

ORDINANCE NO. 087-29

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX CAPITAL IMPROVEMENT BONDS TO PROVIDE FUNDS TO PAY A PORTION OF THE COST OF CONSTRUCTING CERTAIN DRAINAGE IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; PRESCRIBING MATTERS RELATED THERETO; AND DECLARING AN EMERGENCY

WHEREAS, By Ordinance No. 087-22 duly adopted by the City Council (the "Council") of the City of Conway, Arkansas (the "City") on May 26, 1987 (the "Election Ordinance"), there was submitted to the qualified electors of the City the question of issuing, under Amendment 62 to the Constitution of Arkansas ("Amendment 62"), as implemented by Act 871 of the General Assembly of the State of Arkansas for the year 1985 (the "Act"), sales and use tax capital improvement bonds in principal amount not to exceed \$2,000,000 (the "bonds") to provide funds to pay a portion of the cost of constructing certain drainage improvements (the "Project"); and

WHEREAS, the Election Ordinance also provided for the pledge of all proceeds of the City's one percent (1%) local sales and use tax (the "Sales Tax") levied and collected pursuant to Ordinance 081-42 adopted September 24, 1981, to secure repayment of the bonds; and

WHEREAS, at a special election held June 30, 1987, a majority of the qualified electors of the City voting on the question approved the issuance of the bonds and the pledge of the Sales Tax; and

WHEREAS, the City, has determined to sell and issue its \$2,000,000 Sales and Use Tax Capital Improvement Bonds, Series 1987 (the "Bonds"), as permitted under Amendment 62 and the Act; and

WHEREAS, the City has made arrangements for the sale of the Bonds to Stephens Inc. and T.J. Raney & Sons, Inc., of Little Rock, Arkansas (the "Underwriters"), and in connection therewith has prepared and distributed a Preliminary Official Statement, dated July 28, 1987 (the "Preliminary Official Statement"); and

WHEREAS, there has been submitted to the City by the Underwriter a Bond Purchase Agreement dated as of July 28, 1987 (the "Bond Purchase Agreement") providing for the purchase of the Bonds; and

WHEREAS, a final Official Statement, dated August 1, 1987, (the "Official Statement") has been prepared and will be distributed in connection with the offer and sale of the Bonds; and

WHEREAS, copies of the Preliminary Official Statement, Official Statement, Bond Purchase Agreement, and Indenture (hereafter defined) have been presented to and are before the Council at this meeting.

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

Section 1. In addition to the terms defined in the preamble to this Ordinance, the following words and terms used in this Ordinance shall have the following meanings unless the context clearly states another or different meaning or intent:

"Indenture" means the Trust Indenture dated as of August 1, 1987 between the City and the Trustee which provides for the issuance of the Bonds.

"Tax Receipts" means all proceeds derived by the City from its one percent (1%) local sales and use tax levied pursuant to Ordinance **081-42** adopted September **24, 1981**.

"Project" means the capital improvement project of the City, consisting of certain drainage improvements, to be acquired, constructed and equipped in part with proceeds of the Bonds as provided in the Indenture.

"Trustee" means First National Bank in Stuttgart, of Stuttgart, Arkansas, together with its successor and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Section 2. All actions heretofore taken by the City and the Underwriters in connection with the offer and sale of the Bonds, including the preparation and distribution of the Preliminary Official Statement, the preparation of the Official Statement and preparation of the Indenture are hereby in all respects ratified and approved.

Section 3. There is hereby authorized and directed the acceptance of the offer by the Underwriters, pursuant to the Bond Purchase Agreement, to purchase the Bonds at a price of \$1,970,000 (98.5% of the principal amount thereof), plus accrued interest thereon from August 1, 1987 to the date of delivery thereof. The Bond Purchase Agreement is hereby approved in

substantially the form exhibited at this meeting, and the Mayor of the City is hereby authorized and directed to execute, acknowledge, and deliver the Bond Purchase Agreement and the City Clerk is hereby authorized and directed to attest the same and to affix the seal of the City thereto. Any changes to the Bond Purchase Agreement may be approved by any officers of the City executing such document, their execution and delivery to constitute conclusive evidence of such approval.

Section 4. To provide a portion of the funds for the acquisition, construction, and equipping of the Project there is hereby authorized the issuance of bonds of the City under Amendment 62 and the Act, to be designated "City of Conway, Arkansas Sales and Use Tax Capital Improvement Bonds, Series 1987" in aggregate principal amount of \$2,000,000. The Bonds shall be issued in the forms and denominations set forth in the Indenture, shall be initially dated as of August 1, 1987, shall be numbered as provided in the Indenture; shall mature annually on August 1 of each year commencing August 1, 1988, as set forth in Schedule A hereto (which schedule is incorporated herein by this reference); shall bear interest payable semiannually on February 1 and August 1 of each year commencing February 1, 1988, at the rates set forth in the Indenture and in Schedule A hereto; shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture; and shall be sold to the Underwriters for the price specified in Section 3 of this Ordinance.

Section 5. The Bonds shall be special obligations of the City and, except to the extent payable from bond proceeds or moneys from the investment thereof, shall be payable solely from Tax Receipts received by or on behalf of the City, and delivered to the Trustee pursuant to the Indenture. Except as specifically provided herein and in the Indenture, the Bonds shall not constitute a debt or liability of the City within the meaning of any constitutional or statutory limitation.

Section 6. The Bonds shall be executed on behalf of the City by the facsimile signature of the Mayor and the City Clerk of the City, in the manner provided in the Indenture. If any of the officers who shall have signed or sealed any of said bonds shall cease to be such officer of the City, for Bonds so signed and delivered as have been actually authenticated by the Trustee or delivered by the City, such Bonds nevertheless shall be deemed authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be an officer or officers of the City, or any such Bonds may be signed and sealed on behalf of the City by such persons who, at the actual date of the execution of such Bonds, shall be the proper officers of the City, although at the nominal date of such Bonds, any person so signing and sealing shall not have been such officer of the City.

Section 7. The Indenture is hereby approved in substantially the form exhibited at this meeting, and the Mayor of the City is hereby authorized and directed to execute, acknowledge, and deliver the Indenture and the City Clerk is hereby authorized and directed to attest the same and to affix the seal of the City thereto. Any changes to the Indenture may be approved by any officers of the City executing such document, their execution and delivery to constitute conclusive evidence of such approval.

Section 8. The Council hereby approves the preparation of, and ratifies and confirms the use by the Underwriters of the Preliminary Official Statement and the Official Statement, and the Mayor is hereby authorized and directed to execute and deliver the Official Statement for and on behalf of the City.

Section 9. Rose Law Firm, a Professional Association, of Little Rock, Arkansas, is hereby confirmed as Bond Counsel with respect to the issuance of the Bonds, the fees and expenses of which firm shall be a cost of the Project.

Section 10. The Mayor and City Clerk of the City are hereby empowered to execute and deliver the Bonds and all documents, certificates, and other instruments which may be required under the terms of the Indenture or Bond Purchase Agreement and which are appropriate to effect the purposes of this Ordinance.

Section 11. All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. The City Council hereby determines that the City of Conway is in dire need of moneys to provide essential capital improvements; that an appropriate way to provide such moneys is by the issuance of the bonds payable from tax revenues as authorized by Amendment No. 62 to the Arkansas Constitution and the implementing legislation therefore; and, that this ordinance shall be given immediate effect so that the essential capital improvements may be constructed as soon as possible. Therefore, an emergency is hereby declared to exist and this ordinance being necessary for the immediate preservation of the public health, safety, and welfare shall be in full force and effect from and after its passage and approval.

Adopted this 28th day of July, 1987.

CITY OF CONWAY, ARKANSAS

By: David A. Seely  
Mayor

ATTEST:  
By: Martha M. Hartman  
City Clerk

Schedule A

\$2,000,000  
City of Conway, Arkansas  
Sales and Use Tax Capital Improvement Bonds  
Series 1987

Maturity Schedule

<u>Year</u> <u>August 1</u>	<u>Amount</u>	<u>Rate of</u> <u>Interest</u>
1988	\$100,000	5.25%
1989	110,000	5.50
1990	115,000	5.75
1991	120,000	6.00
1992	125,000	6.25
1993	135,000	6.50
1994	145,000	6.75
1995	155,000	6.85
1996	165,000	7.00
1997	175,000	7.10
1998	190,000	7.25
1999	200,000	7.40
2000	215,000	7.50
2007*	50,000	7.50

---

\*Term bond.