

RESOLUTION NO. R-94-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS AUTHORIZING THE EXECUTION OF A FORWARD PURCHASE AGREEMENT WITH RESPECT TO THE INVESTMENT OF BOND FUND MONEYS IN CONNECTION WITH THE CITY'S ELECTRIC REVENUE REFUNDING BONDS, SERIES 1993; AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST INDENTURE PROVIDING FOR REVISIONS IN THE SERIES 1993 BOND FUND DEPOSIT REQUIREMENTS; DECLARING AN EMERGENCY; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Conway, Arkansas (the "City") presently owns an electric generation and distribution system (the "System") serving the City, which System is operated and maintained by the Conway Corporation, a non-profit corporation organized and existing by virtue of the laws of the State of Arkansas (the "Corporation"), pursuant to the terms of a lease and an exclusive franchise granted to the Corporation by the City; and

WHEREAS, pursuant to Ordinance No. 0-93-13 adopted and approved on March 10, 1993, the City has previously issued its \$27,100,000 Electric Revenue Refunding Bonds, Series 1993 (the "Bonds"), for the purpose of refinancing certain System electric generating facilities; and

WHEREAS, in connection with the issuance of the Bonds, the City, the Corporation and The First National Bank of Chicago. as trustee (the "Trustee"), have previously entered into a Trust Indenture, dated as of April 1, 1993 (the "Indenture"), pursuant to which the Bonds were issued and secured; and

WHEREAS, the Corporation has requested that the City enter into a Forward Purchase Agreement with Chemical Bank, a New York banking corporation (the "Bank"), with respect to the investment of Bond Fund moneys as provided in the Indenture, which request is prompted by the favorable return on Bond Fund investments afforded by such Forward Purchase Agreement; and

WHEREAS, the Bank has requested that certain revisions be made to the provisions of the Indenture in order that the payments required to be transferred by the Corporation to the Bond Fund held by the Trustee be due by wire transfer on the 15th day of each calendar month as opposed to the 25th day, as previously required pursuant to the Indenture;

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

Section 1. As an exercise of its rights under Section 601 of the Indenture allowing the City to direct investments of Bond Fund moneys, the Mayor is hereby authorized and directed to execute and deliver a Forward Purchase Agreement dated as of June 13, 1994 (the "Forward Purchase Agreement"), by and among the City, the Trustee and the Bank. The Forward Purchase Agreement 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 Bank to complete the Forward Purchase Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the Forward Purchase Agreement, their approval to constitute conclusive evidence of such approval.

Section 2. In order to induce the entry in to the Forward Purchase Agreement by the Bank, the Mayor is hereby authorized and directed to execute and acknowledge a First Supplemental Trust Indenture dated as of June 13, 1994 (the "First Supplemental Trust Indenture"), by and among the City, the Corporation and the Trustee, and the City Clerk is hereby authorized and directed to execute, acknowledge and seal the First Supplemental Trust Indenture. The First Supplemental Trust Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Corporation and the Trustee to complete the First Supplemental Trust Indenture in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the First Supplemental Trust Indenture, their approval to constitute conclusive evidence of such approval.

Section 3. The Mayor and the 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 Forward Purchase Agreement and the First Supplemental Trust Indenture, and to perform all obligations of the City under and pursuant thereto. The Mayor and 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 4. The provisions of this Resolution 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 and provisions.


Section 5. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. Due to the favorable rate of return presently available on Bond Fund investments through the Forward Purchase Agreement, there is hereby found and declared to be an immediate need to execute the Forward Purchase Agreement and the First

Supplemental Trust Indenture. It is therefore declared that an emergency exists and this Resolution, being necessary for the immediate preservation of the public welfare, shall be in full force and take effect immediately upon and after its adoption.

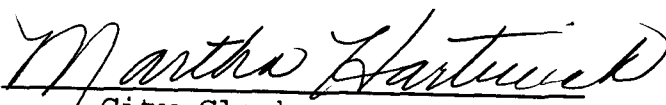
ADOPTED: June 13th, 1994

APPROVED:



Mayor

ATTEST:



City Clerk

[S E A L]