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November 11, 2004

Mr. David Corliss
Assistant City Manager
City of Lawrence, Kansas
City Hall
6 East 6th Street
Lawrence, Kansas 66044

Re: Martin-Logan, Ltd. Refunding

Dear David:

The City of Lawrence issued its \$1,500,000 Industrial Revenue Bonds (Martin-Logan, Ltd. Project), Series 1999, on September 21, 1999. The proceeds of the bonds were used to construct a manufacturing facility for the benefit of Sanders Land, L.L.C. Sanders Land, L.L.C. subleased the facility to Martin-Logan, Ltd.

The purpose of this letter is to request assistance from the City in refunding the Series 1999 Bonds with a new series of bonds. The Series 1999 Bonds were sold to Chapman Securities, Inc. Chapman then conducted a public offering of the Series 1999 Bonds. Since the Series 1999 Bonds were issued, interest rates have dropped significantly. Sanders Land and Martin-Logan have negotiated a refinancing of the Series 1999 Bonds with UMB Bank, N.A. that will result in substantial interest savings. The Series 1999 Bonds are currently outstanding in the aggregate principal amount of \$1,140,000.

The Ordinance we have prepared provides for a new series of bonds to be issued in the amount of \$1,140,000. The proceeds of the new bonds will be used to refund the Series 1999 Bonds. The new bonds will be sold to UMB Bank, N.A. Unlike the Series 1999 Bonds, the new bonds will not be publicly offered. We will terminate the Series 1999 Bond documents and enter into new bond documents that are in substantially the same form as the Series 1999 Bond documents. The facility financed with the proceeds of the Series 1999 Bonds will again be leased to Sanders Land, and Sanders Land will again sublease the facility to Martin-Logan.

The amount of new bonds being issued will not exceed the outstanding amount of the Series 1999 Bonds, and the weighted average maturity of the new bonds will not exceed the remaining weighted average maturity of the Series 1999 Bonds. Therefore, the City is not required to hold a public hearing on the issuance of the new bonds and the City is not required to obtain new private activity bond allocation from the State of Kansas.

I hope this information is useful to the City in deciding whether the City will proceed with the adoption of the Ordinance. If you have any questions or if there is any additional information I can provide, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'S. Anderson', with a long horizontal flourish extending to the right.

Scott W. Anderson

SWA/sg