ORDINANCE NO. A-391

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS OF THE CITY OF CONWAY; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES

WHEREAS, the City of Conway is duly authorized by Act 9 of the Acts of the General Assembly of the State of Arkansas for 1960 to promote industrial development within or near the City of Conway, to issue Industrial Development Revenue Bonds, and to use the proceeds thereof for the accomplishment of the said purpose, to pledge the gross revenues derived from the lands, buildings and facilities acquired or constructed, in whole or in part, with proceeds of the said Industrial Development Revenue Bonds, and to secure the payment of the said Industrial Development Revenue Bonds by a statutory mortgage lien on the lands, buildings, and facilities so acquired or constructed; and

WHEREAS, the City of Conway has undertaken to assist Prince Gardner Company, Inc., a corporation organized and existing under the laws of the State of Pennsylvania, but qualified to do business in the State of Arkansas, to establish and operate a leather goods manufacturing plant within or near the City of Conway; and

WHEREAS, by Ordinance duly passed on the 22nd day of August, 1962, there was submitted to the qualified electors of the City of Conway, Arkansas, the question whether it should issue Industrial Development Revenue Bonds under the provisions of said Act 9 to the extent of $260,000.00 for the purpose of securing and developing industry within or near the City of Conway; and

Section 1. That the City of Conway, Arkansas, issue its Industrial Development Revenue Bonds under the provisions of Act 9 of the Acts of the General Assembly of the State of Arkansas for 1960, in the principal amount of $281,500.00 (being bonds, before conversion, in the principal amount of $260,000.00), payable solely from the rentals derived from the lease executed by the City of Conway to Prince Gardner Company, Inc.; that the said bonds be designated "3 1/2% (3 3/4%, 4% and 4 1/4%) City of Conway Industrial Development Revenue Bonds," be dated as of September 1, 1962, bearing interest at the rates of 3 1/2%, 3 3/4%, 4% and 4 1/4% per annum from date, payable semiannually on the first day of March and September in each year, beginning March 1, 1963, evidenced by coupons attached thereto; and that the bonds be in the denominations, numbered, bearing interest and maturing on March 1 in the amounts and years, respectively, as follows, but subject to redemption before maturity on the conditions hereinafter set out:

BOND NOS.	DENOMINATION	INTEREST RATE %	AMOUNT	MATURITY March 1
1- 10	$1,000	3 1/2	$10,000	1964
11- 20	1,000	"		
21	500	"	10,500	1965
22- 32	1,000	"	11,000	1966
33- 43	1,000	"		
44	500	"	11,500	1967
45- 56	1,000	"	12,000	1968
57- 68	1,000	"	12,000	1969
69- 80	3,000	"		
81	500	"	12,500	1970
82- 94	1,000	"	13,000	1971
95-107	1,000	"	13,000	1972
108-120	1,000	"		
121	500	"	13,500	1973
122-134	1,000	3 3/4		
135	500	"	13,500	1974
136-149	1,000	"	14,000	1975
150-163	1,000	"		
164	500	"	14,500	1976
165-179	1,000	"	15,000	1977
180-194	1,000	4		
195	500	"	15,500	1978
196-211	1,000	"	16,000	1979
212-228	1,000	"	17,000	1980
229-246	1,000	4 1/4	18,000	1981
247-265	1,000	"	19,000	1982
266-285	1,000	"	20,000	1983

that the bonds be signed in the name and on behalf of the City by the Mayor and City Clerk, and sealed with the corporate seal of the City, and that the interest upon the bonds be evidenced by coupons thereto attached, the coupons to be signed by the Mayor, by his facsimile signature; that said Mayor shall, by the execution of the bonds, adopt as and for his own proper signature his facsimile signature appearing on the said coupons; that the bonds and coupons be payable in lawful money of the United States of America at the office of The First National Bank in Little Rock, in Little Rock, Arkansas; and that each bond contain a recital that it is issued pursuant to said Act 9 of the Acts of the General Assembly of Arkansas for the year 1960.

The bonds, together with interest thereon, shall be payable solely out of the Industrial Development Revenue Bond Fund, as hereinafter defined, and shall be a valid claim of the holder thereof only against such Fund, and the amount of the revenues pledged to said Fund, which amount of said revenues is hereby pledged and mortgaged for the equal and ratable payment of the bonds, and shall be used for no other purpose than to pay the principal of and interest on the said bonds.

Section 2. That said bonds and coupons be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF ARKANSAS

COUNTY OF FAULKNER

CITY OF CONWAY

3 1/2% INDUSTRIAL DEVELOPMENT REVENUE BOND

No. _____ $_____

KNOW ALL MEN BY THESE PRESENTS:

THAT the City of Conway (herein called the "City"), in the County of Faulkner, and State of Arkansas, hereby acknowledges itself to owe, and for value received promises to pay to bearer, solely from the special Fund provided as hereinafter set forth, the principal sum of

_____ DOLLARS

on the first day of March, 19____, and to pay, solely from said special Fund, interest hereon at the rate of three and one-half per centum (3½%) per annum from September 1, 1962, payable semi-annually on the first day of March and September of each year, upon presentation and surrender of the annexed interest coupons as they severally become due. Both principal hereof and interest hereon shall be payable in lawful money of the United States of America at the office of The First National Bank in Little Rock, in Little Rock, Arkansas.

This bond is one of a duly authorized series of two hundred eighty-five (285) bonds, aggregating Two Hundred Eighty-one Thousand Five Hundred Dollars ($281,500.00), dated September 1, 1962, numbered from 1 to 285, inclusive, all of like tenor and

year 1960, there is granted and created a statutory mortgage lien on the said lands and buildings to and in favor of the holders of the said bonds and each of them, and to and in favor of the holders of each of the coupons evidencing the interest on said bonds; and said lands and buildings shall remain subject to such statutory mortgage lien until the payment in full of all of said bonds, both principal and interest, shall have been made.

This bond is expressly made negotiable under said Act No. 9 and is issued with the intent that the laws of the State of Arkansas shall govern the construction thereof.

The bonds of this issue must be called for redemption before maturity, from time to time, in inverse numerical order, in lawful money of the United States of America, at par and accrued interest, on any interest payment date, from the proceeds from the sale of the bonds of this issue not required for the completion of the industrial improvements for which the bonds are issued, and may be called for redemption before maturity, at the option of the City, from time to time, in inverse numerical order, in lawful money of the United States of America, at par and accrued interest, on any interest payment date on and after September 1, 1967, from any other available funds. Notice of the call for the redemption shall be published by the City Clerk of the City for one insertion not than thirty (30) days before the date of such redemption in a newspaper of general circulation published in the City of Little Rock, Arkansas, and having a general circulation throughout the State of Arkansas, and after

the date mentioned in said call, the bond or bonds so called will cease to bear interest; provided, funds for their payment are on deposit at that time.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions and things required by the Constitution and laws of the State of Arkansas to exist, happen and be performed prece-dent to and in the issuance of this bond have existed, have happened, and have been performed in due time, form and manner, as required by law, and that sufficient of the income and revenue which is deemed to be derived from the said industrial lease has been pledged to and will be set aside into said special Fund for the payment of the principal of and interest on said bonds; and that the total amount of the bonds issued by the City, including this bond, does not exceed any constitutional or statutory limitation.

This bond shall not be valid until it shall have been authenticated by the certificate hereon, duly signed by The First National Bank in Little Rock.

IN WITNESS WHEREOF, the City of Conway, by its City Council, has caused this bond to be signed by the Mayor and the City Clerk thereof, and sealed with the corporate seal of said City, and has caused the coupons hereto attached to be authenti-cated by the facsimile signature of its Mayor, all as of the first day of September, 1962.

CITY OF CONWAY, ARKANSAS

By:_____
Mayor

ATTEST:

_____
City Clerk

(S E A L)

(FORM OF COUPON

No. _____ $_____

On the first day of March, September, 19___, the City of Conway, Faulkner County, Arkansas, promises to pay to bearer the sum of _____ Dollars ($_____) solely out of the special Fund specified in the bond to which this coupon appertains, at the office of The First National Bank in Little Rock, in Little Rock, Arkansas, in lawful money of the United States of America, being six months' interest then due on its 3½% Industrial Development Revenue Bond, dated the first day of September, 1962, and numbered _____, unless the bond to which it appertains is sooner called for payment.

CITY OF CONWAY, ARKANSAS

By:_____
Mayor

(The signature of the Mayor may be lithographed or engraved.)

On the back of said bonds is to appear the following:

C E R T I F I C A T E

This is one of the bonds aggregating $281,500.00 described within.

THE FIRST NATIONAL BANK IN LITTLE ROCK

By:_____
Authorized Signature

Little Rock, Arkansas

_____

Section 3. That all moneys paid as accrued interest on the bonds issued hereunder shall be deposited into the Industrial Development Revenue Bond Fund hereinafter created, and applied to the payment of interest payable on said bonds on the next interest payment date.

Section 4. That so long as any of the principal of and interest on any of the bonds herein authorized to be issued are outstanding, the entire income and revenues from the non-cancelable pure net rental lease of the lands and buildings acquired and constructed from the proceeds of the bonds of this issue (which lease is hereinafter called the "Industrial Lease"), shall be set aside and deposited in a special Fund, hereby created and ordered to be established with The First National Bank in Little Rock (hereinafter called "Trustee"), to be known as the "Industrial Development Revenue Fund", and disbursements therefrom shall be made as hereinafter provided for, in the following order of priority:

(a) There shall be set aside and deposited into a separate fund, hereby created and ordered to be established with the Trustee, to be known as the "Industrial Development Revenue Bond Fund," the amounts necessary to provide funds for the payment of principal of and interest on the bonds as they mature, according to the following schedule, which amounts are hereby irrevocably pledged for said purposes:

YEAR	PRINCIPAL	INTEREST MARCH 1	INTEREST SEPTEMBER 1	TOTAL
1963		$5,332.50	$5,332.50	$10,665.00
1964	$10,000	5,332.50	5,157.50	20,490.00
1965	10,500	5,157.50	4,973.75	20,631.25
1966	11,000	4,973.75	4,781.25	20,755.00
1967	11,500	4,781.25	4,580.00	20,861.25
1968	12,000	4,580.00	4,370.00	20,950.00
1969	12,000	4,370.00	4,160.00	20,530.00
1970	12,500	4,160.00	3,941.25	20,601.25
1971	13,000	3,941.25	3,713.75	20,655.00
1972	13,000	3,713.75	3,486.25	20,200.00
1973	13,500	3,486.25	3,250.00	20,236.25
1974	13,500	3,250.00	2,996.87	19,746.87
1975	14,000	2,996.88	2,734.37	19,731.25
1976	14,500	2,734.38	2,462.50	19,696.88
1977	15,000	2,462.50	2,181.25	19,643.75
1978	15,500	2,181.25	1,871.25	19,552.50
1979	16,000	1,871.25	1,551.25	19,422.50
1980	17,000	1,551.25	1,211.25	19,762.50
1981	18,000	1,211.25	828.75	20,040.00
1982	19,000	828.75	425.00	20,253.75
1983	20,000	425.00		20,425.00

(b) After there shall have been deposited from the said Industrial Development Revenue Fund all amounts required hereunder to be deposited therefrom, all moneys remaining in the said Industrial Development Revenue Fund shall be used for no purpose other than to call the said Industrial Development Revenue Bonds as hereinafter provided.

Section 5. That it is hereby covenanted and agreed by the City with the holder or holders of the bonds herein authorized to be issued that it will not pledge, mortgage or otherwise encumber the lands and buildings subject to the said Industrial Lease, or any part thereof, or any revenues derived therefrom, and that it will not sell, lease or otherwise dispose of the lands and buildings subject to the said Industrial Lease, or any portion thereof, unless and until the principal of and interest on all of the bonds issued hereunder shall be paid in full, or unless and until provision shall have been made for the payment of all the bonds and interest thereon in full, and the City further covenants and agrees with the holder or holders of the bonds to cause the said lands and buildings subject to the said Industrial Lease to be maintained in a satisfactory condition and under a continuous lease.

Section 6. That there shall be, and there hereby is, as provided in said Act No. 9, a statutory mortgage lien on the following described lands and the buildings and improvements thereon, in the County of Faulkner, and State of Arkansas, to-wit:

A parcel of land in the northeast corner of the Southwest Quarter of the Northeast Quarter of Section Eighteen (18), Township Five (5) North, Range Thirteen (13) West, described as follows: Beginning at a point on the west line of said Southwest Quarter of the Northeast Quarter 632.4 feet north of the center of said Section 18, and running thence east, parallel to the north line of said Southwest Quarter of the Northeast Quarter, 515.6 feet; thence north, parallel to the west line of said Southwest Quarter of the Northeast Quarter, 676.6 feet to the north line of said Southwest Quarter of the Northeast Quarter; thence west, along the north line of said Southwest Quarter of the Northeast Quarter, 515.6 feet to the northwest corner of said Southwest Quarter of the Northeast Quarter, thence south, along the west line of said Southwest Quarter of the Northeast Quarter, 676.6 feet to point of beginning, containing eight acres, more or less,

which shall exist in favor of the holders of the bonds, and each of them, and to and in favor of the holders of the coupons attached to the bonds, and the said lands and buildings shall remain subject to such statutory mortgage lien until the payment in full of the interest on and principal of the said bonds. To the end that a record of the statutory mortgage lien on the said lands and buildings, the pledge of revenues, and the agreement not to mortgage the said lands and buildings, as set out in this Ordinance, may be preserved, the Mayor and City Clerk are hereby authorized and directed to file with the Recorder of Faulkner County, Arkansas, a copy of this Ordinance, duly certified, with the direction that the same be recorded in the office of the Recorder, as in the case of deeds and mortgages.

Section 7. That if there be any default in the payment of either the interest on, or principal of any of the bonds, and such default shall continue for thirty (30) days thereafter, and if default shall be made in the due and punctual performance of any of the other covenants and agreements contained in the bonds

or in this Ordinance, the holder, or holders, of any of the bonds may enforce the statutory mortgage lien upon the said lands and buildings in accordance with the provisions of Section 9 of said Act No. 9, and may by proper suit compel the performance of the duties of the officials of the City, as set forth in said Act and in this Ordinance. If there be default in the payment of the principal of or interest on the bonds, and such default shall continue for thirty (30) days thereafter, any court having jurisdiction in any proper action may appoint a receiver to administer the said lands and buildings on behalf of the City, with power to enforce the provisions of the said Industrial Lease.

Section 8. That no remedy conferred by this Ordinance upon any holder or holders of the bonds herein authorized is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by this Ordinance or said Act, or by any other law. No waiver of any default or breach of duty or contract by any holder of the bonds shall extend to or shall affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the holder of the bonds herein authorized may be enforced and exercised from time to time and as often as may be deemed expedient. In case any suit, action or proceeding to

enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, or shall be determined adversely to the holder or holders of the bonds, then and in every such case the City and such holder or holders shall be restored to their former positions and rights and remedies as if no such suit, action or proceeding had been brought or taken.

Section 9. That so long as any of the bonds are outstanding, the City agrees to maintain fire, lightning and tornado insurance on the buildings, subject to the Industrial Lease, in an amount which normally would be carried by a private company engaged in a similar type of business. In the event of loss, the proceeds of such insurance shall be applied solely towards the reconstruction, replacement or repairs of the buildings damaged. In such event, the City will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repairs. Nothing herein shall be construed as requiring the City to expend any funds for the maintenance of the said lands and buildings, or for premiums on its insurance which are derived from sources other than the Industrial Lease, but nothing herein shall be construed as preventing the City from doing so.

Section 10. That all bonds paid or called for redemption either at or before maturity, shall be canceled when such payment or redemption is made, together with all unmatured coupons appertaining thereto, and held by the City Treasurer. All unpaid interest coupons maturing on or prior to the date of such payment or redemption shall continue to be payable to the respective bearers thereof.

Section 11. That the bonds, together with interest thereon, shall be payable solely out of the Industrial Development Revenue Bond Fund, as hereinafter defined, and shall be valid claim of the holders thereof only against said Fund, and the amount of the revenues pledged to said Fund, which amount of said revenues is hereby pledged for the equal and ratable payment of the bonds and shall be used for no other purpose than to pay the principal of and interest on the bonds as the same accrue.

Section 12. The City further covenants and agrees that so long as any of the Industrial Development Revenue Bonds are outstanding and the interest thereon has not been paid in full, it will issue no additional bonds payable from the rentals from the said Industrial Lease, or secured by a line on the lands and buildings subject to the said Industrial Lease, on a par with the said Industrial Development Revenue Bonds.

Section 13. That the bonds of this issue must be called for redemption before maturity, from time to time, in inverse numerical order, in lawful money of the United States of America, at par and accrued interest, on any interest payment date, from the proceeds from the sale of the bonds of this issue not required for the completion of the industrial properties for which the bonds are issued, and may be called for redemption before maturity, at the option of the City, from time to time, in inverse numerical order, in lawful money of the United States of America, at par and accrued interest, on any interest payment date on and after September 1, 1967, from any other available funds. Notice

of the call for redemption shall be published by the City Clerk for one insertion more than thirty (30) days before the date of such redemption in a newspaper of general circulation published in the City of Little Rock, Arkansas, and having a general circulation throughout the State of Arkansas, and after the date mentioned in said call, the bond or bonds so called will cease to bear interest; provided, funds for their payment are on deposit at that time.

Section 14. After the bonds herein authorized to be issued have been executed by the Mayor and City Clerk, as herein provided, they shall be delivered by the Mayor to The First National Bank in Little Rock, which shall authenticate and deliver them to the purchaser, upon the payment of the purchase price in the sum of $260,000.00, with accrued interest.

The purchase price, less the amount of the accrued interest paid by the purchaser, shall be deposited in The First National Bank in Little Rock, in trust, secured as its other trust funds are secured, and disbursed by it solely in payment of the costs of the acquisition of lands and construction of the buildings subject to the said Industrial Lease, including engineering, legal, and other expenses incidental to the acquisition, construction and issuance of the bonds, but only on warrants or vouchers signed by the City Treasurer, briefly specifying the disbursements or expenditures, accompanied by a certificate signed by the consulting engineer or architect of such construction that an obligation in a stated amount has been incurred on account of the costs of acquisition or construction, and to whom

such obligation is owed, except that no such certificate shall be required for payment of the engineering, architect, legal, acquisition, or other incidental expenses. Any unexpended balance remaining after the final completion of the construction shall be deposited in the Industrial Development Revenue Bond Fund defined herein.

The accrued interest paid by the purchaser of the bonds shall be deposited into the Industrial Development Revenue Bond Fund, in addition to the other amounts required to be paid into the Fund.

Section 15. That if any provision of this Ordinance shall for any reason be held illegal or invalid by the courts, it shall not affect the validity of the remainder of the Ordinance.

Section 16. That all ordinances or resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 17. That this Ordinance shall not create any right of any character, and no right of any character shall arise under or pursuant to it, until the bonds authorized by this Ordinance shall be issued and delivered.

Section 18. It is ascertained and declared that the safety and health of the citizens of the City of Conway are jeopardized by the lack of sufficient industry and that only by action made possible by this Ordinance can the City undertake to secure and develop industry and to promote the safety, health, and welfare of its citizens. It is, therefore, declared that an emergency

exists, that this Ordinance is necessary for the immediate preservation of the public peace, health and safety, and that this Ordinance shall take effect and be in force from and after its passage.

PASSED:

October 25, 1962.

APPROVED:

Mayor

ATTEST:

Bice Longstaff
City Clerk

(S E A L)