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CITY MANAGERS OFFICE
LAWRENCE, KS

KANSAS

KANSAS DEVELOPMENT FINANCE AUTHORITY

Via facsimile and mail

October 25, 2004

The Honorable David Dunfield
and Members of the City Commission
The City of Lawrence
6th and Massachusetts
Lawrence, Kansas 66044

RE: Kansas Development Finance Authority ("KDFA") Revenue Bonds (University of Kansas Center for Research Project)

Dear Mayor Dunfield and Members of the City Commission:

Please be advised that, pursuant to K.S.A. 74-8901 *et seq.*, KDFA intends to issue its Revenue Bonds (the "Bonds") to finance costs of design and construction of a new multi-disciplinary research facility on the University of Kansas – Lawrence west campus, Lawrence, Kansas (the "Project").

The Authority passed a *Resolution of Intent to Issue Bonds* for the Project at its October 12, 2004 meeting. A copy of the Resolution is attached. The principal amount of the Bonds shall not exceed \$55 million, and at this time it is estimated Bonds will be issued for the project in the approximate amount of \$43 million.

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 to 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.

Should you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in cursive script 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 THE UNIVERSITY OF KANSAS

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 bonds for the purpose of financing activities and projects of State agencies as requested by the Secretary of Administration, and as further defined and authorized by the Act and by any other authorizing legislation; and

WHEREAS, the Kansas University Center for Research, a 501(c)(3) corporation (the "Corporation"), subject to the approval of the State Finance Council, has requested the Authority to consider the issuance of its revenue bonds (the "Bonds"), to provide funds to finance the costs of design and construction of a new multi-disciplinary research facility on the University of Kansas – Lawrence west campus, Lawrence, Kansas (the "Project") and to enter into a financing agreement with the Corporation with respect to the Bonds and the Project, all in accordance with and pursuant to the Act and any other authorizing legislation;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF 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 Project would be in furtherance of the purposes set forth in the Act and any other authorizing legislation.

SECTION 2. The Authority hereby declares its intent to issue the Bonds on behalf of the Agency to provide funds for the Project. The Bonds shall be issued in an amount not to exceed \$55,000,000 plus (a) all amounts required for costs of issuance of the Bonds; (b) costs of interest on the Bonds during the construction of the Project, if any; and (c) any required reserves for the payment of principal and interest on the Bonds, unless such amount is modified by a subsequent act of the Authority.

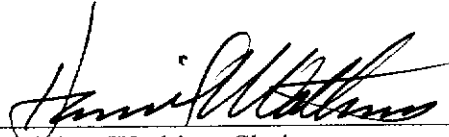
SECTION 3. This Resolution of Intent shall constitute an official declaration of intent to issue Bonds, adopted pursuant to U.S. Treasury Regulation Section 1.150-2.

SECTION 4. This Resolution of Intent does not constitute a commitment by the Authority to issue the Bonds for the Project. The issuance of said Bonds is subject to final approval by the Authority of all legal documents relating to such Bonds, and to the execution by and between the Authority and the Agency of a financing agreement.

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

ADOPTED BY THE BOARD OF DIRECTORS OF THE KANSAS DEVELOPMENT FINANCE
AUTHORITY ON OCTOBER 12, 2004.

KANSAS DEVELOPMENT FINANCE AUTHORITY

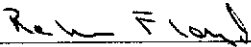


Daniel L. Watkins, Chairman

(Seal)



ATTEST:



Rebecca Floyd, Secretary