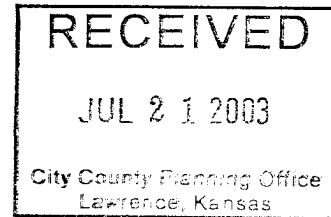


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July 17, 2003



Sheila Stogsdill
Planning Department
City of Lawrence

RE: My Client: Katherine Ray
Concerning Property Located at the
North East Corner of 12th & Haskell in
Lawrence, Kansas

VIA FAX: 832-3160

Dear Ms. Stogsdill:

Pursuant to your request, I have asked my client to compile a brief history of their use of this property. As you will note, my client has owned the property since 1951. They have essentially used this property for industrial/commercial purposes, selling new and used automobile parts; used automobiles; new and used electrical parts; salvaged metals; and as my client state "just about everything in the automotive and salvage business".

Their operations included the sale of property on a wholesale and retail basis. They confirm that since the early 50s their business included transactions with people coming directly to the shop for purchases on the premises as well as purchases by other businesses and industrial clients.

My client and her family personally operated business at this entire location until 1993. After that date, they leased the property to numerous individuals involved in the salvage, car repair, car parts, and other industrial businesses until March, 2003. I am advised that the entire property, both structures and open yard, have been utilized on a regular basis for all activities since their ownership. I provide a summary of the history of this property as presented by my client and her son, Bill Ray, for further details of the

respective periods and specific operations. As confirmed from Bill Ray, during this period of time, appropriate dealer licenses and salvage licenses have been purchased and in place regarding this property.

Finally, as recently discussed, this matter is brought to your attention as a result of a potential lease or purchase by Beau Killough. My client and the Orville Ray Trust wishes to lease or sell this property to Mr. Killough as soon as possible. This transaction would have been completed by this time, however the questions raised by the City of Lawrence have delayed the final lease or sale. Mr. Killough and my client and the Orville Ray Trust have entered into a lease agreement and an option for sale of real estate regarding the entire property which is being reviewed by your office. Mr. Killough is an able, ready, and willing lessee and purchaser and the only item which is preventing the conclusion of a lease and purchase agreement is the City's acknowledgment of a continuing, legal non-conforming use which would allow this party's business and operations continue at this site.

Therefore, on behalf of my client, I respectfully request that the City provide written confirmation and acknowledgment that this property has been used and occupied as a legal non-conforming activity and that the proposed use of the property by Mr. Killough is authorized by the City of Lawrence. Your immediate attention to this matter is requested. Should you have any further questions or comments, do not hesitate to contact me.

Sincerely,

Ronald Schneider

RS:lsb
cc: Katherine Ray
Bill Ray

HISTORY OF USE OF PROPERTY BY RAY FAMILY SINCE 1951

1951 - Purchased land at northeast corner of 12th & Haskell in 2 parcels-west part and east part-total 19.14 A. Property was outside the city limits. We began moving cars to property from the 13th Street shop shortly after the purchase. Continued running business on 13th.

1952 - Built the original building and moved business from 13th Street. The business consisted of auto repairs, both mechanical and body work, salvage cars and parts and used cars, buying, selling and trading. We had a dealers license and sales tax number at that time.

1951 - To the closing of the business we had a dealers license and sold cars and parts - new & used - wholesale, retail, and wrecked "rebuilders".

Through the 1950's the business was expanded numerous times.

1953 - Purchase 2 ½ lots N. W. corner 12th and Haskell and bought a house and had it moved to this location and remodeled for the family home. (918 E. 12th Street).

1953-1954 - Purchase the 2 ½ acres (1129 Haskell) with old farm house, barn and couple out buildings. Rent the old house and fenced the rest of land and used it for salvage car storage lot. Also used this lot for storage of customers tow cars. We used the buildings for parts storage.

1953-1954 - Started to build an inventory of new parts, mostly items we used in our own shop, but continued adding to it through the years and had a substantial inventory (for a smaller type business) when we closed in 1993.

Mid 50s - Installed "in ground" scales for buying of junk iron and metals. We did junking of cars for several years, buying junk iron and all kinds of other metals.

1956 - Purchased Guntert plumbing and electrical and a large supply of light fixtures, electrical boxes, breaker boxes, electrical wire, plumbing faucets, valves and a large assortment of various other electrical and plumbing materials. We sold out of this stock for several years and restocked some items. We had some of these items until we closed in 1993.

1957-1958? - Added the building (now called 1008 Est 12th). We have used this building for several things since it was build. Body Shop, car dismantling area, auto repair and also this is the part or section of which we rented out to various businesses. Among the tenants and their business included:

D & G Auto service - auto mechanical repair
"Doc's Body Shop - auto body repair and paint shop
Darrell Huff Turfmaster Lawn Service - lawn care and chemical spraying
Don's Auto Center - Auto mechanical repair and machine shop
Bill and Wayne's Car Care - auto mechanical repair
Mike's Auto Service - he bought out Bill and Wayne's shop and continued
Huxtable Electric - storage of supplies used in their business and a shop to build
items for jobs under construction, etc.

Late 1960s - The State of Kansas started a salvage control board. We obtained our salvage license at that time and have continued it.

We have done about everything that can be done in automotive garage and salvage business through the years, as well as other things not connected to auto.

We added three other outbuildings for storage through the years but I am not sure of the years. Most of the building was done in the 1950's.