

ORDINANCE NO. 093-46

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,400,000 OF WATER REVENUE REFUNDING BONDS BY THE CITY OF CONWAY, ARKANSAS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING WATER REVENUE BONDS OF THE CITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE PURSUANT TO WHICH THE REFUNDING BONDS WILL BE ISSUED AND SECURED; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF THE REFUNDING BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT PROVIDING FOR THE PAYMENT OF THE OUTSTANDING BONDS TO BE REFUNDED; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Conway, Arkansas (the "City"), a city of the first class, presently owns a water storage, treatment and distribution system (the "System") serving the residents of the City, which System is operated and maintained by the Conway Corporation, a nonprofit corporation organized and existing under the laws of the State of Arkansas (the "Corporation"), pursuant to an exclusive franchise to operate the System granted to the Corporation by the City pursuant to Ordinance No. 0-86-11 of the City, adopted and approved on January 28, 1986; and

WHEREAS, the City has outstanding an issue of Water Revenue Bonds, Series 1986, issued in the original principal amount of \$4,500,000, of which \$4,465,000 in principal amount currently remains outstanding (the "Series 1986 Bonds"), issued under and secured by the provisions of Ordinance No. 0-86-21 of the City, adopted and approved on March 11, 1986; and

WHEREAS, the City also has outstanding an issue of Water Revenue Bonds, Series 1990, issued in the original principal amount of \$1,550,000, of which \$1,510,000 in principal amount currently remains outstanding (the "Series 1990 Bonds"), issued under and secured by the provisions of Ordinance No. 0-90-21 of the City, adopted and approved on August 14, 1990; and

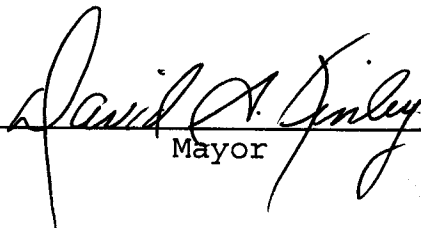
WHEREAS, the Series 1986 Bonds and the Series 1990 Bonds are secured by a pledge of the receipts and revenues of the System and were issued for the purpose of financing the cost of improvements to the System pursuant to the Constitution of the State of Arkansas and Arkansas Code Annotated Sections 14-234-201 et seq. (1987 & Supp. 1991); and

WHEREAS, the City is authorized under the provisions of Arkansas Code Annotated Sections 14-164-401 et seq. and Sections 14-231-101 et seq. (1987 & Supp. 1991) (collectively, the "Act") to issue and sell revenue bonds for the purpose of refunding the Series 1986 Bonds and the Series 1990 Bonds; and

enter into the Bond Purchase Agreement 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 force and take effect immediately upon and after its passage.

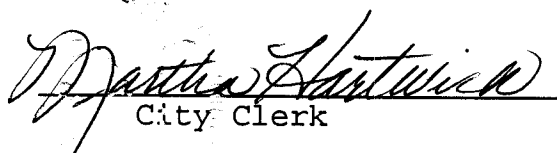
ADOPTED AND APPROVED THIS 20th DAY OF AUGUST, 1993.

APPROVED:



Mayor

ATTEST:



City Clerk

(S E A L)

WHEREAS, to secure funds necessary to refund the Series 1986 Bonds and to refund the Series 1990 Bonds, to fund a debt service reserve, and to pay printing, legal, underwriting and other expenses incidental to the issuance of water revenue bonds for such purposes, the City has determined to issue its Water Revenue Refunding Bonds, Series 1993, in an aggregate principal amount not to exceed \$6,400,000 (the "Series 1993 Bonds"); and

WHEREAS, the City has determined to issue the Series 1993 Bonds pursuant to a Trust Indenture (the "Trust Indenture"), by and between the City, the Corporation and Worthen Trust Company, Inc., as trustee (the "Trustee"), a form of which has been presented to and is before this meeting; and

WHEREAS, a form of Preliminary Official Statement (the "Preliminary Official Statement"), offering the Series 1993 Bonds for sale has been presented to and is before this meeting; and

WHEREAS, the City proposes to enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") in substantially the form presented to and before this meeting, with Stephens Inc., Little Rock, Arkansas (the "Underwriter"), providing for the sale of the Series 1993 Bonds; and

WHEREAS, in order to provide for the payment of the Series 1986 Bonds and the Series 1990 Bonds, the City proposes to enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with Worthen Trust Company, Inc., Little Rock, Arkansas, as escrow trustee (the "Escrow Trustee"), in substantially the form presented to and before this meeting; and

WHEREAS, an open public hearing on the question of the issuance of the Series 1993 Bonds has been held before the City Council of the City on August 20, 1993, following publication of notice of such public hearing in *The Log Cabin Democrat* on August 6, 1993.

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

Section 1. The City Council hereby finds and declares that the refunding of the Series 1986 Bonds and the refunding of the Series 1990 Bonds are in the best interest of the City and the customers of the System due to a reduction in the amount of interest expense secured by the revenues of the System following such refundings. Accordingly, the refunding of the Series 1986 Bonds and the refunding of the Series 1990 Bonds, as provided for in the Escrow Deposit Agreement, are hereby authorized.

Trustee and the Underwriter in order to complete the Escrow Deposit Agreement in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the Escrow Deposit Agreement, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Escrow Deposit Agreement in substantially the form authorized to be executed is on file with the City Clerk and is available for inspection by any interested person.)

Section 7. The Mayor and City Clerk, for and on behalf of the City are hereby authorized and directed to do any and all things necessary to effect the issuance, sale, execution and delivery of the Series 1993 Bonds and to effect the execution and delivery of the Trust Indenture, the Escrow Deposit Agreement, the Bond Purchase Agreement, the Official Statement and a Tax Regulatory Agreement relating to the tax exemption of interest on the Series 1993 Bonds, and to perform all of the obligations of the City under and pursuant thereto. The Mayor and the City Clerk are 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 8. Rose Law Firm, a Professional Association, of Little Rock, Arkansas, is hereby appointed to act as Bond Counsel on behalf of the City in connection with the issuance and sale of the Series 1993 Bonds.

Section 9. The City Clerk is hereby directed to publish this Ordinance for one insertion in a newspaper published and of general circulation in the City, and to which there shall be attached a Notice of Public Hearing in substantially the form attached to this Ordinance.

Section 10. 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 illegal or invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Ordinance.

Section 11. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. It is hereby found and determined that there is an urgent need to refinance the outstanding indebtedness of the City secured by the revenues of the System in order to lower the interest cost on obligations payable from System revenues, and in order to do so on the most favorable terms, it is necessary to

Section 2. Under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the Constitution of Arkansas and the Act, there is hereby authorized the issuance of bonds of the City to be designated as "Water Revenue Refunding Bonds, Series 1993" (the "Series 1993 Bonds"). The Series 1993 Bonds shall be issued in the original aggregate principal amount of not to exceed Six Million Four Hundred Thousand Dollars (\$6,400,000), shall mature not later than May 1, 2011, and shall bear interest at the rates specified in the Bond Purchase Agreement. In no event shall the interest rate borne by any Series 1993 Bond exceed 6.00% per annum. The Series 1993 Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, shall mature, shall be subject to redemption prior to maturity and may contain such other terms, covenants and conditions, all as set forth in the Trust Indenture securing the Series 1993 Bonds.

Section 3. To prescribe the terms and conditions upon which the Series 1993 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 (the "Trust Indenture"), by and among the City, the Corporation and Worthen Trust Company, Inc., Little Rock, Arkansas, as trustee (the "Trustee"), and the City Clerk is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and the City Clerk are hereby authorized and directed to cause the Trust Indenture to be accepted, executed and acknowledged by the Corporation and the Trustee. The Trust Indenture is hereby approved in substantially the form submitted to this meeting, including, without limitation, the provisions thereof pertaining to the maintenance of rates for services of the System, the pledge of System revenues to the Series 1993 Bonds, the deposit and handling of System revenues, and the terms of the Series 1993 Bonds. The Mayor is hereby authorized to confer with the Corporation, the Trustee and the Underwriter in order to complete the Trust Indenture in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the Trust Indenture, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Trust Indenture in substantially the form authorized to be executed is on file with the City Clerk and is available for inspection by any interested person.)

Section 4. There is hereby authorized and confirmed a Preliminary Official Statement of the City, including the cover page and appendices attached thereto, relating to the Series 1993 Bonds. The execution and distribution of the Preliminary Official Statement is hereby approved and ratified. The Preliminary Official Statement, as amended to conform to the terms of the Bond

Purchase Agreement, including Exhibit A thereto, and with such other changes and amendments as are mutually agreed to by the City, the Corporation and the Underwriter, is herein referred to as the "Official Statement," and the Mayor is hereby authorized to execute the Official Statement for and on behalf of the City. The Official Statement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Corporation, the Trustee and the Underwriter in order to complete the Official Statement in substantially the form submitted to this meeting with such changes as shall be approved by such persons, the Mayor's execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Preliminary Official Statement is on file with the City Clerk and is available for inspection by any interested person.)

Section 5. In order to prescribe the terms and conditions upon which the Series 1993 Bonds are to be sold to the Underwriter, the Mayor is hereby authorized and directed to execute at the request of the Corporation a Bond Purchase Agreement on behalf of the City, to be dated as of the date of its execution (the "Bond Purchase Agreement"), by and among the City, the Corporation and the Underwriter, and the Bond Purchase Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Corporation and the Underwriter in order to complete the Bond Purchase Agreement in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the Bond Purchase Agreement, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Bond Purchase Agreement in substantially the form authorized to be executed is on file with the City Clerk and is available for inspection by any interested person.)

Section 6. In order to provide for the payment of the Series 1986 Bonds and the Series 1990 Bonds, the Mayor is hereby authorized and directed to execute and acknowledge an Escrow Deposit Agreement (the "Escrow Deposit Agreement"), by and among the City, the Corporation and Worthen Trust Company, Inc., Little Rock, Arkansas, as escrow trustee (the "Escrow Trustee"), and the City Clerk is hereby authorized and directed to execute and acknowledge the Escrow Deposit Agreement and to affix the seal of the City thereto, and the Mayor and the City Clerk are hereby authorized and directed to cause the Escrow Deposit Agreement to be accepted, executed and acknowledged by the Corporation and the Escrow Trustee. The Escrow Deposit Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Corporation, the Escrow