

RESOLUTION NO. R-03-26

A RESOLUTION OF INTENT REGARDING THE REIMBURSEMENT OF CERTAIN COSTS AND EXPENSES INCURRED IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS TO THE SEWER SYSTEM OF THE CITY

WHEREAS, the Conway Corporation (the "Corporation") has requested that the City of Conway, Arkansas (the "City") assist in obtaining financing for the rehabilitation of certain collection system components of the City's existing sewer system (the "Project"); and

WHEREAS, the total costs of the Project, including expenses associated with the financing thereof, are presently estimated to be approximately \$8,500,000; and

WHEREAS, the Corporation and the City do not have adequate funds on hand to pay the estimated costs of the Project and related expenses; and

WHEREAS, the City proposes to obtain the necessary funds to accomplish the Project and to pay related expenses from one or more of the following sources:

(a) tax-exempt revenue bonds issued and sold by the Arkansas Development Finance Authority ("ADFA") under the Arkansas Soil and Water Conservation Commission Revolving Loan Fund, a portion of which proceeds would be loaned to the City ("ADFA Bonds"); or

(b) tax-exempt revenue bonds issued by the City and sold through an underwriter or directly to a bank or governmental entity ("City Bonds"); and

WHEREAS, the principal amount of City Bonds or the principal amount of ADFA Bonds allocated to the Project and related expenses are not expected to exceed \$8,500,000; and

WHEREAS, the proceeds of ADFA Bonds would be made available to the City through the issuance by the City and the sale to ADFA of an evidence of indebtedness of the City in the form of a bond; and

WHEREAS, the purpose of this Resolution is for the City to declare its "official intent" to reimburse itself or the Corporation for certain preliminary costs (incurred by or on behalf of the City and related to the Project) pursuant to Section 1.150-2 of the Regulations of the U.S. Department of Treasury promulgated pursuant to the provisions of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS, THAT:

Section 1. The adoption of this Resolution is intended as the City's "official intent" to reimburse itself or the Corporation from the proceeds of ADFA Bonds or City Bonds for preliminary costs of the Project and related expenses advanced by the City or the Corporation.

Section 2. A copy of this Resolution shall be furnished by the Mayor to the Arkansas Soil and Water Conservation Commission.

PASSED AND APPROVED this 8th Day of July, 2003.

APPROVED:

By: Tab Townsell
Tab Townsell, Mayor

ATTEST:

By: Michael O. Garrett
Michael O. Garrett, City Clerk

[SEAL]