



January 13, 2015

David Corliss, City Manager  
City of Lawrence  
6 E. 6<sup>th</sup> Street  
Lawrence, KS 66044

David:

As an accommodation to the City I am writing to provide you RCP's responses to the eleven questions about the Infrastructure Payment posed by Chad Lawhorn in his e-mail of last Friday.

As I indicated in my January 6<sup>th</sup> letter to you, Bliss Sports II prepared the pay applications that RCP submitted to the City last October 1<sup>st</sup> for payments made to various subcontractors who worked on the Infrastructure Improvements at Rock Chalk Park. Bliss Sports II used a standard AIA pay application form in an effort to clearly illustrate job quantities and job progress, and because it was a form that was familiar and acceptable to the City. This made it easy for all parties to track job progress during our numerous meetings related to the Infrastructure improvements.

The percentage of the work shown as completed by the respective subcontractor on each pay application was set by the consensus reached as to the progress by that subcontractor on the project at one of the every two week progress meetings that Bliss Sports II, RCP, various City employees and, from time to time, key subcontractors held throughout the Infrastructure Improvements construction process. We understand Bliss Sports II also met face to face with its subcontractors to discuss how much of their portions of the Infrastructure Improvements were completed at the time the pay applications were prepared.

Except as noted in my January 12<sup>th</sup> letter to you, Bliss Sports II then prepared checks to the various subcontractors based on the consensus completion percentage and also prepared lien waivers for those subcontractors to sign for work performed through the end of the prior month. The checks were released to the respective subcontractors only after they signed the pay applications and lien waivers. As you know, Emprise Bank, which provided Bliss Sports II with a construction loan for the Infrastructure Improvements project engaged the services of a third party to review the progress of the work and the various pay applications and lien waivers as part of the bank's administration of its loan.

This will confirm that the City has been given copies of all invoices for Infrastructure Improvements work that RCP has received. It is important to understand that construction

projects of this type are rarely contracted for on a time and material basis. This project is not an exception. RCP is not aware of there being any other invoices except for the invoices of Polsinelli which RCP has not seen (but which Bliss Sports II and Polsinelli are making available to the City).

As you know, some subcontractors performed work on both the Stadium Facilities and on the Infrastructure Improvements. Emprise Bank (again using a third party inspector), RCP, Bliss Sports and Bliss Sports II all took care to track which payments to such subcontractors were for Infrastructure Improvements and which were for Stadium Facilities. This was necessary not only to satisfy the Development Agreement, but also to ensure compliance with RCP's ground lease and the separate construction loans. Again, as to the Infrastructure Improvements, this progress was discussed with City employees at the every two week meetings as well.

Respectfully,

A handwritten signature in blue ink, appearing to read "Monte Soukup", is written over the printed name.

Monte Soukup