Petefish, Immel, Heeb & Hird, L.L.P.

Lawyers 842 Louisiana Street P.O. Box 485 Lawrence, Kansas 66044-0485 Telephone 785-843-0450; Fax 785-843-0407 rhird@pihhlawyers.com

John J. Immel Jeffrey O. Heeb Richard W. Hird*

*Admitted in Kansas and Missouri

Olin K. Petefish (1912 - 2001)

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May 22, 2008

Toni Ramirez Wheeler Director of Legal Services City of Lawrence P.O. Box 708 6 East 6th Street Lawrence, KS 66044-0708

Via Fax: 832-3405 Confirmed by First Class Mail

Re: Alcott, LC

19th Street & Louisiana Improvements KDOT Project No. 23U-2125-01 Letter of Intent

Dear Ms. Wheeler,

This letter of intent will itemize and confirm the agreement reached between my client, Alcott, LC, ("Owner") and the City of Lawrence ("City") regarding the above-referenced project as a result of our meeting today at the City offices.

It is my understanding that the following constitutes the agreements reached:

- 1. It is the Owner's understanding that the construction contract for the project calls for the streets to be open to unrestricted traffic by August 4, 2008.
- 2. City agrees to replace that part of the parking lot described as the area from the south edge of the existing Sidewalk in front of the Laundromat building, and extending south to 19th Street; and the area south of a line extending from the southwest corner of the Laundromat building, west to the alley, and extending south to 19th Street ("Parking Lot").
 - a. The Parking Lot will be replaced with concrete.
 - b. City will install standard 6" curbing on the north and east edges of the Parking Lot in front of the Laundromat building (in lieu of the existing posts).
 - c. On the west end of the curbing, City will install one handicapped parking space, including appropriate slopes for wheelchair access.
 - d. City will stripe all parking places, subject to Owner's approval of the parking layout.

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- 3. The City will replace the sidewalk in front of the Laundromat building ("Sidewalk"). The City will have the City's contractor perform the work as part of the project. The Owner shall own and maintain the Sidewalk.
- 4. The City will install a 4' pedestrian sidewalk within the City Right of Way along the south edge of the Parking Lot. This sidewalk will be designated by an expansion joint in the concrete when the new Parking Lot is constructed. The expansion joint and entire sidewalk to be constructed shall be entirely within the City Right of Way. The slope of the sidewalk area shall be, to the extent possible, the same as the Parking Lot; however Owner acknowledges that City may change the slope of the sidewalk to conform to applicable codes. Owner shall maintain the sidewalk in the City Right of Way.
- 5. The transition from the sidewalk to 19th Street, from the east edge of the Parking Lot to the alley, will be a type II curbing, in accordance with the plans attached hereto as Exhibit A, allowing cars direct access to the Parking Lot.
- 6. The City will engineer the slopes of the Sidewalk to be installed along the south side of the Laundromat building, the curbing, the Parking Lot and the Sidewalk, so as to allow for proper drainage.
- 7. The parties acknowledge that for many decades, the parking at the Laundromat building has been accessed by direct entry from 19th street, all along the south edge of the Laundromat property. Access to the Laundromat property will necessarily be over and across the sidewalk the City proposes to install within the City Right of Way. The City acknowledges that the property Owner's customers may access the Laundromat property, including without limitation, the parking stalls all along 19th street, by driving over and across the sidewalk to be built in the City's Right-of-Way. At this time, the City has no plans to enforce City ordinances, rules or codes with regard to passenger vehicles driving upon, over and through the City's Right of Way, including the sidewalk to be built in the City's Right of Way. The City also has no plans to enforce City ordinances, rules or codes with regard to passenger vehicles parked in the Parking Lot that may temporarily and partially extend upon or over the City's Right of Way, including the sidewalk to be constructed within the City Right of Way. Any material change to the City's enforcement of ordinances, rules or codes regarding vehicles driving upon, over or through the City's Right-of-Way, including the sidewalk to be constructed within the City's Right of Way, will require City Commission approval and reasonable notice to property owner.
- 8. Owner will donate to the City, without any City cost, an easement across the southeast corner of the Laundromat property to the extent reasonably required to include the existing sanitary sewer line and sidewalk not currently situated within the City's Right of Way. The Owner shall execute a separate written Easement and return it to the City.

- 9. The Owner agrees to provide access to the City and its contractors for the duration of the project for the sole purpose of constructing the improvements outlined in this letter. City agrees to complete the improvements of Owner's property and have the parking lot available for use by Owner's customers at the same time 19th Street is opened for traffic.
- 10. Upon execution of this Agreement, Owner agrees to release the City from any and all actions or claims arising out of or in connection with the construction of improvements upon Owner's property during the construction project, including but not limited to loss of business, or claims of inverse condemnation, or any other claim against the City. Upon completion of the improvements on Owner's property outlined in this agreement, Owner agrees to accept the improvements subject to the same warranties City obtains from its contractors. Owner shall be responsible for all upkeep and maintenance including now removal, of the sidewalks, parking lot, and parking lot approaches.
 - 11. The Owner understands the terms of this Agreement are subject to City Commission approval.

If the above and foregoing correctly recites the agreement reached, please sign below and return one copy of this letter to my office. If I have not stated the agreement correctly or completely, please let me know as soon as possible.

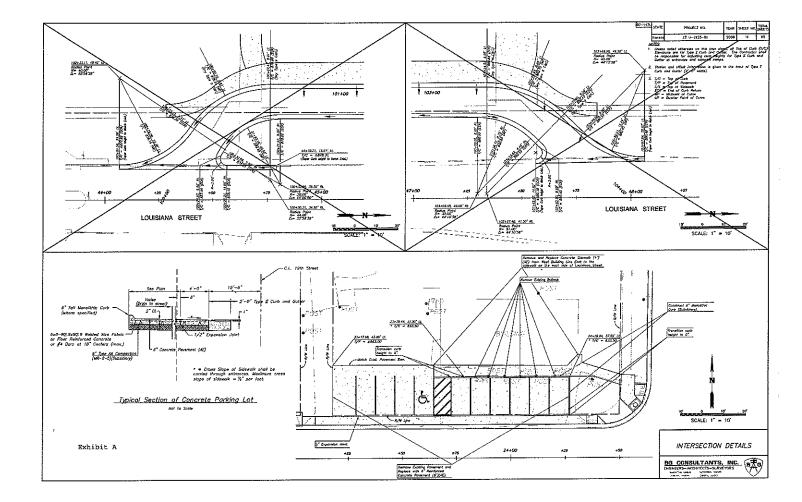
Very truly yours, Richard W.Hird

Petefish, Immel, Heeb & Hird, L.L.P. Counsel for Alcott, LC

Approved:

Toni Ramirez Wheeler Director of Legal Services City of Lawrence Date

cc: Doug Brenn Steve Kincaid



PERMANENT AND PERPETUAL UTILITY AND PUBLIC ACCESS EASEMENT

THE UNDERSIGNED, for and in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, receipt of which is hereby acknowledged, hereby grants, conveys, and delivers unto the City of Lawrence, Kansas, a municipal corporation, a permanent and perpetual easement for the maintenance of the sanitary sewer utility and sidewalk and pedestrian access in, over, under, through, upon and across the following described tract of real estate situated in the City of Lawrence, Douglas County, Kansas, to-wit:

Beginning at a Point 20.0 feet North and 33.0 feet West of the Southeast corner of the Northeast Quarter (NE ¼) of Section 1, Township 13 South, Range 19 East of the Sixth Principal Meridian; thence South 87°37'26" West and Parallel with the South line of the Northeast Quarter (NE ¼) of said Section 1 a distance of 15.76 feet; thence North 37°25'27" East a distance of 24.97 feet; thence South 01°42'25" East a distance of 19.19 feet to the Point of Beginning, Containing 151.21 Square Feet more or less all in the City of Lawrence, Douglas County Kansas; Subject to Rights-of-way, Easements and Restrictions of Record.

Grantee shall have the right of ingress and egress upon the above described easement for the purpose of connection, construction, installation, reconstruction and maintenance of said sanitary sewer utility and sidewalk and to do all things necessary or proper for the use of said easement for said public purposes.

Grantor shall do or cause nothing to be done to interfere with the Grantee's right of use of said easement for the purposes herein stated.

THE UNDERSIGNED FURTHER WARRANT that it has good and lawful right to convey said easement, and will forever warrant and defend the title thereto.

THIS PERMANENT AND PERPETUAL UTILITY AND PUBLIC ACCESS EASEMENT runs with the land and inures to the benefit of and shall be binding and obligatory upon the heirs, administrators, executors, personal representatives, successors, and assigns of the parties hereto.

DATED THIS _____ day of _____, 2008.

GRANTOR:

Alcott, LC By: Douglas W. Brenn, Managing Member STATE OF KANSAS) :SS COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this _____ day of _____, 2008, before me, the undersigned, a Notary Public in and for the County and State aforesaid came Douglas W. Brenn, Managing Member of Alcott, LC, who is personally known to me to be the same person who executed the within and foregoing instrument of writing on behalf of Alcott, LC, and duly acknowledged the execution of the same.

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

Notary Public

My Commission Expires: _____

<u>RELEASE</u>

KNOW ALL ME BY THESE PRESENTS:

That I, Douglas W. Brenn, acting on behalf of Alcott, LC, (hereinafter "OWNER"), owner of the following described property:

Entire Parcel: Beginning at a Point 20.0 feet North and 33.0 feet West of the Southeast corner of the Northeast Quarter (NE ¼) of Section 1, Township 13 South, Range 19 East of the Sixth Principal Meridian thence West Parallel with the South line of the Northeast Quarter (NE ¼) of said Section 1 a distance of 132 feet; thence North a distance of 56.0 feet; thence East a distance of 132.0 feet; thence South 56.0 feet to the Point of Beginning.

for and in consideration of the improvements to be constructed pursuant to the letter agreement dated May 22, 2008, attached hereto, do hereby release and forever discharge <u>THE CITY OF LAWRENCE, KANSAS</u>, its agents, officials, and employees, from any and all actions, causes of action, claims and demands which Owner now has or may hereafter have, arising out of or in any way relating to any and all injuries and damages of any and every kind, to person and property, as a result of or in any way relating to the public improvement project, known as the 19th & Louisiana Improvements, KDOT Project # 23U-2125-01 and the construction of improvements on Alcott LC's property set forth in the May 5, 2008 letter agreement, including but not limited to claims, actions, demands or causes of action for loss of business, or claims of inverse condemnation, or any other claim against the City, its agents, officials and employees, provided however, that Owner shall be entitled to the benefit of and to enforce warranties from the City's contractors form improvements performed upon Owner's property.

Upon completion of the improvements on Owner's property outlined in the May 22, 2008 letter agreement, Owner agrees to accept the improvements subject to the same warranties City obtains from its contractors and shall be responsible for all upkeep and maintenance, including snow removal, of the sidewalks, parking lot, and parking lot approaches.

Furthermore, this Release shall be binding upon the undersigned, and his respective heirs, executors, administrators, personal representatives, successors and assigns. This Release shall be subject to and governed by the laws of the State of Kansas.

This Release has been read and fully understood by the undersigned. I have had the advice of my counsel and executed it freely.

EXECUTED this ____ day of _____, 2008.

OWNER

Alcott, LC By: DOUGLAS W. BRENN, Managing Member

STATE OF KANSAS) COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this _____ day of _____, 2008, before me, the undersigned, a Notary Public in and for the County and State aforesaid came Douglas W. Brenn, Managing Member of Alcott, LC who is personally known to me to be the same person who executed the within and foregoing instrument of writing on behalf of Alcott, LC, and duly acknowledged the execution of the same.

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

Notary Public

[Attach executed letter dated May 22, 2008]