KANSAS

KANSAS DEVELOPMENT FINANCE AUTHORITY

April 20, 2005

Via facsimile and by certified mail

The Honorable Members of the City Commission
The City of Lawrence
P O Box 708
Lawrence, Kansas 66044-0708

RE: Kansas Development Finance Authority ("KDFA") Revenue Bonds (Kansas Board of Regents – University of Kansas Hashinger Hall Renovation Project) (Series 2005E-1)

Dear Ladies and Gentlemen:

Please be advised that, pursuant to K.S.A. 74-8901 *et seq.*, a public hearing will be conducted at 9:00 a.m. Friday, May 12, 2005 in the office of the Kansas Development Finance Authority, 555 South Kansas Avenue – Suite 202, in Topeka, Kansas with respect to the proposal for the Kansas Development Finance Authority ("KDFA") to issue housing facility revenue bonds in an amount not to exceed $12.6 million on behalf of the University of Kansas, and the University of Kansas Memorial Corporation, dba the Kansas and Burge Unions, a non-profit corporation organized under the laws of the State (the "Union Corporation"). The Series 2005E-1 Revenue bonds will be issued, pursuant to K.S.A. 74-8901 *et* seq., for the purpose of (i) paying a portion of the costs of renovating and equipping Hashinger Hall, a part of the University of Kansas Housing System, Kansas campus of the University (the "Hashinger Hall Project"), and (ii) refunding the Series 1996E Bonds, originally issued to renovate Templin Hall, also a part of the University Housing System (the "Project").

The bonds, when issued, will be special, limited obligations of the Kansas Development Finance Authority and will not constitute a general obligation or indebtedness of the State of Kansas or any political subdivision thereof, including the Authority, nor will the bonds constitute and indebtedness for which the faith and credit and taxing powers of the State of Kansas or any political subdivision thereof are pledged. The bonds will be payable solely from payments, revenues and receipts derived by the Authority from the 2005 Project Bonds, and pursuant to a Pledge of Revenues Agreement between KDFA and the Board of Regents (the "Board") to include all revenues derived by the Board from the ownership of the Housing System. Certain obligations of the Board under the Pledge of Revenues Agreement relating to each series of 2005 Project Bonds are subject to and dependent upon appropriation of the State Legislature being made to the Board.

KDFA passed a *Resolution of Intent to Issue Bonds* for the Project at its March 3, 2005 meeting. A copy of the Resolution is attached. Please be advised that, 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,

Rebecca Floyd

Rebecca Floyd
Executive Vice President

Enclosure

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 FOR THE KANSAS BOARD OF REGENTS 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 University of Kansas, as authorized pursuant to Section 156 (c) of Chapter 123 of the 2004 Session Laws of Kansas, and as approved by the Kansas Board of Regents (the "Agency"), has requested the Authority to consider the issuance of its revenue bonds (the "Bonds"), to provide funds to pay all or a portion of the costs of renovation of Hashinger Hall student residence hall located on the campus of the University of Kansas, Lawrence, Kansas (the "Project") and to enter into a financing agreement with the Agency 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 $12.6 million 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 MARCH 3, 2005.

KANSAS DEVELOPMENT FINANCE AUTHORITY

Dan Watkins, Chairman

(Seal)

ATTEST:

Rebecca Floyd, Secretary