

RESOLUTION NO. 2002-03

of the

ARKANSAS SOIL AND WATER CONSERVATION COMMISSION

RESOLUTION APPROVING A PROPOSAL TO ISSUE FROM TIME TO TIME ONE OR MORE SERIES OF STATE OF ARKANSAS WATER, WASTE DISPOSAL AND POLLUTION ABATEMENT FACILITIES GENERAL OBLIGATION REFUNDING BONDS; APPROVING THE PREPARATION OF AN OFFICIAL NOTICE OF SALE, PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL BID FORM FOR EACH SERIES OF BONDS; AUTHORIZING THE EXECUTIVE DIRECTOR OR THE CHAIRMAN TO REVIEW BIDS AND ACCEPT THE BID HAVING THE LOWEST TRUE INTEREST COST FOR EACH SERIES OF BONDS; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, there is outstanding an issue of State of Arkansas Waste Disposal and Pollution Abatement Facilities General Obligation Bonds, Series 1992B (the "Series 1992B Bonds") in the principal amount of \$8,455,000; and

WHEREAS, there is outstanding an issue of State of Arkansas Water Resources Development General Obligation Bonds, Series 1996A (the "Series 1996A Bonds") in the principal amount of \$10,250,000; and

WHEREAS, there is outstanding an issue of State of Arkansas Water Resources Development General Obligation Bonds, Series 1996B (the "Series 1996B Bonds") in the principal amount of \$6,895,000; and

WHEREAS, there is outstanding an issue of State of Arkansas Water Resources Development General Obligation Bonds, Series 1997A (the "Series 1997A Bonds") in the principal amount of \$13,995,000; and

WHEREAS, the Series 1992B Bonds, the Series 1996A Bonds, the Series 1996B Bonds and the Series 1997A Bonds are collectively referred to herein as the "Bonds Refunded"; and

WHEREAS, in order to achieve debt service savings, the Arkansas Soil and Water Conservation Commission (the "Commission") proposes to offer for sale its State of Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Refunding Obligation Bonds (the "Refunding Bonds") in various series from time to time and in the principal amounts necessary to refund the Bonds Refunded and to pay costs of issuance; and

WHEREAS, the Refunding Bonds will be issued under Act No. 607 of the General Assembly of the State for the year 1997; and

WHEREAS, the Commission will prepare and distribute an Official Notice of Sale and Official Bid Form requesting bids for the purchase of each individual series of the Refunding Bonds; and

WHEREAS, the Commission will prepare and distribute a Preliminary Official Statement relating to each individual series of the Refunding Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE ARKANSAS SOIL AND WATER CONSERVATION COMMISSION AS FOLLOWS:

1. Each series of the Refunding Bonds shall be offered for sale on sealed bids on the date to be specified in the respective Official Notice of Sale at the offices of the Financial Advisor, Morgan Keegan & Company, Inc., 100 Morgan Keegan Drive, Suite 400, Little Rock, Arkansas 72202, or such other location as may be approved by the Executive Director. The Executive Director or the Chairman, after consultation with Morgan Keegan & Company, Inc., as Financial Advisor, and Friday, Eldredge & Clark, LLP, as Bond Counsel, is authorized to select a date for the sale and to review the bids from prospective purchasers of each series of the Refunding Bonds as they are received pursuant to the applicable Official Notice of Sale and to accept the bid having the lowest true interest cost or to reject all bids, as the Executive Director or the Chairman, in his sole discretion, shall determine. The Executive Director or the Chairman shall have the authority to execute each individual Official Bid Form evidencing acceptance of the best bid. Notwithstanding the above, the best bid for a series of Refunding Bonds shall not be accepted unless the Executive Director or the Chairman, in his sole discretion, shall determine that the present value savings achieved by that series is in the best interest of the Commission.

2. The preparation of an Official Notice of Sale, Official Bid Form and Preliminary Official Statement for each series of the Refunding Bonds is hereby approved. The printing and distribution thereof are also hereby approved. The Chairman and Executive Director, or one or both of them, are authorized to approve these forms. The signatures of the Chairman or Executive Director on such documents conclusively establish his approval thereof.

3. The Executive Director is delegated by the Commission the authority to deem final, for purposes of Rule 15c2-12 issued by the Securities and Exchange Commission, the Preliminary Official Statement for each issue of the Refunding Bonds at such time and in such form as is required by such Rule.

4. The Chairman and Executive Director, or any one or more of them, are hereby authorized to execute the documents discussed herein; to take such other actions and to approve such other documents as are, in their judgment, necessary or appropriate in order to prepare for the sale of and to sell the Refunding Bonds; to authorize the preparation of a Final Official Statement for each series of the Refunding Bonds; to execute the Final Official Statement and to deliver copies of the same to the low bidder in accordance with the Official Notice of Sale; to authorize the preparation of Series Resolution prescribing the terms and provisions of each series of the Refunding Bonds, which Series Resolutions are to be adopted at a subsequent meeting or meetings of the Commission; and to accomplish the intent of this Resolution and the Series Resolutions.

RESOLUTION ADOPTED: January 16, 2002.

ARKANSAS SOIL AND WATER  
CONSERVATION COMMISSION

By James Neal Anderson  
James Neal Anderson  
Acting Chairman

ATTEST:

J. Randy Young  
J. Randy Young, P.E.  
Executive Director and Secretary

(SEAL)