

RESOLUTION NO. 1082

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF COLBY, KANSAS APPROVING A LETTER OF INTENT TO ISSUE TAXABLE INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING AN OFFICE, WAREHOUSE AND FABRICATION FACILITY LOCATED IN THE CITY

WHEREAS, the City of Colby, 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 Issuer is authorized to issue revenue bonds for such purposes, and it is hereby found and determined to be advisable and in the interest and for the welfare of the Issuer and its inhabitants that taxable industrial revenue bonds of the Issuer in the principal amount of approximately \$3,000,000 be authorized and issued, in one or more series, to provide funds to pay the costs of an office, warehouse and fabrication facility (the "Project") to be located in the City and to be leased by the Issuer to Woofter Construction & Irrigation, Inc., a Kansas corporation, or another legal entity to be formed by the principals of Woofter Construction & Irrigation, Inc., or assigns (the "Tenant").

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

Section 1. **Public Purpose.** The governing body of the Issuer hereby finds and determines that the Project will promote, stimulate and develop the general economic welfare and prosperity of the Issuer, 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.** The Issuer is hereby authorized to proceed with the Project and to issue its revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$3,000,000 (the "Bonds") to pay the costs thereof, subject to satisfaction of the conditions of issuance set forth herein.

Section 3. **Approval of Letter of Intent.** The Letter of Intent in substantially the form presented to the governing body of the Issuer with this Resolution is hereby approved. The Mayor and City Clerk are authorized to sign and seal the Letter of Intent.

Section 4. **Notices.** The 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 and to publish a notice of public hearing with respect to the granting of a complete or partial property tax exemption as required by Kansas law.

Section 5. **Reliance by Tenant; Limited Liability of Issuer.** It is contemplated that in order to expedite acquisition of the Project and realization of the benefits to be derived thereby, the Tenant may incur temporary indebtedness or expend its own funds to pay costs of the Project prior to the issuance of the

Bonds. Proceeds of Bonds may be used to reimburse the Tenant for such expenditures 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 herein authorized and all interest thereon shall be paid solely from the revenues to be received by the Issuer from the Project and not from any other fund or source. The Issuer shall not be obligated on such Bonds in any way, except as herein set out. In the event that the Bonds are not issued, the Issuer shall have no liability to the Tenant.

Section 6. **Further Action.** The Clerk is hereby authorized to deliver an executed copy of this Resolution and the Letter of Intent to the Tenant. The Mayor, Clerk and other officials and employees of the Issuer, including the Issuer's counsel and Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution, including preparation of the cost benefit study required by the Act and the execution on behalf of the Issuer of the information statement regarding the proposed issuance of the Bonds to be filed with the State Board of Tax Appeals pursuant to the Act.

ADOPTED by the governing body of the City of Colby, Kansas on May 5, 2015.

[SEAL]

Gary L. Adrian, Mayor

Attest:

Joni L. Ketchum, City Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the Issuer adopted by the governing body on May 5, 2015, as the same appears of record in my office.

DATED: May 5, 2015.

Clerk