the assignee of Developer

under the Development Agreement. Each Owner acknowledges and accepts that the Rebates are being paid to Developer in consideration for the Improvements and that each Owner is benefited by the Improvements.

2. **Rights of Successors.** This Agreement and the benefits and obligations hereunder shall create mutual benefits and servitude's running with the land. This Agreement shall bind and inure to the benefit of the parties hereto, any mortgagees, their respective tenants, successors and assigns and grantees. Whoever is the then record owner of all or a portion of the Property shall be an "Owner" for all purposes under this Agreement and, by acceptance of a deed to the Property (or a part thereof), such record owner shall be deemed to have agreed to be bound by the provisions of this Agreement.

3. **Termination of Agreement.** This Agreement shall automatically terminate and be of no further force or effect on July 1, 2032.

4. **General.** The headings in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement nor in any way affect the terms of provisions herein expressed. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a singular agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Developer has executed this Agreement the day and year first above written.

DEVELOPER:

CINCO HOMBRES, L.L.C.,
A Kansas limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2007, before me appeared _____, to me personally known, who being by me duly sworn each did say that he/she is a _____ of Cinco Hombres, L.L.C., a Kansas limited liability company, and that said instrument was signed on behalf of said limited liability company, and said person acknowledged said instrument to be the free act and deed of said limited liability company.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal, the day and year last written above.

Notary Public in and for said County
and State

My Commission Expires: _____
[SEAL]

By affixing its signature hereto, City hereby acknowledges and consents to the irrevocable assignment of Owners rights to the Rebates and acknowledges and agrees to pay the Rebates directly to Developer or Developer's assigns.

CITY:

CITY OF LAWRENCE, KANSAS,
A municipal corporation

By: _____
_____, Mayor

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Attorney

EXHIBIT A

LEGAL DESCRIPTION

Exhibit D

720 E 9th: Expenses as per Initial application for rebate
(Part 5, submitted December 15, 2008)

Harris Constructoin: Standard Estimate Report		
General Requirements		\$26,368
Sitework		\$216,872
Metals		\$0
Finishes		\$500
Electrical		\$51,837
subtotal		\$295,577
Sales tax on materials		\$1,976
Builders risk Lump sum		\$1,000
General Liability		\$2,344
Building permit		\$1,930
Civil Engineering Fee		\$31,500
Contractor's Fee		\$27,578
subtotal		\$66,328
Total		\$361,905