

KBA PERFORMANCE AGREEMENT

This KBA Performance Agreement ("**Agreement**") is entered into by the parties below effective the _____ day of 2007 (the "**Effective Date**"), between LAWRENCE - DOUGLAS COUNTY BIOSCIENCE AUTHORITY, INC., a Kansas not for profit corporation ("**LDCBA**"), CITY OF LAWRENCE, KANSAS ("**City**"), DOUGLAS COUNTY, KANSAS ("**County**") and DOUGLAS COUNTY DEVELOPMENT, INC., a Kansas not for profit corporation ("**DCDI**") (LDCBA, City, County and DCDI are collectively hereinafter referred to as the, "**Consortium**") and KANSAS BIOSCIENCE AUTHORITY ("**KBA**").

RECITALS

A. DECIPHERA PHARMACEUTICALS, L.L.C. ("**Deciphera**") has entered or will enter into an agreement with DCDI to purchase the real property commonly known as 3813 Greenway Drive, Lawrence, Kansas (the "**Real Estate**").

B. The Consortium has been established to provide certain funding support to KBA and Deciphera with regard to the use and improvement of the Real Estate and the Spec Building.

C. KBA and the Consortium will use commercially reasonable efforts to enter into an agreement with Deciphera reasonably satisfactory to all parties, whereby KBA will provide to Deciphera the Improvement Grant and KBA and the Consortium will provide additional grants based upon Deciphera's employment numbers ("**Grant Agreement**").

D. Pursuant to an agreement among the members of the Consortium (the "**Consortium Agreement**") the Consortium has nominated LDCBA and LDCBA has agreed to serve as Consortium Representative, including serving as the single source of distribution of such funding support from the Consortium to KBA.

NOW, THEREFORE, for value received and in consideration of the mutual promises set forth in this Agreement, the undersigned parties hereby agree as follows:

AGREEMENT

1. **Recitals.** The Recitals set forth above are a part of this Agreement.
2. **Deciphera Employment.** As of the Effective Date, Deciphera is a drug discovery and development company. According to its informational

materials, Deciphera states it seeks to design, optimize and introduce small molecule therapeutics for human clinical trials and the global pharmaceutical marketplace. As of the Effective Date, Deciphera employs highly skilled employees, which the Consortium considers to be high-quality and desirable employment positions. The Consortium considers the creation of similar highly skilled employment positions to be worthy of additional financial award if Deciphera is successful in creating additional similar employment opportunities in Lawrence and Douglas County, Kansas.

3. **Conditions for Consortium Financial Commitments.** Prior to LDCBA distributing any portion of the Improvement Grant Reimbursement (as described below), KBA must fund the Improvement Grant (collectively, the “**Consortium Condition**”).

4. **Financial Commitment from Consortium.** In the Consortium Agreement, the members of the Consortium have agreed to financial commitments to be paid to KBA in conjunction with the Improvement Grant. The obligation to fund the Improvement Grant Reimbursement described in this Agreement (to be paid to LDCBA by the members of the Consortium and distributed by LDCBA to KBA), is expressly contingent upon satisfaction of the condition described in section 3. The Improvement Grant Reimbursement is an amount not to exceed a total of \$1,500,000.00 to reimburse KBA for KBA's payment of the Improvement Grant to Deciphera.

KBA agrees that each member of the Consortium is entitled to request and receive documentation substantiating KBA's funding of the Improvement Grant.

5. **Improvement Grant.** KBA shall provide Deciphera with up to \$3,000,000.00 (“**Improvement Grant**”) for use in the acquisition and improvement of the Real Estate and for acquisition of equipment necessary for the operation of Deciphera’s business.

6. **Payment of Consortium Financial Commitments.** Pursuant to the Consortium Agreement, the Improvement Grant Reimbursement shall be paid by the Consortium via LDCBA to KBA in no more than 10 equal annual installments of \$150,000.00 (“**KBA Payment**”) with the first payment to be made not later than 45 days following payment of the Improvement Grant to Deciphera by KBA. Subsequent payments of the Improvement Grant Reimbursement shall be made annually on the first day of the month in which the first payment was made to KBA. The Consortium may, at its discretion, accelerate payment of the Improvement Grant Reimbursement and do so without notice to KBA. Payment of all Improvement Grant Reimbursement payments shall cease at such time as the Improvement Grant Reimbursement has been paid in full or Deciphera relocates its Lawrence, Kansas operations outside the State of Kansas.

7. **Consortium Default.** In the event the Consortium fails to make any payment on time or makes a partial payment, KBA shall have the right to (i) extend the total number of payments required to be paid by the Consortium in order to fully repay the Improvement Grant Reimbursement or (ii) pursue any and all remedies available at law or in equity.

8. **Consortium Participation in Financial Reimbursement from Deciphera.** In the event the provisions of K.S.A. 74-99b18 become applicable with regard to Deciphera, then KBA agrees to share with the Consortium the financial reimbursement made by Deciphera to KBA. The amount to be shared by KBA with the Consortium shall be a fraction of the total paid to Deciphera by KBA calculated as follows: the numerator of said fraction shall be the sum of the aggregate Improvement Grant Reimbursement paid to KBA by the Consortium; and the denominator of said fraction shall be the total Improvement Grant paid to Deciphera by KBA. Any such funds received by KBA from Deciphera to which the Consortium is entitled shall be paid by KBA to LDCBA for distribution to the members of the Consortium.

9. **No Joint and Several Obligations.** KBA understand that each member of the Consortium is responsible solely for that member's portion of the Improvement Grant Reimbursement as set forth below. No Consortium member shall be jointly or severally liable for another Consortium member's portion of the Improvement Grant Reimbursement.

Each of the Consortium members acknowledge their percentages as follows:

A. City	31.25%
B. County	31.25%
C. LDCBA	25%
D. DCDI	12.5%

10. **Miscellaneous.**

A. The persons who have executed this Agreement represent and warrant that they are duly authorized to execute this Agreement in their representative capacity as indicated.

B. Paragraph and section headings of this Agreement are for convenience only and are not to be construed as part of this Agreement and shall not be construed as defining or limiting in any way the scope or intent of the provisions hereof.

C. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

D. The terms and provisions of this Agreement shall be interpreted in

accordance with and governed by the laws of the State of Kansas.

E. The terms of this Agreement shall extend to and be binding upon the permitted assigns and successors of the parties to this instrument.

F. All notices to or demands desired or required to be given under any of the provisions hereof shall be in writing. Except as expressly provided herein, any written notice, document or payment required or permitted to be delivered hereunder (a "Notice") shall be sent by United States Mail, registered or certified, return receipt requested, or by personal delivery with receipt acknowledged, or by Federal Express or other reputable overnight national courier service, addressed to the parties at such address as is regularly identified as the business office address of a party to this Agreement, or by electronic communication including electronic mail or telefacsimile transmission. Notice shall be effective when received (if personally delivered, transmitted by telefacsimile or electronic mail or delivered by overnight delivery service) or 3 days following the date such notice was deposited in the United States mail, registered or certified, return receipt requested.

G. The City and County each represent and warrant that the expenditures contemplated by this Agreement to be made for the current budget year are actually on hand and will not violate the Kansas cash basis laws, K.S.A. 10-1101, et. seq. The obligations of each municipality for subsequent years are subject to appropriation in accordance with the Kansas cash basis laws.

H. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

I. This Agreement may not be amended or modified without the written consent of KBA and each Consortium member.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

“CONSORTIUM”

**LDCBA
Lawrence – Douglas County Bioscience
Authority, Inc.**

By: _____
Printed Name: _____
Title: _____
Date: _____

CITY
City of Lawrence, Kansas

By: _____
Printed Name: _____
Title: _____
Date: _____

COUNTY
Douglas County, Kansas

By: _____
Printed Name: _____
Title: _____
Date: _____

DCDI
Douglas County Development, Inc.

By: _____
Printed Name: _____
Title: _____
Date: _____

“KBA”
Kansas Bioscience Authority

By: _____
Printed Name: _____
Title: _____
Date: _____