

ORDINANCE NO. 0-81-38

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER ACT NO. 9 OF 1960, AS AMENDED, FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING AND PRESCRIBING CERTAIN OTHER MATTERS PERTAINING TO THE INDUSTRIAL PROJECT, THE ACQUISITION AND FINANCING THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF A SALE AGREEMENT BETWEEN THE CITY OF CONWAY AND CONWAY COMMUNICATIONS EXCHANGE, INC.; PRESCRIBING OTHER MATTERS RELATING THERETO, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Conway, Arkansas (the "City") is authorized by Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, as amended ("Act No. 9"), to acquire, construct and equip manufacturing facilities and to incur other costs and expenses and make other expenditures incidental to and for the implementing and accomplishing of the conduct of manufacturing operations; and

WHEREAS, the City is authorized by Act No. 9 to issue industrial development revenue bonds payable from revenues derived from the industrial project so acquired and constructed and secured by a lien thereon and security interest therein; and

WHEREAS, the necessary arrangements have been made with the Conway Communications Exchange, Inc. (the "Company"), an Arkansas corporation, for the acquisition and equipping of facilities which will be utilized for the manufacture, processing, sale and distribution of such products as the Company shall elect to manufacture, process, sell or distribute (the "Project"), and to sell the Project to the Company pursuant to the terms of a sale agreement; and

WHEREAS, permanent financing of the Project costs, necessary costs and expenditures incidental thereto and the cost of the issuance of bonds is being furnished by the City issuing Industrial Development Revenue Bonds under the provisions of Act No. 9 of the principal amount of One Million One Hundred Twenty Thousand Dollars (\$1,120,000) (the "bonds"); and

WHEREAS, the completion of the Project will furnish continued employment, encourage additional employment and other benefits, and be in the best interests of the City and its residents; and

WHEREAS, the bonds are to be sold and delivered in the principal amount of not to exceed \$1,120,000, and which are to be in one or more series, are to be dated, bear interest and mature as hereinafter set forth and are to be issued and subject to the provisions of a trust indenture substantially in the form authorized by this Ordinance; and

WHEREAS, the City proposes to enter into a Bond Purchase Agreement as requested by the Company for the sale of said bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS:

Section 1. That there be, and there is hereby authorized and directed the following:

- (a) The sale of the bonds for the price to be recommended by the Company, according to the terms of a Bond Purchase Agreement, substantially in the form submitted at this meeting, which Bond Purchase Agreement shall be entered into by the Mayor with National Bank of Commerce, of Memphis, Tennessee (the "Purchaser"), and an executed copy of which shall be filed with the City Clerk.
- (b) The acquisition, construction, renovation and equipping of the Project, and in connection therewith, the execution of any necessary contracts or the acceptance of an assignment of any such contracts previously executed by the Company, for the acquisition and equipping of the Project; and
- (c) The performance of all obligations of the City under the Sale Agreement pertaining to the acquisition and equipping of the Project and the performance of all obligations of the City under the contracts referred to above.

Section 2. The bonds shall bear interest at the rate or rates specified in the Bond Purchase Agreement (but not in excess of the maximum rate permitted by Section 511(a) of the Depository Institutions Deregulation and Monetary Control Act

of 1980), shall mature on September 1, 1986, and shall be in the original principal amount of not to exceed \$1,120,000, provided that bonds not exceeding the aggregate of said amount may be issued in successive series at the request of the Company and the Purchaser. To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed to execute and acknowledge a Trust Indenture by and between the City and a bank or trust company which will act as Trustee thereunder, dated as of September 1, 1981 (the "Indenture"), and the City Clerk is hereby authorized and directed to execute and acknowledge the Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Indenture to be accepted, executed and acknowledged by the Trustee. The Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee, the Company and the Purchaser in order to complete and deliver the Indenture with such changes as shall be approved by the Mayor and City Clerk, their execution to constitute conclusive evidence of such approval.

(Advice is given that, pursuant to Act No. 9, a copy of the Indenture in substantially the form authorized to be executed is on file with the City Clerk of the City of Conway, and is available for inspection by any interested person.)

Section 3. That there be, and there is hereby authorized the execution and delivery of a Sale Agreement, dated as of September 1, 1981, by and between the City and the Company (the "Sale Agreement"), and the Mayor and City Clerk be, and they are hereby, authorized to execute, acknowledge and deliver the Sale Agreement for and on behalf of the City. The Sale Agreement is hereby approved substantially in the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company, the Trustee and the Purchaser in order to complete and deliver the Sale Agreement with such changes as shall be approved by the Mayor and City Clerk, their execution to constitute conclusive evidence of such approval.

(Advice is given that, pursuant to Act No. 9, a copy of the Sale Agreement in substantially the form authorized to be executed is on file with the City Clerk of the City of Conway, and is available for inspection by any interested person.)

Section 4. That the Mayor and City Clerk, for and on behalf of the City, be, and they are hereby, authorized and directed to do any and all things necessary to effect the

execution and delivery of the Sale Agreement, the performance of the City's obligations under the Sale Agreement, the execution and delivery of the Indenture, its execution and acceptance by the Trustee, the performance of all obligations of the City under and pursuant to the Indenture, the execution and delivery of the Bond Purchase Agreement, the execution and delivery of the bonds, the execution and delivery of an official statement (if requested) in form and substance satisfactory to said officers and the Purchaser of the bonds, and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. That the Mayor and the City Clerk be, and they are hereby, further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 5. That since the City is here involved with the constructing and equipping of a complex industrial project, requiring highly specialized work and specialized types of machinery and equipment, it has been and is hereby determined by the City Council that competitive bidding be, and the same is hereby, waived.

Section 6. The Rose Law Firm, a Professional Association, of Little Rock, Arkansas, is hereby appointed as Bond Counsel with respect to the issuance of said bonds, the fees and expenses of which firm shall be costs of the Project.

Section 7. That the provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

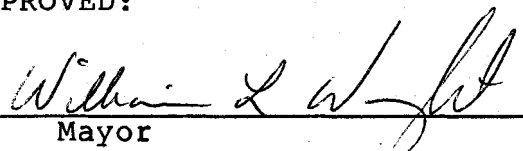
Section 8. That all ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 9. That there is hereby found and declared to be an immediate need for the securing and developing of substantial industrial operations in order to maintain existing employment, provide additional employment, alleviate unemployment and otherwise benefit the public health, safety and welfare of the City and the inhabitants thereof, and the issuance of the bonds authorized hereby and the taking of the other action authorized herein are immediately necessary in connection with the securing and developing of substantial industrial operations and deriving the public benefits referred to above. It is, therefore, declared that an emergency exists

and this Ordinance being necessary for the immediate preservation of the public health, safety and welfare shall be in force and take effect immediately upon and after its passage.

Adopted: August 11, 1981.

APPROVED:



Mayor

ATTEST:



City Clerk

(S E A L)