

A RESOLUTION OF INTENT REGARDING THE TONTITOWN, AR
WASTEWATER IMPROVEMENT PROJECT

RESOLUTION NUMBER 109

WHEREAS, the City of Tontitown, Arkansas (the "City") proposes to acquire, construct and equip improvements to the City's sewer system (the "Project"), described as follows:

Wastewater Collection System Phase 1, consisting of 111,688 linear feet of 12-inch and 8-inch wastewater lines, 3 lift stations, and related appurtenances.

WHEREAS, the estimated costs of the Project and paying expenses are \$4,462,000; and

WHEREAS, the City does not have funds on hand to pay the costs of the Project and expenses; and

WHEREAS, the City proposes to obtain funds to accomplish the Project and to pay 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 Revolving Loan Fund, a portion of which proceeds would be loaned to the City (the "ADFA Bonds"); or
- B. tax-exempt bonds issued by the City and sold through an underwriter or to a bank or a government entity (the "City Bonds"); and

WHEREAS, the principal amount of the City Bonds or the principal amount of the ADFA Bonds allocated to the Project and expenses will not exceed \$4,223,000; and

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

WHEREAS, the purpose of this Resolution is for the City to declare its "official intent" for the issuance of the ADFA Bonds and the City Bonds within the meaning of United States Treasury Regulation § 1.150-2;


NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tontitown, Arkansas;

Section 1. That the City hereby expresses its intent to advance its own funds to pay costs of the Project and expenses and to reimburse itself from the proceeds of the ADFA Bonds or the proceeds of the City Bonds.

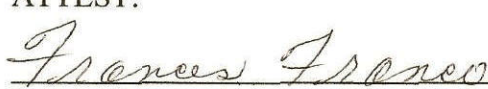
Section 2. That a copy of the Resolution shall be furnished by the Mayor to the Arkansas Soil and Water Conservation Commission.

PASSED, APPROVED, AND ADOPTED this 10th day of February, 2004.

APPROVED:


Daniel R. Watson, Mayor

ATTEST:


Frances Franco, Recorder/Treasurer