

ORDINANCE NO. 11-06-2008 A

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX IMPROVEMENT BONDS FOR THE PURPOSE OF FINANCING THE COST OF WATER SYSTEM IMPROVEMENTS; PLEDGING A 1% SALES AND USE TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, there was submitted to the qualified electors of the City of Elkins, Arkansas (the "City") the questions of issuing, under Amendment No. 62 to the Constitution of the State of Arkansas (the "State") and under Title 26, Chapter 75, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), improvement bonds in the maximum principal amount of \$6,000,000 for the purpose of financing the cost of acquiring, constructing, and equipping extensions to, betterments of and improvements to the City's water system (the "Water System Improvements"); and

WHEREAS, at the special election held September 9, 2008, a majority of the electors voting on the questions approved the issuance of such bonds; and

WHEREAS, the City Council is prepared to proceed with the issuance of a portion of the voter-approved capital improvement bonds designated as "City of Elkins, Arkansas Sales and Use Tax Improvement Bonds, Series 2008" (the "Series 2008 Bonds") in the aggregate principal amount not to exceed \$1,000,000 for Water System Improvements; and

WHEREAS, the City reserves the right to issue Additional Bonds in the future up to the amount approved by the voters for the completion of the Water System Improvements; and

WHEREAS, the City has made arrangements for the sale of the Series 2008 Bonds to Stephens Inc. (the "Purchaser"), at a price to be approved by the Mayor (the "Purchase Price"), pursuant to a Bond Purchase Agreement between the Purchaser and the City (the "Agreement"), which has been presented to and is before this meeting; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Elkins, Arkansas:

Section 1. The offer of the Purchaser for the purchase of the Series 2008 Bonds from the City at the Purchase Price, subject to the terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby accepted and the Agreement, in