



November 26, 2014

David Corliss, City Manager
City of Lawrence
6 E. 6th Street
Lawrence, KS 66044

David,

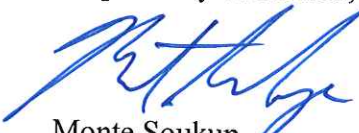
To follow on questions arising from my letter of November 21, 2014 regarding the construction financing, RCP is providing the following analysis of the costs included in the loan origination line item.

Per section 11.02 of the Development Agreement the Infrastructure Costs include, "Without limitation, soft costs included in the Infrastructure Improvements Cost include interest carry cost incurred in financing such costs, loan origination fees, compliance costs, engineering and architectural fees, legal fees and other professional services..." RCP interpreted this sentence to mean all costs associated with the origination, servicing and compliance of the loan for the Infrastructure Improvements. To that end we are supplementing the previous submittal with this breakdown of what was wrapped into the line item called Loan Origination Fees. In the simplest terms the Loan origination fees were considered to be all costs charged to the loan that were not interest charges. The breakdown is as follows:

Loan origination costs (loan origination)	\$151,500.00
BG Consultants third party verification of pay applications (compliance)	\$2,755.75
Morris Laing Evans Brock & Kennedy IRB counsel (compliance)	\$4,293.00
UCC filing fees (loan origination)	<u>\$95.00</u>
Total loan origination and compliance costs	\$158,643.75

Please let me know if you have any questions regarding these clarifications.

Respectfully submitted,



Monte Soukup
Sr. VP Property

Cc: Harry Wigner
Dale Seufferling