

RESOLUTION NO. 335

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF COLUMBUS, KANSAS DETERMINING THE ADVISABILITY OF ISSUING THE CITY'S TAXABLE INDUSTRIAL REVENUE BONDS TO PAY THE COSTS OF ACQUIRING AND CONSTRUCTING AN ADDITION TO AN EXISTING COMMERCIAL FACILITY LOCATED IN THE CITY.

WHEREAS, the City of Columbus, Kansas (the "City") desires to promote, stimulate and develop the general economic welfare and prosperity of the City, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (the "Act"), the City is authorized to issue revenue bonds for such purposes, and the City's governing body has found and determined it to be advisable, and in the City's interest and for its welfare and that of its inhabitants, that the City's Taxable Industrial Revenue Bonds in an aggregate principal amount not exceeding \$1,400,000 be authorized and issued to provide funds to pay the costs of acquiring and constructing an addition to an existing commercial facility (the "Project") located within the City's corporate limits for lease by the City to Crossland Construction Company, Inc., a Kansas corporation, or assigns (the "Tenant").

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

Section 1. Public Purpose. The City's governing body hereby finds and determines that acquiring, constructing and equipping the Project will promote, stimulate and develop the City's general economic welfare and prosperity, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas.

Section 2. Authorization to Acquire Project; Intent to Issue Bonds. This resolution authorizes the City to acquire and construct the Project and to issue its Taxable Industrial Revenue Bonds, in one or more series, in an aggregate principal amount not exceeding \$1,400,000 (the "Bonds") to pay the acquisition, construction and installation costs, subject to satisfaction of the conditions of issuance set forth in this resolution.

Section 3. Conditions to Issuance of Bonds. The issuance of the Bonds is subject to: (i) the passage, signature and publication of an ordinance authorizing the issuance of the Bonds; (ii) the successful negotiation of a Trust Indenture, Guaranty Agreement, Lease, Bond Purchase Agreement or other legal documents necessary to accomplish the issuance of the Bonds, the terms of which shall be in compliance with the Act and mutually satisfactory to the City and the Tenant; (iii) the successful negotiation and sale of the Bonds to a purchaser or purchasers yet to be determined (the "Purchaser"), which sale shall be the responsibility of the Tenant and not the City; (iv) the receipt of the approving legal opinion of Gilmore & Bell, P.C. ("Bond Counsel") in form acceptable to the City, the Tenant and the Purchaser; (v) the obtaining of all necessary governmental approvals to the issuance of the Bonds; and (vi) the commitment to and

payment of all the City's expenses, any underwriting fees and expenses and all legal fees and expenses of Bond Counsel and the City Attorney relating to the issuance of the Bonds by the Purchaser or the Tenant.

Section 4. Intent to Grant Property Tax Exemption. The City hereby determines pursuant to the provisions of K.S.A. 79-201a *Second*, the Project, to the extent purchased or constructed with the proceeds of the Bonds, is eligible for exemption from payment of ad valorem property taxes for ten years commencing with the year following the year in which the Bonds are issued. The City hereby states its intent to grant full 100% property tax exemption for 10 years on the property purchased with the proceeds of the Bonds, subject to completion of the procedural requirements of K.S.A. 12-1749d prior to the issuance of the Bonds.

Section 5. Notices. The City Clerk is hereby authorized and directed to publish an appropriate notice of intent to issue the Bonds and to enter into a Lease with the Tenant pursuant to the provisions of the Act, to provide all other notices as required by the Act and to publish notice of public hearing with respect to the granting of a complete or partial property tax exemption as required by Kansas law.

Section 6. Reliance by Tenant; Limited Liability of City. The City's governing body contemplates that in order to expedite acquisition of the Project and to realize the benefits to be derived from them, the Tenant may incur temporary indebtedness or expend its own funds to pay costs of the Project before Bond issuance. Bond proceeds may be used to reimburse the Tenant for Project costs made not more than 60 days prior to the date this resolution is adopted, and as provided by §1.150-2 of the U.S. Treasury Regulations. The Bonds and all interest on them must be paid solely from the revenues received by the City from the Project and not from any other fund or source. The City will only be obligated on the Bonds to the extent set out in the Act and this resolution. If no Bonds are issued, the City will have no liability to the Tenant.

Section 7. Further Action. The City Clerk is authorized to deliver an executed copy of this resolution to the Tenant. The Mayor, City Clerk and other officials and employees of the City, including the City Attorney and Bond Counsel, are authorized and directed to take whatever other actions as are appropriate or desirable to accomplish the purposes of this resolution, including providing all notices required by the Act, preparation of the required cost benefit study, and the signing on the City's behalf of the informational statement that must be filed with the State Board of Tax Appeals pursuant to the Act before Bond issuance.

ADOPTED by the governing body of the City of Columbus, Kansas this 19th day of June, 2006.

[SEAL]

Attest:


Juice Blauvelt

City Clerk

John Brassat

Mayor

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF COLUMBUS, KANSAS
HELD ON JUNE 19, 2006**

The governing body of the City of Columbus, Kansas met in regular session at the usual meeting place in the City on June 19, 2006, at 6:30 p.m. The Mayor presided and the following members of the City Council were present: Jerri Burton, Jim Burton, Steve Dunlap, Doug Hosier, Rhonda Loar, Harley McDaniel, Gary Smith, and Grant Spieth.

The following members of the City Council were absent: Leo Evans and Philip Zahm.

The Mayor declared that a quorum was present and called the meeting to order.

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(Other Proceedings)

Thereupon, there was presented to the City Council a resolution entitled:

**A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF COLUMBUS,
KANSAS DETERMINING THE ADVISABILITY OF ISSUING THE CITY'S
TAXABLE INDUSTRIAL REVENUE BONDS TO PAY THE COSTS OF
ACQUIRING AND CONSTRUCTING AN ADDITION TO AN EXISTING
COMMERCIAL FACILITY LOCATED IN THE CITY.**

The resolution was considered and discussed; and thereupon on motion of Rhonda Loar, seconded by Steve Dunlap, the resolution was adopted by the following roll call vote:

Aye: Jerri Burton, Jim Burton, Steve Dunlap, Doug Hosier, Rhonda Loar, Harley McDaniel, Gary Smith, Grant Spieth.

Nay: None.

Thereupon, the resolution having been adopted by vote of the members of the City Council, it was given No. 335, and was directed to be signed by the Mayor and attested by the City Clerk.

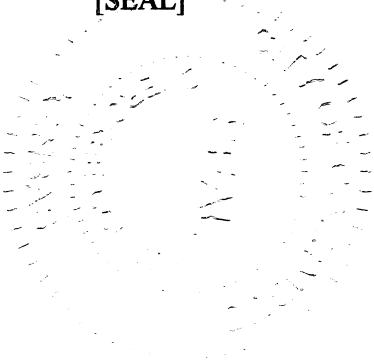
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(Other Proceedings)

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the governing body of the City of Columbus, Kansas held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

[SEAL]



Juice Blauvelt

City Clerk