

February 25, 2010

Scott McCullough, Director
Planning & Development Services
City Hall
6 E. Sixth Street
Lawrence, Kansas 66044

Re: Bauer Farm

Dear Scott,

We appreciate the opportunity to meet with you regarding the latest developments at Bauer Farm. As you know, Bauer Farm has been planned as a mixed-use commercial and residential development. We have been approached by a large national retailer about the possibility of using some of planned residential development area for a commercial retail use. Based on a number of factors and considerations, we wish to pursue this opportunity. We believe that this is an important opportunity for the City of Lawrence as well.

On behalf of our development group, this letter notifies you that we may in the near future file an application to amend the Bauer Farm development plan to request rezoning and change of use of a portion of Bauer Farm currently shown as a residential use to accommodate this retailer's desire to locate in the City of Lawrence. We understand that this will represent a significant shift in direction of what has been planned for this area but we believe that it represents the highest and best use for the property, and is consistent with the commercial uses located to the west of the development. We also believe that the addition of a retail anchor for this area will assist the entire commercial development in this area become more attractive to out of town customers and lead to increased sales tax revenue and business activity for the City of Lawrence.

We will continue to maintain high standards as it relates to the design of any proposed site and buildings to ensure this development remains safe, pedestrian friendly, high in architectural quality and contributes to an increased quality of life for Lawrence, Kansas.

We wanted the Planning Commission to be aware of these possible changes as they consider current requests for approval of the senior living facility proposed by Harvest Development. Please note, however, that there is no executed formal contract with the retailer, and there remains the possibility that no planned change in use will be sought if we cannot reach agreement with them on the terms of the deal. We are also aware that there is no assurance that the Planning or City Commission will approve our proposed change in use. Again, thank you for your time and consideration of these matters.

Very Truly Yours,



William N. Fleming, General Counsel,
Treanor Architects, P.A., on behalf of
Bauer Farm Residential, LLC,
and Free State Holdings, Inc.