



# KANSAS

KANSAS DEVELOPMENT FINANCE AUTHORITY

*Via facsimile and mail*

February 21, 2008

The Honorable Sue Hack  
and Members of the City Commission  
The City of Lawrence  
6th and Massachusetts  
Lawrence, Kansas 66044

RE: Kansas Development Finance Authority ("KDFA") Athletic Facilities Revenue Bonds (Kansas Athletics, Incorporated Athletics Facilities Master Plan Project)

Dear Mayor Hack and Members of the City Commission:

Please be advised that, pursuant to K.S.A. 74-8901 *et seq.*, KDFA intends to issue its Athletic Facilities Revenue Bonds to finance renovations and expansion of the Kansas Athletic Incorporated Facilities Master Plan (the "Project"). The Bonds are being issued at the request of Kansas Athletics Incorporated, a Kansas corporation organized under Internal Revenue Code Section 501(c)(3) (the "Corporation"). The principal amount of the Bonds is presently estimated to be \$30 million, plus related costs of issuance.

Please be advised that, pursuant to K.S.A. 74-8905(c), KDFA must give you notice of its intent to issue the Bonds at least thirty days prior to the issuance of the Bonds. Pursuant to K.S.A. 74-8905(c), unless the City Commission of the City of Lawrence, by resolution or ordinance, expresses its disapproval of the issuance of the Bonds and the financing of the Project and notifies the President of KDFA of such disapproval within fifteen days after the giving of this notice, KDFA may proceed to issue the Bonds on behalf of the Borrower.

Should you have any questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Rebecca Floyd".

Rebecca Floyd  
Executive Vice President

**RESOLUTION OF INTENT  
TO ISSUE REVENUE BONDS**

**A RESOLUTION OF THE KANSAS DEVELOPMENT  
FINANCE AUTHORITY DECLARING AN INTENT TO  
ISSUE ITS REVENUE BONDS TO FINANCE A PROJECT ON BEHALF OF  
KANSAS ATHLETICS, INCORPORATED**

WHEREAS, pursuant to K.S.A. 74-8901 *et seq.*, as amended and supplemented (the "Act"), the Kansas Development Finance Authority (the "Authority") is authorized and empowered to provide for the issuance of revenue bonds for the purpose of financing industrial enterprises, agricultural business enterprises, educational facilities, health care facilities and housing developments, or any combination of such facilities, or any interest in such facilities and to use the proceeds of such bonds to purchase, lease, construct, restore, renovate, alter or repair such facilities as authorized by the Act; and

WHEREAS, Kansas Athletics, Incorporated, a Kansas corporation organized under Internal Revenue Service Code Section 501(c)(3) (the "Corporation") has requested the Authority to consider the issuance of its private activity educational facilities revenue bonds (the "Bonds") to provide funds to pay all or a portion of the costs of improvements to be made in accordance with the Athletics Facilities Master Plan for facilities located on the campus of the University of Kansas in Lawrence, Douglas County, Kansas (the "Project") and lease or sell the Project to the Corporation or loan the proceeds from the sale of said Bonds to the Corporation for the purpose of financing the costs of the Project, all in accordance with and pursuant to the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE KANSAS DEVELOPMENT FINANCE AUTHORITY, AS FOLLOWS:

**SECTION 1.** The Board of Directors of the Authority finds and determines that the issuance of the Bonds to finance the costs of the Project would be in furtherance of the purposes set forth in the Act.

**SECTION 2.** Subject to the satisfaction of the conditions set forth in Section 4 hereof, the Authority hereby declares its intent to issue the Bonds on behalf of the Corporation to provide funds for the Project. The amount of Bonds shall be an amount not to exceed \$30 million plus all amounts required for costs of Bond issuance, cost of interest on the Bonds during the construction of the Project and required reserves for the payment of principal and interest on the Bonds, unless modified by subsequent act of the Authority.

**SECTION 3.** This Resolution of Intent shall only constitute a declaration of official intent adopted pursuant to U.S. Treasury Regulation Section 1.150-2. This Resolution of Intent does not constitute a commitment by the Authority to issue the Bonds for the Project, and it is subject to satisfaction of the conditions set forth in Section 4 hereof.

**SECTION 4.** The issuance of said Bonds, and the execution and delivery of any documents related to the financing of the Project, are contingent upon and subject to the following:

- (i) adoption by the Authority of a resolution authorizing the issuance of the Bonds;

- (ii) approval by the Corporation;
- (iii) obtaining any and all necessary governmental permits, licenses, and approvals, including the approval, if applicable, of any political subdivision where the Project is located, as required by K.S.A. 74-8905 (c);
- (iv) agreement by the Authority, the Corporation, and the purchasers of the Bonds upon:
  - a. mutually acceptable terms for the Bonds and for the sale, resale and delivery thereof,
  - b. acceptable credit enhancement for the Bonds, or waiver thereof by the Authority, and
  - c. mutually acceptable terms and conditions of any and all documents and instruments related to the issuance of the Bonds and the financing of the Project;
- (v) receipt by the Authority of an opinion of bond counsel acceptable to the Authority regarding the Bonds; and
- (vi) payment by the Corporation of all expenses and costs relating to the issuance of the Bonds.

SECTION 5. This Resolution of Intent shall take effect and be in force from and after its adoption.

THIS RESOLUTION OF INTENT ADOPTED BY THE KANSAS DEVELOPMENT FINANCE AUTHORITY ON FEBRUARY 21, 2008.

KANSAS DEVELOPMENT FINANCE AUTHORITY



Brett A. Reber, Chairman

(Seal)

ATTEST:



Rebecca Floyd, Secretary