

HOBBS TAYLOR LOFTS TERM SHEET

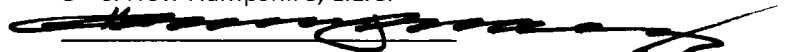
This is a non-binding term sheet that sets forth a brief summary of the agreement between Treanor Investments, L.L.C., a Kansas limited liability company (“**Treanor Investments**”), the current owner of the “Borders Parcel” and 8th & New Hampshire, L.L.C., a Kansas limited liability company (“**8th & New Hampshire**”), the designated representative of the Development Parcel, as set forth in the Operation and Easement Agreement dated April 10, 1997, as amended by the First Amendment to Operation and Easement Agreement dated May 20, 2004. Upon execution of this agreement, a formal written and binding agreement (the “**Final Agreement**”) between the parties shall be prepared by legal counsel for Treanor Investments and executed by the parties.

1. **Execution of Amended and Restated Operation and Easement Agreement.** Upon execution of the Final Agreement, the parties shall execute the Amended and Restated Operation and Easement Agreement in the form attached hereto as Exhibit A, and deliver the document to Kansas Secured Title for filing upon the satisfaction of the contingencies set forth below.
2. **Contingencies.** The Amended and Restated Operation and Easement Agreement shall be fully binding and shall be filed of public record only upon the satisfaction of the following contingencies:
 - a. As shown on the Site Plan, attached hereto as Exhibit B, Treanor Investments, or its assigns, will obtain an agreement with the City of Lawrence to transfer ownership of the parking spaces that are designated as owned and/or controlled by the City of Lawrence and used for public parking, such that all of those parking spaces are transferred back to the control of 8th & New Hampshire. 8th & New Hampshire or its assigns shall provide future maintenance of such parking spaces and any obligation on the part of the City of Lawrence to maintain such spaces shall thereafter cease. Treanor Investments shall also obtain the City of Lawrence’s agreement to remove any signage or meters that indicate such spaces are available for public parking. All costs to remove such signage and/or meters shall be paid by either Treanor Investments or the City of Lawrence. For the avoidance of doubt, if all of the currently controlled City of Lawrence Parking spaces are not transferred to 8th & New Hampshire for whatever reason or no reason, then the Amended and Restated Operation and Easement Agreement will not be filed.
 - b. As shown on the attached Site Plan, and assuming that the Border’s redevelopment proceeds as planned, the Hobbs Taylor parking lot shall be reconfigured to create a barrier between the Hobbs Taylor lot and the Grocery Store lot such that cross-access between the two parcels may be restricted, in the sole and absolute discretion of 8th & New Hampshire or its assigns. This would include installation of a gate that would be mechanical and controlled by the owners and tenants of Hobbs-Taylor Lofts exclusively. All costs to reconfigure such lot and install the gate shall be paid for by Treanor Investments and/or its assigns as the developer of the Border’s Redevelopment Project. Once the gate is completed, 8th & New Hampshire or its assigns shall be solely

responsible for the maintenance of the gate provided Treanor Investments has transferred all warranties and rights to the gate to 8th & New Hampshire.

- c. Assuming the Border's redevelopment proceeds as planned, Treanor Investments shall communicate with 8th & New Hampshire regarding an appropriate landscaping plan for the southern boundary of the Border's Parcel and the northern boundary of the Development Parcel. That plan, once agreed upon, will be promptly implemented as soon as reasonably prudent in concert with the construction activities. The intent of the landscaping plan will be to provide aesthetically pleasing landscaping that also creates a boundary between the adjoining parcels. The cost of installing and maintaining the landscaping shall be the sole responsibility of Treanor Investments and/or its assigns.

Accepted:
8th & New Hampshire, L.L.C.



Stephen J. Craig, Manager