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TERRENCE J. CAMPBELL*
MATTHEW D. RICHARDS*

*ADMITTED IN KANSAS AND MISSOURI

RICHARD A. BARBER
(1911-1998)

GLEE S. SMITH, JR.
OF COUNSEL

May 19, 2004

Price T. Banks
Attorney At Law
P.O. Box 442341
901 Kentucky Street, Suite 206
Lawrence, Kansas 66044

Re: North Iowa Street Sewer Easements

Dear Price:

The week following my receipt of your letter dated April 20, you advised me that Jeannette L. Ray had decided to join the other property owners, and will consent to annexation by the City of Lawrence. At that same time I informed you that the developer of Northfield Estates subdivision would agree with the terms outlined in your letter of April 20, provided that the developer's liability for construction of the tee stubs and service line connections from the sewer main to each dwelling will not exceed the settlement amounts previously offered to each individual property owner, and provided that each individual property owner would be responsible for the excess cost (if any) of constructing their respective service line. At the conclusion of our conversation, you asked if I could obtain some estimates for the cost of constructing the respective service lines. I declined on the basis that any estimates I might obtain would not be viewed by the property owners as credible. I suggested that you call LandPlan Engineering directly, to obtain cost estimates.

In addition to the estimated cost of the service lines for each property owner, please include the estimated cost of \$400.00 to engineer and construct each additional tee stub connection. Each property owner will need to subtract the amount of \$400.00 from the settlement amount previously offered to cover the cost of engineering and constructing the tee stub connection, and the balance of the previous settlement offer is the amount that the developer of Northfield Estates subdivision will contribute towards the cost of constructing the service line connections for each respective property owner. The excess cost, if any, shall be the responsibility of the property owners.

Price T. Banks
Attorney At Law
May 19, 2004
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By copy of this letter to David Corliss, I am asking that Mr. Corliss please place this matter on the regular agenda for the City Commission meeting for Tuesday, June 8. The agenda item with respect to each property owner will be to either (i) approve the terms of the purchase of a sewer easement with respect to those property owners who are in agreement with the terms outlined herein, or (ii) authorize the City attorney to prepare and file condemnation proceedings with respect to those property owners who are not in agreement with the terms outlined herein.

We believe that the terms and benefits offered to each property owner are exceedingly obvious and generous. The property owners have had nearly 6 months to make a decision. The initial offer from the developer of Northfield Estates subdivision to each respective property owner was, in my opinion, a generous offer based upon an inflated estimate of value, which should exceed the actual difference of the before and after valuations in condemnation proceedings. In fact, it might be possible that the "after" value, with the sewer easements in place, may conceivably equal (or even exceed) the "before" value for these properties, resulting in less compensation than has already been offered.

In addition, it is my understanding that the City has agreed to waive the front footage fees for those property owners who accept this offer and desire to connect to the sewer at this time, which is a considerable savings and benefit to each property owner (probably amounting to several thousands of dollars each). For those property owners who prefer the condemnation alternative, the City has not agreed to waive the front footage fees. Prior to Friday, June 4, please determine and provide to me the names of those property owners that desire to settle upon the terms outlined herein, and the names of those property owners that prefer the condemnation alternative.

If you have any questions, or if I may be of any further assistance, please call me.

Very truly yours,

BARBER EMERSON, L.C.



Mark A. Andersen

MAA:smb

cc: James L. Hicks
Jeff Martin
David Corliss

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RICHARD A. BARBER
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GLEE S. SMITH, JR.

OF COUNSEL

October 2, 2003

*ADMITTED IN KANSAS AND MISSOURI

Mr. David Corliss
Assistant City Manager
City of Lawrence
City Hall
Six East Sixth Street
Lawrence, Kansas 66044

*Re: Authorization to Condemn Sanitary Sewer Easements and Temporary
Construction Easements for Northfield Estates Subdivision*

Dear David:

I am writing on behalf of James Hicks, Manager of R.A.M. Rentals, L.C., a Kansas limited liability company (the "**Developer**"), in connection with Northfield Estates, a new subdivision in the City of Lawrence, Kansas (the "**Subdivision**"). In order to provide sanitary sewer service to the Subdivision, the Developer will need to construct a sanitary sewer main (the "**Sewer Extension**"), commencing at the northeast corner of the Subdivision, and extending in a northerly direction to connect at a manhole to be located at or near the Anna Hope Subdivision.

Prior to constructing the Sewer Extension, the Developer must acquire both (i) a 15 foot sanitary sewer easement, and (ii) a 40 foot temporary construction easement, over and across each of 7 parcels of real estate located directly north of the Subdivision in the County (i.e., outside the City limits). A diagram showing the location of the proposed easements is attached to this letter as Exhibit A. Two of these parcels are owned by the same individual. Earlier this year, the Developer attempted to acquire the necessary easements from these landowners. Several of these landowners refused to voluntarily grant the Developer the necessary easements.

Accordingly, the Developer hereby requests that the City Commission proceed to authorize the use of the City's condemnation power for the purpose of acquiring the proposed (i) 15 foot sanitary sewer easements, and (ii) 40 foot temporary construction easements. The legal description of the proposed sewer easements, together with the individual property owners of each such parcel of real estate, are described in Exhibit B attached to this letter. The proposed 40 foot temporary construction easements would be located adjacent to and immediately west of each sewer easement.

Mr. David Corliss
Assistant City Manager
October 2, 2003
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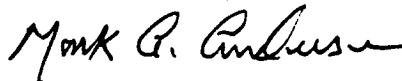
As a condition to the City Commission's agreement to authorize the use of the City's condemnation power for the purpose of acquiring the proposed easements, it is understood and agreed that the Developer shall be solely responsible for all costs and expenses incurred in connection with the (i) acquisition and purchase of the easements, (ii) condemnation proceedings and court costs, and (iii) engineering and construction of the proposed Sewer Extension. Once the City Commission has authorized the use of the City's condemnation power, the Developer will make another attempt to contact each of the affected landowners and attempt to acquire the necessary easements through private negotiations.

There is a reasonable alternative to authorizing the use of the City's condemnation power for the purpose of acquiring the proposed easements. The Developer is willing to sewer the Subdivision, on a temporary basis, to a manhole located just across Iowa Street to the west. However, this alternative will require a temporary sewage lift station, which City staff opposes. If the City Commission is willing to approve this alternative, the Developer will agree to (i) engineer and stub the sanitary sewer lines within the Subdivision in such a manner that a future sanitary sewer main can be connected, if and when such a main is extended to the Subdivision vis-a-vie the natural and orderly development of the property located to the north, (ii) construct a temporary lift station, at the Developer's expense, (iii) impose a Declaration of Covenants and Restrictions on each lot within the Subdivision, whereby each lot may be assessed monthly by the City of Lawrence for the reasonable estimated cost of maintaining the lift station, until such time as the Subdivision is connected to a permanent sanitary sewer main and the lift station is removed, and (iv) escrow a reasonable amount of money with the City to assure future compliance and to cover unexpected or unforeseen events. One advantage of this alternative is that it avoids the necessity of condemnation lawsuits against several landowners against their desire at this time. There is no expense to the City, and this accommodation to the Developer will help achieve the beneficial goal of providing more affordable housing within the City of Lawrence, by helping to reduce the overall cost of construction on a per unit basis.

If you have any questions, or require any additional information, please call me.

Very truly yours,

BARBER, EMERSON, SPRINGER,
ZINN & MURRAY, L.C.



Mark A. Andersen

MAA:smb
Enclosures

cc: James Hicks (with enclosures)
Jeff Martin (with enclosures)

EXHIBIT A

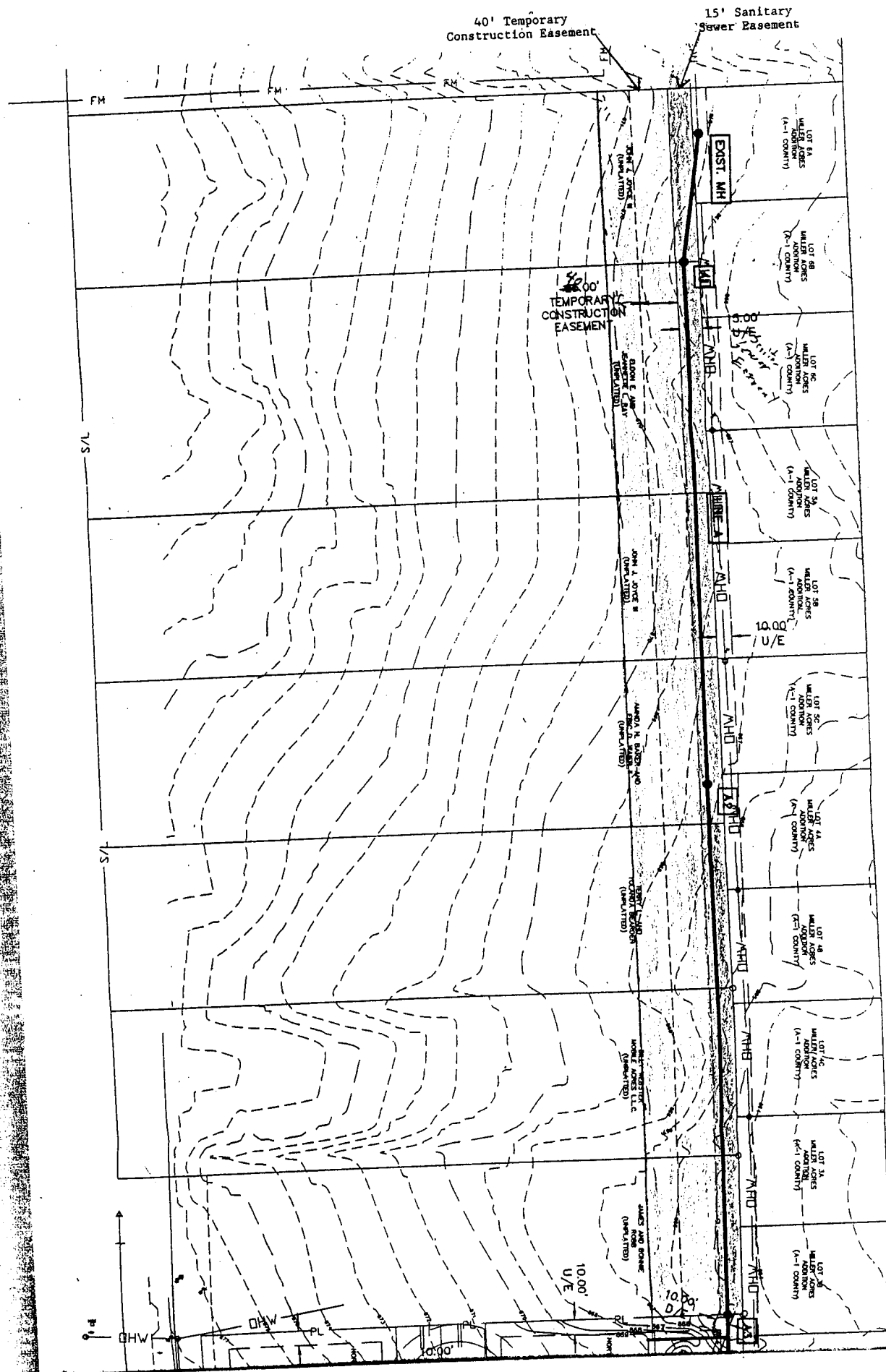


EXHIBIT B
SEWER EASEMENTS

Terry L. Bearden and Yolanda Bearden

The East 15 feet of the following described tract of real estate: Beginning at a point 475.5 feet South of the Northwest Corner of the Southwest Quarter of the Northwest Quarter of Section 24, Township 12 South, Range 19 East of the 6th P.M.; thence East 412.5 feet; thence South 105.5 feet; thence West 412.5 feet; thence North 105.5 feet, to the point of beginning, in Douglas County, Kansas.

Rodney D. Ecklund

The East 15 feet of the following described tract of real estate: Beginning at a point 369.60 feet South of the Northwest corner of the Southwest Quarter of the Northwest Quarter of Section 24, Township 12 South, Range 19 East of the 6th P.M.: thence East 412.5 feet; thence South 105.6 feet; thence West 412.5 feet; thence North 105.6 feet to the point of beginning, in Douglas County, Kansas.

John J. Joyce III

The East 15 feet of the following described tract of real estate: The North One Half of a tract of land described as: Beginning at a point 16 rods South of the Northwest corner of the Southwest Quarter of the Northwest Quarter of Section 24, Township 12 South, Range 19 East of the 6th P.M., then East 25 rods, thence South 12.8 rods, thence West 25 rods, thence North 12.8 rods to the place of beginning, in Douglas County, Kansas.

John J. Joyce III

The East 15 feet of the following described tract of real estate: Beginning at the Northwest corner of the Southwest Quarter of the Northwest Quarter of Section 24, Township 12 South, Range 19, East of the Sixth Principal Meridian; thence East 25 rods; thence South 112 feet; thence West 25 rods; thence North 112 feet to the point of beginning, subject to Public Highway, in the City of Lawrence, in Douglas County, Kansas.

Mobile Acres, L.L.C.

The East 15 feet of the following described tract of real estate: Beginning on the section line at a point 633.6 feet North of the Southwest corner of the Northwest Quarter of Section Twenty-four (24), Township Twelve (12) South, Range Nineteen (19) East of the Sixth Principal Meridian, thence East 412.5 feet parallel with the South line of said quarter section, thence North 109.8 feet parallel with the West line of said quarter section, thence West 412.5 feet parallel with the South line of said quarter section, thence South 109.8 feet on the West line of said quarter section to the place of beginning, in Douglas County, Kansas.

Eldon E. Ray and Jeannette L. Ray

The East 15 feet of the following described tract of real estate: Beginning at the Northwest corner of the Southwest Quarter of the Northwest Quarter of Section 24, Township 12 South, Range 19 East, thence East 25 rods; thence South 16 rods; thence West 25 rods; thence North 16 rods to the place of beginning, less the North 112 feet thereof, in Douglas County, Kansas.

James Robb, Bonnie Jean Robb and Steven Robb

The East 15 feet of the following described tract of real estate: Beginning 528 feet North of the Southwest corner of the Northwest quarter of Section 24, Township 13, Range 19, Douglas County, Kansas, thence East 412.5 feet, thence North 105.6 feet, thence West 412.5 feet, thence South 105.6 feet to the point of beginning.