

GILMORE & BELL

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ST. LOUIS, MISSOURI
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LINCOLN, NEBRASKA

November 11, 2010

Mayor and Commissioners
City of Lawrence, Kansas
6 East 6th Street
Lawrence, Kansas 66044

Re: Proposed issuance of approximately \$23,720,000 aggregate principal amount of Recovery Zone Facility Revenue Bonds (Bowersock Mills & Power Company Project) Series 2010A; Taxable Revenue Bonds (Bowersock Mills & Power Company Project) (Qualified Energy Conservation Bonds – Direct Pay) Series 2010B; and Taxable Revenue Bonds (Bowersock Mills & Power Company Project) Series 2010C

Dear Mayor and Commissioners:

Gilmore & Bell, P.C. is currently working as Bond Counsel on the above-referenced proposed bond issue for the benefit of The Bowersock Mills & Power Company. A public hearing on issuance of the bonds is scheduled for your November 23, 2010 Commission meeting. It is expected that you will be asked on December 7, 2010 to declare an emergency and consider first and second readings of an ordinance authorizing the issuance of these bonds.

The bonds will be issued for the purpose of financing the costs of acquiring, constructing and equipping a hydroelectric generating facility to be located on the north bank of the Kansas River at the Bowersock Dam, for the benefit of The Bowersock Mills & Power Company. It is currently expected that the bonds will be issued before December 31, 2010, subject to market conditions.

This transaction is proceeding in accordance with the City's established procedures for issuance of industrial revenue bonds. The City has received a preliminary application from The Bowersock Mills & Power Company, as well as the \$1,000.00 application fee. The application will be updated, as needed, and the final application presented for your review on December 7 along with the bond ordinance and bond documents.

If you have any questions, please do not hesitate to contact me.

Very Truly Yours,



Gina M. Rickhof

GMR:jac

cc: Dave Corliss, Diane Stoddard, Roger Zalneraitis, City of Lawrence
Sarah Hill-Nelson, The Bowersock Mills & Power Company