

RESOLUTION NO. 6909

OF

THE
GOVERNING BODY OF
THE CITY OF LAWRENCE, KANSAS

RELATING TO THE INTENT TO ISSUE
NOT TO EXCEED
\$7,000,000
INDUSTRIAL REVENUE BONDS
(PLASTIKON INDUSTRIES)

RESOLUTION NO. 6909

A RESOLUTION STATING THE INTENT OF THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS TO ISSUE TAX-EXEMPT INDUSTRIAL REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$7,000,000 FOR THE PURPOSE OF PURCHASING, ACQUIRING, CONSTRUCTING, FURNISHING AND EQUIPPING A MANUFACTURING FACILITY LOCATED IN THE CITY (PLASTIKON INDUSTRIES)

WHEREAS, the governing body of the City of Lawrence, Kansas (the “City”) desires to promote, stimulate and develop the general economic welfare and prosperity of the City, and thus further promote, stimulate and develop the general economic welfare and prosperity of Douglas County, Kansas and the State of Kansas; and

WHEREAS, pursuant to the provisions of K.S.A. 12-1740 *et seq.*, as amended (the “Act”), as amended and supplemented, the City is authorized to issue its industrial revenue bonds; and

WHEREAS, Plastikon Industries, a California corporation (the “Tenant”), has asked the City to issue its tax-exempt industrial revenue bonds in the principal amount of \$7,000,000 (the “Bonds”) pursuant to the Act, to pay a portion of costs incurred to purchase, acquire, construct, furnish and equip a manufacturing facility located in the East Hills Business Park at 3780 Greenway Circle in the City (the “Project”), to be owned by the City and leased to the Tenant; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, § 147(f), the City is required to conduct a public hearing on the question of issuing the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS:

SECTION 1. Statement of Intent. The City intends and is authorized to finance a portion of the Project costs by issuing the Bonds, subject, in all respects, to the negotiation of satisfactory lease terms for the Project with the Tenant. The City intends and is further authorized to provide for issuance of the Bonds in one or more series in an aggregate principal amount of not to exceed \$7,000,000, to finance purchasing, acquiring, constructing, furnishing, and equipping the Project, subject to the limitations, conditions and requirements of this Resolution, the Act and the Internal Revenue Code of 1986, as applicable.

SECTION 2. Documents and Conditions. Subject to the conditions of this Resolution, the Bonds shall be issued according to provisions of an Ordinance of the City and a Trust Indenture, Lease Agreement and Guaranty Agreement, which documents shall, among other things, describe in reasonable detail the Project and the financing. All terms and conditions of such documents shall be satisfactory to the City. The Bonds shall be issued subject to the approving opinion of Triplett, Woolf & Garretson LLC, Bond Counsel to the City.

The issuance of the Bonds and the execution and delivery of any documents related to the Bonds are subject to: (i) obtaining any necessary governmental approvals; (ii) agreement by the City, the Tenant and the purchaser of the Bonds upon (a) mutually acceptable terms for the Bonds and for the sale and delivery thereof, and (b) mutually acceptable terms and conditions of any documents related to the issuance of the Bonds and the Project; (iii) the Tenant's compliance with the City's policies relating to the issuance of industrial revenue bonds; (iv) the receipt and approval by the City of an appropriate application for the issuance of the Bonds, and (v) the adoption of an Ordinance authorizing the issuance of the Bonds.

SECTION 3. Sale of the Bonds. The sale of the Bonds shall be the responsibility of the Tenant; provided, however, arrangements for the sale of the Bonds shall be acceptable to the City.

SECTION 4. Limited Obligations of the City. If and when issued, the Bonds shall be special limited obligations of the City payable solely from the revenues derived by the City pursuant to the City's lease of the Project to the Tenant, or otherwise in connection with the Project, and secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate (as described in an Indenture authorizing issuance of the Bonds) to the Trustee and in favor of the owners of the Bonds. THE BONDS SHALL NOT BE GENERAL OBLIGATIONS OF, OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION AND THE BONDS SHALL NOT BE PAYABLE IN ANY MANNER FROM TAX REVENUES. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the City, the State of Kansas or any other political subdivision thereof to levy any form of taxation therefore or to make any appropriation for their payment.

SECTION 5. Required Disclosure. Any disclosure document prepared in connection with the placement or offering of any the Bonds shall contain substantially the following disclaimer:

NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT, OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE CITY CONTAINED UNDER THE CAPTIONS "THE CITY" AND "LITIGATION - THE CITY" HEREIN, HAS BEEN SUPPLIED OR VERIFIED BY THE CITY, AND THE CITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

SECTION 6. Temporary Financing. It is contemplated that to expedite the process of purchasing and acquiring the Project, the Tenant may incur temporary indebtedness and expend its own funds in connection with the anticipated Project before the Bonds are issued. If and when the Bonds are issued, the City will, to the extent permitted by law, reimburse the Tenant for such expenditures, but solely from proceeds of the Bonds. If the Bonds are not issued for any reason, the City shall have no liability or obligation to the Tenant or to any other party, by virtue of actions taken in connection with the proposed issuing of the Bonds.

SECTION 7. Tax Abatement. The City does not intend this Resolution to include any agreement for ad valorem tax abatement for the Project.

SECTION 8. Public Hearing. A public hearing is authorized and directed to be held at City Hall, 6 E. 6th Street, Lawrence, Kansas, at 6:35 p.m. (or as soon thereafter as practical), on Tuesday, November 16, 2010. At the hearing the governing body will hear comments from the public on the proposed issuance of the Bonds. The City Clerk is authorized and directed to cause publication of a notice of the hearing, in substantially the form submitted with this resolution, one time in the City's official newspaper, on October 28, 2010, or at least 14 days before the public hearing date.

SECTION 9. Expenses. Any and all expenses incurred and applicable fees charged by the City in connection with the issuance of the Bonds, including administrative expenses and legal fees, shall be paid from the proceeds of the Bonds or from the Tenant's funds. Nothing in this Resolution shall obligate the City in any manner for costs of issuing the Bonds.

SECTION 10. Other Actions Required. The Mayor, City Clerk, City staff, Bond Counsel, Gilmore & Bell, P.C. ("Issuer's Counsel") and other consultants are authorized and directed to take all such other actions not inconsistent with this Resolution as may be appropriate or desirable to accomplish the purposes described herein. The City Manager is authorized to execute engagement letters on behalf of the City with Bond Counsel and Issuer's Counsel, subject to Section 9 of this Resolution.

SECTION 11. Effective Date. This Resolution shall become effective upon its adoption and approval by the governing body of the City of Lawrence, Kansas.

PASSED AND APPROVED by the governing body of the City of Lawrence, Kansas this 26th day of October, 2010.

CITY OF LAWRENCE, KANSAS

[seal]

By _____
Mike Amyx, Mayor

ATTEST:

By _____
Jonathan M. Douglass, City Clerk

EXCERPT OF MINUTES

The Governing Body of the City of Lawrence, Kansas, met in regular session at the usual meeting place in the City on October 26, 2010, at 6:35 p.m., with the Mayor Mike Amyx presiding and the following members of the Governing Body present:

The following members were absent:

Among other business, there came on for consideration and discussion the following:

A RESOLUTION STATING THE INTENT OF THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS TO ISSUE TAX-EXEMPT INDUSTRIAL REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$7,000,000 FOR THE PURPOSE OF PURCHASING, ACQUIRING, CONSTRUCTING, FURNISHING AND EQUIPPING A MANUFACTURING FACILITY LOCATED IN THE CITY (PLASTIKON INDUSTRIES)

The Resolution was considered and discussed, and on motion of Commissioner _____, seconded by Commissioner _____, the Resolution was adopted by vote of the majority of all members present.

The Resolution was assigned No. 6909.

CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES

I hereby certify that the foregoing is a true and correct Excerpt of Minutes of an October 26, 2010 meeting of the governing body of the City of Lawrence, Kansas.

[seal]

Jonathan M. Douglass, City Clerk